

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2018

	As at 31.03.2018 (UNAUDITED)	As at 31.03.2017 (AUDITED)
ASSETS	RM'000	RM'000
Non-current assets		
Property, plant and equipment	224,358	189,805
Intangible asset	561	384
Investment properties	9,920	375,420
Land held for development	324,956	308,161
Investment in jointly controlled entities	158,918	163,939
Investment in associates	47,906	0
Deferred tax assets	0	2,548
	<u>766,619</u>	<u>1,040,257</u>
Current assets		
Inventories	172,805	120,336
Property Development Costs	211,783	234,199
Trade and other receivable	145,567	80,013
Tax recoverable	7,797	9,631
Cash and Cash Equivalents	141,220	158,316
	<u>679,172</u>	<u>602,495</u>
TOTAL ASSETS	<u>1,445,791</u>	<u>1,642,752</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	213,541	213,541
Reserves	684,279	662,706
	<u>897,820</u>	<u>876,247</u>
Non-controlling interest	0	0
Total equity	<u>897,820</u>	<u>876,247</u>
Non-current liabilities		
Bank Borrowings	188,337	345,364
Deferred taxation	2,864	15,727
	<u>191,201</u>	<u>361,091</u>
Current liabilities		
Trade and other payables	110,286	120,266
Bank Borrowings	244,107	284,058
Bank Overdraft	0	0
Taxation	2,377	1,090
	<u>356,770</u>	<u>405,414</u>
Total liabilities	<u>547,971</u>	<u>766,505</u>
TOTAL EQUITY AND LIABILITIES	<u>1,445,791</u>	<u>1,642,752</u>
Net assets per ordinary share attributable to owners of the Company (sen)	210.69	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 4th quarter ended 31 March 2018
(The figures have not been audited)

	Current quarter ended 31.03.2018	Comparative quarter ended 31.03.2017	Current 12 months ended 31.03.2018	Corresponding 12 months ended 31.03.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	63,507	45,673	217,334	219,748
Operating expenses	(61,130)	(40,445)	(209,815)	(190,914)
Other operating income	6,751	59,587	117,755	69,543
Profit from operations	9,128	64,815	125,274	98,377
Depreciation	(878)	(1,207)	(3,680)	(4,550)
Finance costs	(2,831)	(5,436)	(18,561)	(22,307)
Share of jointly controlled entities results	<u>(387)</u>	<u>(2,670)</u>	<u>(3,282)</u>	<u>(691)</u>
Profit before taxation	5,032	55,502	99,751	70,829
Taxation	<u>(9,938)</u>	<u>(4,885)</u>	<u>(16,393)</u>	<u>(11,355)</u>
Profit for the period	<u>(4,906)</u>	<u>50,617</u>	<u>83,358</u>	<u>59,474</u>
Attributable to:				
Owners of the Company	(4,906)	50,617	83,358	59,474
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Profit for the period	<u><u>(4,906)</u></u>	<u><u>50,617</u></u>	<u><u>83,358</u></u>	<u><u>59,474</u></u>
Earning per share - basic (sen)	-1.15	11.88	19.56	13.96
- 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 4th quarter ended 31 March 2018
(The figures have not been audited)

	Current quarter ended 31.03.2018	Comparative quarter ended 31.03.2017	Current 12 months ended 31.03.2018	Corresponding 12 months ended 31.03.2017
	RM'000	RM'000	RM'000	RM'000
Profit for the period	-4,906	50,617	83,358	59,474
Fair value changes in available-for-sale financial asset	0	0	0	0
Foreign currency translation differences for foreign operations	(6,700)	5,341	(7,332)	25,942
Fair Value changes in PPE	37,164	0	37,164	0
Other comprehensive income	<u>30,464</u>	<u>5,341</u>	<u>29,832</u>	<u>25,942</u>
Total comprehensive income	<u>25,558</u>	<u>55,958</u>	<u>113,190</u>	<u>85,416</u>
Attributable to:				
Owners of the Company	25,558	55,958	113,190	85,416
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income	<u><u>25,558</u></u>	<u><u>55,958</u></u>	<u><u>113,190</u></u>	<u><u>85,416</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 12 months ended 31 March 2018

(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 2018</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	-	-	37,164	-	-	(7,332)	83,358	113,190
- Dividend paid	-	-	-	-	-	-	(91,617)	(91,617)
As at 31 March 2018	213,541	-	87,597	7,861	-	31,891	556,930	897,820
<u>Preceding 12 months ended</u>								
<u>31 March 2017</u>								
As at 1 April 2016	213,541	-	50,433	7,861	-	23,376	518,565	813,776
Effects of adopting FRS 139	-	-	-	-	-	-	-	-
Restated	213,541	-	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	213,541	-	50,433	7,861	-	49,318	567,386	888,539

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 12 months ended 31 March 2018

(The figures have not been audited)

	Current 12 months ended 31.03.2018 RM'000	Corresponding 12 months ended 31.03.2017 RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before taxation	99,751	39,780
Adjustment for :		
Non-cash items	6,056	4,613
Non-operating items (which are investing / financing)	(89,234)	(16,803)
Operating profit before working capital changes	16,573	27,590
Changes in working capital		
Receipts from customer	(80,044)	(70,987)
Payments to supplier, contractors and employee	(4,870)	(29,220)
Interest paid	(18,459)	(16,896)
Income tax paid	(32,387)	(8,874)
Net cashflows from operating activities	(119,187)	(98,387)
CASHFLOW FROM INVESTING ACTIVITIES		
Equity investments	(46,476)	-
Other investments	462,383	30,650
Investment in jointly controlled entities	-	25,602
Purchase/Disposal of property, plant and equipment	(991)	(1,821)
Proceeds from disposal of property, plant and equipment	-	130
Net cashflows from investing activities	414,916	54,561
CASHFLOW FROM FINANCING ACTIVITIES		
Dividend paid to MI Shareholders of subsidiary companies	-	-
Dividend paid to Shareholder of Company	(91,617)	(12,783)
Withdrawal of fixed deposit pledged	-	-
Drawdown of bank borrowings	54,483	82,800
Repayment of bank borrowings	(251,461)	(24,289)
Repayment of JV company	(5,540)	-
Advances to associates	(20,268)	-
Net cashflows from financing activities	(314,403)	45,728
NET CHANGE IN CASH & CASH EQUIVALENTS	(18,674)	1,902
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	156,010	163,682
EFFECT OF EXCHANGE RATE CHANGES	(3,311)	12,963
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	134,025	178,547
Represented by:		
Cash and Cash Equivalents	141,220	179,132
less:		
Amount pledged as security for bank facilities	(195)	(585)
Deposit with licenced banks with maturity more than 3 months	(2,112)	-
	138,913	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 4th FINANCIAL QUARTER ENDED 31 MARCH 2018

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 March 2018.

A7. Dividend Paid

A dividend of RM 10,653,190.44 for the year ended 31 March 2017 was paid during the second financial quarter. Subsequently, a special dividend of 19 sen per share amounting to RM80,964,259 in respect of the disposal of Wisma Selangor Dredging has also been paid on 29th January 2018.

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.

RM'000	Property Investment	Hotel Operations	Property Development	Property Support Services	Investment Holding	Others/ Elimination	Consolidated
REVENUE							
External Sales	15,300	18,404	182,230	85	0	1,315	217,334
Inter-segment Sales	1,218	0	0	1,305	0	(2,523)	0
Total revenue	<u>16,518</u>	<u>18,404</u>	<u>182,230</u>	<u>1,390</u>	<u>0</u>	<u>(1,208)</u>	<u>217,334</u>
RESULTS							
Segment results	101,068	(1,991)	41,872	(71)	10,381	(27,399)	123,860
Unallocated corporate (expenses)/income							<u>(2,266)</u>
Operating profit							121,594
Finance cost, net							(18,561)
Share of net profit/(loss) of associated companies							(3,282)
Income taxes							<u>(16,393)</u>
Profit for the period							<u>83,358</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 2018 except for below:

The Group's land and building named as Hotel Maya were revalued by Raine & Horne International Zaki+Partners Sdn Bhd during the year on an open market for existing use.

The revaluation of Hotel Maya had resulted a net increase of RM37.16 million in Revaluation Reserve and this net surplus has been recognised to the comprehensive income statement.

A10. Material Events Subsequent to the End of the Period

There are no material events subsequent to 31 March 2018 up to the date of this announcement that has not been reflected in the financial statements as at 31 March 2018.

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 year 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 2018, the Group turnover recorded a slight decrease amounting to RM217.33 million compared to the corresponding last financial year. The decrease was mainly due to softer market sentiment in the real estate industry. The significant increase in net profit to RM83.36 million was mainly due to the completion of disposal of Wisma Selangor Dredging on the 5th December 2017.

Fortress Mining Sdn Bhd, a 35% associate company, which engage in iron ore mining has contributed RM1.43 million of net profit to the Group during the financial year.

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

For the quarter ended 31 March 2018, the Group registered a lower profit before tax of RM9.92 million compared to RM84.92 million recorded in the preceding quarter ended 31 December 2017. This was mainly due to the completion of the disposal of Wisma Selangor Dredging during the preceding quarter.

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 as the market sentiment is dependent on the economic and political changes in the country. The Group will remain cautious on any changes declared by the government and will take necessary steps and consideration in addressing the changes.

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 RM175 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 31/03/2018 RM'000	Financial year 31/03/2018 RM'000
- current taxation	3,828	9,986
- associated companies	0	0
- deferred taxation	3,340	3,340
- under/(over) provision in prior years		
- Current	2,770	3,067
- Deferred	0	0
	<u>9,938</u>	<u>16,393</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. Deferred taxation of RM 3.34 arises was mainly due to the reversal of deferred tax asset which is also originated from the subsidiaries unutilized business tax losses carried forward.

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 2018 are as follows:-

<i>Long Term Bank Borrowing</i>	RM'000
<i>Secured:</i>	
Revolving Credit	51,250
Term Loan	161,194
Repayments due within the next 12 months	<u>(24,107)</u>
Sub-Total	<u>188,337</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	155,000
Term Loan	0
Current portion of long term borrowing	<u>24,107</u>
Sub-Total	<u>179,107</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>432,444</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 single-tier dividend of 2.5 sen per share (FY2017: 2.5 sen) amounting to RM10,653,192 (FY2017: RM10,653,192) in respect of the financial year ended 31 March 2018 which will be proposed for shareholders' approval at the forthcoming Annual General Meeting.

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 31/03/2018	Comparative quarter ended 31/03/2017	Current 12 months ended 31/03/2018	Corresponding 12 months ended 31/03/2017
(i) Net profit for the period (RM'000)	(4,906)	50,617	83,358	59,474
(ii) Weighted average number of ordinary shares in issue ('000)	426,127	426,127	426,127	426,127
Basic earnings per share (sen)	(1.15)	11.88	19.56	13.96

The company does not have any dilutive potential ordinary shares outstanding as at 31 March 2018. Accordingly, no diluted earnings per share is presented.

B11. Profit for the Year

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.03.2018 RM'000	Comparative quarter ended 31.03.2017 RM'000	Current 12 months ended 31.03.2018 RM'000	Corresponding 12 months ended 31.03.2017 RM'000
Profit for the period is arrived at after crediting:				
Interest Income	487	17	624	810
Other Income	5,295	55,278	110,958	61,735
Foreign Exchange Gain	969	4,292	392	6,998
Gain on disposal of quoted investment	0	0	0	0
and after charging:				
Interest expense	2,831	5,436	18,561	22,307
Depreciation	878	1,207	3,680	4,550
Provision for/write off of receivables	528	0	795	0
Provision for/write off of inventories	0	0	0	0
Foreign Exchange Loss	0	0	0	0