

SELANGOR DREDGING BERHAD

Reg No. 196201000105 (4624-U)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

| | As at 30.06.2021 | (Audited) As at 31.03.2021 |
|--|-------------------------|----------------------------------|
| ASSETS | RM'000 | RM'000 |
| Non-current assets | | |
| Property, plant and equipment | 260,671 | 261,651 |
| Intangible asset | 549 | 551 |
| Investment properties | 12,276 | 12,276 |
| Inventories | 303,470 | 298,962 |
| Investment in jointly controlled entities | 192,361 | 196,710 |
| Investment in associates | 126,333 | 122,884 |
| Amount Owing by Jointly Control Companies | - | 698 |
| Amount Owing by Associate Companies | 4,399 | 2,607 |
| Deferred tax assets | 8,026 | 8,172 |
| | <u>908,085</u> | <u>904,511</u> |
| Current assets | | |
| Inventories - completed unit | 165,459 | 193,762 |
| Inventories - property development costs | 143,398 | 152,849 |
| Trade and other receivable | 156,938 | 97,620 |
| Tax recoverable | 5,972 | 6,417 |
| Cash and Cash Equivalents | 19,870 | 33,399 |
| | <u>491,637</u> | <u>484,047</u> |
| TOTAL ASSETS | <u>1,399,722</u> | <u>1,388,558</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share Capital | 213,541 | 213,541 |
| Reserves | 641,657 | 632,236 |
| | <u>855,198</u> | <u>845,777</u> |
| Non-controlling interest | <u>-</u> | <u>-</u> |
| Total equity | <u>855,198</u> | <u>845,777</u> |
| Non-current liabilities | | |
| Bank Borrowings | 156,341 | 159,666 |
| Lease liabilities | 9,488 | 8,762 |
| Deferred taxation | 10,137 | 10,137 |
| | <u>175,966</u> | <u>178,565</u> |
| Current liabilities | | |
| Trade and other payables | 107,080 | 96,230 |
| Lease liabilities | - | 954 |
| Bank Borrowings | 261,478 | 267,032 |
| Taxation | - | - |
| | <u>368,558</u> | <u>364,216</u> |
| Total liabilities | <u>544,524</u> | <u>542,781</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,399,722</u> | <u>1,388,558</u> |
| | <u>-</u> | <u>-</u> |
| Net assets per ordinary share attributable to owners of the Company (sen) | 200.69 | 198.48 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st March 2021

SELANGOR DREDGING BERHAD

Reg No. 196201000105 (4624-U)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT**for the 1st quarter ended 30 June 2021**

(The figures have not been audited)

| | Current quarter ended 30.06.2021 | Comparative quarter ended 30.06.2020 | Current 3 months ended 30.06.2021 | Corresponding 3 months ended 30.06.2020 |
|--|---|---|--|--|
| | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| Revenue | 37,090 | 19,409 | 37,090 | 19,409 |
| Operating expenses | (45,818) | (24,990) | (45,818) | (24,990) |
| Other operating income | 20,423 | 746 | 20,423 | 746 |
| Profit from operations | 11,695 | (4,835) | 11,695 | (4,835) |
| Depreciation | (1,472) | (1,218) | (1,472) | (1,218) |
| Finance costs | (3,019) | (3,871) | (3,019) | (3,871) |
| Share of associate/jointly controlled entities results | <u>1,863</u> | <u>2,910</u> | <u>1,863</u> | <u>2,910</u> |
| Profit before taxation | 9,067 | (7,014) | 9,067 | (7,014) |
| Taxation | <u>(1,698)</u> | <u>(2,187)</u> | <u>(1,698)</u> | <u>(2,187)</u> |
| Profit for the period | <u>7,369</u> | <u>(9,201)</u> | <u>7,369</u> | <u>(9,201)</u> |
| Attributable to: | | | | |
| Owners of the Company | 7,369 | (9,201) | 7,369 | (9,201) |
| Non-controlling interest | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Profit for the period | <u><u>7,369</u></u> | <u><u>(9,201)</u></u> | <u><u>7,369</u></u> | <u><u>(9,201)</u></u> |
| Earning per share - basic (sen) | 1.73 | (2.16) | 1.73 | (2.16) |
| - diluted (sen) | - | - | - | - |

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31st March 2021

SELANGOR DREDGING BERHAD

Reg No. 196201000105 (4624-U)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**for the 1st quarter ended 30 June 2021**

(The figures have not been audited)

| | Current quarter ended 30.06.2021 | Comparative quarter ended 30.06.2020 | Current 3 months ended 30.06.2021 | Corresponding 3 months ended 30.06.2020 |
|--|---|---|--|--|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit for the period | 7,369 | (9,201) | 7,369 | (9,201) |
| Fair value changes in available-for-sale financial asset | - | - | - | - |
| Foreign currency translation differences for foreign operations | 3,001 | 4,117 | 3,001 | 4,117 |
| Share of other comprehensive gain/(loss) of a associate | (949) | - | (949) | - |
| Fair Value changes in PPE | - | - | - | - |
| Other comprehensive income | <u>2,052</u> | <u>4,117</u> | <u>2,052</u> | <u>4,117</u> |
| Total comprehensive income | <u>9,421</u> | <u>(5,084)</u> | <u>9,421</u> | <u>(5,084)</u> |
| Attributable to: | | | | |
| Owners of the Company | 9,421 | (5,084) | 9,421 | (5,084) |
| Non-controlling interest | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total comprehensive income | <u>9,421</u> | <u>(5,084)</u> | <u>9,421</u> | <u>(5,084)</u> |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31st March 2021

SELANGOR DREDGING BERHAD
Reg No. 196201000105 (4624-U)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 3 months ended 30 June 2021
(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 2021</u> | | | | | | | | |
| As at 1 April 2021 | 213,541 | - | 101,454 | 7,861 | - | 35,195 | 487,726 | 845,777 |
| Effects of adopting MFRS 16 | - | - | - | - | - | - | - | - |
| Restated | 213,541 | - | 101,454 | 7,861 | - | 35,195 | 487,726 | 845,777 |
| Movement during the period: | | | | | | | | |
| - Transfer of revaluation reserve | | | (8,219) | | | | 8,219 | - |
| - Total comprehensive income for the the period | | | | | | 2,052 | 7,369 | 9,421 |
| - Dividend paid | | | | | | - | - | - |
| As at 30 June 2021 | 213,541 | - | 93,235 | 7,861 | - | 37,247 | 503,314 | 855,198 |
| <u>Preceding 3 months ended</u> | | | | | | | | |
| <u>30 June 2020</u> | | | | | | | | |
| As at 1 April 2020 | 213,541 | - | 87,597 | 7,861 | - | 26,850 | 500,609 | 836,458 |
| Effects of adopting MFRS 9 | - | - | - | - | - | - | - | - |
| Effects of adopting MFRS 15 | - | - | - | - | - | - | - | - |
| | 213,541 | - | 87,597 | 7,861 | - | 26,850 | 500,609 | 836,458 |
| Movement during the period: | | | | | | | | |
| - Total comprehensive income for the the period | | | | | | 4,117 | (9,201) | (5,084) |
| - Dividend paid | | | | | | - | - | - |
| As at 30 June 2020 | 213,541 | - | 87,597 | 7,861 | - | 30,967 | 491,408 | 831,374 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st March 2021

SELANGOR DREDGING BERHAD

Reg No. 196201000105 (4624-U)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the 3 months ended 30 June 2021

(The figures have not been audited)

| | Current 3 months ended 30.06.2021 RM'000 | Corresponding 3 months ended 30.06.2020 RM'000 |
|--|--|--|
| CASHFLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 9,066 | (7,014) |
| Adjustment for : | | |
| Non-cash items | (389) | 508 |
| Non-operating items (which are investing / financing) | 3,167 | 3,884 |
| Operating profit before working capital changes | <u>11,845</u> | <u>(2,622)</u> |
| Changes in working capital | | |
| Receipts from customer | (14,411) | (64) |
| Payments to supplier, contractors and employee | 3,269 | (5,218) |
| Interest paid | (2,941) | - |
| Tax paid | (1,108) | (4,287) |
| Net cashflows from operating activities | <u>(3,347)</u> | <u>(12,191)</u> |
| CASHFLOW FROM INVESTING ACTIVITIES | | |
| Equity investments | 4,794 | - |
| Other investments | (4,488) | (847) |
| Investment in jointly controlled entities | - | - |
| Purchase/Disposal of property, plant and equipment | (400) | (1,084) |
| Proceeds from disposal of property, plant and equipment / AHFS | 0 | - |
| Net cashflows from investing activities | <u>(95)</u> | <u>(1,931)</u> |
| CASHFLOW FROM FINANCING ACTIVITIES | | |
| Net repayments of lease liabilities | (474) | - |
| Dividend paid to Shareholder of Company | - | - |
| Withdrawal of fixed deposit pledged | - | - |
| Drawdown of bank borrowings | - | 21,436 |
| Repayment of bank borrowings | (8,896) | (9,065) |
| Repayment/(Advances) of JV company | 9 | 170 |
| Repayment/(Advances) of associates | (765) | - |
| Net cashflows from financing activities | <u>(10,126)</u> | <u>12,541</u> |
| NET CHANGE IN CASH & CASH EQUIVALENTS | (13,568) | (1,581) |
| CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 31,406 | 40,132 |
| EFFECT OF EXCHANGE RATE CHANGES | 38 | (8,229) |
| CASH & CASH EQUIVALENTS AT END OF THE PERIOD | <u><u>17,877</u></u> | <u><u>30,322</u></u> |
| Represented by: | | |
| Cash and Cash Equivalents | 19,869 | 32,434 |
| less: | | |
| Amount pledged as security for bank facilities | (390) | - |
| Deposit with licenced banks with maturity more than 3 months | (1,603) | (2,112) |
| | <u><u>17,877</u></u> | <u><u>30,322</u></u> |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st March 2021

SELANGOR DREDGING BERHAD
 Registration No. 196201000105 (4624-U)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS
 FOR THE 1ST FINANCIAL QUARTER ENDED 30 JUNE 2021

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 2021.

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 2021 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 : Definition of Material | 1 January 2020 |
| MFRS 9, MFRS 139 & MFRS 7 : Interest Rate Benchmark Reform | 1 January 2020 |
| MFRS 16 : Covid-19-Related Rent Concessions | 1 June 2020 |
| MFRS 4 : Extension of the Temporary Exemption from Applying MFRS 9 | 17 August 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 9, MFRS 139, MFRS 17, MFRS 4 & MFRS 16 : Interest Rate Benchmark Reform - Phase 2 | 1 January 2021 |

| | | |
|---------------------------|--|----------------|
| MFRS 16 | : Covid-19-Related Rent Concessions beyond 30 June 2021 | 1 April 2021 |
| MFRS 1, MFRS 9 & MFRS 141 | : Annual Improvements to MFRS Standards 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 101 | : Classification of Liabilities as Current or Non-current | 1 January 2023 |
| MFRS 17 | : Insurance Contracts | 1 January 2023 |
| MFRS 101 | : Disclosure of Accounting Policies | 1 January 2023 |
| MFRS 108 | : Definition of Accounting Estimates | 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 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 30 June 2021.

A8. Dividend Paid

No dividend was paid during the current financial quarter and period-to-date ended 30 June 2021.

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.

| RM'000 | Property Investment | Hotel Operations | Property Development | Property Support Services | Investment Holding | Others/ Elimination | Consolidated |
|---|------------------------|---------------------|-------------------------|---------------------------------|-----------------------|------------------------|----------------|
| REVENUE | | | | | | | |
| External Sales | 10 | 1,073 | 35,637 | 346 | - | 23 | 37,089 |
| Inter-segment Sales | 36 | - | - | - | - | (36) | - |
| Total revenue | <u>46</u> | <u>1,073</u> | <u>35,637</u> | <u>346</u> | <u>-</u> | <u>(13)</u> | <u>37,089</u> |
| RESULTS | | | | | | | |
| Segment results | (14) | (1,676) | 17,429 | (92) | 1,037 | (6,029) | 10,655 |
| Unallocated corporate (expenses)/income | | | | | | | <u>(432)</u> |
| Operating profit | | | | | | | 10,223 |
| Finance cost, net | | | | | | | (3,019) |
| Share of net profit/(loss) of associated companies | | | (7,329) | 1 | 9,191 | | 1,863 |
| Income taxes | | | | | | | <u>(1,698)</u> |
| Profit for the period | | | | | | | <u>7,369</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

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 2021.

A11. Material Events Subsequent to the End of the Period

There are no material events subsequent to 30 June 2021 up to the date of this announcement that has not been reflected in the financial statements as at 30 June 2021.

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 2021, the Group recorded higher turnover and net profit of RM37.09 million and RM7.37 million respectively compared to the corresponding quarter on last financial year. The increase in revenue was mainly due to closure of construction site for a period of approximately 3 months as a result of implementation of MCO1.0 by the Malaysia government in year 2020. Hence, sales were not recognised as revenue as a result of no work progress in the corresponding quarter.

The increase in net profit was mainly attributable to the sales of property located at 25, Teo Hong Road, Singapore which resulted a gain of RM19.02 million and RM9.19 million contribution from iron ore mining results by Fortress Minerals Limited.

The adoption of MFRS 123 Amendment resulted reversal of previous years interest capitalised in project development costs amounting to RM6.81 million was charged out to income statement. The Amendment of MFRS 123 (IAS 23 equivalent) stated that all projects will have to cease capitalisation of borrowing costs once a project is ready for sale and it is to apply retrospectively, any borrowing costs which have been previously capitalised subsequent to launch will need to be unwind, and that includes the borrowing costs previously capitalized.

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

For the quarter ended 30 June 2021, the Group registered pretax profit of RM9.07 million compared to pretax loss of RM8.50 million recorded in the preceding quarter ended 31 March 2021. This was mainly due to gain on disposal of fixed asset.

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 RM124.43 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 30.06.2021 RM'000 | Financial year 30.06.2021 RM'000 |
|--|--|---|
| - current taxation | 552 | 552 |
| - deferred taxation | 146 | 146 |
| - (over) / under provision in prior years; | - | - |
| - taxation | 1,000 | 1,000 |
| - deferred | - | - |
| | <u>1,698</u> | <u>1,698</u> |

For the current quarter, the Group's taxation is lower compared to the statutory rate mainly due to disposal of fixed asset.

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 2021 are as follows:-

| <i>Long Term Bank Borrowing</i> | RM'000 |
|--|-----------------|
| <i>Secured:</i> | |
| Revolving Credit | 32,500 |
| Term Loan | 134,541 |
| Repayments due within the next 12 months | <u>(10,700)</u> |
| Sub-Total | <u>156,341</u> |
| <i>Unsecured:</i> | |
| Revolving Credit | - |
| Term Loan | - |
| Repayments due within the next 12 months | - |
| Sub-Total | <u>-</u> |
| <i>Short Term Bank Borrowing</i> | |
| <i>Secured:</i> | |
| Revolving Credit | 185,779 |
| Term Loan | - |
| Current portion of long term borrowing | <u>10,700</u> |
| Sub-Total | <u>196,479</u> |
| <i>Unsecured:</i> | |
| Revolving Credit | 65,000 |
| Term Loan | - |
| Current portion of long term borrowing | - |
| Sub-Total | <u>65,000</u> |
| Total | <u>417,820</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 | 5,750 | 17,752 |

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 30.06.2021 | Comparative quarter ended 30.06.2020 | Current 3 months ended 30.06.2021 | Corresponding 3 months ended 30.06.2020 |
|--|---|---|--|--|
| (i) Net (loss) / profit for the period (RM'000) | 7,369 | (9,201) | 7,369 | (9,201) |
| (ii) Weighted average number of ordinary shares in issue ('000) | 426,128 | 426,128 | 426,128 | 426,128 |
| Basic earnings per share (sen) | 1.73 | (2.16) | 1.73 | (2.16) |

The company does not have any dilutive potential ordinary shares outstanding as at 30 June 2021. Accordingly, no diluted earnings per share is presented.

B11. Profit for the Year

| | Individual Quarter | | Cumulative Quarter | |
|---|--|--|---|---|
| | Current quarter ended 30.06.2021 <u>RM'000</u> | Comparative quarter ended 30.06.2020 <u>RM'000</u> | Current 3 months ended 30.06.2021 <u>RM'000</u> | Corresponding 3 months ended 30.06.2020 <u>RM'000</u> |
| Profit for the period is arrived at after crediting: | | | | |
| Interest Income | 20 | 107 | 20 | 107 |
| Other Income | 20,403 | 639 | 20,403 | 639 |
| Foreign Exchange Gain | - | - | - | - |
| Gain on disposal of quoted investment | - | - | - | - |
| <i>and after charging:</i> | | | | |
| Interest expense | 3,019 | 3,871 | 3,019 | 3,871 |
| Depreciation | 1,472 | 1,218 | 1,472 | 1,218 |
| Provision for/write off of receivables | - | - | - | - |
| Provision for/write off of inventories | - | - | - | - |
| Foreign Exchange Loss | - | - | - | - |