

SELANGOR DREDGING BERHAD

Reg No. 196201000105 (4624-U)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	As at 30.09.2023	(Audited) As at 31.03.2023
ASSETS	RM'000	RM'000
Non-current assets		
Property, plant and equipment	262,926	264,841
Intangible asset	573	562
Investment properties	70,053	70,053
Inventories	191,590	190,797
Investment in jointly controlled entities	180,014	166,119
Investment in associates	152,661	145,695
Amount Owing by Jointly Control Companies	-	-
Amount Owing by Associate Companies	3,528	3,528
Deferred tax assets	2,723	2,723
	<u>864,068</u>	<u>844,318</u>
Current assets		
Inventories - completed unit	116,917	116,922
Inventories - property development costs	170,140	192,370
Trade and other receivable	190,988	141,021
Tax recoverable	7,604	7,581
Cash and Cash Equivalents	52,637	84,979
	<u>538,286</u>	<u>542,873</u>
TOTAL ASSETS	<u>1,402,354</u>	<u>1,387,191</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	213,541	213,541
Reserves	666,541	647,255
	<u>880,082</u>	<u>860,796</u>
Non-controlling interest	-	-
Total equity	<u>880,082</u>	<u>860,796</u>
Non-current liabilities		
Bank Borrowings	100,452	105,548
Lease liabilities	6,971	6,473
Deferred taxation	9,887	9,887
	<u>117,310</u>	<u>121,908</u>
Current liabilities		
Trade and other payables	75,022	63,130
Lease liabilities	-	981
Bank Borrowings	329,940	340,376
Taxation	-	-
	<u>404,962</u>	<u>404,487</u>
Total liabilities	<u>522,272</u>	<u>526,395</u>
TOTAL EQUITY AND LIABILITIES	<u>1,402,354</u>	<u>1,387,191</u>
Net assets per ordinary share attributable to owners of the Company (sen)	206.53	202.00

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st March 2023

SELANGOR DREDGING BERHAD

Reg No. 196201000105 (4624-U)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT**for the 2nd quarter ended 30 September 2023**

(The figures have not been audited)

	Current quarter ended 30.09.2023	Comparative quarter ended 30.09.2022	Current 6 months ended 30.09.2023	Corresponding 6 months ended 30.09.2022
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	50,512	40,777	97,293	50,117
Operating expenses	(47,596)	(37,006)	(93,253)	(51,648)
Other operating income	2,671	2,086	10,857	3,682
Profit from operations	5,587	5,857	14,896	2,151
Depreciation	(1,693)	(1,530)	(3,411)	(3,064)
Finance costs	(5,664)	(3,574)	(11,044)	(6,737)
Share of associate/jointly controlled entities results	<u>10,647</u>	<u>5,540</u>	<u>16,213</u>	<u>10,325</u>
Profit before taxation	8,877	6,293	16,654	2,675
Taxation	<u>(601)</u>	<u>(1,025)</u>	<u>(1,341)</u>	<u>(1,514)</u>
Profit for the period	<u>8,276</u>	<u>5,268</u>	<u>15,313</u>	<u>1,161</u>
Attributable to:				
Owners of the Company	8,276	5,268	15,313	1,161
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the period	<u>8,276</u>	<u>5,268</u>	<u>15,313</u>	<u>1,161</u>
Earning per share - basic (sen)	1.94	1.24	3.59	0.27
- diluted (sen)	-	-	-	-

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31st March 2023

SELANGOR DREDGING BERHAD**Reg No. 196201000105 (4624-U)**

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**for the 2nd quarter ended 30 September 2023**

(The figures have not been audited)

	Current quarter ended 30.09.2023	Comparative quarter ended 30.09.2022	Current 6 months ended 30.09.2023	Corresponding 6 months ended 30.09.2022
	RM'000	RM'000	RM'000	RM'000
Profit for the period	8,276	5,268	15,313	1,161
Fair value changes in available-for-sale financial asset	-	-	-	-
Foreign currency translation differences for foreign operations	367	4,433	6,959	8,526
Share of other comprehensive gain/(loss) of a associate	(421)	(1,586)	(2,986)	(4,637)
Fair Value changes in PPE	-	-	-	-
Other comprehensive income	<u>(54)</u>	<u>2,847</u>	<u>3,973</u>	<u>3,889</u>
Total comprehensive income	<u>8,222</u>	<u>8,115</u>	<u>19,286</u>	<u>5,050</u>
Attributable to:				
Owners of the Company	15,259	4,008	19,286	5,050
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	<u>8,222</u>	<u>8,115</u>	<u>19,286</u>	<u>5,050</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31st March 2023

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 2023
(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 2023</u>								
As at 1 April 2023	213,541	-	93,238	7,861	(3,296)	49,170	500,282	860,796
Effects of adopting MFRS 123	-	-	-	-	-	-	-	-
Restated	213,541	-	93,238	7,861	(3,296)	49,170	500,282	860,796
Movement during the period:								
- Transfer of revaluation reserve			-				-	-
- Total comprehensive income for the the period	-	-	-	-	(2,986)	6,959	15,313	19,286
- Dividend paid	-	-	-	-	-	-	-	-
As at 30 September 2023	213,541	-	93,238	7,861	(6,282)	56,129	515,595	880,082
<u>Preceding 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	-	-	-	-	-	-	-	-
Effects of adopting MFRS 15	-	-	-	-	-	-	-	-
	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

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st March 2023

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the 6 months ended 30 September 2023

(The figures have not been audited)

	Current 6 months ended 30.09.2023 RM'000	Corresponding 6 months ended 30.09.2022 RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before taxation	16,655	2,675
Adjustment for :		
Non-cash items	(12,798)	(7,256)
Non-operating items (which are investing / financing)	11,044	6,737
Operating profit before working capital changes	14,900	2,156
Changes in working capital		
Receipts from customer	(24,193)	(9,092)
Payments to supplier, contractors and employee	9,123	(19,036)
Interest paid	(10,919)	(6,597)
Tax paid	(2,048)	(1,464)
Net cashflows from operating activities	(13,137)	(34,033)
CASHFLOW FROM INVESTING ACTIVITIES		
Equity investments	4,235	3,964
Other investments	(793)	(3,084)
Investment in jointly controlled entities	-	-
Purchase/Disposal of property, plant and equipment	(1,230)	(1,925)
Proceeds from disposal of property, plant and equipment / AHFS	0	-
Net cashflows from investing activities	2,213	(1,045)
CASHFLOW FROM FINANCING ACTIVITIES		
Net repayments of lease liabilities	(608)	(587)
Dividend paid to Shareholder of Company	-	-
Withdrawal of fixed deposit pledged	-	-
Drawdown of bank borrowings	23,588	-
Repayment of bank borrowings	(39,297)	(7,997)
Repayment/(Advances) of JV company	33	657
Repayment/(Advances) of associates	0	0
Net cashflows from financing activities	(16,284)	(7,927)
NET CHANGE IN CASH & CASH EQUIVALENTS	(27,208)	(43,005)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	82,986	109,334
EFFECT OF EXCHANGE RATE CHANGES	(5,134)	954
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	50,644	67,283
Represented by:		
Cash and Cash Equivalents	52,637	69,275
less:		
Amount pledged as security for bank facilities	(390)	(390)
Deposit with licenced banks with maturity more than 3 months	(1,603)	(1,603)
	50,644	67,283

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st March 2023

SELANGOR DREDGING BERHAD
 Registration No. 196201000105 (4624-U)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS
 FOR THE 2ND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

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 2023.

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 2023 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 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

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 16	: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 107 and MFRS 7	: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 101	: Non-current Liabilities with Covenants	1 January 2024

Amendments to MFRS 112	: International Tax Reform - Pillar Two Model Rules	Refer paragraph 98M of MFRS 112
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 2023.

A8. Dividend Paid

No dividend was paid during the current financial quarter and period-to-date ended 30 September 2023.

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	67	9,432	87,044	542	-	102	97,187
Inter-segment Sales	15	-	-	106	-	(15)	106
Total revenue	82	9,432	87,044	648	-	87	97,293
RESULTS							
Segment results	25	(905)	23,111	(213)	4,092	(13,043)	13,067
Unallocated corporate (expenses)/income							(1,582)
Operating profit							11,485
Finance cost, net							(11,044)
Share of net profit/(loss) of associated companies			7,784	-	8,429		16,213
Income taxes							(1,341)
Profit for the period							15,313

(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 2023.

A11. Material Events Subsequent to the End of the Period

There are no material events subsequent to 30 September 2023 up to the date of this announcement that has not been reflected in the financial statements as at 30 September 2023 except for Prestij Permai Sdn Bhd (“PPSB”), a wholly-owned subsidiary has entered into a Sale and Purchase Agreement with Xtra Touch Sdn Bhd (referred to as the “XTSB”) (“SPA”) on 31 October 2023 to acquire vacant leasehold land on an “as is where is” basis together with partial completed earthworks located in Mukim Dengkil, Daerah Sepang, Negeri Selangor and measuring approximately 29.19 acres (“said Land”) for a purchase price of Ringgit Malaysia Eighty Seven Million Nine Hundred Thousand (RM87,900,000.00) only (“Purchase Price”).

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 2023, the Group recorded higher turnover and net profit of RM97.29 million and RM15.31 million respectively compared to the corresponding 6 months last financial year. The rise in revenue is primarily attributed to improved sales and progress of work in the 19Trees project in Melawati and the Jia project in Bukit Serdang, both of which were launched in the second half of the year 2022. The higher net profit is mainly a result of enhanced work progress and sales performance in projects across both Malaysia and Singapore.

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

For the quarter ended 30 September 2023 the Group reported a pretax profit of RM8.88 million, showing an increase compared to the pretax profit of RM7.78 million recorded in the preceding quarter ended 30 June 2023. The higher profit is primarily attributed to an increased contribution of RM6.19 million from Fortress Minerals Limited in comparison to the preceding quarter. Additionally, improved work progress and sales performance in projects across both Malaysia and Singapore contributed to the overall higher pretax profit.

B3. Prospects for the Current Financial Year

The outlook for Malaysia's economy in the remaining part of the financial year remains challenging due to global economic uncertainties stemming from inflationary pressures, slower growth in major economies, and geopolitical unrest caused by the Russia-Ukraine war and the Middle East Crisis. Notwithstanding these global uncertainties, Malaysia's economy is anticipated to exhibit a moderate recovery, with a projected 2.9% year-on-year growth in 2Q 2023. This recovery is bolstered by improvements in the labor market, ongoing enhancements in household spending, and increased tourism activities.

The Group's projects, namely 19Trees and Jia, launched in the second half of 2022, have received positive responses from the market, achieving sales rates of 80% and 90%, respectively, as of the reporting date. Despite the successful launches, the Group remains steadfast in implementing rigorous cost and pricing measures for its products to maintain competitiveness in the market. Prudent strategies and controls will be enforced to mitigate the impact of the economic downturn. As of now, the Group holds an approximate value of RM620.29 million in unbilled sales, primarily 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 30.09.2023 RM'000	Financial year 30.09.2023 RM'000
- current taxation	601	1,341
- deferred taxation	-	-
- (over) / under provision in prior years;	-	-
- taxation	-	-
- deferred	-	-
	<u>601</u>	<u>1,341</u>

The Group's taxation is lower compared to the statutory rate mainly due to share of net profit from associate and jointly controlled entities and utilization of tax losses brought forward.

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 2023 are as follows:

Long Term Bank Borrowing	RM'000
<i>Secured:</i>	
Revolving Credit	46,627
Term Loan	80,144
Repayments due within the next 12 months	<u>(26,319)</u>
Sub-Total	<u>100,452</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	233,621
Term Loan	-
Current portion of long term borrowing	<u>26,319</u>
Sub-Total	<u>259,940</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>430,392</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	1,425	4,908

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 30.09.2023	Comparative quarter ended 30.09.2022	Current 6 months ended 30.09.2023	Corresponding 6 months ended 30.09.2022
(i) Net (loss) / profit for the period (RM'000)	8,276	5,268	15,313	1,161
(ii) Weighted average number of ordinary shares in issue ('000)	426,128	426,128	426,128	426,128
Basic earnings per share (sen)	1.94	1.24	3.59	0.27

The company does not have any dilutive potential ordinary shares outstanding as at 30 September 2023. Accordingly, no diluted earnings per share is presented.

B11. Profit for the Year

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.09.2023	Comparative quarter ended 30.09.2022	Current 6 months ended 30.09.2023	Corresponding 6 months ended 30.09.2022
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting:				
Interest Income	236	213	487	270
Other Income	2,434	1,873	10,370	3,412
Foreign Exchange Gain	0	0	0	0
Gain on disposal of quoted investment	0	0	0	0
and after charging:				
Interest expense	5,664	3,574	11,044	6,737
Depreciation	1,693	1,530	3,411	3,064
Provision for/write off of receivables	0	0	0	0
Provision for/write off of inventories	0	0	0	0
Foreign Exchange Loss	0	0	0	0