

SELANGOR DREDGING BERHAD

Reg No. 196201000105 (4624-U)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	As at 30.09.2021	(Audited) As at 31.03.2021
ASSETS	RM'000	RM'000
Non-current assets		
Property, plant and equipment	260,321	261,651
Intangible asset	546	551
Investment properties	12,276	12,276
Inventories	305,853	298,962
Investment in jointly controlled entities	190,509	196,710
Investment in associates	130,359	122,884
Amount Owing by Jointly Control Companies	-	698
Amount Owing by Associate Companies	4,403	2,607
Deferred tax assets	9,265	8,172
	<u>913,532</u>	<u>904,511</u>
Current assets		
Inventories - completed unit	195,764	193,762
Inventories - property development costs	85,903	152,849
Trade and other receivable	183,106	97,620
Tax recoverable	6,809	6,417
Cash and Cash Equivalents	39,288	33,399
	<u>510,870</u>	<u>484,047</u>
TOTAL ASSETS	<u>1,424,402</u>	<u>1,388,558</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	213,541	213,541
Reserves	640,089	632,236
	<u>853,630</u>	<u>845,777</u>
Non-controlling interest	-	-
Total equity	<u>853,630</u>	<u>845,777</u>
Non-current liabilities		
Bank Borrowings	147,949	159,666
Lease liabilities	9,271	8,762
Deferred taxation	10,198	10,137
	<u>167,418</u>	<u>178,565</u>
Current liabilities		
Trade and other payables	141,876	96,230
Lease liabilities	-	954
Bank Borrowings	261,478	267,032
Taxation	-	-
	<u>403,354</u>	<u>364,216</u>
Total liabilities	<u>570,772</u>	<u>542,781</u>
TOTAL EQUITY AND LIABILITIES	<u>1,424,402</u>	<u>1,388,558</u>
	-	-
Net assets per ordinary share attributable to owners of the Company (sen)	200.32	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 2nd quarter ended 30 September 2021**

(The figures have not been audited)

	Current quarter ended 30.09.2021	Comparative quarter ended 30.09.2020	Current 6 months ended 30.09.2021	Corresponding 6 months ended 30.09.2020
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	40,254	43,320	77,344	62,729
Operating expenses	(41,862)	(45,783)	(87,680)	(70,773)
Other operating income	1,298	2,036	21,721	2,782
Profit from operations	(310)	(427)	11,385	(5,262)
Depreciation	(1,104)	(2,089)	(2,576)	(3,307)
Finance costs	(2,997)	(2,571)	(6,016)	(6,442)
Share of associate/jointly controlled entities results	<u>5,854</u>	<u>9,726</u>	<u>7,717</u>	<u>12,636</u>
Profit before taxation	1,443	4,639	10,510	(2,375)
Taxation	<u>953</u>	<u>(1,284)</u>	<u>(745)</u>	<u>(3,471)</u>
Profit for the period	<u>2,396</u>	<u>3,355</u>	<u>9,765</u>	<u>(5,846)</u>
Attributable to:				
Owners of the Company	2,396	3,355	9,765	(5,846)
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the period	<u>2,396</u>	<u>3,355</u>	<u>9,765</u>	<u>(5,846)</u>
Earning per share - basic (sen)	0.56	0.79	2.29	(1.37)
- 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 2nd quarter ended 30 September 2021**

(The figures have not been audited)

	Current quarter ended 30.09.2021	Comparative quarter ended 30.09.2020	Current 6 months ended 30.09.2021	Corresponding 6 months ended 30.09.2020
	RM'000	RM'000	RM'000	RM'000
Profit for the period	2,396	3,355	9,765	(5,846)
Fair value changes in available-for-sale financial asset	-	-	-	-
Foreign currency translation differences for foreign operations	(3,680)	(2,470)	(679)	1,647
Share of other comprehensive gain/(loss) of a associate	(284)	-	(1,233)	-
Fair Value changes in PPE	-	-	-	-
Other comprehensive income	<u>(3,964)</u>	<u>(2,470)</u>	<u>(1,912)</u>	<u>1,647</u>
Total comprehensive income	<u>(1,568)</u>	<u>885</u>	<u>7,853</u>	<u>(4,199)</u>
Attributable to:				
Owners of the Company	(1,568)	885	7,853	(4,199)
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	<u>(1,568)</u>	<u>885</u>	<u>7,853</u>	<u>(4,199)</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
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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 6 months ended 30 September 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 6 months ended</u>								
<u>30 September 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	<u>213,541</u>	<u>-</u>	<u>101,454</u>	<u>7,861</u>	<u>-</u>	<u>35,195</u>	<u>487,726</u>	<u>845,777</u>
Movement during the period:								
- Transfer of revaluation reserve			(8,219)				8,219	-
- Total comprehensive income for the the period	-	-	-	-	-	(1,912)	9,765	7,853
- Dividend paid	-	-	-	-	-	-	-	-
As at 30 September 2021	<u>213,541</u>	<u>-</u>	<u>93,235</u>	<u>7,861</u>	<u>-</u>	<u>33,283</u>	<u>505,710</u>	<u>853,630</u>
<u>Preceding 6 months ended</u>								
<u>30 September 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	-	-	-	-	-	-	-	-
	<u>213,541</u>	<u>-</u>	<u>87,597</u>	<u>7,861</u>	<u>-</u>	<u>26,850</u>	<u>500,609</u>	<u>836,458</u>
Movement during the period:								
- Total comprehensive income for the the period	-	-	-	-	-	1,647	(5,846)	(4,199)
- Dividend paid	-	-	-	-	-	-	-	-
As at 30 September 2020	<u>213,541</u>	<u>-</u>	<u>87,597</u>	<u>7,861</u>	<u>-</u>	<u>28,497</u>	<u>494,763</u>	<u>832,259</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 2021

SELANGOR DREDGING BERHAD

Reg No. 196201000105 (4624-U)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**for the 6 months ended 30 September 2021**

(The figures have not been audited)

	Current 6 months ended 30.09.2021 RM'000	Corresponding 6 months ended 30.09.2020 RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before taxation	10,510	(2,375)
Adjustment for :		
Non-cash items	(5,137)	(9,369)
Non-operating items (which are investing / financing)	5,979	6,335
Operating profit before working capital changes	<u>11,353</u>	<u>(5,409)</u>
Changes in working capital		
Receipts from customer	5,860	18,809
Payments to supplier, contractors and employee	37,474	(2,457)
Interest paid	(5,862)	(752)
Tax paid	(2,169)	(2,701)
Net cashflows from operating activities	<u>46,656</u>	<u>7,490</u>
CASHFLOW FROM INVESTING ACTIVITIES		
Equity investments	4,794	-
Other investments	(6,853)	1,348
Investment in jointly controlled entities	-	-
Purchase/Disposal of property, plant and equipment	(1,134)	(6,725)
Proceeds from disposal of property, plant and equipment / AHFS	0	-
Net cashflows from investing activities	<u>(3,194)</u>	<u>(5,377)</u>
CASHFLOW FROM FINANCING ACTIVITIES		
Net repayments of lease liabilities	(600)	-
Dividend paid to Shareholder of Company	-	-
Withdrawal of fixed deposit pledged	-	-
Drawdown of bank borrowings	-	31,510
Repayment of bank borrowings	(17,233)	(25,997)
Repayment/(Advances) of JV company	12	175
Repayment/(Advances) of associates	(765)	-
Net cashflows from financing activities	<u>(18,586)</u>	<u>5,688</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	24,877	7,801
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	31,406	40,446
EFFECT OF EXCHANGE RATE CHANGES	47	(8,327)
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>56,330</u></u>	<u><u>39,920</u></u>
Represented by:		
Cash and Cash Equivalents	39,287	41,913
less:		
Amount pledged as security for bank facilities	(390)	-
Deposit with licenced banks with maturity more than 3 months	(1,603)	(1,993)
	<u><u>37,295</u></u>	<u><u>39,920</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 2ND FINANCIAL QUARTER ENDED 30 SEPTEMBER 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	1 April 2021

beyond 30 September 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 112	: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 30 September 2021.

A8. Dividend Paid

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

	Property Investment	Hotel Operations	Property Development	Property Support Services	Investment Holding	Others/ Elimination	Consolidated
RM'000							
REVENUE							
External Sales	64	1,228	74,969	720	-	364	77,345
Inter-segment Sales	12	-	-	-	-	(12)	-
Total revenue	<u>76</u>	<u>1,228</u>	<u>74,969</u>	<u>720</u>	<u>-</u>	<u>352</u>	<u>77,345</u>
RESULTS							
Segment results	(43)	(2,940)	16,779	(158)	2,676	(6,717)	9,597
Unallocated corporate (expenses)/income							<u>(786)</u>
Operating profit							8,811
Finance cost, net							(6,016)
Share of net profit/(loss) of associated companies			(5,784)	1	13,502		7,719
Income taxes							<u>(745)</u>
Profit for the period							<u>9,769</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 September 2021 up to the date of this announcement that has not been reflected in the financial statements as at 30 September 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 6 months ended 30 September 2021, the Group recorded higher turnover and net profit of RM77.34 million and RM9.77 million respectively compared to the corresponding six months last financial year. The increase in revenue was mainly due to closure of construction site for a period of approximately 3 months by the Malaysia government in year 2020. Hence, sales were not recognised as revenue as a result of no work progress. Completion of UNA project at the end September 2021 has also contributed to the Group's result.

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 RM13.50 million contribution from iron ore mining results by Fortress Minerals Limited.

The adoption of MFRS 123 Amendment resulted in the charging out of RM6.81 million to the income statement from the previous years capitalization of interest. 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 September 2021, the Group registered pretax profit of RM1.44 million compared to pretax profit of RM9.07 million recorded in the preceding quarter ended 30 June 2021. This was mainly due to gain on disposal of fixed asset in last quarter.

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 from the uncertainty in global economic condition as a result of the Covid-19 pandemic. The Group has taken rigorous measurement in cost and pricing of our product to remain competitive in the market. Prudent measurements and control will be in place to moderate the impact from the downturn.

The Group will continue to convert its inventories into sales and adopt cautious approach in launching any new projects. Currently the Group has approximately RM109.64 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 30.09.2021 RM'000	Financial year 30.09.2021 RM'000
- current taxation	571	1,123
- deferred taxation	(1,178)	(1,032)
- (over) / under provision in prior years:	-	-
- taxation	(347)	653
- deferred	-	-
	<u>(954)</u>	<u>744</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 September 2021 are as follows:

	RM'000
<i>Long Term Bank Borrowing</i>	
<i>Secured:</i>	
Revolving Credit	32,500
Term Loan	126,149
Repayments due within the next 12 months	(10,700)
Sub-Total	<u>147,949</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	10,700
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>409,428</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	5,625	17,309

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 30.09.2021	Comparative quarter ended 30.09.2020	Current 6 months ended 30.09.2021	Corresponding 6 months ended 30.09.2020
(i) Net (loss) / profit for the period (RM'000)	2,396	3,355	9,765	(5,846)
(ii) Weighted average number of ordinary shares in issue ('000)	426,128	426,128	426,128	426,128
Basic earnings per share (sen)	0.56	0.79	2.29	(1.37)

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

B11. Profit for the Year

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.09.2021 <u>RM'000</u>	Comparative quarter ended 30.09.2020 <u>RM'000</u>	Current 6 months ended 30.09.2021 <u>RM'000</u>	Corresponding 6 months ended 30.09.2020 <u>RM'000</u>
Profit for the period is arrived at after crediting:				
Interest Income	13	4	33	111
Other Income	1,285	1,716	21,688	2,355
Foreign Exchange Gain	-	-	-	-
Gain on disposal of quoted investment	-	-	-	-
and after charging:				
Interest expense	2,997	2,571	6,016	6,442
Depreciation	1,104	2,089	2,576	3,307
Provision for/write off of receivables	-	-	-	-
Provision for/write off of inventories	-	-	-	-
Foreign Exchange Loss	-	-	-	-