

SELANGOR DREDGING BERHAD

Reg No. 196201000105 (4624-U)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	As at 30.09.2022	(Audited) As at 31.03.2022
ASSETS	RM'000	RM'000
Non-current assets		
Property, plant and equipment	267,167	268,026
Intangible asset	557	545
Investment properties	31,148	31,148
Inventories	187,995	184,912
Investment in jointly controlled entities	185,316	179,077
Investment in associates	137,424	134,422
Amount Owing by Jointly Control Companies	-	91
Amount Owing by Associate Companies	3,510	3,372
Deferred tax assets	5,867	5,867
	<u>818,984</u>	<u>807,460</u>
Current assets		
Inventories - completed unit	142,729	156,732
Inventories - property development costs	223,750	221,894
Trade and other receivable	75,894	46,517
Tax recoverable	7,206	7,255
Cash and Cash Equivalents	69,276	111,326
	<u>518,855</u>	<u>543,724</u>
TOTAL ASSETS	<u>1,337,839</u>	<u>1,351,184</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	213,541	213,541
Reserves	634,637	629,587
	<u>848,178</u>	<u>843,128</u>
Non-controlling interest	<u>-</u>	<u>-</u>
Total equity	<u>848,178</u>	<u>843,128</u>
Non-current liabilities		
Bank Borrowings	123,642	109,432
Lease liabilities	7,926	7,454
Deferred taxation	10,237	10,237
	<u>141,805</u>	<u>127,123</u>
Current liabilities		
Trade and other payables	63,770	73,921
Lease liabilities	2	921
Bank Borrowings	284,084	306,091
Taxation	-	-
	<u>347,856</u>	<u>380,933</u>
Total liabilities	<u>489,661</u>	<u>508,056</u>
TOTAL EQUITY AND LIABILITIES	<u>1,337,839</u>	<u>1,351,184</u>
Net assets per ordinary share attributable to owners of the Company (sen)	199.04	197.86

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st March 2022

SELANGOR DREDGING BERHAD

Reg No. 196201000105 (4624-U)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT**for the 2nd quarter ended 30 September 2022**

(The figures have not been audited)

	Current quarter ended 30.09.2022	Comparative quarter ended 30.09.2021	Current 6 months ended 30.09.2022	Corresponding 6 months ended 30.09.2021
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	40,777	40,254	50,117	77,344
Operating expenses	(37,006)	(41,862)	(51,648)	(87,680)
Other operating income	2,086	1,298	3,682	21,721
Profit from operations	5,857	(310)	2,151	11,385
Depreciation	(1,530)	(1,104)	(3,064)	(2,576)
Finance costs	(3,574)	(2,997)	(6,737)	(6,016)
Share of associate/jointly controlled entities results	<u>5,540</u>	<u>5,854</u>	<u>10,325</u>	<u>7,717</u>
Profit before taxation	6,293	1,443	2,675	10,510
Taxation	<u>(1,025)</u>	<u>953</u>	<u>(1,514)</u>	<u>(745)</u>
Profit for the period	<u>5,268</u>	<u>2,396</u>	<u>1,161</u>	<u>9,765</u>
Attributable to:				
Owners of the Company	5,268	2,396	1,161	9,765
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the period	<u>5,268</u>	<u>2,396</u>	<u>1,161</u>	<u>9,765</u>
Earning per share - basic (sen)	1.24	0.56	0.27	2.29
- diluted (sen)	-	-	-	-

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31st March 2022

SELANGOR DREDGING BERHAD

Reg No. 196201000105 (4624-U)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**for the 2nd quarter ended 30 September 2022**

(The figures have not been audited)

	Current quarter ended 30.09.2022	Comparative quarter ended 30.09.2021	Current 6 months ended 30.09.2022	Corresponding 6 months ended 30.09.2021
	RM'000	RM'000	RM'000	RM'000
Profit for the period	5,268	2,396	1,161	9,765
Fair value changes in available-for-sale financial asset	-	-	-	-
Foreign currency translation differences for foreign operations	4,433	(3,680)	8,526	(679)
Share of other comprehensive gain/(loss) of a associate	(1,586)	(284)	(4,637)	(1,233)
Fair Value changes in PPE	-	-	-	-
Other comprehensive income	<u>2,847</u>	<u>(3,964)</u>	<u>3,889</u>	<u>(1,912)</u>
Total comprehensive income	<u>8,115</u>	<u>(1,568)</u>	<u>5,050</u>	<u>7,853</u>
Attributable to:				
Owners of the Company	8,115	(1,568)	5,050	7,853
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	<u>8,115</u>	<u>(1,568)</u>	<u>5,050</u>	<u>7,853</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31st March 2022

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 6 months ended 30 September 2022
(The figures have not been audited)

	Share capital	Share premium	Revaluation reserve	Capital reserve	Exchange Fluctuation Share of OCI	Exchange Fluctuation	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Current 6 months ended</u>								
<u>30 September 2022</u>								
As at 1 April 2022	213,541	-	93,238	7,861	(1,471)	35,928	494,031	843,128
Effects of adopting MFRS 123	-	-	-	-	-	-	-	-
Restated	213,541	-	93,238	7,861	(1,471)	35,928	494,031	843,128
Movement during the period:								
- Transfer of revaluation reserve	-	-	-	-	-	-	-	-
- Total comprehensive income for the the period	-	-	-	-	(4,637)	8,526	1,161	5,050
- Dividend paid	-	-	-	-	-	-	-	-
As at 30 September 2022	213,541	-	93,238	7,861	(6,108)	44,454	495,192	848,178
<u>Preceding 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 123	-	-	-	-	-	-	-	-
Effects of adopting MFRS 15	-	-	-	-	-	-	-	-
	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	-	-	-	-	-	(1,912)	9,765	7,853
- Dividend paid	-	-	-	-	-	-	-	-
As at 30 September 2021	213,541	-	93,235	7,861	-	33,283	505,710	853,630

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st March 2022

SELANGOR DREDGING BERHAD

Reg No. 196201000105 (4624-U)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**for the 6 months ended 30 September 2022**

(The figures have not been audited)

	Current 6 months ended 30.09.2022 RM'000	Corresponding 6 months ended 30.09.2021 RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,675	10,510
Adjustment for :		
Non-cash items	(7,256)	(5,137)
Non-operating items (which are investing / financing)	6,737	(13,055)
Operating profit before working capital changes	<u>2,156</u>	<u>(7,682)</u>
Changes in working capital		
Receipts from customer	(9,092)	5,860
Payments to supplier, contractors and employee	(19,036)	37,474
Interest paid	(6,597)	(5,862)
Tax paid	(1,464)	(2,169)
Net cashflows from operating activities	<u>(34,033)</u>	<u>27,621</u>
CASHFLOW FROM INVESTING ACTIVITIES		
Equity investments	3,964	4,794
Other investments	(3,084)	(6,853)
Investment in jointly controlled entities	-	-
Purchase/Disposal of property, plant and equipment	(1,925)	(1,134)
Proceeds from disposal of property, plant and equipment / AHFS	0	-
Net cashflows from investing activities	<u>(1,045)</u>	<u>(3,194)</u>
CASHFLOW FROM FINANCING ACTIVITIES		
Net repayments of lease liabilities	(587)	(600)
Dividend paid to Shareholder of Company	-	-
Withdrawal of fixed deposit pledged	-	-
Drawdown of bank borrowings	0	-
Repayment of bank borrowings	(7,997)	(17,233)
Repayment/(Advances) of JV company	657	12
Repayment/(Advances) of associates	0	(765)
Net cashflows from financing activities	<u>(7,927)</u>	<u>(18,586)</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	(43,005)	5,842
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	109,334	31,406
EFFECT OF EXCHANGE RATE CHANGES	954	47
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>67,283</u></u>	<u><u>37,295</u></u>
Represented by:		
Cash and Cash Equivalents	69,275	39,288
less:		
Amount pledged as security for bank facilities	(390)	(390)
Deposit with licenced banks with maturity more than 3 months	(1,603)	(1,603)
	<u><u>67,283</u></u>	<u><u>37,295</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 2022

SELANGOR DREDGING BERHAD
 Registration No. 196201000105 (4624-U)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS
 FOR THE 2ND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2022

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 2022.

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 2022 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 1, MFRS 9 & MFRS 141	: Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
Amendments to MFRS 3	: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	: Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022

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
Amendments to MFRS 101	: Classification of Liabilities as Current or Non-current	1 January 2023
MFRS 17	: Insurance Contracts	1 January 2023
Amendments to MFRS 17	: Insurance Contracts	1 January 2023
Amendments to MFRS 17	: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101	: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	: Definition of Accounting Estimates	1 January 2023

Amendments to MFRS 112	: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to 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 2022.

A8. Dividend Paid

No dividend was paid during the current financial quarter and period-to-date ended 30 September 2022.

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	65	7,006	42,180	499	-	243	49,993
Inter-segment Sales	11	-	-	123	-	(11)	123
Total revenue	<u>76</u>	<u>7,006</u>	<u>42,180</u>	<u>622</u>	<u>-</u>	<u>232</u>	<u>50,116</u>
RESULTS							
Segment results	13	(1,533)	12,896	(293)	2,762	(13,855)	(10)
Unallocated corporate (expenses)/income							<u>(903)</u>
Operating profit							<u>(913)</u>
Finance cost, net							(6,737)
Share of net profit/(loss) of associated companies			(1,278)	-	11,603		10,325
Income taxes							<u>(1,514)</u>
Profit for the period							<u>1,161</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 2022.

A11. Material Events Subsequent to the End of the Period

There are no material events subsequent to 30 September 2022 up to the date of this announcement that has not been reflected in the financial statements as at 30 September 2022.

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 2022, the Group recorded lower turnover and net profit of RM50.12 million and RM1.16 million respectively compared to the corresponding 6 months last financial year. The decrease was mainly due to completion of Malaysia projects and gain arose from disposal of Singapore shop lot in last financial year. However, in September 2022, the Group has launched a new projects 19Trees located in Melawati, Selangor and will contribute to the Group's Malaysia project for next 2 to 3 years.

From its iron ore mining operations, Fortress Minerals Limited has contributed RM11.60 million to the Group.

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

For the quarter ended 30 September 2022, the Group registered pretax profit of RM6.23 million compared to pretax loss of RM3.62 million recorded in the preceding quarter ended 30 June 2022. This was mainly due to launching of 19Trees during the quarter and better sales of completed stock achieved.

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, current high inflation rate, expected further increases in interest rate and increased construction materials cost and labour. 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 RM214.26 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 30.09.2022 RM'000	Financial year 30.09.2022 RM'000
- current taxation	1,025	1,514
- deferred taxation	-	-
- (over) / under provision in prior years;		
- taxation	-	-
- deferred	-	-
	<hr/>	<hr/>
	1,025	1,514

The Group's taxation is higher compared to the statutory rate mainly due to the offset effect amongst subsidiaries which has more losses before taxation.

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 2022 are as follows:

<i>Long Term Bank Borrowing</i>	RM'000
<i>Secured:</i>	
Revolving Credit	10,000
Term Loan	102,735
Repayments due within the next 12 months	<u>(10,956)</u>
Sub-Total	<u>101,779</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	224,991
Term Loan	-
Current portion of long term borrowing	<u>10,956</u>
Sub-Total	<u>235,947</u>
<i>Unsecured:</i>	
Revolving Credit	70,000
Term Loan	-
Current portion of long term borrowing	<u>-</u>
Sub-Total	<u>70,000</u>
Total	<u>407,726</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	1,500	4,810

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:

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.09.2022	Comparative quarter ended 30.09.2021	Current 6 months ended 30.09.2022	Corresponding 6 months ended 30.09.2021
(i) Net (loss) / profit for the period (RM'000)	5,268	2,396	1,161	9,765
(ii) Weighted average number of ordinary shares in issue ('000)	426,128	426,128	426,128	426,128
Basic earnings per share (sen)	1.24	0.56	0.27	2.29

The company does not have any dilutive potential ordinary shares outstanding as at 30 September 2022. Accordingly, no diluted earnings per share is presented

B11. Profit for the Year

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.09.2022	Comparative quarter ended 30.09.2021	Current 6 months ended 30.09.2022	Corresponding 6 months ended 30.09.2021
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting:				
Interest Income	213	13	270	33
Other Income	1,873	1,285	3,412	21,688
Foreign Exchange Gain	-	-	-	-
Gain on disposal of quoted investment	-	-	-	-
and after charging:				
Interest expense	3,574	2,997	6,737	6,016
Depreciation	1,530	1,104	3,064	2,576
Provision for/write off of receivables	-	-	-	-
Provision for/write off of inventories	-	-	-	-
Foreign Exchange Loss	-	-	-	-