

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	As at 30.06.2014 (UNAUDITED)	As at 31.03.2014 (AUDITED)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	179,761	178,832
Investment properties	311,800	311,800
Land held for development	0	0
Investment in jointly controlled entities	184,872	178,156
Available-for-sale financial assets	6	6
Deferred tax assets	12,080	12,080
	<u>688,519</u>	<u>680,874</u>
Current assets		
Inventories	22,423	22,453
Property Development Costs	375,263	375,487
Trade and other receivable	153,485	140,409
Tax recoverable	4,427	4,402
Cash and Cash Equivalents	134,135	148,865
	<u>689,733</u>	<u>691,616</u>
TOTAL ASSETS	<u>1,378,252</u>	<u>1,372,490</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	213,064	213,064
Reserves	502,640	491,353
	<u>715,704</u>	<u>704,417</u>
Non-controlling interest	<u>0</u>	<u>0</u>
Total equity	<u>715,704</u>	<u>704,417</u>
Non-current liabilities		
Bank Borrowings	348,900	337,099
Deferred taxation	14,279	14,279
	<u>363,179</u>	<u>351,378</u>
Current liabilities		
Trade and other payables	90,430	93,170
Bank Borrowings	202,125	218,924
Bank Overdraft	0	0
Taxation	6,814	4,601
	<u>299,369</u>	<u>316,695</u>
Total liabilities	<u>662,548</u>	<u>668,073</u>
TOTAL EQUITY AND LIABILITIES	<u>1,378,252</u>	<u>1,372,490</u>
Net assets per ordinary share attributable to owners of the Company (sen)	167.96	165.31

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st March 2014

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

CONDENSED CONSOLIDATED INCOME STATEMENT

for the 1st quarter ended 30 June 2014

(The figures have not been audited)

	Current quarter ended 30.06.2014	Comparative quarter ended 30.06.2013	Current 3 months ended 30.06.2014	Corresponding 3 months ended 30.06.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	87,042	70,799	87,042	70,799
Operating expenses	(73,964)	(55,712)	(73,964)	(55,712)
Other operating income	1,094	1,218	1,094	1,218
Profit from operations	14,172	16,305	14,172	16,305
Depreciation	(1,365)	(959)	(1,365)	(959)
Finance costs	(2,387)	(5,974)	(2,387)	(5,974)
Share of jointly controlled entities results	<u>4,693</u>	<u>2,550</u>	<u>4,693</u>	<u>2,550</u>
Profit before taxation	15,113	11,922	15,113	11,922
Taxation	<u>(4,532)</u>	<u>(2,664)</u>	<u>(4,532)</u>	<u>(2,664)</u>
Profit for the period	<u>10,581</u>	<u>9,258</u>	<u>10,581</u>	<u>9,258</u>
Attributable to:				
Owners of the Company	10,581	9,258	10,581	9,258
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Profit for the period	<u>10,581</u>	<u>9,258</u>	<u>10,581</u>	<u>9,258</u>
Earning per share - basic (sen)	2.48	2.17	2.48	2.17
- diluted (sen)	-	-	-	-

*The Condensed Consolidated Income Statement should be read in conjunction with the
Annual Financial Report for the year ended 31st March 2014*

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the 1st quarter ended 30 June 2014
(The figures have not been audited)

	Current quarter ended 30.06.2014	Comparative quarter ended 30.06.2013	Current 3 months ended 30.06.2014	Corresponding 3 months ended 30.06.2013
	RM'000	RM'000	RM'000	RM'000
Profit for the period	10,581	9,258	10,581	9,258
Fair value changes in available-for-sale financial asset	0	0	0	0
Foreign currency translation differences for foreign operations	706	(951)	706	(951)
Fair Value changes in PPE	0	0	0	0
Other comprehensive income	<u>706</u>	<u>(951)</u>	<u>706</u>	<u>(951)</u>
Total comprehensive income	<u>11,287</u>	<u>8,307</u>	<u>11,287</u>	<u>8,307</u>
Attributable to:				
Owners of the Company	8,646	9,524	11,287	8,307
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income	<u>11,287</u>	<u>8,307</u>	<u>11,287</u>	<u>8,307</u>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the
Annual Financial Report for the year ended 31st March 2014*

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 3 months ended 30 June 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
<u>Current 3 months ended</u>								
<u>30 June 2014</u>								
As at 1 April 2014	213,064	477	34,640	7,861	-	14,278	434,097	704,417
Effects of adopting FRS 139								-
Restated	<u>213,064</u>	<u>477</u>	<u>34,640</u>	<u>7,861</u>	<u>-</u>	<u>14,278</u>	<u>434,097</u>	<u>704,417</u>
Movement during the period:								
- Total comprehensive income								
for the the period	-	-	-	-	-	706	10,581	11,287
- Dividend paid	-	-	-	-	-	-	-	-
As at 30 June 2014	<u>213,064</u>	<u>477</u>	<u>34,640</u>	<u>7,861</u>	<u>-</u>	<u>14,984</u>	<u>444,678</u>	<u>715,704</u>
 <u>Preceding 3 months ended</u>								
<u>30 June 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>2,336</u>	<u>4,070</u>	<u>343,104</u>	<u>605,552</u>
Movement during the period:								
- Total comprehensive income								
for the the period	-	-	-	-	-	(951)	9,258	8,307
- Dividend paid	-	-	-	-	-	-	-	-
As at 30 June 2013	<u>213,064</u>	<u>477</u>	<u>34,640</u>	<u>7,861</u>	<u>0</u>	<u>7,703</u>	<u>381,601</u>	<u>645,346</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 2014

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the 3 months ended 30 June 2014

(The figures have not been audited)

	Current 3 months ended 30.06.2014 RM'000	Corresponding 3 months ended 30.06.2013 RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before taxation	15,113	11,922
Adjustment for :		
Non-cash items	1,225	959
Non-operating items (which are investing / financing)	(2,477)	3,307
Operating profit before working capital changes	13,861	16,188
Changes in working capital		
Receipts from customer	(13,191)	(10,007)
Payments to supplier, contractors and employee	(4,034)	542
Interest paid	(2,225)	(5,436)
Income tax paid	(2,345)	(545)
Net cashflows from operating activities	(7,934)	742
CASHFLOW FROM INVESTING ACTIVITIES		
Equity investments	-	-
Other investments	(20)	(1,253)
Investment in jointly controlled entities	-	-
Purchase/Disposal of property, plant and equipment	(1,294)	(562)
Proceeds from disposal of property, plant and equipment	140	-
Net cashflows from investing activities	(1,174)	(1,815)
CASHFLOW FROM FINANCING ACTIVITIES		
Dividend paid to MI Shareholders of subsidiary companies	-	-
Dividend paid to Shareholder of Company	-	-
Withdrawal of fixed deposit pledged	-	(8,626)
Revolving Credit	(4,240)	-
Term Loan	-	-
Repayment of hire purchase liability	-	-
Net cashflows from financing activities	(4,240)	(8,626)
NET CHANGE IN CASH & CASH EQUIVALENTS	(13,348)	(9,699)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	148,279	97,387
EFFECT OF EXCHANGE RATE CHANGES	(1,381)	1,489
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	133,550	89,177
Represented by:		
Cash and Cash Equivalents	134,135	89,762
less:		
Amount pledged as security for bank facilities	(585)	(585)
	133,550	89,177

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st March 2014

SELANGOR DREDGING BERHAD (4624-U)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE 1ST FINANCIAL QUARTER ENDED 30 JUNE 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 2014.

The Group have not applied the following standards, amendments and interpretations that have been issued by the MASB but are not yet effective:

		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
FRS 3, FRS 8, FRS 116, FRS 124 and FRS 138	: Annual Improvements to FRS 2010-2012 Cycle	1 July 2014
FRS 3, FRS 13 and FRS 140	: Annual Improvements to FRS 2011-2013 Cycle	1 July 2014
FRS 119	: Defined Benefit Plans: Employee Contributions	1 July 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 30 June 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 period-to-date ended 30 June 2014.

A7. Dividend Paid

No dividend was paid during the current financial quarter and period-to-date ended 30 June 2014.

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
RM'000							
REVENUE							
External Sales	5,470	6,318	75,185	69	0	0	87,042
Inter-segment Sales	293	0	0	174	0	(467)	0
Total revenue	<u>5,763</u>	<u>6,318</u>	<u>75,185</u>	<u>243</u>	<u>0</u>	<u>(467)</u>	<u>87,042</u>
RESULTS							
Segment results	3,114	(336)	14,097	(181)	(655)	(2,651)	13,388
Unallocated corporate (expenses)/income							<u>(581)</u>
Operating profit							12,807
Finance cost, net							(2,387)
Share of net profit/(loss) of associated companies			4,693				4,693
Income taxes							<u>(4,532)</u>
Profit for the period							<u>10,581</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 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 2014.

A10. Material Events Subsequent to the End of the Period

There are no material events subsequent to 30 June 2014 up to the date of this announcement that has not been reflected in the financial statements as at 30 June 2014.

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 June 2014, the Group achieved a higher turnover and net profit of RM87.04 million and RM10.58 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.

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

For the quarter ended 30 June 2014, the Group registered a lower profit before tax of RM15.11 million compared to RM33.31 million recorded in the preceding quarter ended 31 March 2014. Comparatively, the lower profit was mainly due to the increase in fair value of the Group's Investment Properties amounting to RM14.10 million in the preceding quarter.

B3. Prospects for the Current Financial Year

The outlook for coming year is expected to remain challenging in view of stringent bank loan guidelines, implementation of measure to curb bulk sales and the recent increase of Overnight Policy Rate (OPR) by Bank Negara.

The Group expects the above mentioned factors will soften the demand in the Malaysian real property market in the remaining of this financial year as potential buyers, investors and property developers alike re-think their next investment and wealth creation strategies. However, with unbilled sales of approximately RM1.04 billion in hand, the Group expects the current 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 30/6/2014 RM'000	Financial year 30/6/2014 RM'000
- current taxation	4,532	4,532
- associated companies	0	0
- deferred taxation	0	0
- under/(over) provision in prior years		
- Current	0	0
- Deferred	0	0
	<u>4,532</u>	<u>4,532</u>

For the current quarter, the Group's taxation was higher compared to the statutory rate mainly due to certain expenses being disallowed for tax purposes.

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 June 2014 are as follows:-

<i>Long Term Bank Borrowing</i>		RM'000
<i>Secured:</i>		
Revolving Credit		100,692
Term Loan		352,333
Repayments due within the next 12 months		<u>(104,125)</u>
	Sub-Total	<u>348,900</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>
<i>Short Term Bank Borrowing</i>		
<i>Secured:</i>		
Revolving Credit		58,000
Term Loan		0
Current portion of long term borrowing		<u>104,125</u>
	Sub-Total	<u>162,125</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>551,025</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	87,133

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 30 June 2014 and 31 March 2014 are analysed as follows:

	30-06-2014 RM'000	31-03-2014 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	209,096	203,844
- Unrealised	200,951	200,952
	410,047	404,796
Total share of retained profits from jointly controlled entities:		
- Realised	38,800	34,106
- Unrealised	(1,387)	(1,387)
	37,413	32,719
	447,460	437,515
Less: Consolidation adjustment	(2,782)	(3,418)
Total Group retained profits	<u>444,678</u>	<u>434,097</u>

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 30/06/2014	Comparative quarter ended 30/06/2013	Current 3 months ended 30/06/2014	Corresponding 3 months ended 30/06/2013
(i) Net profit for the period (RM'000)	10,581	9,258	10,581	9,258
(ii) Weighted average number of ordinary shares in issue ('000)	426,127	426,127	426,127	426,127
Basic earnings per share (sen)	2.48	2.17	2.48	2.17

The company does not have any dilutive potential ordinary shares outstanding as at 30 June 2014. Accordingly, no diluted earnings per share is presented.

B12. Profit for the Year

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.06.2014 RM'000	Comparative quarter ended 31.06.2013 RM'000	Current 3 months ended 31.06.2014 RM'000	Corresponding 3 months ended 31.06.2013 RM'000
Profit for the period is arrived at after crediting:				
Interest Income	171	117	171	117
Other Income	935	1,099	935	1,099
Foreign Exchange Gain	0	0	0	0
Gain on disposal of quoted investment	0	1	0	1
and after charging:				
Interest expense	2,387	5,974	2,387	5,974
Depreciation	1,365	959	1,365	959
Provision for/write off of receivables	0	0	0	0
Provision for/write off of inventories	0	0	0	0
Foreign Exchange Loss	(12)	(2)	(12)	(2)