

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 September 2014

	As at 30.09.2014 ( UNAUDITED )	As at 31.03.2014 ( AUDITED )
<b>ASSETS</b>	RM'000	RM'000
<b>Non-current assets</b>		
Property, plant and equipment	178,611	178,832
Investment properties	311,980	311,800
Land held for development	0	0
Investment in jointly controlled entities	187,743	178,156
Available-for-sale financial assets	6	6
Deferred tax assets	12,080	12,080
	<u>690,420</u>	<u>680,874</u>
<b>Current assets</b>		
Inventories	22,425	22,453
Property Development Costs	372,785	375,487
Trade and other receivable	279,617	140,409
Tax recoverable	5,022	4,402
Cash and Cash Equivalents	113,856	148,865
	<u>793,705</u>	<u>691,616</u>
<b>TOTAL ASSETS</b>	<u>1,484,125</u>	<u>1,372,490</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share Capital	213,064	213,064
Reserves	502,354	491,353
	<u>715,418</u>	<u>704,417</u>
<b>Non-controlling interest</b>	0	0
<b>Total equity</b>	<u>715,418</u>	<u>704,417</u>
<b>Non-current liabilities</b>		
Bank Borrowings	387,993	337,099
Deferred taxation	14,279	14,279
	<u>402,272</u>	<u>351,378</u>
<b>Current liabilities</b>		
Trade and other payables	212,177	93,170
Bank Borrowings	143,900	218,924
Bank Overdraft	0	0
Taxation	10,358	4,601
	<u>366,435</u>	<u>316,695</u>
<b>Total liabilities</b>	<u>768,707</u>	<u>668,073</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,484,125</u>	<u>1,372,490</u>
<b>Net assets per ordinary share attributable to owners of the Company (sen)</b>	167.89	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 2nd quarter ended 30 September 2014**

( The figures have not been audited )

	Current quarter ended 30.09.2014	Comparative quarter ended 30.09.2013	Current 6 months ended 30.09.2014	Corresponding 6 months ended 30.09.2013
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	96,253	85,348	183,295	156,147
Operating expenses	(79,303)	(74,187)	(153,267)	(129,899)
Other operating income	1,842	1,386	2,936	2,604
Profit from operations	18,792	12,547	32,964	28,852
Depreciation	(1,424)	(1,310)	(2,789)	(2,269)
Finance costs	(4,948)	(5,493)	(7,335)	(11,467)
Share of jointly controlled entities results	<u>2,939</u>	<u>5,847</u>	<u>7,632</u>	<u>8,397</u>
<b>Profit before taxation</b>	15,359	11,591	30,472	23,513
Taxation	<u>(2,955)</u>	<u>(2,091)</u>	<u>(7,487)</u>	<u>(4,755)</u>
<b>Profit for the period</b>	<u>12,404</u>	<u>9,500</u>	<u>22,985</u>	<u>18,758</u>
<b>Attributable to:</b>				
Owners of the Company	12,404	9,500	22,985	18,758
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Profit for the period</b>	<u><u>12,404</u></u>	<u><u>9,500</u></u>	<u><u>22,985</u></u>	<u><u>18,758</u></u>
Earning per share - basic ( sen )	2.91	2.23	5.39	4.40
- 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 2nd quarter ended 30 September 2014**

( The figures have not been audited )

	Current quarter ended 30.09.2014	Comparative quarter ended 30.09.2013	Current 6 months ended 30.09.2014	Corresponding 6 months ended 30.09.2013
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	12,404	9,500	22,985	18,758
Fair value changes in available-for-sale financial asset	0	0	0	0
Foreign currency translation differences for foreign operations	93	8,248	799	7,297
Fair Value changes in PPE	0	0	0	0
<b>Other comprehensive income</b>	<u>93</u>	<u>8,248</u>	<u>799</u>	<u>7,297</u>
<b>Total comprehensive income</b>	<u>12,497</u>	<u>17,748</u>	<u>23,784</u>	<u>26,055</u>
Attributable to:				
Owners of the Company	12,497	17,748	23,784	26,055
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total comprehensive income</b>	<u><u>12,497</u></u>	<u><u>17,748</u></u>	<u><u>23,784</u></u>	<u><u>26,055</u></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 6 months ended 30 September 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 6 months ended</u>								
<u>30 September 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	213,064	477	34,640	7,861	-	14,278	434,097	704,417
Movement during the period:								
- Total comprehensive income								
for the the period	-	-	-	-	-	799	22,985	23,784
- Dividend paid	-	-	-	-	-	-	(12,783)	(12,783)
As at 30 September 2014	213,064	477	34,640	7,861	-	15,077	444,299	715,418
<u>Preceding 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	213,064	477	34,640	7,861	0	6,095	381,516	643,653
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	213,064	477	34,640	7,861	0	13,392	390,686	660,120

*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 6 months ended 30 September 2014**

( The figures have not been audited )

	Current 6 months ended 30.09.2014 RM'000	Corresponding 6 months ended 30.09.2013 RM'000
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	30,471	23,513
Adjustment for :		
Non-cash items	2,649	2,268
Non-operating items ( which are investing / financing )	(533)	2,891
Operating profit before working capital changes	32,587	28,672
Changes in working capital		
Receipts from customer	(43,337)	(4,728)
Payments to supplier, contractors and employee	25,266	16,882
Interest paid	(7,172)	(11,275)
Income tax paid	(2,351)	(1,786)
Net cashflows from operating activities	4,993	27,765
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Equity investments	-	-
Other investments	(180)	(1,746)
Investment in jointly controlled entities	(375)	12,175
Purchase/Disposal of property, plant and equipment	(2,684)	(1,513)
Proceeds from disposal of property, plant and equipment	140	-
Net cashflows from investing activities	(3,099)	8,916
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid to MI Shareholders of subsidiary companies	-	-
Dividend paid to Shareholder of Company	(12,783)	(9,588)
Withdrawal of fixed deposit pledged	-	-
Revolving Credit	20,760	(18,151)
Term Loan	(44,128)	(5,750)
Repayment of hire purchase liability	-	-
Net cashflows from financing activities	(36,151)	(33,489)
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS</b>	(34,257)	3,192
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	148,279	97,387
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	(751)	1,387
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE PERIOD</b>	113,271	101,966
Represented by:		
Cash and Cash Equivalents	113,856	102,551
less:		
Amount pledged as security for bank facilities	(585)	(585)
	113,271	101,966

*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 2ND FINANCIAL QUARTER ENDED 30 SEPTEMBER 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 September 2014.

**A7. Dividend Paid**

A first and final dividend of RM12,783,829.86 for the year ended 31 March 2014 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.

<b>RM'000</b>	Property Investment	Hotel Operations	Property Development	Property Support Services	Investment Holding	Others/ Elimination	Consolidated
<b>REVENUE</b>							
External Sales	11,139	12,076	159,835	245	0	0	183,295
Inter-segment Sales	587	0	0	174	0	(761)	0
Total revenue	<u>11,726</u>	<u>12,076</u>	<u>159,835</u>	<u>419</u>	<u>0</u>	<u>(761)</u>	<u>183,295</u>
<b>RESULTS</b>							
Segment results	6,592	(1,086)	33,140	(345)	(663)	(6,174)	31,464
Unallocated corporate (expenses)/income							<u>(1,289)</u>
Operating profit							<u>30,175</u>
Finance cost, net							(7,335)
Share of net profit/(loss) of associated companies			7,632				7,632
Income taxes							<u>(7,487)</u>
Profit for the period							<u>22,985</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 September 2014 up to the date of this announcement that has not been reflected in the financial statements as at 30 September 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 6 months ended 30 September 2014, the Group achieved a higher turnover and net profit of RM183.30 million and RM22.99 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 September 2014, the Group registered a slightly higher profit before tax of RM15.36 million compared to RM15.11 million recorded in the preceding quarter ended 30 June 2014. Comparatively, the higher profit was mainly due to new sales achieved for the current 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 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 RM967 million 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 30-09-14 RM'000	Financial year 30-09-14 RM'000
- current taxation	2,955	7,487
- associated companies	0	0
- deferred taxation	0	0
- under/(over) provision in prior years		
- Current	0	0
- Deferred	0	0
	<u>2,955</u>	<u>7,487</u>

For the current quarter, the Group's taxation was lower compared to the statutory rate mainly due to lower corporate tax rate in Singapore.

**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 2014 are as follows:-

<i>Long Term Bank Borrowing</i>	RM'000
<i>Secured:</i>	
Revolving Credit	100,000
Term Loan	308,893
Repayments due within the next 12 months	<u>(20,900)</u>
Sub-Total	<u>387,993</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>20,900</u>
Sub-Total	<u>78,900</u>
<i>Unsecured:</i>	
Revolving Credit	65,000
Term Loan	0
Current portion of long term borrowing	<u>0</u>
Sub-Total	<u>65,000</u>
Total	<u>531,893</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	17,000	43,693

**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 2014 and 31 March 2014 are analysed as follows:

	30-09-2014 RM'000	31-03-2014 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	201,413	203,844
- Unrealised	200,952	200,952
	402,365	404,796
Total share of retained profits from jointly controlled entities:		
- Realised	41,740	34,106
- Unrealised	(1,387)	(1,387)
	40,353	32,719
	442,718	437,515
Less: Consolidation adjustment	1,581	(3,418)
Total Group retained profits	444,299	434,097

**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 30/09/2014	Comparative quarter ended 30/09/2013	Current 6 months ended 30/09/2014	Corresponding 6 months ended 30/09/2013
( i ) Net profit for the period ( RM'000 )	12,404	9,500	22,985	18,758
( ii ) Weighted average number of ordinary shares in issue ( '000 )	426,127	426,127	426,127	426,127
Basic earnings per share (sen)	2.91	2.23	5.39	4.40

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

**B12. Profit for the Year**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.09.2014 RM'000	Comparative quarter ended 31.09.2013 RM'000	Current 6 months ended 31.09.2014 RM'000	Corresponding 6 months ended 31.09.2013 RM'000
Profit for the period is arrived at after crediting:				
Interest Income	65	62	236	179
Other Income	1,777	1,319	2,712	2,421
Foreign Exchange Gain	0	5	0	5
Gain on disposal of quoted investment	0	0	0	1
and after charging:				
Interest expense	4,948	5,493	7,335	11,467
Depreciation	1,424	1,309	2,789	2,269
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	(12)	(2)