

SELANGOR DREDGING BERHAD (4624-U)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2013

	As at 30.09.2013 (UNAUDITED)	As at 31.03.2013 (AUDITED)
ASSETS	RM'000	RM'000
Non-current assets		
Property, plant and equipment	166,988	167,414
Investment properties	304,712	304,016
Land held for development	54,777	53,553
Investment in jointly controlled entities	163,823	163,287
Available-for-sale financial assets	6	0
	<u>690,306</u>	<u>688,270</u>
Current assets		
Inventories	7,914	12,647
Property Development Costs	370,416	369,482
Trade and other receivable	102,703	119,912
Tax recoverable	5,310	8,349
Cash and Cash Equivalents	102,551	97,972
	<u>588,894</u>	<u>608,362</u>
TOTAL ASSETS	<u>1,279,200</u>	<u>1,296,632</u>
 EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	213,064	213,064
Reserves	447,056	430,589
	<u>660,120</u>	<u>643,653</u>
Non-controlling interest	0	0
Total equity	<u>660,120</u>	<u>643,653</u>
 Non-current liabilities		
Bank Borrowings	422,392	425,998
Other deferred liabilities	0	0
	<u>422,392</u>	<u>425,998</u>
Current liabilities		
Trade and other payables	59,095	72,419
Bank Borrowings	137,593	154,492
Bank Overdraft	0	0
Taxation	0	70
	<u>196,688</u>	<u>226,981</u>
Total liabilities	<u>619,080</u>	<u>652,979</u>
TOTAL EQUITY AND LIABILITIES	<u>1,279,200</u>	<u>1,296,632</u>
 Net assets per ordinary share attributable to owners of the Company (sen)	154.91	151.05

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st March 2013

SELANGOR DREDGING BERHAD (4624-U)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT

for the 2nd quarter ended 30 September 2013

(The figures have not been audited)

	Current quarter ended 30.09.2013	Comparative quarter ended 30.09.2012	Current 6 months ended 30.09.2013	Corresponding 6 months ended 30.09.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	85,348	61,650	156,147	127,043
Operating expenses	(74,187)	(49,290)	(129,899)	(103,602)
Other operating income	1,386	1,804	2,604	6,934
Profit from operations	12,547	14,164	28,852	30,375
Depreciation	(1,310)	(1,144)	(2,269)	(2,252)
Finance costs	(5,493)	(5,461)	(11,467)	(11,038)
Share of jointly controlled entities results	<u>5,847</u>	<u>4,001</u>	<u>8,397</u>	<u>7,385</u>
Profit before taxation	11,591	11,560	23,513	24,470
Taxation	<u>(2,091)</u>	<u>(1,400)</u>	<u>(4,755)</u>	<u>(3,638)</u>
Profit for the period	<u>9,500</u>	<u>10,160</u>	<u>18,758</u>	<u>20,832</u>
Attributable to:				
Owners of the Company	9,500	10,160	18,758	20,832
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Profit for the period	<u><u>9,500</u></u>	<u><u>10,160</u></u>	<u><u>18,758</u></u>	<u><u>20,832</u></u>
Earning per share - basic (sen)	2.23	2.38	4.40	4.89
- diluted (sen)	-	-	-	-

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31st March 2013

SELANGOR DREDGING BERHAD (4624-U)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 2nd quarter ended 30 September 2013

(The figures have not been audited)

	Current quarter ended 30.09.2013	Comparative quarter ended 30.09.2012	Current 6 months ended 30.09.2013	Corresponding 6 months ended 30.09.2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	9,500	10,160	18,758	20,832
Fair value changes in available-for-sale financial asset	0	0	0	0
Foreign currency translation differences for foreign operations	8,248	(285)	7,297	6,517
Fair Value changes in PPE	0	0	0	0
Other comprehensive income	<u>8,248</u>	<u>(285)</u>	<u>7,297</u>	<u>6,517</u>
Total comprehensive income	<u>17,748</u>	<u>9,875</u>	<u>26,055</u>	<u>27,349</u>
Attributable to:				
Owners of the Company	8,646	9,524	26,055	27,349
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income	<u>17,748</u>	<u>9,875</u>	<u>26,055</u>	<u>27,349</u>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the
Annual Financial Report for the year ended 31st March 2013*

SELANGOR DREDGING BERHAD (4624-U)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 6 months ended 30 September 2013
(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 2013</u>								
As at 1 April 2013	213,064	477	34,640	7,861	0	6,095	381,516	643,653
Effects of adopting FRS 139 Restated	<u>213,064</u>	<u>477</u>	<u>34,640</u>	<u>7,861</u>	<u>0</u>	<u>6,095</u>	<u>381,516</u>	<u>643,653</u>
Movement during the period:								
- Total comprehensive income for the the period	-	-	-	-	-	7,297	18,758	26,055
- Dividend paid	-	-	-	-	-	-	(9,588)	(9,588)
								-
As at 30 September 2013	<u><u>213,064</u></u>	<u><u>477</u></u>	<u><u>34,640</u></u>	<u><u>7,861</u></u>	<u><u>0</u></u>	<u><u>13,392</u></u>	<u><u>390,686</u></u>	<u><u>660,120</u></u>
<u>Preceding 6 months ended</u> <u>30 September 2012</u>								
As at 1 April 2012	213,064	477	34,640	7,861	2,336	4,070	343,105	605,553
Effects of adopting FRS 139 Restated	<u>213,064</u>	<u>477</u>	<u>34,640</u>	<u>7,861</u>	<u>2,336</u>	<u>4,070</u>	<u>343,105</u>	<u>605,553</u>
Movement during the year :								
- Total comprehensive income for the the period	-	-	-	-	-	6,517	20,832	27,349
- Dividend paid	-	-	-	-	-	-	(9,588)	(9,588)
As at 30 September 2012	<u><u>213,064</u></u>	<u><u>477</u></u>	<u><u>34,640</u></u>	<u><u>7,861</u></u>	<u><u>2,336</u></u>	<u><u>10,587</u></u>	<u><u>354,349</u></u>	<u><u>623,314</u></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 2013*

SELANGOR DREDGING BERHAD (4624-U)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the 6 months ended 30 September 2013

(The figures have not been audited)

	Current 6 months ended 30.09.2013 RM'000	Corresponding 6 months ended 30.09.2012 RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before taxation	23,513	12,910
Adjustment for :		
Non-cash items	2,268	1,108
Non-operating items (which are investing / financing)	2,891	1,814
Operating profit before working capital changes	28,672	15,832
Changes in working capital		
Receipts from customer	(4,728)	45,455
Payments to supplier, contractors and employee	16,882	(7,915)
Interest paid	(11,275)	(5,577)
Income tax paid	(1,786)	(3,849)
Net cashflows from operating activities	27,765	43,946
CASHFLOW FROM INVESTING ACTIVITIES		
Equity investments	-	8
Other investments	(1,746)	(13,142)
Investment in jointly controlled entities	12,175	(35,060)
Purchase/Disposal of property, plant and equipment	(1,513)	(1,464)
Net cashflows from investing activities	8,916	(49,658)
CASHFLOW FROM FINANCING ACTIVITIES		
Dividend paid to MI Shareholders of subsidiary companies	-	-
Dividend paid to Shareholder of Company	(9,588)	-
Revolving Credit	(18,151)	(5,720)
Term Loan	(5,750)	15,650
Repayment of hire purchase liability	-	-
Net cashflows from financing activities	(33,489)	9,930
NET CHANGE IN CASH & CASH EQUIVALENTS	3,192	4,218
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	97,387	131,305
EFFECT OF EXCHANGE RATE CHANGES	1,387	(429)
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	101,966	135,094
Represented by:		
Cash and Cash Equivalents	102,551	136,699
less:		
Amount pledged as security for bank facilities	(585)	(1,605)
	101,966	135,094

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st March 2013

SELANGOR DREDGING BERHAD (4624-U)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE 2ND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013

Part A - Selected Explanatory Notes pursuant to Financial Reporting Standard 134 (“FRS 134”)

A1. Accounting Policies and Method of Computation

The interim financial report has been prepared in accordance with FRS 134 - Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. 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 2013 except for the adoption of the following new/revised FRS effective for the financial period commencing on 1 April 2013:

FRS 124 : Related Party Disclosures (revised)
 IC Interpretation 19 : Extinguishing Financial Liabilities with Equity Instruments

Amendments to:

FRS 1 : Severe Hyperinflation and Removal of Fixed Dates for First-time adopters (revised)
 FRS 7 : Disclosures - Transfers of Financial Assets
 FRS101 : Presentation of Items of Other Comprehensive Income
 FRS 112 : Income Taxes - Deferred Tax : Recovery of Underlying Assets
 IC Interpretation 14 : Prepayments of a Minimum Funding Requirement

The adoption of the above pronouncement does not have significant impact on the financial statement of the Group.

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

	Effective for annual periods beginning on or after
FRS 9 : Financial Instruments	1 January 2015
FRS10 : Consolidated Financial Statements	1 January 2013
FRS 11 : Joint arrangements	1 January 2013
FRS 12 : Disclosure if Interests in Other Entities	1 January 2013
FRS 13 : Fair Value Measurement	1 January 2013
FRS 119 : Employment Benefits (revised)	1 January 2013
FRS 127 (2011) : Separate Financial Statements	1 January 2013
FRS 128 (2011) : Investment in Associates and Joint Ventures	1 January 2013
IC Interpretation 20 : Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
<i>Amendments to:</i>	
FRS 1 : Government Loans	1 January 2013
FRS 7 : Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
FRS 9 : Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2015
FRS 10, 11, 12 : Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
FRS 10, 11, 12 : Investment Entities	1 January 2014
FRS 101 : Presentation of Items of Other Comprehensive Income (revised)	1 July 2012
FRS 132 : Offsetting Financial Assets and Financial Liabilities	1 January 2014

Malaysian Financial Reporting Standards (“MFRS”)

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the MFRS. The MFRS is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture (“MFRS 141”) and IC Interpretation 15 Instruments Agreements for Construction of Real Estate (“IC 15”), including its parent, significant investor and venture (here in referred to as “Transitioning Entities”). Transitioning Entities will be allowed to defer adoption of the new MFRS for an additional one year.

On 7 August 2013, MASB announced that the Transitioning Entities are allowed to extend their deferment on the adoption of MFRS Framework for another year. As such, the MFRS Framework will be mandatory for all companies for annual period beginning on or after 1 January 2015.

The Group falls within the definition of Transitioning Entities and has opted to defer adoption of the new MFRS to 1 January 2015. Accordingly, the Group will be required to prepare its first MFRS financial statements for the year ending 31 March 2016. In presenting its first MFRS financial statements, the Group will quantify the financial effects of the differences between the current FRS and MFRS. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the period to-date ended 30 September 2013 could be different if prepared under the MFRS.

A2. Audit Report of Preceding Annual Financial Statements

The Group’s preceding annual financial statements were reported without any qualification.

A3. 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.

A4. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cashflows

There are no unusual items affecting assets, liabilities, equity, net income or cashflows during the financial year under review.

A5. 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.

A6. 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 period-to-date ended 30 September 2013.

A7. Dividend Paid

A first and final dividend of RM9,587,874.78 for the year ended 31 March 2013 was paid during the current financial quarter.

A8. 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 industrial and 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 and trading

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	10,543	13,567	131,391	646	0	0	156,147
Inter-segment Sales	587	0	0	247	0	(834)	0
Total revenue	<u>11,130</u>	<u>13,567</u>	<u>131,391</u>	<u>893</u>	<u>0</u>	<u>(834)</u>	<u>156,147</u>
RESULTS							
Segment results	5,459	113	27,645	(102)	3,430	(8,002)	28,543
Unallocated corporate (expenses)/income							<u>(1,961)</u>
Operating profit							26,582
Finance cost, net							(11,466)
Share of net profit/(loss) of associated companies			8,397				8,397
Income taxes							<u>(4,755)</u>
Profit for the period							<u>18,758</u>

(b) Secondary reporting format – geographical segment

The operations of the Group are substantially carried out in Malaysia except for SDB Australia Pty Ltd and SDB Hotels Pty Ltd which are incorporated in Australia and SDB Asia Pte Ltd and SDB UK Pte Ltd which is incorporated in Singapore.

A9. 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 2013.

A10. Material Events Subsequent to the End of the Period

There are no material events subsequent to 30 September 2013 up to the date of this announcement that has not been reflected in the financial statements as at 30 September 2013.

A11. Effects of Changes in the Composition of the Group

There are no changes in the composition of the Group for the financial period to-date.

A12. 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 period 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 September 2013, the Group achieved a higher turnover of RM85.35 million and a lower net profit of RM9.50 million compared to RM61.65 million and RM10.16 million respectively in the corresponding quarter last year.

For the 6 months to-date, the Group achieved a higher turnover of RM156.15 million and a lower net profit of RM18.76 million compared to RM127.04 million and RM20.83 million respectively in the corresponding period to-date last year.

The higher turnover was mainly attributable to higher revenue recognition from Dedaun and Hijauan projects compared to the previous corresponding quarter. The lower net profit was mainly due to higher current period's tax charge after utilization of tax losses of certain subsidiaries in previous corresponding period.

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

For the quarter ended 30 September 2013, the Group registered a slightly lower profit before tax of RM11.59 million compared to RM11.92 million recorded in the preceding quarter ended 30 June 2013. The lower profit was mainly due increase in marketing costs mainly for sales launch of The Hub and Block B of Windows on the Park.

B3. Prospects for the Current Financial Year

The recently announced Budget 2014's anti-speculation measures may soften demand for property as both potential owner-occupiers and investors digest the impact of these measures on their plans to purchase property in the immediate term.

Also unveiled during the Budget 2014 announcement was the Goods and Service Tax (GST). The Group expects GST to have an impact on property development costs, operational and compliance costs upon its implementation on 1st April 2015, but is unable to quantify or estimate its financial implications at this point in time.

However, with unbilled sales of approximately RM932 million in hand, and the upcoming new launch of SqWhere mixed development project in Sungai Buloh, the Group expects performance for the rest of the current financial year to remain satisfactory.

B4. Variance of Actual Profit from Forecast Profit and Shortfall in Profit Guarantee

Not Applicable.

B5. Taxation

Tax charge comprises the following:-

	Current quarter 30/09/2013 RM'000	Financial period to-date 30/09/2013 RM'000
- current taxation	2,080	4,605
- associated companies	0	0
- deferred taxation	0	0
- under/(over) provision in prior years		
- Current	11	150
- Deferred	0	0
	<u>2,091</u>	<u>4,755</u>

For the current quarter, the Group's taxation was lower compared to the statutory rate mainly due to 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 2013 are as follows:-

	RM'000
Long Term Bank Borrowing	
<i>Secured:</i>	
Revolving Credit	112,093
Term Loan	325,392
Repayments due within the next 12 months	(2,500)
Sub-Total	<u>434,985</u>
<i>Unsecured:</i>	
Revolving Credit	0
Term Loan	0
Repayments due within the next 12 months	0
Sub-Total	<u>0</u>
Short Term Bank Borrowing	
<i>Secured:</i>	
Revolving Credit	57,500
Term Loan	0
Current portion of long term borrowing	2,500
Sub-Total	<u>60,000</u>
<i>Unsecured:</i>	
Revolving Credit	65,000
Term Loan	0
Current portion of long term borrowing	0
Sub-Total	<u>65,000</u>
Total	<u>559,985</u>

There were no borrowings or debt securities denominated in foreign currencies except for the following:

	SGD'000	equivalent RM'000
Borrowings denominated in foreign currency	33,900	87,842

B8. Material Litigation

There were no significant changes in material litigation since the last annual balance sheet date.

B9. Dividend

No interim dividend has been recommended in respect of the current financial period.

B10. Realised and Unrealised Profits and Losses

The retained profits of the Group as at 30 September 2013 and 31 March 2013 are analysed as follows:

	30/09/2013 RM'000	31/03/2013 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	177,984	174,612
- Unrealised	189,009	189,009
	366,993	363,621
Total share of retained profits from jointly controlled entities:		
- Realised	33,515	25,442
- Unrealised	(1,387)	(1,387)
	32,128	24,055
	399,121	387,676
Less: Consolidation adjustment	(8,435)	(6,075)
Total Group retained profits	390,686	381,601

B11. 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 30/09/2013	Comparative quarter ended 30/09/2012	Current 6 months ended 30/09/2013	Corresponding 6 months ended 30/09/2012
(i) Net profit for the period (RM'000)	9,500	10,160	18,758	20,832
(ii) Weighted average number of ordinary shares in issue ('000)	426,127	426,127	426,127	426,127
Basic earnings per share (sen)	2.23	2.38	4.40	4.89

The company does not have any dilutive potential ordinary shares outstanding as at 30 September 2013. Accordingly, no diluted earnings per share is presented.

B12. Profit for the Period

	Current quarter ended 30.09.2013 RM'000	Comparative quarter ended 30.09.2012 RM'000	Current 6 months ended 30.09.2013 RM'000	Corresponding 6 months ended 30.09.2012 RM'000
Profit for the period is arrived at after crediting:				
Interest Income	62	216	179	241
Other Income	1,319	1,382	2,421	3,263
Foreign Exchange Gain	5	132	5	3,356
Gain on disposal of quoted investment	0	74	1	74
and after charging:				
Interest expense	5,493	5,461	11,467	11,038
Depreciation	1,310	1,144	2,269	2,252
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	(2)	0