

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 30 September 2016

	As at 30.09.2016 ( UNAUDITED )	As at 31.03.2016 ( AUDITED )
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	190,125	191,410
Intangible asset	368	0
Investment properties	322,483	321,487
Land held for development	0	198,950
Investment in jointly controlled entities	180,628	166,605
Deferred tax assets	3,500	3,519
	<u>697,104</u>	<u>881,971</u>
<b>Current assets</b>		
Inventories	124,786	189,461
Property Development Costs	421,615	190,944
Trade and other receivable	144,637	98,834
Tax recoverable	12,450	12,039
Cash and Cash Equivalents	145,747	157,808
	<u>849,235</u>	<u>649,086</u>
<b>TOTAL ASSETS</b>	<u>1,546,339</u>	<u>1,531,057</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share Capital	213,064	213,064
Reserves	616,140	600,712
	<u>829,204</u>	<u>813,776</u>
<b>Non-controlling interest</b>	0	0
<b>Total equity</b>	<u>829,204</u>	<u>813,776</u>
<b>Non-current liabilities</b>		
Bank Borrowings	456,248	292,100
Deferred taxation	13,029	13,495
	<u>469,277</u>	<u>305,595</u>
<b>Current liabilities</b>		
Trade and other payables	99,722	140,025
Bank Borrowings	147,909	271,661
Bank Overdraft	0	0
Taxation	227	0
	<u>247,858</u>	<u>411,686</u>
<b>Total liabilities</b>	<u>717,135</u>	<u>717,281</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,546,339</u>	<u>1,531,057</u>
<b>Net assets per ordinary share attributable to owners of the Company (sen)</b>	194.59	190.97

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st March 2016*

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

**CONDENSED CONSOLIDATED INCOME STATEMENT**

**for the 2nd quarter ended 30 September 2016**

( The figures have not been audited )

	Current quarter ended 30.09.2016	Comparative quarter ended 30.09.2015	Current 6 months ended 30.09.2016	Corresponding 6 months ended 30.09.2015
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	80,438	52,852	141,791	116,961
Operating expenses	(68,243)	(49,787)	(122,871)	(106,607)
Other operating income	1,194	7,919	6,120	25,465
Profit from operations	13,389	10,984	25,040	35,819
Depreciation	(1,145)	(1,548)	(2,346)	(3,075)
Finance costs	(5,607)	(5,730)	(11,342)	(11,603)
Share of jointly controlled entities results	<u>(860)</u>	<u>6,664</u>	<u>831</u>	<u>11,631</u>
<b>Profit before taxation</b>	5,777	10,370	12,183	32,772
Taxation	<u>(1,976)</u>	<u>(1,253)</u>	<u>(3,787)</u>	<u>(2,164)</u>
<b>Profit for the period</b>	<u>3,801</u>	<u>9,117</u>	<u>8,396</u>	<u>30,608</u>
<b>Attributable to:</b>				
Owners of the Company	3,801	9,117	8,396	30,608
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Profit for the period</b>	<u><u>3,801</u></u>	<u><u>9,117</u></u>	<u><u>8,396</u></u>	<u><u>30,608</u></u>
Earning per share - basic ( sen )	0.89	2.14	1.97	7.18
- diluted ( sen )	-	-	-	-

*The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31st March 2016*

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**for the 2nd quarter ended 30 September 2016**  
( The figures have not been audited )

	Current quarter ended 30.09.2016	Comparative quarter ended 30.09.2015	Current 6 months ended 30.09.2016	Corresponding 6 months ended 30.09.2015
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	3,801	9,117	8,396	30,608
Fair value changes in available-for-sale financial asset	0	0	0	0
Foreign currency translation differences for foreign operations	4,254	38,337	17,685	42,142
Fair Value changes in PPE	0	0	0	0
<b>Other comprehensive income</b>	<u>4,254</u>	<u>38,337</u>	<u>17,685</u>	<u>42,142</u>
<b>Total comprehensive income</b>	<u>8,055</u>	<u>47,454</u>	<u>26,081</u>	<u>72,750</u>
Attributable to:				
Owners of the Company	8,055	47,454	26,081	72,750
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total comprehensive income</b>	<u><u>8,055</u></u>	<u><u>47,454</u></u>	<u><u>26,081</u></u>	<u><u>72,750</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 2016*

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the 6 months ended 30 September 2016**  
( 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 2016</u>								
As at 1 April 2016	213,064	477	50,433	7,861	-	23,376	518,565	813,776
Effects of adopting FRS 139	-	-	-	-	-	-	-	-
Restated	<u>213,064</u>	<u>477</u>	<u>50,433</u>	<u>7,861</u>	<u>-</u>	<u>23,376</u>	<u>518,565</u>	<u>813,776</u>
Movement during the period:								
- Total comprehensive income for the the period	-	-	-	-	-	17,685	8,396	26,081
- Dividend paid	-	-	-	-	-	-	(10,653)	(10,653)
As at 30 September 2016	<u>213,064</u>	<u>477</u>	<u>50,433</u>	<u>7,861</u>	<u>-</u>	<u>41,061</u>	<u>516,308</u>	<u>829,204</u>
 <u>Preceding 6 months ended</u>								
<u>30 September 2015</u>								
As at 1 April 2015	213,064	477	34,640	7,861	-	26,345	488,261	770,648
Effects of adopting FRS 139	-	-	-	-	-	-	-	-
Restated	<u>213,064</u>	<u>477</u>	<u>34,640</u>	<u>7,861</u>	<u>-</u>	<u>26,345</u>	<u>488,261</u>	<u>770,648</u>
Movement during the period:								
- Total comprehensive income for the the period	-	-	-	-	-	42,142	30,608	72,750
- Dividend paid	-	-	-	-	-	-	(12,783)	(12,783)
As at 30 September 2015	<u>213,064</u>	<u>477</u>	<u>34,640</u>	<u>7,861</u>	<u>-</u>	<u>68,487</u>	<u>506,086</u>	<u>830,615</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 2016*

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**for the 6 months ended 30 September 2016**

( The figures have not been audited )

	Current 6 months ended 30.09.2016 RM'000	Corresponding 6 months ended 30.09.2015 RM'000
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	12,183	32,772
Adjustment for :		
Non-cash items	2,346	3,075
Non-operating items ( which are investing / financing )	10,083	(13,990)
Operating profit before working capital changes	24,612	21,857
Changes in working capital		
Receipts from customer	18,361	(110,410)
Payments to supplier, contractors and employee	(74,782)	(11,760)
Interest paid	(11,179)	(11,440)
Income tax paid	(4,419)	(5,001)
Net cashflows from operating activities	(47,407)	(116,754)
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Equity investments	-	-
Other investments	3,342	30,846
Investment in jointly controlled entities	-	25,602
Purchase/Disposal of property, plant and equipment	(119)	(535)
Proceeds from disposal of property, plant and equipment	-	-
Net cashflows from investing activities	3,223	55,913
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid to MI Shareholders of subsidiary companies	-	-
Dividend paid to Shareholder of Company	(10,653)	(12,783)
Withdrawal of fixed deposit pledged	-	-
Drawdown of bank borrowings	65,948	82,800
Repayment of bank borrowings	(25,552)	(19,955)
Repayment of hire purchase liability	-	-
Net cashflows from financing activities	29,743	50,062
NET CHANGE IN CASH & CASH EQUIVALENTS	(14,441)	(10,779)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	155,502	163,682
EFFECT OF EXCHANGE RATE CHANGES	2,379	12,519
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	143,440	165,422
Represented by:		
Cash and Cash Equivalents	145,747	166,007
less:		
Amount pledged as security for bank facilities	(195)	(585)
Deposit with licenced banks with maturity more than 3 months	(2,112)	-
	143,440	165,422

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st March 2016*

**SELANGOR DREDGING BERHAD (4624-U)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE 2<sup>ND</sup> FINANCIAL QUARTER ENDED 30 SEPTEMBER 2016**

***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 2016.

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 14 : Regulatory Deferral Accounts	1 January 2016
<i>Amendments to:</i>	
FRS 116 and 138 : Acceptable Method of Depreciation	1 January 2016
FRS 11 : Accounting for Acquisition of Interests in Joint operation	1 January 2016
FRS 127 : Equity Method in Separate Financial Statement	1 January 2016
FRS 5, FRS 7, FRS 119 and FRS 134 : Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
FRS 101 : Disclosure Initiative	1 January 2016
FRS 10, FRS 12 and FRS 128 : Consolidation Exception	1 January 2016
FRS 107 : Disclosure Initiative	1 January 2017
FRS 112 and FRS 9 : Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2018
FRS 10 and FRS 128 : Sales or Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred

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 8 September 2015, MASB further 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 2018.

The Group falls within the definition of Transitioning Entities and has opted to defer adoption of the new MFRS to 1 January 2018. Accordingly, the Group will be required to prepare its first MFRS financial statements for the year ending 31 March 2019. 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 September 2016 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-to-date ended 30 September 2016.

**A7. Dividend Paid**

A first and final dividend of RM10,653,190.44 for the year ended 31 March 2016 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.

	Property Investment	Hotel Operations	Property Development	Property Support Services	Investment Holding	Others/ Elimination	Consolidated
<b>RM'000</b>							
<b>REVENUE</b>							
External Sales	11,312	10,782	119,598	66	0	33	141,791
Inter-segment Sales	756	0	0	(1)	0	(755)	0
Total revenue	12,068	10,782	119,598	65	0	(722)	141,791
<b>RESULTS</b>							
Segment results	7,551	(1,918)	22,409	(478)	2,495	(6,250)	23,809
Unallocated corporate (expenses)/income							(1,115)
Operating profit							22,694
Finance cost, net							(11,342)
Share of net profit/(loss) of associated companies							831
Income taxes							(3,787)
Profit for the period							8,396

*(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 Green Energy 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 2016.

**A10. Material Events Subsequent to the End of the Period**

There are no material events subsequent to 30 September 2016 up to the date of this announcement that has not been reflected in the financial statements as at 30 September 2016.

**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 2016, the Group turnover increased to RM141.79 million compared to the corresponding period last year was mainly due to higher sales recorded from The Group's inventories. The drop in net profit to RM8.4 million compared to the corresponding period of last financial year was mainly due to the recognition of gain of RM13.69 million from the disposal of a land during the corresponding period last year. The completion of Village in Singapore in last quarter has also resulted decrease in Share of Jointly Control Entities results.

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

For the quarter ended 30 September 2016, the Group registered a lower profit before tax of RM5.78 million compared to RM6.41 million recorded in the preceding quarter ended 30 June 2016. The lower profit was mainly due to completion of Windows On The Park and Village.

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

The outlook for current year is expected to remain challenging in view of the current economic sentiment due to softening national currency and more prudent and stringent approach by financial institution in approving property loan.

A review of above mentioned factors, the Group foresee the property market to remain challenging for the second half of the year. Currently there is approximately RM314 million of unbilled sales and the Group has launched various marketing schemes to meet the challenges.

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

Not Applicable.

**B5. Taxation**

Tax charge comprises the following:-

	Current quarter 30/09/2016 RM'000	Financial year 30/09/2016 RM'000
- current taxation	2,026	3,494
- associated companies	0	0
- deferred taxation	0	0
- under/(over) provision in prior years		
- Current	(50)	293
- Deferred	0	0
	<u>1,976</u>	<u>3,787</u>

For the current quarter, the Group's taxation is lower compared to the statutory rate mainly due to under provision of tax provision in the prior years. .

**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 2016 are as follows:-

<b><i>Long Term Bank Borrowing</i></b>	RM'000
<i>Secured:</i>	
Revolving Credit	110,000
Term Loan	344,157
Repayments due within the next 12 months	<u>(7,909)</u>
Sub-Total	<u>446,248</u>
<i>Unsecured:</i>	
Revolving Credit	0
Term Loan	25,000
Repayments due within the next 12 months	<u>0</u>
Sub-Total	<u>25,000</u>
<b><i>Short Term Bank Borrowing</i></b>	
<i>Secured:</i>	
Revolving Credit	60,000
Term Loan	0
Current portion of long term borrowing	<u>7,909</u>
Sub-Total	<u>67,909</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>604,157</u>

There were no borrowings or debt securities denominated in foreign currencies.

**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 2016 and 31 March 2016 are analysed as follows:

	30/09/2016 RM'000	31/03/2016 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	248,018	238,076
- Unrealised	204,992	204,919
	453,010	442,995
Total share of retained profits from jointly controlled entities:		
- Realised	70,950	69,587
- Unrealised	1,906	1,906
	72,856	71,493
	525,866	514,488
Less: Consolidation adjustment	(9,558)	4,077
Total Group retained profits	<u>516,308</u>	<u>518,565</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 30/09/2016	Comparative quarter ended 30/09/2015	Current 6 months ended 30/09/2016	Corresponding 6 months ended 30/09/2015
( i ) Net profit for the period ( RM'000 )	3,801	9,117	8,396	30,608
( ii ) Weighted average number of ordinary shares in issue ( '000 )	426,127	426,127	426,127	426,127
Basic earnings per share (sen)	0.89	2.14	1.97	7.18

The company does not have any dilutive potential ordinary shares outstanding as at 30 September 2016. Accordingly, no diluted earnings per share is presented.

**B12. Profit for the Year**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.09.2016 RM'000	Comparative quarter ended 30.09.2015 RM'000	Current 6 months ended 30.09.2016 RM'000	Corresponding 6 months ended 30.09.2015 RM'000
Profit for the period is arrived at after crediting:				
Interest Income	66	62	428	274
Other Income	725	6,670	2,983	23,978
Foreign Exchange Gain	403	7,075	2,709	9,904
Gain on disposal of quoted investment	0	0	0	0
and after charging:				
Interest expense	5,607	5,730	11,342	11,603
Depreciation	1,145	1,548	2,346	3,075
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	0	0