

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	As at 31.03.2014 (UNAUDITED)	As at 31.03.2013 (AUDITED)
ASSETS	RM'000	RM'000
Non-current assets		
Property, plant and equipment	178,832	167,414
Investment properties	311,800	304,016
Land held for development	0	53,553
Investment in jointly controlled entities	178,156	163,287
Available-for-sale financial assets	6	0
	<u>668,794</u>	<u>688,270</u>
Current assets		
Inventories	22,453	12,647
Property Development Costs	375,487	369,482
Trade and other receivable	140,410	119,912
Tax recoverable	(200)	8,349
Cash and Cash Equivalents	148,865	97,972
	<u>687,015</u>	<u>608,362</u>
TOTAL ASSETS	<u>1,355,809</u>	<u>1,296,632</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	213,064	213,064
Reserves	491,354	430,589
	<u>704,418</u>	<u>643,653</u>
Non-controlling interest	<u>0</u>	<u>0</u>
Total equity	<u>704,418</u>	<u>643,653</u>
Non-current liabilities		
Bank Borrowings	442,643	425,998
Deferred taxation	2,199	0
	<u>444,842</u>	<u>425,998</u>
Current liabilities		
Trade and other payables	93,167	72,419
Bank Borrowings	113,382	154,492
Bank Overdraft	0	0
Taxation	0	70
	<u>206,549</u>	<u>226,981</u>
Total liabilities	<u>651,391</u>	<u>652,979</u>
TOTAL EQUITY AND LIABILITIES	<u>1,355,809</u>	<u>1,296,632</u>
Net assets per ordinary share attributable to owners of the Company (sen)	165.31	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 4th quarter ended 31 March 2014

(The figures have not been audited)

	Current quarter ended 31.03.2014	Comparative quarter ended 31.03.2013	Current 12 months ended 31.03.2014	Corresponding 12 months ended 31.03.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	101,491	69,607	377,282	278,842
Operating expenses	(86,482)	(72,249)	(313,024)	(242,603)
Other operating income	16,037	12,860	19,725	21,267
Profit from operations	31,046	10,218	83,983	57,507
Depreciation	760	(1,129)	(4,658)	(4,527)
Finance costs	(4,462)	(5,858)	(21,152)	(22,991)
Share of jointly controlled entities results	<u>5,968</u>	<u>16,473</u>	<u>19,547</u>	<u>26,107</u>
Profit before taxation	33,312	19,704	77,720	56,096
Taxation	<u>(4,554)</u>	<u>(1,731)</u>	<u>(15,550)</u>	<u>(8,011)</u>
Profit for the period	<u>28,758</u>	<u>17,973</u>	<u>62,170</u>	<u>48,085</u>
Attributable to:				
Owners of the Company	28,758	17,973	62,170	48,085
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Profit for the period	<u><u>28,758</u></u>	<u><u>17,973</u></u>	<u><u>62,170</u></u>	<u><u>48,085</u></u>
Earning per share - basic (sen)	6.75	4.22	14.59	11.28
- 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 4th quarter ended 31 March 2014

(The figures have not been audited)

	Current quarter ended 31.03.2014	Comparative quarter ended 31.03.2013	Current 12 months ended 31.03.2014	Corresponding 12 months ended 31.03.2013
	RM'000	RM'000	RM'000	RM'000
Profit for the period	28,758	17,973	62,170	48,085
Fair value changes in available-for-sale financial asset	0	(3,000)	0	(2,336)
Foreign currency translation differences for foreign operations	2,409	(1,586)	8,183	3,633
Fair Value changes in PPE	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Other comprehensive income	2,409	(4,586)	8,183	1,297
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income	31,167	13,387	70,353	49,382
Attributable to:				
Owners of the Company	8,646	9,524	70,353	49,382
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income	<u>31,167</u>	<u>13,387</u>	<u>70,353</u>	<u>49,382</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 12 months ended 31 March 2014
(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
Current 12 months ended								
31 March 2014								
As at 1 April 2013	213,064	477	34,640	7,861	-	6,095	381,516	643,653
Effects of adopting FRS 139								-
Restated	213,064	477	34,640	7,861	-	6,095	381,516	643,653
Movement during the period:								
- Total comprehensive income for the the period	-	-	-	-	-	8,183	62,170	70,353
- Dividend paid	-	-	-	-	-	-	(9,588)	(9,588)
As at 31 March 2014	213,064	477	34,640	7,861	-	14,278	434,098	704,418
Preceding 12 months ended								
31 March 2013								
As at 1 April 2012	213,064	477	34,640	7,861	2,336	4,070	343,104	605,552
Effects of adopting FRS 139								-
Restated	213,064	477	34,640	7,861	2,336	4,070	343,104	605,552
Movement during the period:								
- Total comprehensive income for the the period	-	-	-	-	(2,336)	3,633	48,085	49,382
- Dividend paid	-	-	-	-	-	-	(9,588)	(9,588)
As at 31 March 2013	213,064	477	34,640	7,861	0	7,703	381,601	645,346

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 12 months ended 31 March 2014

(The figures have not been audited)

	Current 12 months ended 31.03.2014 RM'000	Corresponding 12 months ended 31.03.2013 RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before taxation	77,720	56,096
Adjustment for :		
Non-cash items	(9,438)	(2,696)
Non-operating items (which are investing / financing)	1,214	(6,763)
Operating profit before working capital changes	<u>69,496</u>	<u>46,637</u>
Changes in working capital		
Receipts from customer	23,306	18,980
Payments to supplier, contractors and employee	20,421	(12,926)
Interest paid	(20,578)	(22,453)
Income tax paid	(4,873)	(15,949)
Net cashflows from operating activities	<u>87,772</u>	<u>14,289</u>
CASHFLOW FROM INVESTING ACTIVITIES		
Equity investments	-	-
Other investments	(699)	(48,953)
Investment in jointly controlled entities	9,585	(34,470)
Purchase/Disposal of property, plant and equipment	(5,007)	(3,122)
Proceeds from disposal of property, plant and equipment	100	-
Net cashflows from investing activities	<u>3,979</u>	<u>(86,545)</u>
CASHFLOW FROM FINANCING ACTIVITIES		
Dividend paid to MI Shareholders of subsidiary companies	-	-
Dividend paid to Shareholder of Company	(9,588)	(9,588)
Withdrawal of fixed deposit pledged	-	1,020
Revolving Credit	(67,912)	(4,590)
Term Loan	40,000	55,200
Repayment of hire purchase liability	-	-
Net cashflows from financing activities	<u>(37,500)</u>	<u>42,042</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	54,251	(30,214)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	97,387	131,305
EFFECT OF EXCHANGE RATE CHANGES	(3,358)	(3,704)
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	<u>148,280</u>	<u>97,387</u>
Represented by:		
Cash and Cash Equivalents	148,865	97,972
less:		
Amount pledged as security for bank facilities	(585)	(585)
	<u>148,280</u>	<u>97,387</u>

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 4TH FINANCIAL QUARTER ENDED 31 MARCH 2014

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 year ended 31 March 2014 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 year ended 31 March 2014.

A7. Dividend Paid

A first and final dividend of RM9,587,874.78 for the year ended 31 March 2013 was paid during the second 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	21,290	27,541	327,812	639	0	0	377,282
Inter-segment Sales	1,174	0	0	5,225	0	(6,399)	0
Total revenue	<u>22,464</u>	<u>27,541</u>	<u>327,812</u>	<u>5,864</u>	<u>0</u>	<u>(6,399)</u>	<u>377,282</u>
RESULTS							
Segment results	25,563	428	66,756	(328)	3,420	(13,833)	82,006
Unallocated corporate (expenses)/income							<u>(2,680)</u>
Operating profit							79,326
Finance cost, net							(21,152)
Share of net profit/(loss) of associated companies			19,547				19,547
Income taxes							<u>(15,551)</u>
Profit for the period							<u>62,170</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

In line with the Group's adoption of fair value method in relation to its investment properties, the Group's property, land and buildings were revalued by Rahim & Co Chartered Surveyors Sdn Bhd ("Rahim & Co") – for properties in Malaysia and Bernard Valuers & Real Estate Consultants Pte Ltd ("Bernard Valuer") – for properties in Singapore, both are registered independent professional valuer as at 31 March 2014 on an open market basis for existing use.

The resulting net surplus of RM14.10 million has been recognised directly to the income statement.

A10. Material Events Subsequent to the End of the Period

There are no material events subsequent to 31 March 2014 up to the date of this announcement that has not been reflected in the financial statements as at 31 March 2014.

A11. Effects of Changes in the Composition of the Group

There are no changes in the composition of the Group for the financial year 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 year.

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 12 months ended 31 March 2014, the Group achieved a higher turnover and net profit of RM377.28 million and RM62.17 million respectively compared to the corresponding period to-date last year. This was mainly attributable to higher sales achieved in Windows On The Park, By The Sea, The Hub and Village (developed by 50% jointly controlled entity) and better work progress in most of the Malaysia and Singapore projects.

The revaluation of the Group's Investment Properties had resulted net surplus of RM14.10 million compared to RM7.18 million in the corresponding last year.

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

For the quarter ended 31 March 2014, the Group registered a higher profit before tax of RM33.31 million compared to RM20.89 million recorded in the preceding quarter ended 31 December 2013. The higher pre-tax profit was mainly due to revaluation surplus.

B3. Prospects for the Current Financial Year

The outlook for coming year is expected to remain challenging in view of the anti-speculation measures announced during the Budget 2014, stringent bank loan guidelines and implementation of measure to curb bulk sales.

The Group expects these measures to soften demand in the Malaysian real property market in the first half of this year as potential buyers, investors and property developers alike re-think their next investment and wealth creation strategies. However, with unbilled sales of approximately RM1.05 billion in hand, the Group expects the next financial year performance to be 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 31/03/2014 RM'000	Financial year 31/03/2014 RM'000
- current taxation	4,554	15,421
- associated companies	0	0
- deferred taxation	0	0
- under/(over) provision in prior years		
- Current	0	129
- Deferred	0	0
	4,554	15,550

For the current quarter, the Group's taxation was lower compared to the statutory rate mainly due to net surplus resulted from revaluation of investment properties.

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 March 2014 are as follows:-

Long Term Bank Borrowing	RM'000
<i>Secured:</i>	
Revolving Credit	104,932
Term Loan	353,093
Repayments due within the next 12 months	<u>(15,382)</u>
Sub-Total	<u>442,643</u>
<i>Unsecured:</i>	
Revolving Credit	0
Term Loan	0
Repayments due within the next 12 months	<u>0</u>
Sub-Total	<u>0</u>
Short Term Bank Borrowing	
<i>Secured:</i>	
Revolving Credit	58,000
Term Loan	0
Current portion of long term borrowing	<u>15,382</u>
Sub-Total	<u>73,382</u>
<i>Unsecured:</i>	
Revolving Credit	40,000
Term Loan	0
Current portion of long term borrowing	<u>0</u>
Sub-Total	<u>40,000</u>
Total	<u>556,025</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	87,947

B8. Material Litigation

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

B9. Dividend

The Board has recommended a first and final single-tier dividend of 3.0 sen per share (FY2013: 3.0 sen less 25% tax) amounting to RM12,783,829 (FY2013: RM9,587,874) in respect of the financial year ended 31 March 2014 which will be proposed for shareholders' approval at the forthcoming Annual General Meeting.

B10. Realised and Unrealised Profits and Losses

The retained profits of the Group as at 31 March 2014 and 31 March 2013 are analysed as follows:

	31/03/2014 RM'000	31/03/2013 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	203,844	174,612
- Unrealised	200,952	189,009
	404,796	363,621
Total share of retained profits from jointly controlled entities:		
- Realised	34,108	25,442
- Unrealised	(1,387)	(1,387)
	32,721	24,055
	437,517	387,676
Less: Consolidation adjustment	(3,419)	(6,075)
	434,098	381,601
Total Group retained profits	434,098	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 31/03/2014	Comparative quarter ended 31/03/2013	Current 12 months ended 31/03/2014	Corresponding 12 months ended 31/03/2013
(i) Net profit for the period (RM'000)	28,758	17,973	62,170	48,085
(ii) Weighted average number of ordinary shares in issue ('000)	426,127	426,127	426,127	426,127
Basic earnings per share (sen)	6.75	4.22	14.59	11.28

The company does not have any dilutive potential ordinary shares outstanding as at 31 March 2014. Accordingly, no diluted earnings per share is presented.

B12. Profit for the Year

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.03.2014 RM'000	Comparative quarter ended 31.03.2013 RM'000	Current 12 months ended 31.03.2014 RM'000	Corresponding 12 months ended 31.03.2013 RM'000
Profit for the period is arrived at after crediting:				
Interest Income	113	21	391	430
Other Income	14,302	10,003	17,706	13,567
Foreign Exchange Gain	603	0	622	4,055
Gain on disposal of quoted investment	0	3,142	0	3,216
and after charging:				
Interest expense	4,462	5,858	21,152	22,991
Depreciation	(760)	1,129	4,658	4,527
Provision for/write off of receivables	0	0	0	0
Provision for/write off of inventories	0	0	0	0
Foreign Exchange Loss	29	379	16	0