

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	As at 30.09.2017 (UNAUDITED)	As at 31.03.2017 (AUDITED)
ASSETS	RM'000	RM'000
Non-current assets		
Property, plant and equipment	188,322	189,805
Intangible asset	378	384
Investment properties	376,176	375,420
Land held for development	317,878	308,161
Investment in jointly controlled entities	171,609	163,939
Investment in associates	22,000	0
Deferred tax assets	2,529	2,548
	<u>1,078,892</u>	<u>1,040,257</u>
Current assets		
Inventories	98,965	120,336
Property Development Costs	244,993	234,199
Trade and other receivable	119,188	80,013
Tax recoverable	6,080	9,631
Cash and Cash Equivalents	89,327	158,316
	<u>558,553</u>	<u>602,495</u>
TOTAL ASSETS	<u>1,637,445</u>	<u>1,642,752</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	213,541	213,541
Reserves	674,230	662,706
	<u>887,771</u>	<u>876,247</u>
Non-controlling interest	<u>0</u>	<u>0</u>
Total equity	<u>887,771</u>	<u>876,247</u>
Non-current liabilities		
Bank Borrowings	251,417	345,364
Deferred taxation	15,263	15,727
	<u>266,680</u>	<u>361,091</u>
Current liabilities		
Trade and other payables	98,494	120,266
Bank Borrowings	384,500	284,058
Bank Overdraft	0	0
Taxation	0	1,090
	<u>482,994</u>	<u>405,414</u>
Total liabilities	<u>749,674</u>	<u>766,505</u>
TOTAL EQUITY AND LIABILITIES	<u>1,637,445</u>	<u>1,642,752</u>
Net assets per ordinary share attributable to owners of the Company (sen)	208.33	205.63

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st March 2017

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

CONDENSED CONSOLIDATED INCOME STATEMENT

for the 1st quarter ended 30 September 2017

(The figures have not been audited)

	Current quarter ended 30.09.2017	Comparative quarter ended 30.09.2016	Current 6 months ended 30.09.2017	Corresponding 6 months ended 30.09.2016
	RM'000	RM'000	RM'000	RM'000
Revenue	55,877	80,438	117,358	141,791
Operating expenses	(44,639)	(68,243)	(95,894)	(122,871)
Other operating income	(214)	1,194	2,684	6,120
Profit from operations	11,024	13,389	24,148	25,040
Depreciation	(943)	(1,145)	(1,873)	(2,346)
Finance costs	(5,433)	(5,607)	(11,154)	(11,342)
Share of jointly controlled entities results	<u>(701)</u>	<u>(860)</u>	<u>(1,324)</u>	<u>831</u>
Profit before taxation	3,947	5,777	9,797	12,183
Taxation	<u>(1,822)</u>	<u>(1,976)</u>	<u>(4,641)</u>	<u>(3,787)</u>
Profit for the period	<u>2,125</u>	<u>3,801</u>	<u>5,156</u>	<u>8,396</u>
Attributable to:				
Owners of the Company	2,125	3,801	5,156	8,396
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Profit for the period	<u><u>2,125</u></u>	<u><u>3,801</u></u>	<u><u>5,156</u></u>	<u><u>8,396</u></u>
Earning per share - basic (sen)	0.50	0.89	1.21	1.97
- diluted (sen)	-	-	-	-

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31st March 2017

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the 1st quarter ended 30 September 2017
(The figures have not been audited)

	Current quarter ended 30.09.2017	Comparative quarter ended 30.09.2016	Current 6 months ended 30.09.2017	Corresponding 6 months ended 30.09.2016
	RM'000	RM'000	RM'000	RM'000
Profit for the period	2,125	3,801	5,156	8,396
Fair value changes in available-for-sale financial asset	0	0	0	0
Foreign currency translation differences for foreign operations	(621)	4,254	6,368	17,685
Fair Value changes in PPE	0	0	0	0
Other comprehensive income	<u>(621)</u>	<u>4,254</u>	<u>6,368</u>	<u>17,685</u>
Total comprehensive income	<u>1,504</u>	<u>8,055</u>	<u>11,524</u>	<u>26,081</u>
Attributable to:				
Owners of the Company	11,524	26,081	11,524	26,081
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income	<u><u>1,504</u></u>	<u><u>8,055</u></u>	<u><u>11,524</u></u>	<u><u>26,081</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 2017*

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 6 months ended 30 September 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 6 months ended</u>								
<u>30 September 2017</u>								
As at 1 April 2017	213,541	-	50,433	7,861	-	39,223	565,189	876,247
Effects of adopting FRS 139	-	-	-	-	-	-	-	-
Restated	213,541	-	50,433	7,861	-	39,223	565,189	876,247
Movement during the period:								
- Total comprehensive income for the the period	-	-	-	-	-	6,368	5,156	11,524
- Dividend paid	-	-	-	-	-	-	-	-
As at 30 September 2017	213,541	-	50,433	7,861	-	45,591	570,345	887,771
<u>Preceding 6 months ended</u>								
<u>30 September 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	-	-	-	-	-	17,685	8,396	26,081
- Dividend paid	-	-	-	-	-	-	(10,653)	(10,653)
As at 30 September 2016	213,064	477	50,433	7,861	-	41,061	516,308	829,204

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st March 2017

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the 6 months ended 30 September 2017

(The figures have not been audited)

	Current 6 months ended 30.09.2017 RM'000	Corresponding 6 months ended 30.09.2016 RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before taxation	9,797	39,780
Adjustment for :		
Non-cash items	3,197	4,613
Non-operating items (which are investing / financing)	10,937	(16,803)
Operating profit before working capital changes	23,931	27,590
Changes in working capital		
Receipts from customer	(21,371)	(70,987)
Payments to supplier, contractors and employee	(16,544)	(29,220)
Interest paid	(11,052)	(16,896)
Income tax paid	(2,624)	(8,874)
Net cashflows from operating activities	(27,660)	(98,387)
CASHFLOW FROM INVESTING ACTIVITIES		
Equity investments	(22,000)	-
Other investments	(10,474)	30,650
Investment in jointly controlled entities	-	25,602
Purchase/Disposal of property, plant and equipment	(802)	(1,821)
Proceeds from disposal of property, plant and equipment	-	130
Net cashflows from investing activities	(33,276)	54,561
CASHFLOW FROM FINANCING ACTIVITIES		
Dividend paid to MI Shareholders of subsidiary companies	-	-
Dividend paid to Shareholder of Company	-	(12,783)
Withdrawal of fixed deposit pledged	-	-
Drawdown of bank borrowings	19,480	82,800
Repayment of bank borrowings	(12,988)	(24,289)
Repayment of JV company	(12,380)	-
Advances to associates	(8,120)	-
Net cashflows from financing activities	(14,008)	45,728
NET CHANGE IN CASH & CASH EQUIVALENTS	(74,944)	1,902
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	156,010	163,682
EFFECT OF EXCHANGE RATE CHANGES	5,954	12,963
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	87,020	178,547
Represented by:		
Cash and Cash Equivalents	89,327	179,132
less:		
Amount pledged as security for bank facilities	(195)	(585)
Deposit with licenced banks with maturity more than 3 months	(2,112)	-
	87,020	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 2017

SELANGOR DREDGING BERHAD (4624-U)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE 2nd FINANCIAL QUARTER ENDED 30 SEPTEMBER 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 2017 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
IC Interpretation 23	: Uncertainty Over Income Tax Treatment	1 January 2019
<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 March 2017 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 30 September 2017.

A7. Dividend Paid

No dividend was paid during the current financial quarter and period-to-date ended 30 September 2017.

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	11,317	10,205	95,752	0	0	84	117,358
Inter-segment Sales	755	0	0	92	0	(847)	0
Total revenue	12,072	10,205	95,752	92	0	(763)	117,358
RESULTS							
Segment results	6,095	(337)	27,271	(497)	2,711	(11,972)	23,271
Unallocated corporate (expenses)/income							(996)
Operating profit							22,275
Finance cost, net							(11,154)
Share of net profit/(loss) of associated companies							(1,324)
Income taxes							(4,641)
Profit for the period							5,156

(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 2017.

A10. Material Events Subsequent to the End of the Period

There are no material events subsequent to 30 September 2017 up to the date of this announcement that has not been reflected in the financial statements as at 30 September 2017.

A11. Effects of Changes in the Composition of the Group

There are no changes in the composition of the Group for the current financial quarter under review.

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 2017, the Group turnover and net profit recorded a decrease amounting to RM117.35 million and RM5.16 million respectively compared to the corresponding last financial year. The decrease was mainly due to slower sales of the Group's Malaysia projects and projects in Singapore has fully sold out during last financial year.

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

For the quarter ended 30 Sep 2017, the Group registered a lower profit before tax of RM3.94 million compared to RM5.85 million recorded in the preceding quarter ended 30 June 2017. The lower profit before tax in the current quarter was mainly due to slower take up rate on our completed units.

B3. Prospects for the Current Financial Year

The outlook for remaining financial year is expected to remain challenging as the demand in property market remain slow and property developers are reviewing and adjusting their product pricing in order to compete in the market.

In view of the above mentioned factors, the Group will continue to strategize its marketing strategies in order to monetise its inventories into sales and adopt cautious approach in launching any new projects. Currently the Group has approximately RM259 million of unbilled sales in hand which is derived from mainly ongoing projects.

On 29th September 2017, all condition precedent for the proposed disposal of Wisma Selangor Dredging have been fulfilled. The Group will recognize the gain on disposal when the transaction is completed which is expected to be within the next financial quarter.

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

Not Applicable.

B5. Taxation

Tax charge comprises the following:-

	Current quarter 30/09/2017 RM'000	Financial year 30/09/2017 RM'000
- current taxation	1,822	4,641
- associated companies	0	0
- deferred taxation	0	0
- under/(over) provision in prior years		
- Current	0	0
- Deferred	0	0
	<hr/>	<hr/>
	1,822	4,641

For the current quarter, the Group's taxation is higher compared to the statutory rate mainly due to the offset effect amongst subsidiaries which has more losses before taxation.

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 2017 are as follows:-

<i>Long Term Bank Borrowing</i>	RM'000
<i>Secured:</i>	
Revolving Credit	123,500
Term Loan	387,417
Repayments due within the next 12 months	<u>(259,500)</u>
Sub-Total	<u>251,417</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	60,000
Term Loan	0
Current portion of long term borrowing	<u>259,500</u>
Sub-Total	<u>319,500</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>635,917</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 2017 and 30 September 2016 are analysed as follows:

	30/09/2017 RM'000	30/09/2016 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	250,279	248,018
- Unrealised	256,244	204,992
	506,523	453,010
Total share of retained profits from jointly controlled entities:		
- Realised	69,230	70,950
- Unrealised	0	1,906
	69,230	72,856
	575,753	525,866
Less: Consolidation adjustment	(5,408)	(9,558)
Total Group retained profits	570,345	516,308

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 30/09/2017	Comparative quarter ended 30/09/2016	Current 6 months ended 30/09/2017	Corresponding 6 months ended 30/09/2016
(i) Net profit for the period (RM'000)	2,125	3,801	5,156	8,396
(ii) Weighted average number of ordinary shares in issue ('000)	426,127	426,127	426,127	426,127
Basic earnings per share (sen)	0.50	0.89	1.21	1.97

The company does not have any dilutive potential ordinary shares outstanding as at 30 September 2017. Accordingly, no diluted earnings per share is presented.

B12. Profit for the Year

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30/09/2017 RM'000	Comparative quarter ended 30/09/2016 RM'000	Current 6 months ended 30/09/2017 RM'000	Corresponding 6 months ended 30/09/2016 RM'000
Profit for the period is arrived at after crediting:				
Interest Income	206	66	373	428
Other Income	1,183	725	2,040	2,983
Foreign Exchange Gain	126	403	271	2,709
Gain on disposal of quoted investment	0	0	0	0
and after charging:				
Interest expense	5,433	5,607	11,154	11,342
Depreciation	943	1,145	1,873	2,346
Provision for/write off of receivables	0	0	0	0