

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

	As at 30.06.2018	(Restated) As at 31.03.2018	(Restated) As at 1.04.2017
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	224,909	224,358	189,805
Intangible asset	561	561	384
Investment properties	9,920	9,920	375,420
Inventories	325,656	324,956	308,161
Investment in jointly controlled entities	146,264	148,850	163,939
Investment in associates	49,702	48,924	-
Deferred tax assets	-	-	2,548
	<u>757,012</u>	<u>757,569</u>	<u>1,040,257</u>
Current assets			
Inventories	426,340	438,749	387,306
Property Development Costs	-	-	-
Trade and other receivable	64,921	61,274	35,573
Tax recoverable	9,642	12,209	9,631
Cash and Cash Equivalents	125,954	141,219	158,316
	<u>626,857</u>	<u>653,451</u>	<u>590,826</u>
TOTAL ASSETS	<u>1,383,869</u>	<u>1,411,020</u>	<u>1,631,083</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share Capital	213,541	213,541	213,541
Reserves	648,308	645,057	649,808
	<u>861,849</u>	<u>858,598</u>	<u>863,349</u>
Non-controlling interest	-	-	-
Total equity	<u>861,849</u>	<u>858,598</u>	<u>863,349</u>
Non-current liabilities			
Bank Borrowings	186,787	151,581	345,364
Deferred taxation	3,037	3,037	15,727
	<u>189,824</u>	<u>154,618</u>	<u>361,091</u>
Current liabilities			
Trade and other payables	100,985	113,995	121,527
Bank Borrowings	231,211	280,862	284,058
Taxation	0	2,947	1,058
	<u>332,196</u>	<u>397,804</u>	<u>406,643</u>
Total liabilities	<u>522,020</u>	<u>552,422</u>	<u>767,734</u>
TOTAL EQUITY AND LIABILITIES	<u>1,383,869</u>	<u>1,411,020</u>	<u>1,631,083</u>
Net assets per ordinary share attributable to owners of the Company (sen)	202.25	201.49	202.60

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st March 2018

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

CONDENSED CONSOLIDATED INCOME STATEMENT
for the 1st quarter ended 30 June 2018

(The figures have not been audited)

	Current quarter ended 30.06.2018	(Restated) Comparative quarter ended 30.06.2017	Current 3 months ended 30.06.2018	(Restated) Corresponding 3 months ended 30.06.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	54,794	61,481	54,794	61,481
Operating expenses	(45,643)	(52,048)	(45,643)	(52,048)
Other operating income	2,025	2,898	2,025	2,898
Profit from operations	11,176	12,331	11,176	12,331
Depreciation	(898)	(930)	(898)	(930)
Finance costs	(4,696)	(5,721)	(4,696)	(5,721)
Share of jointly controlled entities results	<u>(2,066)</u>	<u>(623)</u>	<u>(2,066)</u>	<u>(623)</u>
Profit before taxation	3,516	5,057	3,516	5,057
Taxation	<u>(1,121)</u>	<u>(2,819)</u>	<u>(1,121)</u>	<u>(2,819)</u>
Profit for the period	<u>2,395</u>	<u>2,238</u>	<u>2,395</u>	<u>2,238</u>
Attributable to:				
Owners of the Company	2,395	2,238	2,395	2,238
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Profit for the period	<u><u>2,395</u></u>	<u><u>2,238</u></u>	<u><u>2,395</u></u>	<u><u>2,238</u></u>
Earning per share - basic (sen)	0.56	0.53	0.56	0.53
- diluted (sen)	-	-	-	-

*The Condensed Consolidated Income Statement should be read in conjunction with the
Annual Financial Report for the year ended 31st March 2018*

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the 1st quarter ended 30 June 2018
(The figures have not been audited)

	Current quarter ended 30.06.2018	(Restated) Comparative quarter ended 30.06.2017	Current 3 months ended 30.06.2018	(Restated) Corresponding 3 months ended 30.06.2017
	RM'000	RM'000	RM'000	RM'000
Profit for the period	2,395	2,238	2,395	2,238
Fair value changes in available-for-sale financial asset	0	0	0	0
Foreign currency translation differences for foreign operations	856	6,989	856	6,989
Fair Value changes in PPE	0	0	0	0
Other comprehensive income	<u>856</u>	<u>6,989</u>	<u>856</u>	<u>6,989</u>
Total comprehensive income	<u>3,251</u>	<u>9,227</u>	<u>3,251</u>	<u>9,227</u>
Attributable to:				
Owners of the Company	3,251	9,227	3,251	9,227
Non-controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income	<u><u>3,251</u></u>	<u><u>9,227</u></u>	<u><u>3,251</u></u>	<u><u>9,227</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 2018

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 3 months ended 30 June 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 3 months ended</u>								
<u>30 June 2018</u>								
As at 1 April 2018	213,541	-	87,597	7,861	-	21,431	557,254	887,684
Effects of adopting MFRS 9	-	-	-	-	-	-	(4,849)	(4,849)
Effects of adopting MFRS 15	-	-	-	-	-	-	(24,237)	(24,237)
	<u>213,541</u>	<u>-</u>	<u>87,597</u>	<u>7,861</u>	<u>-</u>	<u>21,431</u>	<u>528,168</u>	<u>858,598</u>
Movement during the period:								
- Total comprehensive income for the the period	-	-	-	-	-	856	2,395	3,251
- Dividend paid	-	-	-	-	-	-	-	-
As at 30 June 2018	<u><u>213,541</u></u>	<u><u>-</u></u>	<u><u>87,597</u></u>	<u><u>7,861</u></u>	<u><u>-</u></u>	<u><u>22,287</u></u>	<u><u>530,563</u></u>	<u><u>861,849</u></u>
<u>Preceding 3 months ended</u>								
<u>30 June 2017</u>								
As at 1 April 2017	213,541	-	50,433	7,861	-	39,223	565,189	876,247
Effects of adopting MFRS 9	-	-	-	-	-	-	(5,068)	(5,068)
Effects of adopting MFRS 15	-	-	-	-	-	-	(7,830)	(7,830)
Restated	<u>213,541</u>	<u>-</u>	<u>50,433</u>	<u>7,861</u>	<u>-</u>	<u>39,223</u>	<u>552,291</u>	<u>863,349</u>
Movement during the period:								
- Total comprehensive income for the the period	-	-	-	-	-	6,989	2,238	9,227
- Dividend paid	-	-	-	-	-	-	-	-
As at 30 June 2017	<u><u>213,541</u></u>	<u><u>-</u></u>	<u><u>50,433</u></u>	<u><u>7,861</u></u>	<u><u>-</u></u>	<u><u>46,212</u></u>	<u><u>554,529</u></u>	<u><u>872,576</u></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 2018

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the 3 months ended 30 June 2018

(The figures have not been audited)

	Current 3 months ended 30.06.2018 RM'000	(Restated) Corresponding 3 months ended 30.06.2017 RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before taxation	3,516	5,057
Adjustment for :		
Non-cash items	2,964	1,553
Non-operating items (which are investing / financing)	4,121	5,602
Operating profit before working capital changes	10,601	12,212
Changes in working capital		
Receipts from customer	8,015	(40,054)
Payments to supplier, contractors and employee	(7,884)	22,242
Interest paid	(4,696)	(5,558)
Income tax paid	(1,502)	(1,435)
Net cashflows from operating activities	4,534	(12,593)
CASHFLOW FROM INVESTING ACTIVITIES		
Equity investments	(1,017)	-
Other investments	(700)	(5,552)
Investment in jointly controlled entities	-	-
Purchase/Disposal of property, plant and equipment	(1,151)	(545)
Proceeds from disposal of property, plant and equipment	-	-
Net cashflows from investing activities	(2,868)	(6,097)
CASHFLOW FROM FINANCING ACTIVITIES		
Dividend paid to MI Shareholders of subsidiary companies	-	-
Dividend paid to Shareholder of Company	-	-
Withdrawal of fixed deposit pledged	-	-
Drawdown of bank borrowings	-	-
Repayment of bank borrowings	(14,446)	(7,150)
Repayment of JV company	(2,973)	(5,380)
Advances to associates	-	-
Net cashflows from financing activities	(17,419)	(12,530)
NET CHANGE IN CASH & CASH EQUIVALENTS	(15,753)	(31,220)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	138,874	156,010
EFFECT OF EXCHANGE RATE CHANGES	526	(24,599)
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	123,647	100,191
Represented by:		
Cash and Cash Equivalents	125,954	102,498
less:		
Amount pledged as security for bank facilities	(195)	(195)
Deposit with licenced banks with maturity more than 3 months	(2,112)	(2,112)
	123,647	100,191

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st March 2018

SELANGOR DREDGING BERHAD (4624-U)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE 1ST FINANCIAL QUARTER ENDED 30 JUNE 2018

Part A - Selected Explanatory Notes pursuant to Malaysia Financial Reporting Standard 134 (“MFRS 134”)

A1. Basis of preparation

The interim financial report has been prepared in accordance with MFRS 134 - Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements of the Group for the financial period ended 31 March 2018 are the first set of financial statements prepared in accordance with the Malaysia Financial Reporting Standards (“MFRS”) Framework. The MFRS Framework is effective for the Group from 1 April 2018 and the date of transition to the MFRS Framework for the purposes of preparation on the MFRS compliant financial statements is 1 January 2017.

The interim financial statements should be read in conjunction with the Group’s audited consolidated financial statements for the financial year ended 31 March 2018. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2018.

A2. Changes in accounting policies

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 2018 except for the adoption of the following amendments to MFRSs:

MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 15	Clarifications to MFRS 15
MFRS 9	Financial Instruments
Amendments to MFRS 1	First time Adoption of MFRS 1 (Annual Improvements to MFRSs 2014-2016 Cycle)
Amendments to MFRS 140	Transfers of Investment Property
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 – Financial Instruments with MFRS 4 – Insurance Contracts
Amendments to MFRS 128	Investments in Associates and Joint Ventures (Annual Improvements to MFRSs 2014-2016 Cycle)

The financial impacts to the interim financial statements of the Group upon initial application of the new MFRS Framework, MFRS 15 and MFRS 9 are disclosed in the following table:

(a) Reconciliation of statement of financial position

Group 1 April 2017	Previously reported under FRSs RM'000	Effect on adoption of MFRSs RM'000	Effects of MFRS 9 RM'000	Effects of MFRS 15 RM'000	Restated under MFRSs RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	189,805	-	-	-	189,805
Intangible asset	384	-	-	-	384
Investment properties	375,420	-	-	-	375,420
Land held for development	308,161	(308,161)	-	-	-
Inventories	-	308,161	-	-	308,161
Investment in jointly controlled entities	163,939	-	-	-	163,939
Investment in associates	-	-	-	-	-
Deferred tax assets	2,548	-	-	-	2,548
	<u>1,040,257</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,040,257</u>
Current assets					
Inventories	120,336	234,199	-	32,771	387,306
Property Development Costs	234,199	(234,199)	-	-	-
Trade and other receivable	80,013	-	(5,068)	(39,372)	35,573
Tax recoverable	9,631	-	-	-	9,631
Cash and Cash Equivalents	158,316	-	-	-	158,316
	<u>602,495</u>	<u>-</u>	<u>(5,068)</u>	<u>(6,601)</u>	<u>590,826</u>
TOTAL ASSETS	<u>1,642,752</u>	<u>-</u>	<u>(5,068)</u>	<u>(6,601)</u>	<u>1,631,083</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share Capital	213,541	-	-	-	213,541
Reserves	662,706	-	(5,068)	(7,830)	649,808
	<u>876,247</u>	<u>-</u>	<u>(5,068)</u>	<u>(7,830)</u>	<u>863,349</u>
Non-controlling interest	-	-	-	-	-
Total equity	<u>876,247</u>	<u>-</u>	<u>(5,068)</u>	<u>(7,830)</u>	<u>863,349</u>
Non-current liabilities					
Bank Borrowings	345,364	-	-	-	345,364
Deferred taxation	15,727	-	-	-	15,727
	<u>361,091</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>361,091</u>
Current liabilities					
Trade and other payables	120,266	-	-	1,261	121,527
Bank Borrowings	284,058	-	-	-	284,058
Taxation	1,090	-	-	(32)	1,058
	<u>405,414</u>	<u>-</u>	<u>-</u>	<u>1,229</u>	<u>406,643</u>
Total liabilities	<u>766,505</u>	<u>-</u>	<u>-</u>	<u>1,229</u>	<u>767,734</u>
TOTAL EQUITY AND LIABILITIES	<u>1,642,752</u>	<u>-</u>	<u>(5,068)</u>	<u>(6,601)</u>	<u>1,631,083</u>

(a) Reconciliation of statement of financial position (Cont'd)

The Group	Previously	Effect on			Restated
31 March 2018	reported	adoption	Effects of	Effects of	under
	under FRSs	of MFRSs	MFRS 9	MFRS 15	MFRSs
	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	224,358	-	-	-	224,358
Intangible asset	561	-	-	-	561
Investment properties	9,920	-	-	-	9,920
Land held for development	324,956	(324,956)	-	-	-
Inventories	-	324,956	-	-	324,956
Investment in jointly controlled entities	148,850	-	-	-	148,850
Investment in associates	48,924	-	-	-	48,924
Deferred tax assets	-	-	-	-	-
	<u>757,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>757,569</u>
Current assets					
Inventories	172,425	211,783	-	54,541	438,749
Property Development Costs	211,783	(211,783)	-	-	-
Trade and other receivable	146,228	-	(4,849)	(80,105)	61,274
Tax recoverable	7,550	-	-	4,659	12,209
Cash and Cash Equivalents	141,219	-	-	-	141,219
	<u>679,205</u>	<u>-</u>	<u>(4,849)</u>	<u>(20,905)</u>	<u>653,451</u>
TOTAL ASSETS	<u>1,436,774</u>	<u>-</u>	<u>(4,849)</u>	<u>(20,905)</u>	<u>1,411,020</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share Capital	213,541	-	-	-	213,541
Reserves	674,143	-	(4,849)	(24,237)	645,057
	<u>887,684</u>	<u>-</u>	<u>(4,849)</u>	<u>(24,237)</u>	<u>858,598</u>
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity	<u>887,684</u>	<u>-</u>	<u>(4,849)</u>	<u>(24,237)</u>	<u>858,598</u>
Non-current liabilities					
Bank Borrowings	151,581	-	-	-	151,581
Deferred taxation	3,037	-	-	-	3,037
	<u>154,618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,618</u>
Current liabilities					
Trade and other payables	111,612	-	-	2,383	113,995
Bank Borrowings	280,862	-	-	-	280,862
Taxation	1,998	-	-	949	2,947
	<u>394,472</u>	<u>-</u>	<u>-</u>	<u>3,332</u>	<u>397,804</u>
Total liabilities	<u>549,090</u>	<u>-</u>	<u>-</u>	<u>3,332</u>	<u>552,422</u>
TOTAL EQUITY AND LIABILITIES	<u>1,436,774</u>	<u>-</u>	<u>(4,849)</u>	<u>(20,905)</u>	<u>1,411,020</u>

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
MFRS 16 : Leases	1 January 2019
IC Interpretation 23 : Uncertainty Over Income Tax Treatments	1 January 2019
<i>Amendments to:</i>	
MFRS 9 : Prepayment Features with Negative Compensation	1 January 2019
MFRS 128 : Long-term Interest in Joint Ventures and Associates	1 January 2019
MFRS 3 & MFRS 11 : Previously Held Interest in a Joint Operation (Annual Improvements to MFRSs 2015 – 2017 Cycle)	1 January 2019
MFRS 112 : Income Taxes Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements to MFRSs 2015 – 2017 Cycle)	1 January 2019
MFRS 123 : Borrowing Cost Eligible for Capitalisation (Annual Improvements to MFRSs 2015 – 2017 Cycle)	1 January 2019
MFRS 10 & MFRS 128 : Sales or Contribution of Assets between an investor and its Associate or Joint Venture	Deferred
MFRS 2 :Share-Based Payment	1 January 2020
MFRS 3 :Business Combinations	1 January 2020
MFRS 6 :Exploration for and Evaluation of Mineral Resources	1 January 2020
MFRS 14 :Regulatory Deferral Accounts	1 January 2020
MFRS 101 :Presentation of Financial Statements	1 January 2020
MFRS 108 :Accounting Policies, Changes in Accounting Estimates and Errors MFRS 134 Interim Financial Reporting	1 January 2020
MFRS 137 :Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
MFRS 138 :Intangible Assets	1 January 2020
IC Interpretation 12 :Service Concession Arrangements	1 January 2020
IC Interpretation 19 :Extinguishing Financial Liabilities with Equity Instruments	1 January 2020

IC Interpretation 20 :Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
IC Interpretation 22 :Foreign Currency Transactions and Advance Consideration	1 January 2020
IC Interpretation 132 :Intangible Assets-Web Site Costs	1 January 2020

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.

A3. Audit Report of Preceding Annual Financial Statements

The Group’s preceding annual financial statements were reported without any qualification.

A4. 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.

A5. 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.

A6. 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.

A7. 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 June 2018.

A8. Dividend Paid

No dividend was paid during the current financial quarter and period-to-date ended 30 June 2018.

A9. 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 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.

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	39	2,877	51,791	12	0	59	54,778
Inter-segment Sales	51	0	0	0	0	(36)	15
Total revenue	<u>90</u>	<u>2,877</u>	<u>51,791</u>	<u>12</u>	<u>0</u>	<u>23</u>	<u>54,793</u>
RESULTS							
Segment results	436	(1,654)	16,819	(243)	5,320	(9,927)	10,751
Unallocated corporate (expenses)/income							<u>(473)</u>
Operating profit							10,278
Finance cost, net							(4,696)
Share of net profit/(loss) of associated companies							(2,066)
Income taxes							<u>(1,121)</u>
Profit for the period							<u>2,395</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.

A10. 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.

A11. Material Events Subsequent to the End of the Period

There are no material events subsequent to 30 June 2018 up to the date of this announcement that has not been reflected in the financial statements as at 30 June 2018.

A12. 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.

A13. 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 3 months ended 30 June 2018, the Group turnover recorded a slight decrease amounting to RM59.92 million compared to the corresponding last financial year. The decrease was mainly due to softer market sentiment in the real estate industry. The slight increase in net profit to RM2.40 million was mainly due to cost saving in our completed projects.

Fortress Mining Sdn Bhd, a 35% associate company, which engage in iron ore mining has contributed RM779,000 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 30 June 2018, the Group registered a lower profit before tax of RM3.52 million compared to RM5.06 million recorded in the preceding quarter ended 31 March 2018. This was mainly due to the contribution of completion of our project The Hub during the immediate 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 banks are still stringent on the end financing application. The Group will remain cautious for the rest of the year.

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 RM205.8 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 30/06/2018 RM'000	Financial year 30/06/2018 RM'000
- current taxation	1,121	1,121
- associated companies	0	0
- deferred taxation	0	0
- under/(over) provision in prior years		
- Current	0	0
- Deferred	0	0
	1,121	1,121

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 June 2018 are as follows:-

<i>Long Term Bank Borrowing</i>	RM'000
<i>Secured:</i>	
Revolving Credit	70,000
Term Loan	157,998
Repayments due within the next 12 months	<u>(41,211)</u>
Sub-Total	<u>186,787</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	125,000
Term Loan	0
Current portion of long term borrowing	<u>41,211</u>
Sub-Total	<u>166,211</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>417,998</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 30/06/2018	Comparative quarter ended 30/06/2017	Current 3 months ended 30/06/2018	Corresponding 3 months ended 30/06/2018
(i) Net profit for the period (RM'000)	2,395	2,238	2,395	2,238
(ii) Weighted average number of ordinary shares in issue ('000)	426,127	426,127	426,127	426,127
Basic earnings per share (sen)	0.56	0.53	0.56	0.53

The company does not have any dilutive potential ordinary shares outstanding as at 30 June 2018. Accordingly, no diluted earnings per share is presented.

B11. Profit for the Year

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2018 RM'000	Comparative quarter ended 30.06.2017 RM'000	Current 3 months ended 30.06.2018 RM'000	Corresponding 3 months ended 30.06.2017 RM'000
Profit for the period is arrived at after crediting:				
Interest Income	599	167	599	167
Other Income	1,119	2,586	1,119	2,586
Foreign Exchange Gain	0	145	0	145
Gain on disposal of quoted investment	0	0	0	0
and after charging:				
Interest expense	4,696	5,721	4,696	5,721
Depreciation	898	930	898	930
Provision for/write off of receivables	0	0	0	0
Provision for/write off of inventories	0	0	0	0
Foreign Exchange Loss	114	0	114	0