

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	As at 31.03.2017 (UNAUDITED)	As at 31.03.2016 (AUDITED)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	189,806	191,410
Intangible asset	384	0
Investment properties	375,420	321,487
Land held for development	308,161	198,950
Investment in jointly controlled entities	174,739	166,605
Deferred tax assets	2,529	3,519
	<u>1,051,039</u>	<u>881,971</u>
Current assets		
Inventories	120,336	189,461
Property Development Costs	234,199	190,944
Trade and other receivable	95,813	98,834
Tax recoverable	9,631	12,039
Cash and Cash Equivalents	158,316	157,808
	<u>618,295</u>	<u>649,086</u>
TOTAL ASSETS	<u>1,669,334</u>	<u>1,531,057</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	213,064	213,064
Reserves	675,475	600,712
	<u>888,539</u>	<u>813,776</u>
Non-controlling interest	0	0
Total equity	<u>888,539</u>	<u>813,776</u>
Non-current liabilities		
Bank Borrowings	404,848	292,100
Deferred taxation	15,708	13,495
	<u>420,556</u>	<u>305,595</u>
Current liabilities		
Trade and other payables	134,524	140,025
Bank Borrowings	224,574	271,661
Bank Overdraft	0	0
Taxation	1,141	0
	<u>360,239</u>	<u>411,686</u>
Total liabilities	<u>780,795</u>	<u>717,281</u>
TOTAL EQUITY AND LIABILITIES	<u>1,669,334</u>	<u>1,531,057</u>
Net assets per ordinary share attributable to owners of the Company (sen)	208.52	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 4th quarter ended 31 March 2017

(The figures have not been audited)

	Current quarter ended 31.03.2017	Comparative quarter ended 31.03.2016	Current 12 months ended 31.03.2017	Corresponding 12 months ended 31.03.2016
	RM'000	RM'000	RM'000	RM'000
Revenue	45,673	37,009	219,748	216,561
Operating expenses	(40,445)	(36,368)	(190,914)	(198,918)
Other operating income	59,587	18,195	69,543	43,063
Profit from operations	64,815	18,836	98,377	60,706
Depreciation	(1,207)	(1,935)	(4,550)	(6,589)
Finance costs	(5,436)	(5,621)	(22,307)	(22,680)
Share of jointly controlled entities results	<u>(2,670)</u>	<u>(4,193)</u>	<u>(691)</u>	<u>15,430</u>
Profit before taxation	55,502	7,087	70,829	46,867
Taxation	<u>(4,885)</u>	<u>(831)</u>	<u>(11,355)</u>	<u>(3,779)</u>
Profit for the period	<u>50,617</u>	<u>6,256</u>	<u>59,474</u>	<u>43,088</u>
Attributable to:				
Owners of the Company	50,617	6,256	59,474	43,088
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Profit for the period	<u><u>50,617</u></u>	<u><u>6,256</u></u>	<u><u>59,474</u></u>	<u><u>43,088</u></u>
Earning per share - basic (sen)	11.88	1.47	13.96	10.11
- 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 4th quarter ended 31 March 2017

(The figures have not been audited)

	Current quarter ended 31.03.2017	Comparative quarter ended 31.03.2016	Current 12 months ended 31.03.2017	Corresponding 12 months ended 31.03.2016
	RM'000	RM'000	RM'000	RM'000
Profit for the period	50,617	6,256	59,474	43,088
Fair value changes in available-for-sale financial asset	0	0	0	0
Foreign currency translation differences for foreign operations	5,341	(42,567)	25,942	(2,969)
Fair Value changes in PPE	0	15,793	0	15,793
Other comprehensive income	<u>5,341</u>	<u>(26,774)</u>	<u>25,942</u>	<u>12,824</u>
Total comprehensive income	<u>55,958</u>	<u>(20,518)</u>	<u>85,416</u>	<u>55,912</u>
Attributable to:				
Owners of the Company	59,335	(16,838)	85,416	55,912
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income	<u>55,958</u>	<u>(20,518)</u>	<u>85,416</u>	<u>55,912</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 12 months ended 31 March 2017
(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 12 months ended</u>								
<u>31 March 2017</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	213,064	477	50,433	7,861	-	23,376	518,565	813,776
Movement during the period:								
- Total comprehensive income for the the period	-	-	-	-	-	25,942	59,474	85,416
- Dividend paid	-	-	-	-	-	-	(10,653)	(10,653)
As at 31 March 2017	213,064	477	50,433	7,861	-	49,318	567,386	888,539
<u>Preceding 12 months ended</u>								
<u>31 March 2016</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	213,064	477	34,640	7,861	-	26,345	488,261	770,648
Movement during the period:								
- Total comprehensive income for the the period	-	-	15,793	-	-	(2,969)	43,088	55,912
- Dividend paid	-	-	-	-	-	-	(12,784)	(12,784)
As at 31 March 2016	213,064	477	50,433	7,861	-	23,376	518,565	813,776

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 12 months ended 31 March 2017

(The figures have not been audited)

	Current 12 months ended 31.03.2017 RM'000	Corresponding 12 months ended 31.03.2016 RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before taxation	70,829	39,780
Adjustment for :		
Non-cash items	(47,225)	4,613
Non-operating items (which are investing / financing)	21,496	(16,803)
Operating profit before working capital changes	45,100	27,590
Changes in working capital		
Receipts from customer	39,111	(70,987)
Payments to supplier, contractors and employee	(23,703)	(29,220)
Interest paid	(21,334)	(16,896)
Income tax paid	(4,602)	(8,874)
Net cashflows from operating activities	34,572	(98,387)
CASHFLOW FROM INVESTING ACTIVITIES		
Equity investments	-	-
Other investments	(101,953)	30,650
Investment in jointly controlled entities	12,050	25,602
Purchase/Disposal of property, plant and equipment	(1,045)	(1,821)
Proceeds from disposal of property, plant and equipment	-	130
Net cashflows from investing activities	(90,948)	54,561
CASHFLOW FROM FINANCING ACTIVITIES		
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	96,973	82,800
Repayment of bank borrowings	(31,312)	(24,289)
Repayment of hire purchase liability	-	-
Net cashflows from financing activities	55,008	45,728
NET CHANGE IN CASH & CASH EQUIVALENTS	(1,368)	1,902
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	155,522	163,682
EFFECT OF EXCHANGE RATE CHANGES	1,855	12,963
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	156,009	178,547
Represented by:		
Cash and Cash Equivalents	158,316	179,132
less:		
Amount pledged as security for bank facilities	(195)	(585)
Deposit with licenced banks with maturity more than 3 months	(2,112)	-
	156,009	178,547

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 4th FINANCIAL QUARTER ENDED 31 MARCH 2017

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 except for the adoption of the following new and revised Financial Reporting Standards ("FRSs"), Issues Committee ("IC") Interpretations and amendments to FRSs and IC Interpretations that are mandatory for the Group for the financial year commencing 1 April 2016:

FRS 14	: Regulatory Deferral Accounts
<i>Amendments to:</i>	
FRS 116 and 138	: Acceptable Method of Depreciation
FRS 11	: Accounting for Acquisition of Interests in Joint operation
FRS 127	: Equity Method in Separate Financial Statement
FRS 5, FRS 7, FRS 119 and FRS 134	: Annual Improvements to FRSs 2012-2014 Cycle
FRS 101	
FRS 10, FRS 12 and FRS 128	: Disclosure Initiative : Consolidation Exception

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 2018
IC Interpretation 22	: Foreign Currency Transaction and Advance Consideration	1 January 2018
<i>Amendments to:</i>		
FRS 107	: Disclosure Initiative	1 January 2017
FRS 112	: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 12	: Disclosure of Interests in Other Entities	1 January 2017
FRS 2	: Classification and Measurement of Share-based Payment Transactions	1 January 2018
FRS 128	: Investment in Associates and Joint Venture	1 January 2018
FRS 140	: Transfers on Investment Property	1 January 2018
FRS 10 & FRS 128	: Sale or Contribution of Assets between an Investor and its Associate 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 31 December 2016 could be different if prepared under the MFRS.

Adoption of the Companies Act 2016.

The Minister of Domestic Trade, Co-operatives and Consumerism has appointed 31st January 2017 as the date on which Companies Act 2016 comes into operation except Section 241 and Division 8 of Part III. Pursuant to the circular issued by Malaysian Institute of Accountants on 2 February 2017, the Companies Commission of Malaysia has clarified that the Companies Act 2016 should be complied with for the preparation of financial statements and the directors’ report and the auditors’ report thereon commencing from the financial year/period ended 31 January 2017.

- 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 31 March 2017.

A7. Dividend Paid

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

	Property Investment	Hotel Operations	Property Development	Property Support Services	Investment Holding	Others/ Elimination	Consolidated
RM'000							
REVENUE							
External Sales	22,472	23,251	173,556	379	0	90	219,748
Inter-segment Sales	1,510	0	0	329	0	(1,839)	0
Total revenue	23,982	23,251	173,556	708	0	(1,749)	219,748
RESULTS							
Segment results	68,098	(1,400)	33,225	(743)	8,251	(11,333)	96,098
Unallocated corporate (expenses)/income							(2,271)
Operating profit							93,827
Finance cost, net							(22,307)
Share of net profit/(loss) of associated companies							(691)
Income taxes							(11,355)
Profit for the period							59,474

(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

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 Raine & Horne International Zaki + Partners Sdn. Bhd. ("Raine & Horne") a firm of registered independent professional valuer as at 31 March 2017 on an open market basis for existing use.

The resulting net surplus of RM52.50 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 2017 up to the date of this announcement that has not been reflected in the financial statements as at 31 March 2017.

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 12 months ended 31 March 2017, the Group turnover recorded a slight increase amounting to RM219.75 million compared to the corresponding last financial year due to successful conversion of some of the Group's inventories into sales. The increase in net profit to RM59.47 million compared to the corresponding last financial year was mainly due to revaluation surplus on investment properties which amounting to RM52.50 million.

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

For the quarter ended 31 March 2017, the Group registered a higher profit before tax of RM55.50 million compared to RM7.08 million recorded in the preceding quarter ended 31 December 2016. The higher profit was mainly due to the recognition of revaluation surplus on the Group's investment properties.

B3. Prospects for the Current Financial Year

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

In review of above mentioned factors, the Group will continue to strategise its marketing approach to convert its inventories into sales and adopt cautious approach in launching any new projects. Currently the Group has approximately RM322 million of unbilled sales on hand which derived from mainly ongoing projects.

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

Not Applicable.

B5. Taxation

Tax charge comprises the following:-

	Current quarter 31/03/2017 RM'000	Financial year 31/03/2017 RM'000
- current taxation	1,681	6,617
- associated companies	0	0
- deferred taxation	3,204	3,204
- under/(over) provision in prior years		
- Current	0	(476)
- Deferred	0	2,010
	4,885	11,355

For the current quarter, the Group's taxation is lower compared to the statutory rate mainly due to provision of deferred tax liabilities from revaluation surplus of the Group's 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 2017 are as follows:-

<i>Long Term Bank Borrowing</i>	RM'000
<i>Secured:</i>	
Revolving Credit	81,250
Term Loan	323,598
Repayments due within the next 12 months	0
Sub-Total	<u>404,848</u>
<i>Unsecured:</i>	
Revolving Credit	0
Term Loan	0
Repayments due within the next 12 months	0
Sub-Total	<u>0</u>
<i>Short Term Bank Borrowing</i>	
<i>Secured:</i>	
Revolving Credit	109,500
Term Loan	50,074
Current portion of long term borrowing	0
Sub-Total	<u>159,574</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>629,422</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

The Board has recommended a first and final single-tier dividend of 2.5 sen per share (FY2016: 2.5 sen) amounting to RM10,653,192 (FY2016: RM10,653,192) in respect of the financial year ended 31 March 2017 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 2017 and 31 March 2016 are analysed as follows:

	31/03/2017 RM'000	31/03/2016 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	244,971	238,076
- Unrealised	256,244	204,919
	501,215	442,995
Total share of retained profits from jointly controlled entities:		
- Realised	69,490	69,587
- Unrealised	1,906	1,906
	71,396	71,493
	572,611	514,488
Less: Consolidation adjustment	(5,225)	4,077
Total Group retained profits	<u>567,386</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 31/03/2017	Comparative quarter ended 31/03/2016	Current 12 months ended 31/03/2017	Corresponding 12 months ended 31/03/2016
(i) Net profit for the period (RM'000)	50,617	6,256	59,474	43,088
(ii) Weighted average number of ordinary shares in issue ('000)	426,127	426,127	426,127	426,127
Basic earnings per share (sen)	11.88	1.47	13.96	10.11

The company does not have any dilutive potential ordinary shares outstanding as at 31 March 2017. Accordingly, no diluted earnings per share is presented.

B12. Profit for the Year

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31/03/2017 RM'000	Comparative quarter ended 31/03/2016 RM'000	Current 12 months ended 31/03/2017 RM'000	Corresponding 12 months ended 31/03/2016 RM'000
Profit for the period is arrived at after crediting:				
Interest Income	17	300	810	851
Other Income	55,278	4,962	61,735	21,286
Foreign Exchange Gain	4,292	15,431	6,998	23,424
Gain on disposal of quoted investment	0	0	0	0
and after charging:				
Interest expense	5,436	5,621	22,307	22,680
Depreciation	1,207	1,935	4,550	6,589
Provision for/write off of receivables	0	0	0	0