

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2017

	As at 31.12.2017 ( UNAUDITED )	As at 31.03.2017 ( AUDITED )
<b>ASSETS</b>	RM'000	RM'000
<b>Non-current assets</b>		
Property, plant and equipment	186,829	189,805
Intangible asset	368	384
Investment properties	3,320	375,420
Land held for development	320,298	308,161
Investment in jointly controlled entities	164,703	163,939
Investment in associates	39,137	0
Deferred tax assets	2,529	2,548
	<u>717,184</u>	<u>1,040,257</u>
<b>Current assets</b>		
Inventories	98,214	120,336
Property Development Costs	269,278	234,199
Trade and other receivable	309,494	80,013
Tax recoverable	10,017	9,631
Cash and Cash Equivalents	95,493	158,316
	<u>782,496</u>	<u>602,495</u>
<b>TOTAL ASSETS</b>	<u>1,499,680</u>	<u>1,642,752</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share Capital	213,541	213,541
Reserves	739,685	662,706
	<u>953,226</u>	<u>876,247</u>
<b>Non-controlling interest</b>	<u>0</u>	<u>0</u>
<b>Total equity</b>	<u>953,226</u>	<u>876,247</u>
<b>Non-current liabilities</b>		
Bank Borrowings	255,184	345,364
Deferred taxation	49	15,727
	<u>255,233</u>	<u>361,091</u>
<b>Current liabilities</b>		
Trade and other payables	105,849	120,266
Bank Borrowings	184,500	284,058
Bank Overdraft	0	0
Taxation	872	1,090
	<u>291,221</u>	<u>405,414</u>
<b>Total liabilities</b>	<u>546,454</u>	<u>766,505</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,499,680</u>	<u>1,642,752</u>
 <b>Net assets per ordinary share attributable to owners of the Company (sen)</b>	 223.70	 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 3rd quarter ended 31 December 2017**

( The figures have not been audited )

	Current quarter ended 31.12.2017	Comparative quarter ended 31.12.2016	Current 9 months ended 31.12.2017	Corresponding 9 months ended 31.12.2016
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	36,469	32,284	153,827	174,075
Operating expenses	(52,791)	(27,598)	(148,685)	(150,469)
Other operating income	108,320	3,836	111,004	9,956
Profit from operations	91,998	8,522	116,146	33,562
Depreciation	(929)	(997)	-2,802	(3,343)
Finance costs	(4,576)	(5,529)	-15,730	(16,871)
Share of jointly controlled entities results	(1,571)	1,148	-2,895	1,979
<b>Profit before taxation</b>	84,922	3,144	94,719	15,327
Taxation	(1,814)	(2,683)	-6,455	(6,470)
<b>Profit for the period</b>	<u>83,108</u>	<u>461</u>	<u>88,264</u>	<u>8,857</u>
<b>Attributable to:</b>				
Owners of the Company	83,108	461	88,264	8,857
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Profit for the period</b>	<u><u>83,108</u></u>	<u><u>461</u></u>	<u><u>88,264</u></u>	<u><u>8,857</u></u>
Earning per share - basic ( sen )	19.50	0.11	20.71	2.08
- 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 3rd quarter ended 31 December 2017**

( The figures have not been audited )

	Current quarter ended 31.12.2017	Comparative quarter ended 31.12.2016	Current 9 months ended 31.12.2017	Corresponding 9 months ended 31.12.2016
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	83,108	461	88,264	8,857
Fair value changes in available-for-sale financial asset	0	0	0	0
Foreign currency translation differences for foreign operations	-7,000	2,916	(632)	20,601
Fair Value changes in PPE	0	0	0	0
<b>Other comprehensive income</b>	<u>-7,000</u>	<u>2,916</u>	<u>-632</u>	<u>20,601</u>
<b>Total comprehensive income</b>	<u>76,108</u>	<u>3,377</u>	<u>87,632</u>	<u>29,458</u>
Attributable to:				
Owners of the Company	87,632	29,458	87,632	29,458
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total comprehensive income</b>	<u><u>76,108</u></u>	<u><u>3,377</u></u>	<u><u>87,632</u></u>	<u><u>29,458</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 9 months ended 31 December 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 9 months ended</u>								
<u>31 December 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	-	-	-	-	-	(632)	88,264	87,632
- Dividend paid	-	-	-	-	-	-	(10,653)	(10,653)
As at 31 December 2017	213,541	-	50,433	7,861	-	38,591	642,800	953,226
<u>Preceding 9 months ended</u>								
<u>31 December 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	213,064	477	50,433	7,861	-	23,376	518,565	813,776
Movement during the period:								
- Total comprehensive income for the the period	-	-	-	-	-	20,601	8,857	29,458
- Dividend paid	-	-	-	-	-	-	(10,653)	(10,653)
As at 31 December 2016	213,064	477	50,433	7,861	-	43,977	516,769	832,581

*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 9 months ended 31 December 2017**

( The figures have not been audited )

	Current 9 months ended 31.12.2017 RM'000	Corresponding 9 months ended 31.12.2016 RM'000
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	94,719	39,780
Adjustment for :		
Non-cash items	5,697	4,613
Non-operating items ( which are investing / financing )	(91,627)	(16,803)
Operating profit before working capital changes	8,789	27,590
Changes in working capital		
Receipts from customer	(225,117)	(70,987)
Payments to supplier, contractors and employee	(10,097)	(29,220)
Interest paid	(15,629)	(16,896)
Income tax paid	(22,720)	(8,874)
Net cashflows from operating activities	(264,774)	(98,387)
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Equity investments	(39,250)	-
Other investments	467,041	30,650
Investment in jointly controlled entities	-	25,602
Purchase/Disposal of property, plant and equipment	(809)	(1,821)
Proceeds from disposal of property, plant and equipment	-	130
Net cashflows from investing activities	426,982	54,561
<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	54,483	82,800
Repayment of bank borrowings	(244,221)	(24,289)
Repayment of JV company	(5,375)	-
Advances to associates	(16,196)	-
Net cashflows from financing activities	(221,962)	45,728
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS</b>	(59,754)	1,902
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	156,010	163,682
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	(3,070)	12,963
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE PERIOD</b>	93,186	178,547
Represented by:		
Cash and Cash Equivalents	95,493	179,132
less:		
Amount pledged as security for bank facilities	(195)	(585)
Deposit with licenced banks with maturity more than 3 months	(2,112)	-
	93,186	178,547

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the*



**SELANGOR DREDGING BERHAD (4624-U)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE 3rd FINANCIAL QUARTER ENDED 31 DECEMBER 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. 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 31 December 2017.



**A7. Dividend Paid**

A first and final dividend of RM 10,653,190.44 for the year ended 31 March 2017 was paid during the quarter under review.

**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	17,010	14,770	121,369	0	0	143	153,292
Inter-segment Sales	1,133	0	0	535	0	(1,133)	535
Total revenue	<u>18,143</u>	<u>14,770</u>	<u>121,369</u>	<u>535</u>	<u>0</u>	<u>(990)</u>	<u>153,827</u>
<b>RESULTS</b>							
Segment results	103,860	(978)	25,357	(77)	5,472	(18,996)	114,638
Unallocated corporate (expenses)/income							<u>(1,294)</u>
Operating profit							113,344
Finance cost, net							(15,730)
Share of net profit/(loss) of associated companies							(2,895)
Income taxes							<u>(6,455)</u>
Profit for the period							<u>88,264</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 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 31 December 2017 up to the date of this announcement that has not been reflected in the financial statements as at 31 December 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 9 months ended 31 December 2017, the Group turnover recorded a slight decrease amounting to RM153.83 million compared to the corresponding last financial year. The decrease in turnover was mainly due to contribution from Singapore has ceased as Singapore project were fully sold during corresponding financial year. The significant increase in net profit to RM88.26 million was mainly due to the completion of disposal of Wisma Selangor Dredging on the 5<sup>th</sup> December 2017.

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

For the quarter ended 31 December 2017, the Group registered a higher profit before tax of RM84.92 million compared to RM3.95 million recorded in the preceding quarter ended 30 September 2017. The higher profit before tax in the current quarter was mainly due to the disposal of Wisma Selangor Dredging.

**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 soft and property developers are reviewing and adjusting their product pricing in order to compete in the market.

In a review of above mentioned factors, the Group will continue to strategize its marketing strategies in order to convert its inventories into sales and adopt cautious approach in launching any new projects. Currently the Group has approximately RM236 million of unbilled sales in hand which is 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 31/12/2017 RM'000	Financial year 31/12/2017 RM'000
- current taxation	1,517	6,158
- associated companies	297	297
- deferred taxation	0	0
- under/(over) provision in prior years		
- Current	0	0
- Deferred	0	0
	<u>1,814</u>	<u>6,455</u>

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 31 December 2017 are as follows:-

<i>Long Term Bank Borrowing</i>	RM'000
<i>Secured:</i>	
Revolving Credit	105,500
Term Loan	184,184
Repayments due within the next 12 months	<u>(34,500)</u>
Sub-Total	<u>255,184</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	85,000
Term Loan	0
Current portion of long term borrowing	<u>34,500</u>
Sub-Total	<u>119,500</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>439,684</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 declared a special dividend of 19 sen per share amounting to RM80,964,259 in respect of the disposal of Wisma Selangor Dredging. The payment of the dividend has been paid on 29<sup>th</sup> January 2018.

**B10. 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 31/12/2017	Comparative quarter ended 31/12/2016	Current 9 months ended 31/12/2017	Corresponding 9 months ended 31/12/2016
( i ) Net profit for the period ( RM'000 )	83,108	461	88,264	8,857
( ii ) Weighted average number of ordinary shares in issue ( '000 )	426,127	426,127	426,127	426,127
Basic earnings per share (sen)	19.50	0.11	20.71	2.08

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

**B11. Profit for the Year**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.12.2017 RM'000	Comparative quarter ended 31.12.2016 RM'000	Current 9 months ended 31.12.2017 RM'000	Corresponding 9 months ended 31.12.2016 RM'000
Profit for the period is arrived at after crediting:				
Interest Income	251	365	624	793
Other Income	108,918	3,474	110,958	6,457
Foreign Exchange Gain	-848	-3	-577	2,706
Gain on disposal of quoted investment	0	0	0	0
and after charging:				
Interest expense	4,576	5,529	15,730	16,871
Depreciation	929	997	2,802	3,343
Provision for/write off of receivables	257	0	257	0
Provision for/write off of inventories	0	0	0	0
Foreign Exchange Loss	0	0	0	0