

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2013

	As at 31.12.2013 ( UNAUDITED )	As at 31.03.2013 ( AUDITED )
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	167,772	167,414
Investment properties	311,515	304,016
Land held for development	55,334	53,553
Investment in jointly controlled entities	167,363	163,287
Available-for-sale financial assets	6	0
	<u>701,990</u>	<u>688,270</u>
<b>Current assets</b>		
Inventories	5,671	12,647
Property Development Costs	287,470	369,482
Trade and other receivable	187,711	119,912
Tax recoverable	1,936	8,349
Cash and Cash Equivalents	135,012	97,972
	<u>617,800</u>	<u>608,362</u>
<b>TOTAL ASSETS</b>	<u>1,319,790</u>	<u>1,296,632</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share Capital	213,064	213,064
Reserves	460,187	430,589
	<u>673,251</u>	<u>643,653</u>
<b>Non-controlling interest</b>	0	0
<b>Total equity</b>	<u>673,251</u>	<u>643,653</u>
<b>Non-current liabilities</b>		
Bank Borrowings	418,770	425,998
Other deferred liabilities	0	0
	<u>418,770</u>	<u>425,998</u>
<b>Current liabilities</b>		
Trade and other payables	97,733	72,419
Bank Borrowings	130,036	154,492
Bank Overdraft	0	0
Taxation	0	70
	<u>227,769</u>	<u>226,981</u>
<b>Total liabilities</b>	<u>646,539</u>	<u>652,979</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,319,790</u>	<u>1,296,632</u>
<b>Net assets per ordinary share attributable to owners of the Company (sen)</b>	157.99	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 3rd quarter ended 31 December 2013**

( The figures have not been audited )

	Current quarter ended 31.12.2013	Comparative quarter ended 31.12.2012	Current 9 months ended 31.12.2013	Corresponding 9 months ended 31.12.2012
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	119,644	82,192	275,791	209,235
Operating expenses	(94,572)	(66,751)	(224,471)	(170,353)
Other operating income	1,084	1,473	3,688	8,407
Profit from operations	26,156	16,914	55,008	47,289
Depreciation	(5,220)	(1,146)	(7,489)	(3,398)
Finance costs	(5,223)	(6,095)	(16,690)	(17,133)
Share of jointly controlled entities results	<u>5,182</u>	<u>2,249</u>	<u>13,579</u>	<u>9,634</u>
<b>Profit before taxation</b>	20,895	11,922	44,408	36,392
Taxation	<u>(6,241)</u>	<u>(2,642)</u>	<u>(10,996)</u>	<u>(6,280)</u>
<b>Profit for the period</b>	<u>14,654</u>	<u>9,280</u>	<u>33,412</u>	<u>30,112</u>
<b>Attributable to:</b>				
Owners of the Company	14,654	9,280	33,412	30,112
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Profit for the period</b>	<u>14,654</u>	<u>9,280</u>	<u>33,412</u>	<u>30,112</u>
Earning per share - basic ( sen )	3.44	2.18	7.84	7.07
- 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 3rd quarter ended 31 December 2013**  
( The figures have not been audited )

	Current quarter ended 31.12.2013	Comparative quarter ended 31.12.2012	Current 9 months ended 31.12.2013	Corresponding 9 months ended 31.12.2012
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	14,654	9,280	33,412	30,112
Fair value changes in available-for-sale financial asset	0	664	0	664
Foreign currency translation differences for foreign operations	(1,523)	(1,298)	5,774	5,219
Fair Value changes in PPE	0	0	0	0
<b>Other comprehensive income</b>	<u>(1,523)</u>	<u>(634)</u>	<u>5,774</u>	<u>5,883</u>
<b>Total comprehensive income</b>	<u>13,131</u>	<u>8,646</u>	<u>39,186</u>	<u>35,995</u>
Attributable to:				
Owners of the Company	8,646	9,524	39,186	35,995
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total comprehensive income</b>	<u>13,131</u>	<u>8,646</u>	<u>39,186</u>	<u>35,995</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 9 months ended 31 December 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 9 months ended</u> <u>31 December 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	-	-	-	-	-	5,774	33,412	39,186
- Dividend paid	-	-	-	-	-	-	(9,588)	(9,588)
								-
As at 31 December 2013	<u>213,064</u>	<u>477</u>	<u>34,640</u>	<u>7,861</u>	<u>0</u>	<u>11,869</u>	<u>405,340</u>	<u>673,251</u>
<u>Preceding 9 months ended</u> <u>31 December 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	-	-	-	-	664	5,219	30,112	35,995
- Dividend paid	-	-	-	-	-	-	(9,588)	(9,588)
As at 31 December 2012	<u>213,064</u>	<u>477</u>	<u>34,640</u>	<u>7,861</u>	<u>3,000</u>	<u>9,289</u>	<u>363,629</u>	<u>631,960</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 9 months ended 31 December 2013**

( The figures have not been audited )

	Current 9 months ended 31.12.2013 RM'000	Corresponding 9 months ended 31.12.2012 RM'000
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	44,408	36,391
Adjustment for :		
Non-cash items	7,488	3,364
Non-operating items ( which are investing / financing )	2,833	7,122
Operating profit before working capital changes	54,729	46,877
Changes in working capital		
Receipts from customer	22,884	12,879
Payments to supplier, contractors and employee	25,263	(16,299)
Interest paid	(16,498)	(16,595)
Income tax paid	(4,653)	(7,812)
Net cashflows from operating activities	81,725	19,050
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Equity investments	-	-
Other investments	(9,143)	(53,261)
Investment in jointly controlled entities	12,175	(35,060)
Purchase/Disposal of property, plant and equipment	(7,484)	(2,481)
Proceeds from disposal of property, plant and equipment	(100)	
Net cashflows from investing activities	(4,552)	(90,802)
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid to MI Shareholders of subsidiary companies	-	-
Dividend paid to Shareholder of Company	(9,588)	(9,588)
Revolving Credit	(25,707)	(18,204)
Term Loan	(8,670)	70,850
Repayment of hire purchase liability	-	-
Net cashflows from financing activities	(43,965)	43,058
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS</b>	33,208	(28,694)
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	97,387	131,305
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	3,832	(3,377)
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE PERIOD</b>	134,427	99,234
Represented by:		
Cash and Cash Equivalents	135,012	100,839
less:		
Amount pledged as security for bank facilities	(585)	(1,605)
	134,427	99,234

*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 3RD FINANCIAL QUARTER ENDED 31 DECEMBER 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 10	: Consolidated Financial Statements
FRS 11	: Joint Arrangements
FRS 12	: Disclosure of Interest in Other Entities
FRS 13	: Fair Value Measurement
FRS 119	: Employee Benefits
FRS 127	: Separate Financial Statements
FRS 128	: Investment in Associates and Joint Ventures

*Amendments to:*

FRS 7	: Disclosures – Offsetting Financial Assets and Financial Liabilities
FRS 1	: Government Loans
FRS 10,11,12	: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

The adoption of the above pronouncement does not have significant impact on the financial statement of the Group except as follows:-

**FRS 10: Consolidated Financial Statements**

FRS 10 replaces the consolidation guidance in FRS 127 and IC Interpretation 112. Under FRS 10, there is only one basis for consolidation, which is control. Extensive guidance has been provided in the standard to assist in the determination of control.

**FRS 11: Joint Arrangements**

FRS 11 replaces FRS 131: Interests in Joint Ventures and IC Interpretation 113: Jointly-controlled entities – Non-Monetary Contributions by Venturers.

The classification of joint arrangements under FRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under FRS 11, joint arrangements are classified as either joint operations or joint ventures.

FRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

**FRS 13: Fair Value Measurement**

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted.

		Effective for annual periods beginning on or after
FRS 9	: Financial Instruments	1 January 2015
IC Interpretation 21	: Levies	1 January 2014
<i>Amendments to:</i>		
FRS 9 & FRS 7	: Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2015
FRS 10, 11, 12	: Investment Entities	1 January 2014
FRS 132	: Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 136	: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
FRS 139	: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014

The above new/revised standards, amendments and improvements are not expected to have any significant financial impact on the Group upon their initial application.

### **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 31 December 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 Cyclicalality 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 31 December 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 last financial period to-date.
- 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.

	Property Investment	Hotel Operations	Property Development	Property Support Services	Investment Holding	Others/ Elimination	Consolidated
<b>RM'000</b>							
<b>REVENUE</b>							
External Sales	15,793	20,729	238,641	628	0	0	275,791
Inter-segment Sales	880	0	0	764	0	(1,644)	0
Total revenue	16,673	20,729	238,641	1,392	0	(1,644)	275,791
<b>RESULTS</b>							
Segment results	8,050	361	49,100	(95)	3,501	(10,861)	50,056
Unallocated corporate (expenses)/income							(2,538)
Operating profit							47,518
Finance cost, net							(16,689)
Share of net profit/(loss) of associated companies			13,579				13,579
Income taxes							(10,996)
Profit for the period							33,412



(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 31 December 2013 up to the date of this announcement that has not been reflected in the financial statements as at 31 December 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 current quarter ended 31 December 2013, the Group achieved a higher turnover of RM119.64 million and net profit of RM14.65 million compared to RM82.19 million and RM9.28 million respectively in the corresponding quarter last year.

For the 9 months to-date, the Group achieved a higher turnover of RM275.79 million and net profit of RM33.41 million compared to RM209.23 million and RM30.11 million respectively in the corresponding period to-date last year.

The higher turnover and net profit was mainly attributable to higher revenue and profit recognition from Dedaun, Hijauan, By The Sea and Village projects compared to the previous corresponding quarter.

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

For the quarter ended 31 December 2013, the Group registered a higher profit before tax of RM20.89 million compared to RM11.59 million recorded in the preceding quarter ended 30 September 2013. The higher pre-tax profit was mainly due to better sales and work progress of Dedaun, Hijauan, By The Sea and Village projects.

**B3. Prospects for the Current Financial Year**

With the stringent guidelines on loan application issued by the Bank Negara and providing additional / transparent disclosures of sales packages, the Group expects these measures to soften demand in the Malaysian real property market in the first half of this year as potential buyers and investors will find it more difficult to obtain loan.

Nevertheless, the Group expects the property market would be able to absorb and re-strategize upon these elements mentioned above, and that demand for property would return in earnest from the second half of 2014.

With unbilled sales of approximately RM956 million in hand, 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 31/12/2013 RM'000	Financial period to-date 31/12/2013 RM'000
- current taxation	5,284	9,889
- associated companies	0	0
- deferred taxation	0	0
- under/(over) provision in prior years		
- Current	957	1,107
- Deferred	0	0
	<u>6,241</u>	<u>10,996</u>

For the current quarter, the Group's taxation was marginally 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 31 December 2013 are as follows:-

	RM'000
<b><i>Long Term Bank Borrowing</i></b>	
<i>Secured:</i>	
Revolving Credit	107,036
Term Loan	321,770
Repayments due within the next 12 months	(2,500)
Sub-Total	<u>426,306</u>
<i>Unsecured:</i>	
Revolving Credit	0
Term Loan	0
Repayments due within the next 12 months	0
Sub-Total	<u>0</u>
<b><i>Short Term Bank Borrowing</i></b>	
<i>Secured:</i>	
Revolving Credit	55,000
Term Loan	0
Current portion of long term borrowing	2,500
Sub-Total	<u>57,500</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>548,806</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	87,140

**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 31 December 2013 and 31 March 2013 are analysed as follows:

	31/12/2013 RM'000	31/03/2013 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	187,233	174,612
- Unrealised	189,311	189,009
	376,544	363,621
Total share of retained profits from jointly controlled entities:		
- Realised	31,873	25,442
- Unrealised	(1,387)	(1,387)
	30,486	24,055
	407,030	387,676
Less: Consolidation adjustment	(1,690)	(6,075)
Total Group retained profits	405,340	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 31/12/2013	Comparative quarter ended 31/12/2012	Current 9 months ended 31/12/2013	Corresponding 9 months ended 31/12/2012
( i ) Net profit for the period ( RM'000 )	14,654	9,280	33,412	30,112
( ii ) Weighted average number of ordinary shares in issue ( '000 )	426,127	426,127	426,127	426,127
Basic earnings per share (sen)	3.44	2.18	7.84	7.07

The company does not have any dilutive potential ordinary shares outstanding as at 31 December 2013. Accordingly, no diluted earnings per share is presented.

**B12. Profit for the Period**

	Current quarter ended 31.12.2013 RM'000	Comparative quarter ended 31.12.2012 RM'000	Current 9 months ended 31.12.2013 RM'000	Corresponding 9 months ended 31.12.2012 RM'000
Profit for the period is arrived at after crediting:				
Interest Income	99	168	278	409
Other Income	983	301	3,404	3,564
Foreign Exchange Gain	14	1,078	19	4,434
Gain on disposal of quoted investment	(1)	0	0	74
and after charging:				
Interest expense	5,223	6,095	16,690	17,133
Depreciation	5,220	1,146	7,489	3,398
Provision for/write off of receivables	0	0	0	0
Provision for/write off of inventories	0	0	0	0
Foreign Exchange Loss	(11)	0	(13)	0