SDB Selangor Dredging Berhad (4624-U)

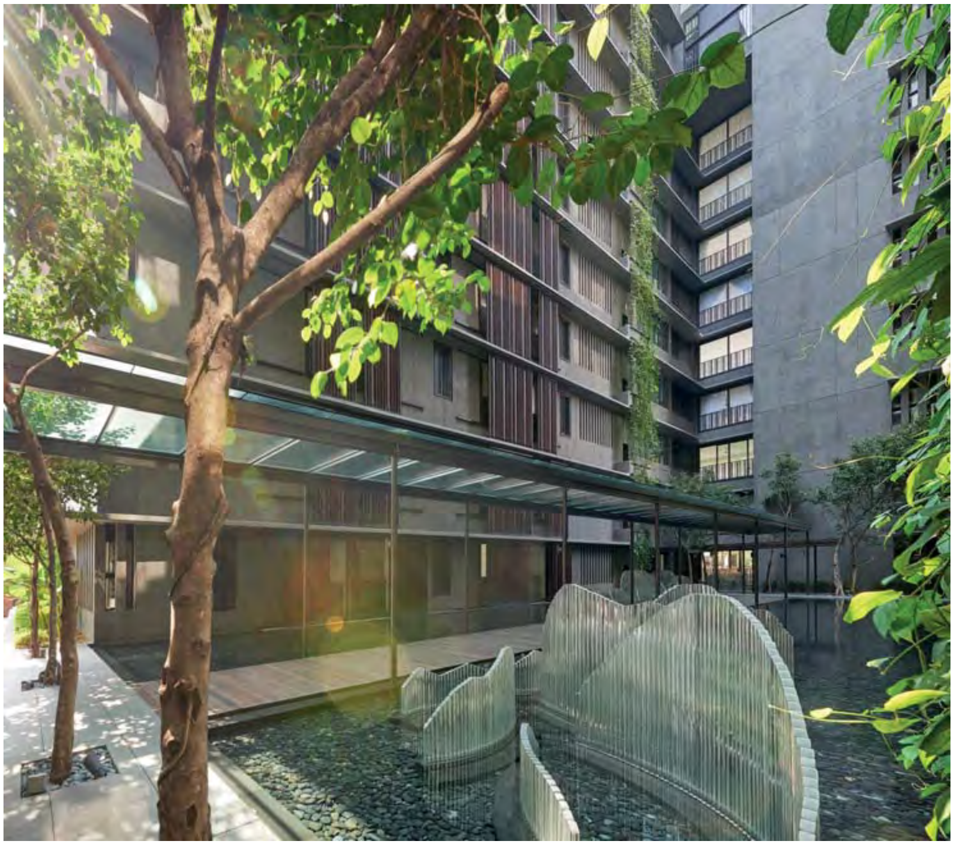
ANNUAL REPORT 2015

Starting off as a tin mining company, Selangor Dredging Berhad (SDB) has grown from strength to strength.

After diversifying into other areas of business, SDB is now focused on property activities – as well as property management, property leasing, and hotel management.

Our Brand Promise "Driving Excellence, Building Lifelong Relationships" sums up what we strive to do – driving excellence in terms of products and services to build a lifelong relationship with purchasers, hotel guests, tenants and all our stakeholders.

DRIVING EXCELLENCE, BUILDING LIFELONG RELATIONSHIPS



DEDAUN at Jalan Ampang, Kuala Lumpur

OUR CORE VALUES

Passionate
Determination to strive for excellence and a total commitment towards lifelong learning

Innovative
Dynamic and forward-looking leaders of new products, services and constantly seeking ways to be more relevant to customers

Results Oriented
In line with good business practices, we work according to strategy and well-defined corporate and personal goals

Caring and Respectful
We seek to continuously build relationships by caring for our stakeholders and respecting people and the environment

CONTENTS

FIVE STONES at SS2, Petaling Jaya

20TREES WEST at Taman Melawati, Kuala Lumpur

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **FIFTY-FOURTH ANNUAL GENERAL MEETING OF SELANGOR DREDGING BERHAD** will be held at the Ballroom, Hotel Maya Kuala Lumpur, 138, Jalan Ampang, 50450 Kuala Lumpur on Wednesday, 26 August 2015 at 9.00 am for the following purposes:

1. To receive the Financial Statements for the year ended 31 March 2015 and the Directors' and Auditors' Reports thereon.

2. To approve the payment of a First and Final Single Tier Dividend of 6% (2014: 6%) for the year ended 31 March 2015. **(RESOLUTION 1)**

3. To approve the payment of Directors' Fees amounting to RM272,000 (2014 : RM272,000) for the year ended 31 March 2015. **(RESOLUTION 2)**

4. To re-elect Ms Teh Lip Kim who retires by rotation pursuant to Article 80 of the Company's Articles of Association. **(RESOLUTION 3)**

5. To consider and, if thought fit, to pass the following resolution pursuant to Section 129 of the Companies Act, 1965:- **(RESOLUTION 4)**

   "THAT, pursuant to Section 129 of the Companies Act, 1965, Dato' Mohd Ismail bin Che Rus be and is hereby re-appointed as Director to hold office until the conclusion of the next Annual General Meeting of the Company."

6. To appoint Auditors and to authorise the Board of Directors to fix their remuneration. **(RESOLUTION 5)**

   Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965 (a copy of which is annexed in the Annual Report 2015 as "Appendix A") has been received by the Company for the nomination of Messrs BDO, who have given their consent to act, for appointment as Auditors of the Company.

AS SPECIAL BUSINESS

7. As Special Business to consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:-

   ORDINARY RESOLUTION I
   AUTHORITY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 **(RESOLUTION 6)**

   "THAT, subject always to the Companies Act, 1965 and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time at such price, upon such terms and to such person/persons or party/parties whomsoever the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being, and that such authority shall continue in force until the conclusion of the next Annual General Meeting."

   ORDINARY RESOLUTION II
   APPROVAL TO CONTINUE IN OFFICE AS SENIOR INDEPENDENT DIRECTOR **(RESOLUTION 7)**

   "THAT Dato' Mohd Ismail bin Che Rus who has served the Board as the Senior Independent Non-Executive Director of the Company for a cumulative term of more than nine years since 10 September 2002 be and is hereby retained as the Senior Independent Non-Executive Director of the Company."

ORDINARY RESOLUTION III
APPROVAL TO CONTINUE IN OFFICE AS INDEPENDENT DIRECTOR **(RESOLUTION 8)**

"THAT Mr. Tee Keng Hoon who has served the Board as the Independent Non-Executive Director of the Company for a cumulative term of more than nine years since 30 April 2004 be and is hereby retained as the Independent Non-Executive Director of the Company."

8. To transact any other business which due notice shall have been given in accordance with the Companies Act, 1965.

By Order of the Board

WON SEE YEE
SEOW FEI SAN
Secretaries

Kuala Lumpur
30 July 2015

NOTICE OF DIVIDEND PAYMENT

Subject to the approval of the shareholders at the Annual General Meeting, a First and Final Single Tier Dividend of 6% will be paid on 10 September 2015 to all shareholders whose names appear in the Record of Depositors and the Register of Members of the Company at the close of business on 2 September 2015.

A Depositor shall qualify for entitlement to the dividend only in respect of:

(a) Shares transferred into the Depositor's Securities Account on or before 4.00 pm on 2 September 2015 in respect of transfers; and
(b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

Notes:

(i) Only depositors whose names appear in the Record of Depositors as at 19 August 2015 shall be regarded as members and entitled to attend, speak and vote at the Annual General Meeting.

(ii) A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply. A proxy appointed to attend and vote at a meeting of a company shall be entitled to vote on any question at any general meeting and have the same rights as the member to speak at the meeting.

(iii) A member of the Company may appoint not more than two proxies to attend at the same meeting. Where the member of the Company appoints two proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.

(iv) A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 can appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(v) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary share in the Company for multiple beneficial owners in one (1) securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

(vi) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

(vii) The instrument appointing a proxy and the power of attorney or other authority, if any, which is signed or notarially certified copy of that power of authority, shall be deposited at the Share Registrars, Tricor Investor Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

Explanatory Notes to Special Business:

Resolution 6

At last year's Annual General Meeting, mandate was given to Directors to issue and allot at no more than 10% of the issued share capital of the Company. However, the mandate was not utilised and accordingly will lapse at the forthcoming Annual General Meeting. As such, the Board would like to seek for a renewal of the mandate.

The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company to issue and allot not more than 10% of the issued share capital of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

This authorisation will, unless revoked or varied by the Company in a general meeting, expire at the next Annual General Meeting of the Company.

Resolution 7
Approval to Continue in Office as Senior Independent Director

The Board of Directors has via the Nomination Committee conducted an annual performance evaluation and assessment of Dato' Mohd Ismail bin Che Rus who has served as Senior Independent Director of the Company for a cumulative term of more than nine years and recommend him to continue to act as Senior Independent Director of the Company based on the following justifications:-

a. He has fulfilled the criteria under the definition of Independent Directors as stated in the Bursa Malaysia Securities Berhad Main Market Listing Requirements, and therefore is able to bring independent and objective judgement to the Board;

b. He has been with the Company for more than nine years and therefore understands the Company's business operations which enable him to participate actively and contribute during deliberations or discussions at Audit Committee, Nomination Committee, Remuneration Committee and Board Meetings;

c. He has contributed sufficient time and efforts and attended all the Audit Committee, Nomination Committee, Remuneration Committee and Board Meetings for informed and balanced decision making; and

d. He has exercised due care during his tenure as Senior Independent Director of the Company and carried out his professional duty in the interest of the Company and shareholders.

Resolution 8
Approval to Continue in Office as Independent Director

The Board of Directors has via the Nomination Committee conducted an annual performance evaluation and assessment of Mr Tee Keng Hoon who has served as Independent Director of the Company for a cumulative term of more than nine years and recommend him to continue to act as Independent Director of the Company based on the following justifications:-

a. He has his own law firm and has been in practice for about 40 years. He fulfills the criteria under the definition of Independent Directors as defined in the Bursa Malaysia Securities Berhad Main Market Listing Requirements and he would be able to provide proper checks and balances, thus bring an element of objectivity to the Board of Directors;

b. He has been with the Company for more than nine years and therefore understands the Company's business operations which enable him to participate actively and contribute during deliberations or discussions at Audit Committee, Nomination Committee, Remuneration Committee and Board Meetings;

c. With his vast experience in legal practice, he would be able to provide constructive opinions and exercise independent judgement and has ability to act in the best interest of the Company;

d. He has contributed sufficient time and efforts and attended all the Audit Committee, Nomination Committee, Remuneration Committee and Board Meetings for informed and balanced decision making; and

e. He has exercised due care during his tenure as Independent Director of the Company and carried out his professional duty in the interest of the Company and shareholders.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman
Mr Eddy Chieng Ing Huong
BComm (UNSW), CA (Aust), CA (M'sia)
(Non-Independent Non-Executive)

Managing Director
Ms Teh Lip Kim
BSc (Hons), MSc
(Non-Independent Executive)

Directors
Dato' Mohd Ismail Bin Che Rus
(Senior Independent Non-Executive)

Ms Teh Lip Pink
HND (Business)
(Non-Independent Non-Executive)

Mr Tee Keng Hoon
(Independent Non-Executive)

SECRETARIES

Ms Won See Yee
(MAICSA 7047024)

Ms Seow Fei San
(MAICSA 7009732)

NOMINATION COMMITTEE

Chairman
Dato' Mohd Ismail Bin Che Rus

Members
Mr Eddy Chieng Ing Huong
Mr Tee Keng Hoon

REMUNERATION COMMITTEE

Chairman
Mr Eddy Chieng Ing Huong

Members
Dato' Mohd Ismail Bin Che Rus
Mr Tee Keng Hoon

INVESTMENT COMMITTEE

Chairman
Mr Eddy Chieng Ing Huong

Members
Ms Teh Lip Kim
Mr Tee Keng Hoon

REGISTERED OFFICE

18th Floor, West Block
Wisma Selangor Dredging
142-C, Jalan Ampang
50450 Kuala Lumpur
Tel : 603-2161 3377
Fax : 603-2161 6651
Website : www.sdb.com.my

REGISTRARS

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 603-2264 3883
Fax : 603-2282 1886

AUDITORS

Messrs Mazars
7th Floor, South Block
Wisma Selangor Dredging
142-A, Jalan Ampang
50450 Kuala Lumpur
Tel : 603-2161 5222
Fax : 603-2161 3909

PRINCIPAL BANKERS

Public Bank Berhad
Oversea-Chinese Banking Corporation Limited - Singapore

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

LIST OF PRINCIPAL OFFICES

SDB Properties Sdn Bhd
Ground & Mezzanine Floor
South Block
Wisma Selangor Dredging
142-A, Jalan Ampang
50450 Kuala Lumpur
Tel : 603-2711 2288
Fax : 603-2711 2219

SDB Customer Services Sdn Bhd
9th Floor, West Block
Wisma Selangor Dredging
142-C, Jalan Ampang
50450 Kuala Lumpur
Tel : 603-2171 2898/ 603-2166 2721
Fax : 603-2166 4868

Hotel Maya Kuala Lumpur
138, Jalan Ampang
50450 Kuala Lumpur
Tel : 603-2711 8866
Fax : 603-2711 9966
Website : www.hotelmaya.com.my

SDB Asia Pte Ltd
25, Teo Hong Road
Singapore 088333
Tel : 65-6238 2288
Fax : 65-6238 1188
Website : www.sdb.com.sg

SDB Selangor Dredging Berhad (4624-U)

CORPORATE STRUCTURE

SDB Properties Sdn Bhd
(190055-A)
100%

- SDB Damansara Sdn Bhd (245857-U)
  100%
- Prestij Permai Sdn Bhd (498568-P)
  100%
- Hayat Abadi Sdn Bhd (498396-X)
  100%
- SDB SS2 Development Sdn Bhd (723454-V)
  100%
- SDB Ampang Sdn Bhd (778930-P)
  100%
- Crescent Consortium Sdn Bhd (794998-H)
  100%
- SDB Property Management Sdn Bhd (1038047-H)
  100%
- SDB Teambuild Sdn Bhd (1096808-X)
  (formerly known as Modern Hallmark Sdn Bhd)
  50%

Seldredge Industries Sdn Berhad
(78890-A)
100%

SDB International Sdn Bhd
(78891-P)
100%

- SDB Asia Pte Ltd (200618870N)
  100%
- SDB UK Pte Ltd (201102729E)
  100%
- Chedstone Investment Holdings Pte Ltd (200707403H)
  50%
  - SDB Guernsey Limited (53103)
    100%
- Champsworth Development Pte Ltd (200711535D)
  50%
  - Tiara Land Pte Ltd (200704699H)
    100%
  - Teratai Investment Holdings Ltd (201402968E)
    100%

SDB Customer Services Sdn Bhd
(78893-H)
100%

MR EDDY CHIENG ING HUONG
Chairman

Mr Eddy Chieng Ing Huong, age 58, Malaysian Chinese, a Non-Independent and Non-Executive Director, was appointed as a Director on 30 July 1999. Mr Chieng is the Chairman of the Board, Investment, and Remuneration Committees and he is also a member of the Audit Committee and Nomination Committee.

Mr Chieng graduated in 1980 from the University of New South Wales, Australia with a Bachelor of Commerce Degree with Merit in Accounting, Finance and Information Systems.
He qualified as a Chartered Accountant in 1981 and is a member of the Institute of Chartered Accountants, Australia. He has also been a Chartered Accountant registered with the Malaysian Institute of Accountants since 1983.

Mr Chieng has extensive senior management experience having been involved in a number of successful entrepreneurial businesses in Malaysia and overseas.

Mr Chieng is the Executive Chairman of Esthetics International Group Berhad, Director of QL Resources Berhad and Non-Executive Director of Oroton Group Limited; listed on Australian Stock Exchange. He was previously the Non-Executive Director of Nationwide Express Courier Services Berhad, Ancom Berhad, Nylex (Malaysia) Berhad, OSK Holdings Berhad and the Chairman of Asia Poly Holdings Berhad.

Mr Chieng is not related with any director and/or substantial shareholder of the Company. Mr Chieng has no conflict of interest with the Company except as disclosed under Note 31 of the Financial Statements and he has no convictions of any offences within the past ten years.

PROFILE OF MEMBERS OF BOARD OF DIRECTORS

MS TEH LIP KIM
Managing Director

Ms Teh Lip Kim, aged 48, Malaysian Chinese, is the Managing Director and a substantial shareholder of the Company. She was appointed to the Board as Executive Director on 1 August 1996 and was promoted to the position of Managing Director on 1 July 1998. She is a member of the Investment Committee and she also holds directorships in other subsidiary companies of Selangor Dredging Berhad.

Ms Teh graduated with a Bachelor of Science (Honours) in Accounting and Economics from Southampton University in United Kingdom. Prior to her return to Malaysia, she completed her Masters in Shipping, Trade and Finance from the City University Business School in 1990. Upon graduation, she ventured into her own business and was also involved in the management of properties, plantations and hotels owned by her family. Ms Teh is currently a member of the Young Presidents' Organization, Malaysian Chapter.

Ms Teh is the sister of Ms Teh Lip Pink, a Non-Independent and Non-Executive Director and a substantial shareholder of the Company. Ms Teh has no conflict of interest with the Company except as disclosed under Note 31 of the Financial Statements and she has no convictions of any offences within the past ten years.

DATO' MOHD ISMAIL BIN CHE RUS
Senior Independent Non-Executive Director

Dato' Mohd Ismail Bin Che Rus, aged 72, Malaysian Malay, was appointed as a Senior Independent Non-Executive Director on 10 September 2002. He is the Chairman of Audit and Nomination Committees and a member of Remuneration Committee. Dato' Mohd Ismail studied Training Management at Royal Institute of Public Administration, London, United Kingdom
and Post Graduate Senior Management at the University of Manchester, United Kingdom.

Dato' Mohd Ismail started his career with the Royal Malaysia Police as an Inspector in 1962 and was promoted to numerous positions before appointment as Chief Police Officer for three states in Malaysia and the Metropolitan Police of Kuala Lumpur. Prior to his retirement, he held the rank of Commissioner of Police with the appointment as Director of Criminal Investigation Department. Currently, he is a director of Esthetics International Group Berhad.

Dato' Mohd Ismail does not have any family relationship with any director and/or substantial shareholder of the Company. He has no conflict of interest with the Company and he has no convictions of any offences within the past ten years.

MS TEH LIP PINK
Non-Independent Non-Executive Director

Ms Teh Lip Pink, aged 63, Malaysian Chinese, a Non-Independent and Non-Executive Director and a substantial shareholder, was appointed as a Director of the Company on 28 July 1994. She graduated with a Higher National Diploma in Business Studies from United Kingdom. She is also a Director of other subsidiary companies of Selangor Dredging Berhad and other private companies.

Ms Teh is the sister of Ms Teh Lip Kim, the Managing Director and a substantial shareholder of the Company. Ms Teh has no conflict of interest with the Company except as disclosed under Note 31 of the Financial Statements and she has no convictions of any offences within the past ten years.

MR TEE KENG HOON
Independent Non-Executive Director

Mr Tee Keng Hoon, aged 65, Malaysian Chinese, an Independent Non-Executive Director, was appointed as a Director and a member of the Audit Committee on 30 April 2004. He is also a member of the Investment, Nomination and Remuneration Committees.

Mr Tee holds a Bachelor of Law (Honours) Degree from the University of Singapore. He has his own law firm in Kuala Lumpur and has been in practice for about 40 years. Currently, he is a director of Box-Pak (Malaysia) Berhad.

Mr Tee does not have any family relationship with any director and/or substantial shareholder of the Company. Mr Tee has no conflict of interest with the Company and he has not been convicted of any offences within the past ten years.

LAMAN & BAYU at Puchong South, Selangor
These two gated and guarded developments comprises 72 units of 2-storey & 2½-storey Semi-Detached Homes within 11 acres.

CHAIRMAN'S STATEMENT

The year ended 31 March 2015 (FY2015) was a more challenging year for the economy in Malaysia and Singapore, and presented headwinds for the property development sector as well. With the ongoing fiscal consolidation, there was a tightening of loan approvals by financial institutions generally alongside measures to reduce property market speculation. In addition, FY2015 saw the introduction of the Goods and Services Tax (GST) in Malaysia, ahead of which consumers adopted a more cautious approach towards purchasing property and spending as a whole.

Nonetheless, I am pleased to report that the SDB Group registered another positive result this year with a net profit of RM66.9 million from a turnover of RM400.5 million, compared to last year's net profit of RM62.2 million and turnover of RM377.3 million respectively.

WINDOWS ON THE PARK, Bandar Tun Hussein Onn, Cheras South
This unique 8.9-acre development with 540 condominium units overlooks 4.2 acres of green parkland.

GROUP OPERATIONS

During FY2015, the Group focused on sales of inventory in existing developments, rather than launching new projects. This included units in projects that were launched last year, namely THE HUB retail offices and signature suites in SS2 Petaling Jaya, WINDOWS ON THE PARK condominiums in Cheras and the SOVO units at our mixed development in SQWHERE, Sungai Buloh.

We also saw the completion of six developments in the year under review, three of which were in Malaysia and three in Singapore. In June 2014, GILSTEAD TWO in Singapore was handed over to purchasers, while homeowners of LAMAN & BAYU landed homes in Puchong took possession of their homes in November 2014. This was followed by two more Singapore projects, HIJAUAN on Cavenagh Road in February 2015, and OKIO on Balestier Road in March 2015. Following this, BY THE SEA, our beachfront development at Batu Ferringhi, Penang was presented to purchasers in March 2015.

VILLAGE, Pasir Panjang, Singapore
Located in District 5 on Pasir Panjang Road, the development comprises 148 apartments on 2.35 acres. The units encircle a spacious sloping lawn and swimming pool.

Construction of our projects also continued as scheduled. The first phase of WINDOWS ON THE PARK is due to be ready by the end of 2015, while our next project to be handed over will be VILLAGE at Pasir Panjang in Singapore, slated for completion in early 2016.

Our hotel property, HOTEL MAYA Kuala Lumpur saw a drop in travellers during the year under review, resulting in lower occupancy rates of 47% compared to 59% last year. Coupled with maintenance and operating expenses, this led to an operating loss of RM3 million, compared to an operating profit of RM0.4 million last year.

For our main leasing property, WISMA SELANGOR DREDGING continued to enjoy good occupancy of 94%. This is in part due to its excellent location and the range of services which we continue to provide for our tenants.

AWARDS AND SUSTAINABILITY

I am pleased to announce that the Group earned yet another award during the year. This time, the award was for our Green Sustainability efforts.

In June 2015, our River Rehabilitation Project for *Sungai Satu* in Batu Ferringhi, Penang was awarded the *Asia Responsible Entrepreneurship Award* (AREA) under the Green Leadership Category. Located next to our BY THE SEA development, the aim of the project is to ensure the river water is clean before it reaches the sea, and at the same time preventing possible floods. Nets are used to capture rubbish, while the filtering of the water is done using a bio-engineering treatment method. Carefully selected plants are used to absorb nutrients and other pollutants, and discharge cleaner water back into the river.

As an extension of the 4Es sustainability agenda unveiled last year, we are looking into introducing even more green initiatives which will be beneficial to all our homeowners.

DIVIDEND

In recognition of the continued support and loyalty of shareholders, the Board of Directors has recommended a first and final dividend of 6% per share, amounting to RM12,783,829 million (FY 2014: RM12,783,829) for the financial year ended 31 March 2015.

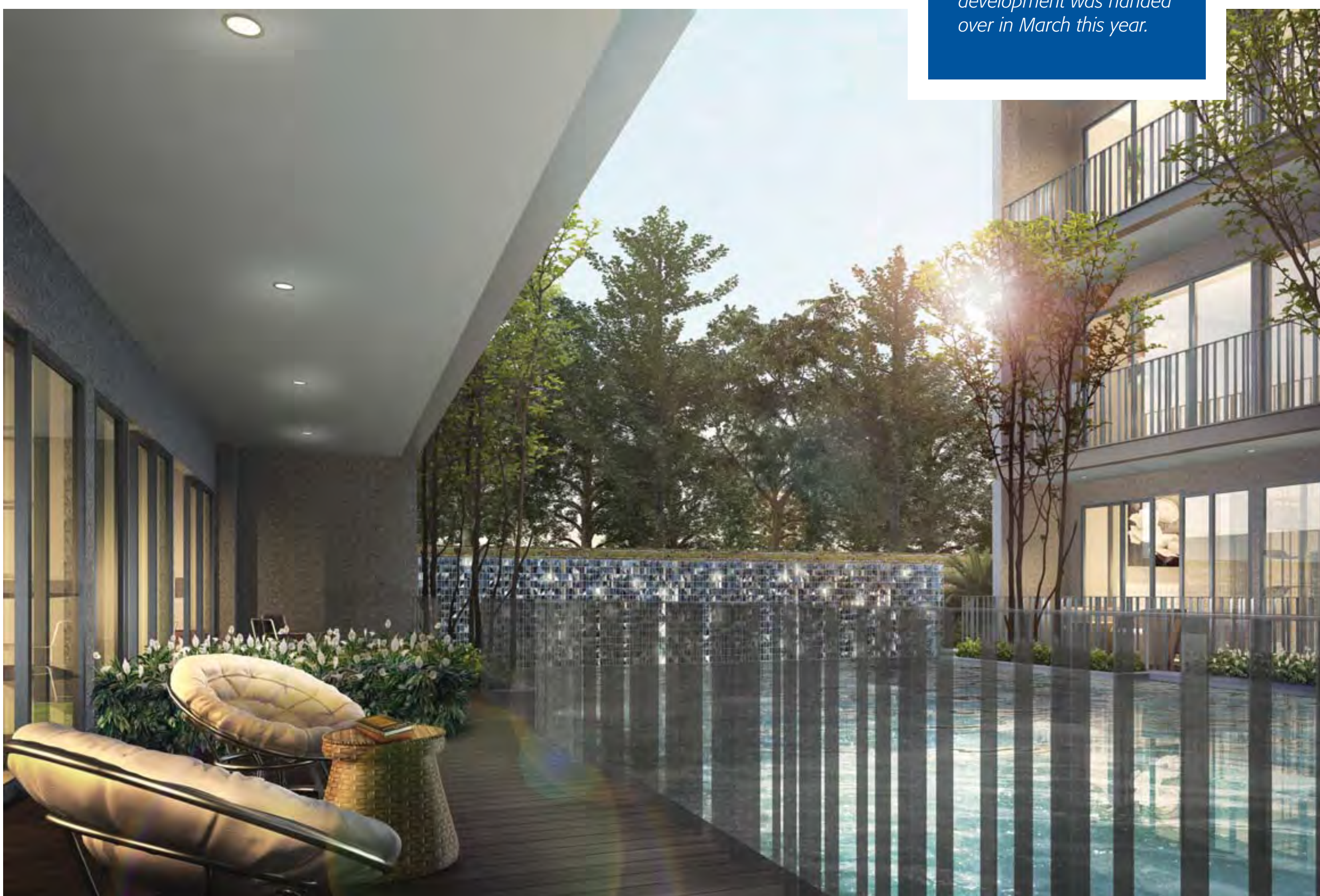
ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to extend our appreciation to the management and staff of the Group for their continued hard work and dedication.

I would also like to extend my thanks to our shareholders, customers and business partners for their confidence and continued support throughout the years.

EDDY CHIENG ING HUONG
Chairman

HIJAUAN, Cavenagh Road, Singapore
Located a walking distance away from Orchard Road, this 41 unit low-rise luxury development was handed over in March this year.



THE HUB, SS2, Petaling Jaya
This unique commercial development comprises a 44-storey tower block of signature suites. It has exclusive recreational facilities, and 13 blocks of low-rise boutique offices with rooftop gardens.

MANAGING DIRECTOR'S OPERATIONS REVIEW

WINDOWS ON THE PARK, Bandar Tun Hussein Onn, Cheras
One of the distinguishing features of this development is its parkland and 3-tier planting. The first phase will be completed by the end of 2015.

I am pleased to present the review of the Group's businesses for the year ended 31 March 2015.

Property development remains the core business and the main income generator for the Group, backed by leasing and hotel operations activities.

PROPERTY

During the year under review the Group completed and handed over six developments to homeowners. While there were no new launches, we continued to actively market the balance units in the various developments.

In the meantime, the construction of our developments, THE HUB in SS2 Petaling Jaya, WINDOWS ON THE PARK in Cheras and SQWHERE in Sungai Buloh continued as scheduled.

THE HUB a commercial development comprises freehold retail offices and signature suites on 2.51 acres of land in SS2 Petaling Jaya. Located in the heart of SS2, it provides offices and businesses with lush green landscape to encourage a more relaxed working environment. This development has a GDV of approximately RM315 million and is 67% sold.

WINDOWS ON THE PARK, a low density 8.9 acre development in Bandar Tun Hussein Onn, Cheras in the meantime is currently nearly 78% sold. This development has a total of 540 units and nearly half of the development has been reserved for park and recreational space. The first phase of this development is expected to be handed over to homeowners by the last quarter of 2015. This development has a GDV of RM520 million.

SQWHERE our development in Sungai Buloh has two tower blocks and a retail podium. It is conveniently located opposite the Kampung Selamat MRT station. For the ease for its residents and guests, there will be a covered bridge linking SQWHERE directly to the MRT station. The first tower block, which consists of SOVO units and retail area launched last year is almost sold out. The office block called "The Cube" will be launched in the last quarter of 2015. The service apartment tower which was initially planned to be launched in the financial year under review, is undergoing final development planning stages, and is expected to be unveiled for launch in the first half 2016. The total GDV for this development is approximately RM550 million.

Another project that we planned to launch during the year under review was JIA in Taman Melawati. We decided to put the launch on hold and are reviewing the overall development concept for this project.

I am delighted to report that during the year under review, six developments were completed and handed over to purchasers. In Malaysia, LAMAN & BAYU, two developments located on 11 acres in Puchong and comprising a total of 72 units of spacious family-centric landed homes were handed over in November 2014. Purchasers of BY THE SEA, our development in Penang, began taking possession of their units at the end of March 2015. This beachfront development enjoys a prime location on the famed Batu Ferringhi beach.

A total of three developments were handed over in Singapore during the year under review. I had mentioned in my last report that GILSTEAD TWO had been handed over in June 2014. Following this, another two developments were completed. HIJAUAN on Cavanagh Road comprises 41 units of homes in District 9 Singapore, just minutes away from the Orchard Road shopping belt. The next development handed over was OKIO. Located on Balestier Road in District 12, this mixed development has 104 apartments and 10 retail units. HIJAUAN was handed over in February while OKIO was handed over in March this year.

OPERATIONS REVIEW

For the financial year under review, the Group achieved a net profit of RM66.95 million on the back of a turnover of RM400.5 million.

The Group's investment properties were revalued, and this resulted in an additional RM24.3 million revaluation surplus for the year.

BY THE SEA, Batu Ferringhi, Penang
Surrounded by rustic landscape with a quaint rehabilitated river flowing next to it, BY THE SEA is an exceptional development.

WISMA SELANGOR DREDGING & HOTEL MAYA, Jalan Ampang, Kuala Lumpur
SDB's prime office building at the heart of KL, with a delightful courtyard and lush greenery, and SDB's wholly owned boutique hotel – both are just a stroll away from KL Twin Towers.

SELANGOR DREDGING BERHAD

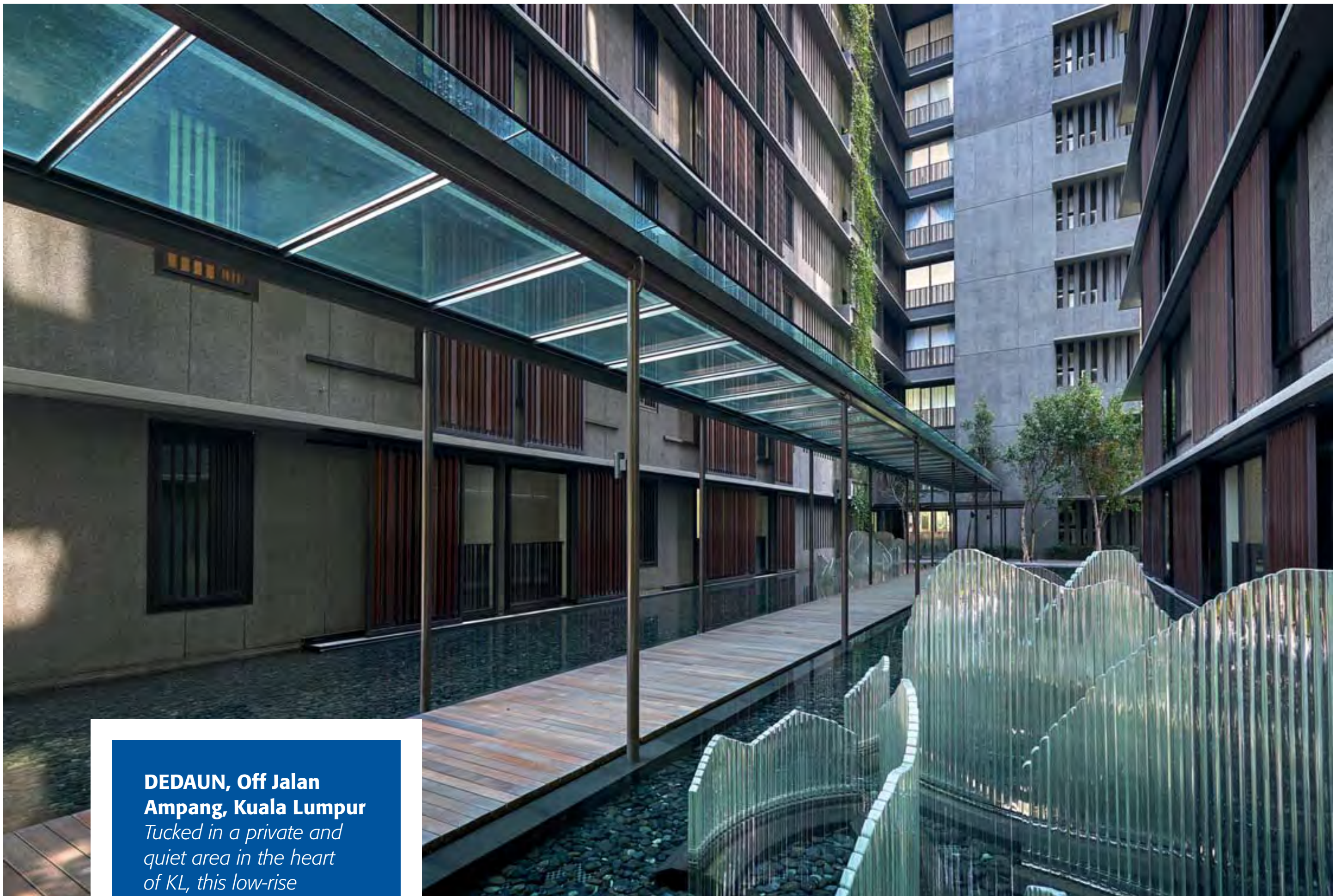
During the year under review, the company recorded a pre tax loss of RM5.8 million on a turnover of RM23.5 million compared to last year's pre tax profit of RM25.2 million on a turnover of RM22.3 million. The loss recorded was due to the amortisation of interest for intercompany loan amounting to RM41.5 million for the next five years, in compliance with the fair value accounting policy FRS139. This sum will gradually be recouped back into the company's accounts in the next five years and this bears no impact to the Group's overall results.

The company's pre tax profit would be RM26.44 million if not for the accounting measures mentioned above.

WISMA SELANGOR DREDGING

The occupancy rate for our main leasing property WISMA SELANGOR DREDGING was 94.22%. The building has been enjoying a commendable rate of occupancy of more than 90% for many years.

We are also pleased to share that WISMA SELANGOR DREDGING marked its 30th Anniversary this year. To mark the occasion, several events were held to thank our tenants for their continued support over the years.



DEDAUN, Off Jalan Ampang, Kuala Lumpur
Tucked in a private and quiet area in the heart of KL, this low-rise development with only 38 limited edition condominiums was completed last year.

PROPERTY

The property division which comprises property development and hotel operations recorded a pre tax profit of RM68.2 million on a turnover of RM377.9 million. This marks an increase compared to RM41.2 million recorded last year on a turnover off RM355.4 million.

The share of the jointly controlled entities in Singapore contributed a net profit of RM17.4 million compared to RM19.5 million last year. This was due to the completion of our project GILSTEAD TWO which was handed over in June 2014.

As at March 2015, the Group has unbilled sales of RM629 million which will contribute to the results of the Group for the next few years.

HOTEL

For the year under review, hotel revenue decreased from RM27.5 million to RM23.2 million. This was mainly due to a reduction in travellers after several aviation tragedies and a drop in the number of guests coming in from the Middle East market.

There was a drop in occupancy from 59% last year to 47% this year, resulting in a RM3.1 million decline in room revenue. Operating expenses and maintenance costs also increased and this has led to an operating loss of RM3 million compared to a net operating profit of RM0.43 million the year before.

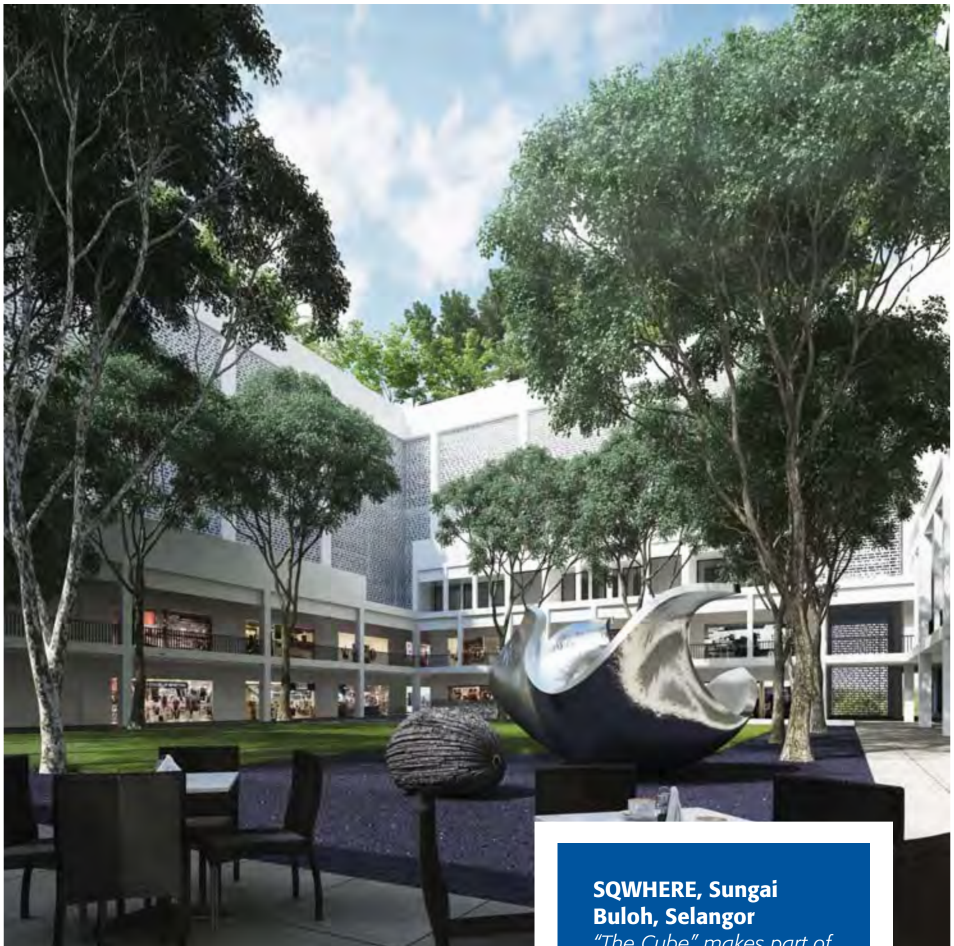
PROSPECTS

The property development sector as a whole faced a challenging year. The Central Bank introduced strict measures to financial institutions on approval of home loans to control the overall household debt. Apart from that, the Goods and Services Tax (GST) was introduced this year. The public were more guarded about purchasing properties as they were unsure how the taxes would affect prices of properties and goods and services in general.

For this year, we will be launching the next commercial block of SQWHERE, our mixed development in Sungai Buloh in the last quarter of 2015. Called "The Cube", it is a multi-storey office block consisting of office space and a retail unit. It fronts Jalan Sungai Buloh and will be directly linked to the bridge leading to the MRT station. This will be followed by the unveiling of Sqwhere's service apartment tower, expected to be in the first half of 2016.

In preparing for future projects, the Group purchased land located in Bukit Serdang, in Mukim Petaling. The land measures 18 acres and is located adjacent to Technology Park in Bukit Jalil. This area is well connected to the MAJU Expressway, North-South Expressway, KESAS Highway, North Klang Valley Expressway (NKVE) and Lebuhraya Damansara Puchong (LDP). It is also just a short distance from Bukit Jalil LRT station, making it an attractive place for a proposed residential development.

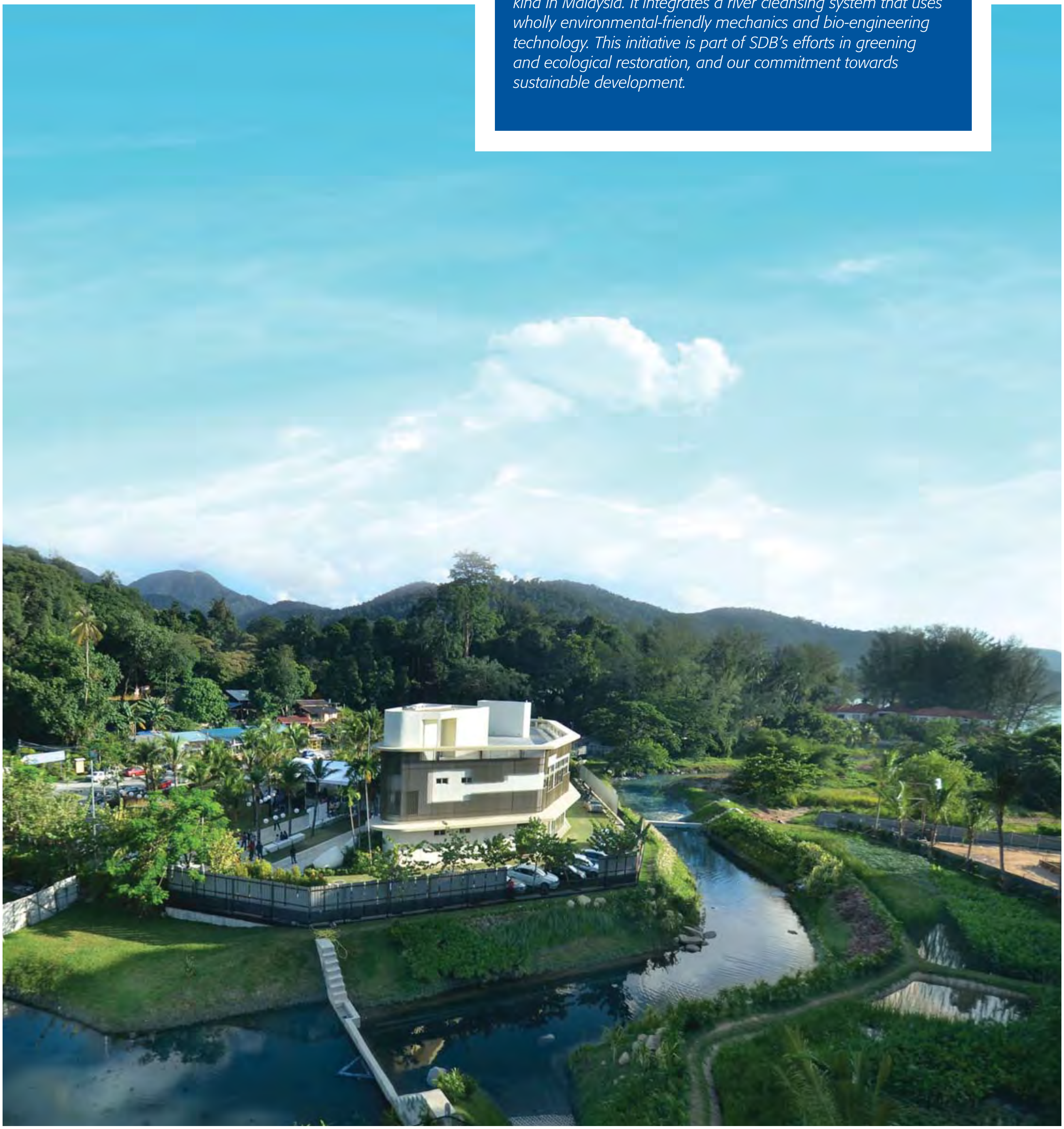
During the year the Group also disposed of a parcel of land measuring approximately 59 acres located near Dengkil in Daerah Ulu Langat, Selangor. The consideration for the parcel of land was RM32.5 million.



SQWHERE, Sungai Buloh, Selangor
"The Cube" makes part of the commercial area of SQWHERE, which will be directly linked to the MRT Station.

The River Rehabilitation Project at BY THE SEA, Batu Ferringhi, Penang

Winning the 2015 AREA under the Green Leadership category, the rehabilitation project of Sungai Satu, which flows next to our Penang development, is the first all-in-one project of its kind in Malaysia. It integrates a river cleansing system that uses wholly environmental-friendly mechanics and bio-engineering technology. This initiative is part of SDB's efforts in greening and ecological restoration, and our commitment towards sustainable development.



With regard to operations, several major changes had to be made to our accounting and IT processes and procedures due to the introduction of GST. We are pleased to report that everything was prepared and in place for 1st April 2015 and the transition was a smooth one. At the same time, briefings on GST will continue to be held so that everyone will be kept abreast of any amendments and new developments.

On our Corporate Social Responsibility (CSR) front, in the spirit of giving more employment opportunities to those with learning disabilities we began a new venture called "ONE-TWO-WASH". Still in its pilot stage and with the team members undergoing training, the car wash currently runs twice a week and is situated at Wisma Selangor Dredging. This is our second undertaking for youth with learning disabilities, the first being the fresh fruit juice stall also at Wisma Selangor Dredging called "ONE-TWO-JUICE".

We were extremely pleased to receive international recognition this year when our River Rehabilitation project for *Sungai Satu* in Batu Ferringhi, Penang was awarded the 2015 *Asia Responsible Entrepreneurship Award* (AREA) in the Green Leadership Award category. This river rehabilitation project is located in the public river adjacent to our BY THE SEA development. It is unique in that it uses flora and fauna to help sieve and filter the water to make it cleaner before it is discharged into the sea. Costing more than RM2 million, this project was officiated by the Chief Minister of Penang in 2013. We are delighted with this award and feel efforts such as this demonstrate our commitment to providing better environments for everyone to enjoy.

LOOKING AHEAD

Moving ahead with the sustainability agenda which I mentioned in last year's report, we continue to take all the considerations of our sustainability agenda in development planning of all our projects. Apart from having detailed concepts for each development and comfortable, practical layout for the homes, we are also looking into introducing additional green and energy saving installations throughout our developments which will be more cost effective for homeowners.

While we are continuously striving to improve on the services provided to our homeowners, we are also looking at introducing additional services to ensure our SDB homes can bring added value for our purchasers.

Earlier in 2015, we were hit with lower oil prices and at the time of writing, our currency has depreciated, creating a somewhat staid market sentiment. While the property market is expected to remain soft, I am optimistic that there is always demand for good product offerings and quality services.

I would like to express thanks to the shareholders, customers and business partners for their confidence and continued support. The Board of Directors has recommended a first and final dividend of 6% per share amounting to RM12,783,829 million for the financial year ended 31 March 2015. This recommendation will be tabled at the Annual General meeting for approval by the shareholders.

Thank you.

TEH LIP KIM
Managing Director

YEAR ENDED 31 MARCH	2015 GROUP RM'000	2014 GROUP RM'000	2013 GROUP RM'000	2012 GROUP RM'000	2011 GROUP RM'000
PROFITABILITY					
Turnover	**400,505**	377,282	278,842	354,451	345,999
Profit / (Loss) before taxation	**96,534**	77,720	56,096	61,985	44,366
Provision for taxation	**(29,576)**	(15,551)	(8,097)	(16,271)	(14,198)
Profit / (Loss) after taxation	**66,948**	62,169	47,999	45,714	30,168
Minority interest	**-**	-	-	-	-
Earnings / (Loss) for the year	**66,948**	62,169	47,999	45,714	30,168
Profit available for appropriation	**488,261**	434,097	381,516	343,105	305,381
Dividend net of tax	**12,784**	9,588	9,588	7,990	6,392
KEY BALANCE SHEET DATA					
Total assets	**1,433,805**	1,372,490	1,296,632	1,221,006	1,161,591
Issued share capital	**213,064**	213,064	213,064	213,064	213,064
Shareholders' fund	**770,648**	704,417	643,653	605,533	568,068
Total bank borrowings	**505,100**	556,023	580,490	526,810	530,900
No of ordinary shares in issue ('000)	**426,128**	426,128	426,128	426,128	426,128
SHARE INFORMATION					
Per 50 sen ordinary share					
Return on equity	**8.69%**	8.83%	7.46%	7.55%	5.31%
Return on total assets	**4.67%**	4.53%	3.70%	3.74%	2.60%
Gearing ratio	**30.66%**	36.63%	42.85%	39.41%	42.52%
Interest cover	**6.43**	4.67	3.44	4.05	3.43
Earnings / (Loss) after tax (sen)	**15.71**	14.59	11.26	10.73	7.08
Dividend after tax (sen) *	**3.00**	3.00	2.25	2.25	1.88
Net asset backing (sen)	**180.85**	165.31	151.05	142.10	133.31
Price earning ratio	**6.37**	6.85	7.28	6.52	11.58
Share price as at 31 March (RM)	**1.00**	1.00	0.82	0.70	0.82

** Dividend declared during the financial year.*

GROUP FINANCIAL HIGHLIGHTS

TURNOVER
(RM'000)

EARNINGS AFTER TAX
(SEN)

PROFIT BEFORE TAXATION
(RM'000)

NET ASSETS BACKING
(SEN)

The Board is supportive of the adoption of principles and best practices as enshrined in the Malaysian Code on Corporate Governance 2012 throughout the Group, for the protection and enhancement of stakeholders' value and the performance of the Group.

The Board is pleased to disclose below the manners in which it has applied the principles of good corporate governance and considered that it had complied with the best practices provisions except as stated otherwise.

A. BOARD OF DIRECTORS

The Board has the overall responsibility for corporate governance, strategic direction and overseeing the investments and operations of the Group.

Board Charter

The Board has formulated and adopted Board Charter on 26 February 2013 to define inter-alia the following:–

- Board Composition
- Board Appointment and re-election
- Board Roles and Responsibilities
- Board Committees
- Meetings and Board Attendance
- Investor Relation and Shareholder Communication
- Access to Information and Independent Advice

This Board Charter, which is subject to periodic review by the Board is accessible through the Company's website at www.sdb.com.my.

Composition

The Board comprises one Executive and four Non-Executive Directors with various qualifications and experience, of whom two of the Board members are Independent Directors. Thus, this complies with Paragraph 15.02 of the Listing Requirements of Bursa Malaysia Securities Berhad that one-third (1/3) of the Board are Independent Directors.

The Executive Director has the responsibility of making and implementing operational decisions and running of the Group's business. The Non-Executive Directors play key supporting roles, contributing their knowledge, skills and experience towards the formulation of strategies and policies and in the decision making process.

The Independent Directors playing a role in providing unbiased and independent views, advice and judgement. The current Chairman was not the previous managing director of the Company.

The profile of the members of the Board is presented on pages 8 to 9 of the Annual Report.

An assessment of the Board's performance is carried out for the year under review, including the Independent Directors' performance.

The Board is satisfied with the existing number and composition of its members and is of the view that with the current mix of skills, knowledge, experience and strengths, the Board is able to discharge its duties and responsibilities effectively.

The Chairman

The Non-Executive Chairman of the Board, Mr Eddy Chieng Ing Huong, although not an Independent Director, as a non-executive chairman, he is not involved in the day-to-day management of the Group.

In addition, he also provides strong leadership and objective judgement with regard to ensuring the adequacy and effectiveness of the Board's governance process.

The Board is of the view that the separation of the offices of the Chairman and the Managing Director together with the Independent Directors, provide further safeguards that there is a balance of power and authority on the Board to ensure independent judgement in the best interest of the Company and effective stewardship of the Company in terms of strategies and business performance.

The Board believes that Chairman is competent to act on behalf of the shareholders in their best interest and does not recommend the necessity of nominating an Independent Non-Executive Chairman at this juncture.

Board Meetings

Board meetings are held at least four times a year, additional meeting would be convened when urgent and important decisions need to be taken between scheduled meetings. During the financial year, the Board held four meetings and the details of attendance of Directors at the Board meetings are as follows:

Name of Directors	Total Meetings Attended	Percentage of Attendance
Mr Eddy Chieng Ing Huong	4	100%
Ms Teh Lip Kim	4	100%
Dato' Mohd Ismail Bin Che Rus	3	75%
Ms Teh Lip Pink	4	100%
Mr Tee Keng Hoon	3	75%

Board meetings are scheduled in advance at the beginning of each calendar year to enable Directors to plan and adjust their schedule to ensure good attendance and the expected degree of attention given to the Board agenda.

During the course of a meeting, the Board deliberated and considered on matters including the Group's financial performance, business review, operating performance to-date against the annual budget and the business strategies. The Audit Committee also reports the outcome of committee meetings to the Board and such reports are incorporated as part of the minutes of the Board meetings.

Where a potential conflict of interest arises, it is mandatory practice for the Director concerned to declare his or her interest and abstain from the decision making process.

Supply of Information

The agenda and reports for each Board meeting are circulated to the members of the Board prior to the Board meetings, thus allowing sufficient time for detailed review and consideration.

Senior management staff may be invited to attend the Board meetings to provide the Board with detailed explanations and clarifications on issues that are considered during the Board meetings.

All members of the Board have direct and unrestricted access to the management, advice and services of the Company Secretary and the Directors may seek external professional advice, if required.

Nomination Committee

The Nomination Committee is responsible for identifying and recommending to the Board suitable candidate for appointment to the Board and Board Committees, and also performance appraisal of the Directors.

The summary of the activities of the Nomination Committee during the financial year are as follows:-

- Reviewed the mix of skill and experience and other qualities of the Board.
- Accessed the effectiveness of the Board as a whole, the Board committees and the Directors.
- Discussed the Company's Directors' retirement by rotation.
- Discussed the re-appointment of the Company's Independent Directors who have served the Company for more than 9 years.

Appointment to the Board

The Nomination Committee is responsible to identify candidate to the Board if there is vacancy arise from resignation, retirement or any other reasons or if there is a need to appoint additional director with the required skill or profession to the Board in order to close the competency gap in the Board identified by the Committee. The potential candidate may be proposed by existing director, senior management staff, shareholder or third party referrals.

Upon received of the proposal, the Committee is responsible to conduct assessment and evaluation on the proposed candidate.

The Board does not set specific criteria for the assessment and selection of director candidate. However, the consideration would be taken on the need to meet the regulatory requirement such as Companies Act, 1965 and Main Market Listing Requirement. The Committee selection of the director candidate is generally base on the achievement in the candidate personal career, integrity, wisdom, ability to make independent and analytical inquiries, ability to work as team to support the Board, possession of the required skill, qualification and expertise that would add further value to the Board, understanding of the business environment and the willingness to devote adequate time and commitment to attend to the duties/functions of the Board.

The assessment/evaluation process may include, at the Committee's discretion, reviewing of the candidate resume, curriculum vitae and other biographical information, confirming the candidate's qualifications and conducting legal and other background searches as well as formal or informal interview at the Committee's discretion.

Upon completion of the assessment and evaluation of the proposed candidate, the Committee would make its recommendation to the Board. Based on the recommendation of the Committee, the Board would evaluate and decide on the appointment of the proposed candidate.

The Chairman of the Board would then make an invitation or offer to the proposed/potential candidate to join the Board as a director. With the acceptance of the offer/invitation, the candidate would be appointed as director of the Company.

Annual Assessment of Existing Directors

The director who is subject to re-election and/or re-appointment at next Annual General Meeting shall be assessed by the Nomination Committee before recommendation is made to the Board and shareholders for the re-election and/or re-appointment. Appropriate assessment and recommendation by the Nomination Committee would be based on the yearly assessment conducted.

Assessment of Independent Directors

The Company does not have term limits for Independent Directors as the Board believes there are significant advantages to be gained from the long-serving Directors who possess tremendous insight and in-depth knowledge of the Company's business and affairs.

Based on the assessment in year 2015, the Board is generally satisfied with the level of independency demonstrated by the Independent Directors, i.e. they are independent of management and free from any business dealing or other relationship with the Group that could reasonably be perceived to materially interfere with their exercise of unfettered and independent judgment.

Re-election

In accordance with the Company's Articles of Association, all Directors shall retire from office at least once in each three years and a retiring Director is eligible for re-election and the election of each Director is voted on separately. This re-election process provides an opportunity for the shareholders to renew their mandates. In order to assist the shareholders in their decision, sufficient information such as personal profiles, meeting attendance and their shareholdings in the Company for each Director is furnished in the Annual Report.

The Articles further provide that all newly appointed Directors shall retire from office but shall be eligible for re-election in the next Annual General Meeting subsequent to their appointment.

Directors' Training

The Board has empowered the Directors of the Company to determine their own training requirements as they consider necessary or deem fit and expedient to enhance their knowledge in new rules and regulations as well as understanding of the Group's business and operations and to keep abreast with current developments in the market place.

During the financial year, a training titled "GST: Recent Developments & Implications for Property Developers" was organised on 26 February 2015. All the Directors together with the senior management participated in the session and deliberated on the GST implications faced by the Group.

There were also briefings by the Internal and External Auditors and the Company Secretary on the relevant updates on statutory and regulatory requirements from time to time during the Board meetings and Audit Committee meetings.

B. DIRECTORS' REMUNERATION

The Remuneration Committee was established on 23 August 2001 and is entrusted with the role of reviewing and recommending the annual bonus and salary increment of the Executive Directors and members of the Senior Management of the Company. Executive Directors' remuneration is decided by the Board with the Directors concerned abstaining from deliberations and voting accordingly.

Non-Executive Directors' remuneration is based on a standard fixed fee, with the Chairman receiving higher amount in recognition of his additional responsibilities. An additional fee is also paid to Non-Executive Directors sitting on Board Committees.

Fees payable to the Directors of the Company are subject to yearly approval by shareholders at the Annual General Meeting. The aggregate Director's remuneration paid or payable to the Directors of the Company is as follows:

	2015 (RM)	2014 (RM)
Executive Director		
Salaries and other emoluments	1,430,376	1,430,376
Fees	75,198	74,317
Non-Executive Directors		
Fees	240,000	240,000

The number of Directors of the Company whose total remuneration falls within the following bands is:

	2015	2014
Executive Director		
Above RM1,500,000	1	1
RM1,000,000 - RM1,500,000	0	0
Non-Executive Directors		
RM50,000 - RM100,000	2	2
Below RM50,000	2	2

C. BOARD COMMITTEES

The Board has set up four Board Committees, i.e. Investment, Audit, Nomination and Remuneration Committees, to delegate specific powers and responsibilities to support the role of the Board to provide assurance and accountability to its shareholders, all of which have their own terms of reference.

The Investment Committee was established on 23 August 2001 with the responsibilities of approving Group acquisition and disposals of investment up to RM15 million and manage risk of the Group in order to maximise return to the shareholders.

Further details on the other Board Committees are contained in the Statement on Corporate Governance and Audit Committee Report.

D. SHAREHOLDERS

Communication

The Group is fully aware of the importance of effective and timely communication with shareholders and investors and the Board endeavors to make timely release of annual reports, press releases, quarterly reports and any announcements on material corporate exercises which are the primary mode of disseminating information on Group's business activities and financial performance.

The Annual General Meeting represents the principal communication channel and dialogue with the shareholders and the shareholders are encouraged to participate in a subsequent Question and Answer session. The external auditors attend Annual General Meetings upon invitation and to provide their professional and independent clarification on issues raised by the shareholders.

Each item of the special business in the Notice of the Annual General Meeting would be accompanied with a full explanation of the effects of the proposed resolution.

The results of all the resolutions as set out in the Notice of the Annual General Meeting would be announced on the same date as the Annual General Meeting via Bursa Link, which is accessible on both websites of Company and Bursa Malaysia Securities Berhad.

A press conference is normally held immediately after the meeting to facilitate media queries on the Group's financial performance and operations.

The Company also maintains a website (www.sdb.com.my) through which shareholders and the general public can obtain up-to-date information.

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, the Company is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. Any information that may be regarded as undisclosed material information about the Group will not be given to any single shareholder or shareholder group.

Where Extraordinary General Meetings are held to obtain shareholders' approval on certain business or corporate proposals, comprehensive circulars to shareholders would be sent within prescribed deadlines in accordance with the statutory and regulatory requirements.

Briefing to Analysts

As part of the Company's continuous investors' relation and communication, the Company held dialogues and briefed various research and investment analysts on the Group's strategies, performance and major developments. The Company believes that this will give investors and interested parties on one hand, a better appreciation and understanding of the Group's performance and on the other, awareness of the expectations and concerns of investors and such interested parties.

Members of the media are also invited to the Company's major events and property launches where briefings are given on the products, services and business in general. Interviews are also held with research analysts upon request.

E. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors ensure annual financial statements and quarterly financial results are drawn up in accordance with applicable approved accounting standards in Malaysia and provisions of Companies Act, in order to present a balanced and understandable assessment of the Group's performance and prospects. The Audit Committee assists the Board to review the information disclosed to ensure its accuracy and adequacy.

The Statement of Directors' Responsibility is also enclosed in page 34 of this Annual Report.

Internal Controls

The Board has undertaken the responsibility of identifying and reviewing the adequacy integrity of the Group's internal control systems for compliance with the applicable laws, regulations, rules, directives and guidelines. The Statement on Risk Management and Internal Control is presented on page 31 and the Board will ensure the continuous process of identifying, evaluating and managing the internal control systems within the Group for review by the Audit Committee.

The total costs incurred for the internal audit function of the Group for the financial year was RM92,712.07.

Dealings in Securities

The Directors are required to give notice to the Company on any dealings in securities of Bursa Malaysia Securities Berhad at any time outside a closed period in accordance with Paragraph 14.09 of the Listing Requirements. Based on the schedule of Board meetings for the year, the Company Secretary will inform the Directors and principal officers in advance of the commencement and duration of a closed period, so that the Directors and principal officers will comply with the restriction on dealings in securities. Paragraph 14.08 of the Listing Requirements requires that notice of intention to deal in securities be given to the Company Secretary, for announcement via Bursa Link, at least one full market day prior to dealing.

Notwithstanding the above, the Directors and principal officers must not deal in securities as long as they are in possession of price-sensitive information pursuant to Paragraph 14.05 of the Listing Requirements. Directors are also subject to insider trading laws as prescribed under Capital Markets and Services Act 2007.

Relationship with Auditors

The Company has established a formal and transparent arrangement for maintaining appropriate relationships with the Group's auditors, both external and internal. The external and internal auditors attended all scheduled meetings of the Audit Committee during the financial year.

F. CORPORATE SOCIAL RESPONSIBILITY

In line with our brand promise "Driving Excellence, Building Lifelong Relationships", we are committed to ensuring that all our activities are in harmony with the needs of the environment, the community, the workplace and the marketplace. We believe that being sustainable is more than just being "green", and we champion a truly wholesome sustainability concept and agenda. We believe in providing a sustainable option to our customers and stakeholders environmentally, economically and emotionally. As a company, we uphold our integrity by ensuring sustainable engagements with our partners, customers and efforts in society. In doing so, we are committed to ensuring environmental sustainability, extending support to the community at large, striving for continuous improvements for our employees, and are committed to protecting and enhancing value for our stakeholders.

Environment

Property development has long lasting impact on the environment. Taking that into consideration, the Group has made the commitment to not only ensure that our activities result in minimal impact on the natural surroundings but also seek opportunities to enhance the environment around our developments. Apart from setting aside generous amounts of space for landscape and recreational facilities as well as designing our projects to maximize utilization of natural light and ventilation, we are also helping to make our surroundings a cleaner and more pleasant environment. An example of such effort is our River Rehabilitation Project in Penang that cleans up a section of a river to improve water quality for the benefit of the local fauna. Waste management as well as water and energy conservation methods are constantly being reviewed and, if necessary, improved. Each development is thought through and planned in detail to enhance the environment at its natural best, and make it more liveable and enjoyable for the community.

Community

The Group is very mindful of the fact that we are very much a part of the community and thus we have a role to play in ensuring our collective well-being. In line with this, the Group has been consistently providing support to various organisations and charities for the underprivileged. Among others, we have put in place a project to help special needs individuals with learning disabilities to enhance their work skills and social skills to enable them to fend for themselves in adult life. The project has been expanded to widen these individuals' opportunities to learn new skills in new environments. In addition to this, we have also employed a few special needs individuals in our corporate and subsidiary offices.

The Group believes that education is the key to a better life. In line with this, we have carried out regular educational programmes for employees, their children and deserving individuals in the community to help them better themselves.

The Group has also put in place a graduate employment programme that offers opportunities for industrial training and internship for undergraduates from various local educational institutions, particularly in the hospitality industry.

The Group believes that at the core of every business is the heart, and we believe in creating greater social change in all our corporate social responsibility initiatives. We ensure that all our efforts are relevant to society's needs today, and are efforts which are impactful, and most importantly, sustainable to the stakeholders involved.

Workplace

Being a responsible employer, efforts are continuously being made to improve the well-being of our employees.

In line with our commitment and passion towards lifelong learning, employees are provided training and development opportunities to enhance their knowledge, sharpen their skills and broaden their work experience and exposure.

Emphasis is placed on providing an environment conducive to better performance amongst employees, employment terms that ensure competitive remuneration & incentives and based on performance management system, as well as career development for hi-potential employees regardless of age or gender.

The Group also believes that a healthy lifestyle makes excellent employees. As such, all employees who have served the company for a year or more enjoy complimentary health screening and health advice/tips from one of our panel doctors on a yearly basis. To help improve the quality of life for employees, various teambuilding exercises are also organized from time to time, and in addition to this, there is a gymnasium located on the office block for the use of employees who are keen to keep fit.

A safe and healthy work environment goes hand-in-hand with health, safety and security considerations, and in this regard, there is no compromise. Fire drills, first aid training, firefighting workshops, and other health and safety programmes are conducted regularly to help enhance employees' health and safety as well as their security awareness and knowledge. These programmes are extended to include the tenants at our property, Wisma Selangor Dredging, at Jalan Ampang, Kuala Lumpur.

Marketplace

The Group embraces the principles and best practices as enshrined in the Malaysian Code on Corporate Governance to promote protection and enhancement of shareholder value. It will ensure the timely release of information on its business activities and performance to stakeholders. A quarterly newsletter provides tenants and purchasers with updates on our activities.

Also in line with our brand promise, the Group always strives to provide high quality products and services to our stakeholders. As part of this commitment, the Group has adopted the internationally recognized CONQUAS® quality assessment benchmark for all our property development projects.

Compliance Statement

The Board is satisfied that during the financial year, the Company has complied with the best practices of the Malaysian Code on Corporate Governance.

Introduction

The Statement on Internal Control outlines the nature and scope of internal controls of the Group during the year.

Board Responsibility

The Board of Directors is committed to maintaining a system of internal controls in financial, operational and compliance as well as risk management to achieve the following objectives:

- Safeguard assets of the Group and shareholders' interest;
- Identify and manage risks affecting the Group;
- Ensure compliance with regulatory requirements; and
- Ensure operational results are closely monitored and substantial variances are promptly explained.

The Board also acknowledges its responsibility for reviewing the adequacy and integrity of the system of internal control. In view of the limitations that are inherent in any system of internal control, this system is designed to manage rather than eliminate the risk of failure to achieve business objectives and provide reasonable but not absolute assurance against material misstatement or loss. Furthermore, consideration is given to the cost of implementation as compared to the expected benefits to be derived from the implementation of the internal control system.

Risk Management

Risk management is set in the Group's management system. The Group with the assistance of an external consultancy firm has established a risk management framework.

During the financial year, the Board also adopted the corporate risk scorecard framework for which management from each business area identified their risks, the probability of those risks occurring, the impact if they do occur and the actions being taken to manage those risks to the desired level.

Internal Control

The Group's system of internal controls comprises the following key elements:

- **Terms of Reference**
  Clear definition of the terms of reference, i.e. functions, authorities and responsibilities of the various committees of the Board of Directors has been established.

- **Management Styles**
  The Board relies on the experienced Managing Director and qualified Group General Manager with relevant industry experience to run and manage the operations and business of the Group in an effective and efficient manner.

  By having regular meetings with heads of departments and conducting regular visits to the operation sites, the senior management is able to obtain timely feedback on the progress of activities undertaken by the operating units in order to rectify any issues or shortcomings affecting successful implementation.

- **Control Procedures**
  Operating policies and procedures are documented and made available to guide staff in their day-to-day work processes. These policies and procedures are reviewed regularly and updated as and when necessary. Quality control and progress of the project is monitored via frequent site visits by the contract and project team, regular site meetings with the contractors and employment of fulltime staff on site.

- **Organisational Structure and Accountability Levels**
  The Group has a well-defined organisational structure with clear lines of responsibility and delegation of authority to ensure proper identification of accountabilities and segregation of duties.

- **Reporting and Review**
  Weekly operational meetings are conducted among senior management to discuss and review the business plans, budgets, financial and operational performances of the Group. The quarterly financial statements containing key financial results and comparisons are tabled to the Board for their review.

- **Human Resource Policy**
  There are proper guidelines within the Group for recruitment and selection, compensation and benefits, performance management, training and development, employee communication, human resource administration, and other relevant procedures in line with its brand promise and core values. Training and development programmes are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their job expectations.

- **Internal Audit**
  Independent internal audit function provides assurance to the Audit Committee through the execution of internal audit visits based on an approved risk-based internal audit plan. Findings arising from these visits are presented, together with Management's response and proposed action plans, to the Audit Committee for its review. Further details of the activities of the internal audit function are provided in the Audit Committee's Report.

- **Centralisation**
  Key business functions of the Group are centralised. These include Human Resource, Corporate Secretarial, Legal and Communication and Corporate Affairs. The presence of these functions in the corporate office allows for strenuous monitoring and quick impartment of risk management strategies.

- **Board Commitment**
  The Board recognizes that the Group operates in a dynamic business environment in which the system of internal control must be reviewed continuously in line with changes in the business environment in order to be able to continuously support its business objectives.

  In assessing the adequacy and effectiveness of the system of internal controls and accounting control procedures of the Group, the Audit Committee reports to the Board of Directors on its activities, significant results, findings and the necessary recommendations or changes.

- **Tender**
  Review and award of major contracts are carried out by a Tender Committee. A minimum of three tenderers is called for and tenders are awarded based on criteria including quality, pricing, track record and speed of delivery. The Tender Committee which comprises members of the senior management ensures transparency in the award of contracts.

- **Insurance on Key Assets**
  Adequate insurance of the major assets and resources of the Group are in place to ensure that these are sufficiently covered against any mishap that may result in material losses to the Group.

- **Safety and Security - Emergency Response Team**
  An Emergency Response Team is established to assist the management and employees during any emergencies to ensure that all the employees are aware of their own safety during any emergencies and that the Group’s assets and resources are well protected from any accident or mishap.

The Board is satisfied with the design of the control system and is of the view that the system which is in place for the year under review is sound and sufficient to safeguard shareholders' investments, customers' interests and the Group's assets.

The Group's system of internal control applies principally to Selangor Dredging Berhad and its subsidiaries. Jointly controlled entities have been excluded because the Group does not have full management and control over them.

Assurance Provided by the Group Managing Director and Group Finance Manager

In line with the Guidelines, the Group Managing Director and Group Finance Manager have provided assurance to the Board that the Group's risk management and internal control system has operated adequately and effectively in all material aspects to meet the Group's objectives during the financial year under review.

Review of the Statement by External Auditors

The External Auditors have reviewed this Statement on Risk Management and Internal Control in accordance with Auditing Technical Release 5, Guidance for Auditors on the Review of Directors' Statement on Internal Control for the inclusion in the annual report for the year ended 31 March 2015 in compliance with Paragraph 15.26(b) of Bursa Securities Listing Requirements and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

STATEMENT ON DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Board is responsible for ensuring that the financial statements for each financial year give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows of the Group and of the Company for that period.

In preparation of the financial statements, the Board has ensured that:

1. Suitable accounting policies have been adopted and applied consistently.

2. Judgements and statements made are reasonable and prudent.

3. Suitable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The Board confirms that the financial statements have been prepared on a going concern basis.

The Board is responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia. The Board has overall responsibilities for taking steps as are reasonably available to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

1. Utilisation of Proceeds

No proceeds were raised by the Company for any corporate exercise during the financial year.

2. Share Buybacks

The Company did not carry out any share buybacks for the financial year.

3. Options, Warrants or Convertible Securities

No Options, Warrants or Convertible Securities were exercised by the Company during the financial year.

4. Depository Receipt (DR) Programme

The Company did not sponsor any DR programme during the financial year.

5. Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company or its subsidiaries, Directors or management by the relevant regulatory bodies.

6. Non-Audit Fees

There was no non-audit fee paid to the external auditors for the financial year.

7. Profit Estimate, Forecast, Projection or Unaudited Results

There was no profit forecast issued by Company and its subsidiary companies during the financial year.

8. Profit Guarantee

During the financial year, there was no profit guarantee given by the Company.

9. Material Contracts

During the financial year there was no material contract entered into by the Company or its subsidiary involving interest of Directors and major shareholders of the Company that have not been reflected in the financial statement.

10. Revaluation Policy on Landed Properties

The revaluation policy on landed properties is as disclosed in the financial statement for the financial year ended 31 March 2015.

11. Recurrent Related Party Transaction of a Revenue or Trading Nature

During the financial year, the Company and its subsidiaries had not entered into any recurrent related party transactions, which are of revenue or trading nature, which requires shareholders' mandate.

The primary objective of the Audit Committee is to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices and to ensure the adequacy and effectiveness of the Group's system of internal control.

(A) MEMBERSHIP AND MEETINGS

The Audit Committee met on six (6) occasions during the financial year and the attendance of each member of the Audit Committee is as follows:

	Composition of the Audit Committee	Attendance at the Audit Committee Meetings
Chairman	Dato' Mohd Ismail Bin Che Rus (Senior Independent Non-Executive Director)	5/6
Members	Mr Eddy Chieng Ing Huong (Non-Independent Non-Executive Director)	6/6
	Mr Tee Keng Hoon (Independent Non-Executive Director)	5/6

(B) SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year, the following activities were carried out by the Audit Committee in discharging its duties and functions:

- Reviewed the external auditors' scope of work and audit plan for the financial year.
- Reviewed the quarterly and audited financial reports of the Company and the Group prior to submission to the Board for approval and subsequent release to the Bursa Malaysia Securities Berhad ("Bursa Securities").
- Reviewed the related party transactions and ensured that they are not more favourable to the related parties than those generally available to the public and complies with Bursa Securities Main Market Listing Requirements ("Listing Requirements").
- Reviewed the internal audit plans for the financial year for the Company and Group as prepared by the Internal Auditors.
- Reviewed the internal audit reports, audit recommendations made and management's response to these recommendations for the Company and Group as prepared by the Internal Auditors.
- Reviewed the Audit Committee Report and Statement on Risk management and Internal Control and recommended to the Board for approval prior to their inclusion in the Company's Annual Report.

- Reviewed the Corporate Risk Scorecard Executive Summary and recommended to the Board for approval.

- Reviewed and recommended the proposed final audit fees for the external auditors in respect of their audit of the Company and the Group.

- Reviewed the performance and effectiveness of the external auditors and made recommendations to the Board on appointment and remuneration of auditors.

- Tabled the Minutes of each Committee Meeting to the Board for information, and for further direction by the Board, where necessary.

- Met with the external auditors twice a year without the presence of the executive Board members.

(C) INTERNAL AUDIT FUNCTION

In discharging its function, the Audit Committee is supported by an internal audit function whose primary responsibility is to evaluate and report on the adequacy and effectiveness of the overall system of internal control of the Group. The internal audit function of the Group has been outsourced to Deloitte Enterprise Risk Services Sdn Bhd, who reports directly to the Committee.

The activities of the Internal Auditors during the financial year ended 31 March 2015 were as follows:

- Conducted discussions with management in identifying significant concerns and risk areas perceived by management for inclusion in the Internal Audit Plan for the Group;

- Developed and proposed an Internal Audit Plan for the year which was discussed and accepted by the Audit Committee and Board;

- Conducted periodic audits on internal controls relating to operating system and standard operating procedures to monitor compliance and assess the adequacy and effectiveness of controls implemented by various companies within the Group;

- Attended and reported to the Audit Committee at all Audit Committee meetings held during the financial year ended 31 March 2015; and

- Highlighted areas of concern to the Audit Committee and ensuring that recommendations provided by the Internal Auditors are duly attended to and adhered by management within stipulated time frame. In the Internal Audit Progress Reports, the Internal Auditors had reported their findings in their subsequent follow-up reviews to the Audit Committee.

(D) TERMS OF REFERENCE

1. Objectives

The primary objective of the Committee is to assist the Board in discharging its statutory duties and responsibilities for corporate governance, timely and accurate financial reporting and adequacy of internal controls within the Company and its subsidiaries.

2. Duties and Responsibilities

The functions of the Committee are as follows:-

(1) to review the following and report the same to the Board:-

(a) with the external auditors, the audit plan, the evaluation of the system of internal controls, the audit report and the assistance given by the employees of the Company to the external auditors;
(b) the adequacy of the scope, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
(c) the internal audit plan, the results of the internal audits or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
(d) the quarterly results and year end financial statements, prior to the approval by the Board; and
(e) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.

(2) to recommend the re-appointment/nomination of internal/external auditors and to review any letter of resignation from the external auditors of the Company; and

(3) to report promptly to Bursa Securities where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

3. Authority

The Committee shall have authority to investigate any matter within its terms of reference, have full and unrestricted access to any information pertaining to the Company and all the resources required to perform its duties. The Committee shall have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity and be able to obtain independent professional advice and to secure the attendance of external advisers with relevant expertise, to convene meetings with the external auditors and/or the internal auditors, excluding the attendance of other Directors and employees of the Group whenever deemed necessary.

4. Meetings

The Committee shall meet at least four (4) times in a year subject to the quorum of at least two (2) independent directors.

5. Membership

The Board shall appoint from amongst themselves not fewer than three (3) members all of whom must be non-executive directors, with a majority of independent non-executive directors. The Chairman of the Committee shall be an independent director.

At least one (1) member of the Committee must be a member of the Malaysian Institute of Accountants or a person who fulfills the Listing Requirements.

FINANCIAL STATEMENTS

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Company are property leasing, investment holding and provision of management services. The principal activities of the subsidiary companies are set out in note 4 to the financial statements.

There were no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) for the year	66,948	(9,904)
Profit/(Loss) attributable to:		
- equity holders of the Company	66,948	(9,904)

DIVIDENDS

A first and final single tier dividend of 6% amounting to RM12,783,829, proposed in the previous financial year and dealt with in the previous year directors' report was paid by the Company during the current financial year.

The directors now propose a first and final single tier dividend of 6% amounting to RM12,783,829 in respect of the financial year ended 31 March 2015.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

DIRECTORS

The directors in office since the date of the last report are:

Eddy Chieng Ing Huong
Teh Lip Kim
Teh Lip Pink
Dato' Mohd Ismail Bin Che Rus
Tee Keng Hoon

Dato' Mohd Ismail Bin Che Rus, Eddy Chieng Ing Huong and Tee Keng Hoon are members of the Audit Committee of the Board.

In accordance with Article 80 of the Company's Articles of Association, Teh Lip Kim will retire by rotation from the Board at the forthcoming Annual General Meeting, and being eligible, offer herself for re-election.

In accordance with Section 129(6) of the Companies Act 1965, Dato' Mohd Ismail Bin Che Rus is retiring at the forthcoming Annual General Meeting. Dato' Mohd Ismail Bin Che Rus offers himself for re-appointment and is eligible to be re-appointed.

DIRECTORS' INTERESTS IN SHARES

According to the register required to be kept pursuant to Section 134 of the Companies Act 1965, the following directors have interests in shares in the Company and its related corporations as follows:

	Ordinary shares of 50 sen each			
	At 1.4.2014	**Bought**	**Sold**	**At 31.3.2015**
Teh Lip Kim				
- direct	79,558,296	-	-	79,558,296
- indirect	170,588,756	-	-	170,588,756
Teh Lip Pink				
- direct	425,000	-	-	425,000
- indirect	65,929,978	-	-	65,929,978

By virtue of their interests in shares in the Company, Teh Lip Kim and Teh Lip Pink were also deemed to be interested in the Company's shareholdings in all its direct subsidiary companies.

None of the other directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related companies during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or became entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for those benefits which may be deemed to have arisen by virtue of those contracts and transactions entered into in the ordinary course of business by the Company and its subsidiary companies with directors or with companies in which the directors are deemed to have substantial financial interests, as disclosed in note 31 to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

OTHER STATUTORY INFORMATION

(a) Before the statements of profit or loss, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts to be written off and that allowance for doubtful debts was not required; and

   (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to amounts which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances:

   (i) which would require the writing off of bad debts or setting up of an allowance for doubtful debts in the financial statements of the Group and of the Company; or

   (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

   (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

   (i) any charge on the assets of the Company or its subsidiary companies which has arisen since the end of the financial year which secures the liabilities of any other person; or

   (ii) any contingent liability of the Company or its subsidiary companies which has arisen since the end of the financial year.

(d) No contingent or other liability of the Company or its subsidiary companies has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Company or its subsidiary companies to meet their obligations as and when they fall due.

(e) At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

(f) In the opinion of the directors:

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Mazars, Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the directors in accordance with a directors' resolution dated 26 June 2015.

EDDY CHIENG ING HUONG
Director

TEH LIP KIM
Director

INDEPENDENT AUDITORS' REPORT

To The Members Of Selangor Dredging Berhad
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Selangor Dredging Berhad, which comprise the statements of financial position as at 31 March 2015 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 46 to 114.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of these financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2015 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in note 4 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment material to the consolidated financial statements and did not include any adverse comment required to be made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in note 40 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MAZARS
No. AF: 001954
Chartered Accountants

CHONG FAH YOW
No. 3004/07/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 26 June 2015

STATEMENTS OF FINANCIAL POSITION

31 March 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	2	177,007	178,832	5,594	5,160
Investment properties	3	318,046	311,800	317,031	310,860
Investment in subsidiary companies	4	-	-	60,626	60,626
Investment in jointly controlled entities	5	170,945	178,156	-	-
Amount owing by subsidiary companies	7	-	-	163,930	200,201
Other investments	6	6	6	6	6
Deferred tax assets	20	2,988	12,080	-	-
Total non-current assets		668,992	680,874	547,187	576,853
Current assets					
Inventories	8	96,633	22,453	678	695
Property development costs	9	321,007	375,487	-	-
Gross amount due from customers	10	-	135	-	-
Trade receivables	11	51,851	65,130	63	102
Accrued billings	12	88,171	57,725	-	-
Other receivables, deposits and prepayments	13	21,956	17,419	2,663	1,332
Current tax assets		2,294	4,402	614	-
Short term investments	14	10,622	35,352	369	2,102
Deposits	15	2,538	2,630	390	390
Cash and bank balances	16	151,171	110,883	1,964	2,051
		746,243	691,616	6,741	6,672
Non-current assets held for sale	3	18,570	-	18,570	-
Total current assets		764,813	691,616	25,311	6,672
TOTAL ASSETS		1,433,805	1,372,490	572,498	583,525

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	17	213,064	213,064	213,064	213,064
Share premium (Non-distributable)		477	477	477	477
Revaluation reserve (Non-distributable)		34,640	34,640	1,757	1,757
Exchange translation reserve (Non-distributable)		26,345	14,278	-	-
Other reserve (Distributable)	18	7,861	7,861	7,861	7,861
Retained earnings		488,261	434,097	206,853	228,731
Total equity		770,648	704,417	430,012	451,890
Non-current liabilities					
Bank borrowings	19	341,200	337,099	26,250	28,750
Deferred tax liabilities	20	13,292	14,279	13,269	12,060
Total non-current liabilties		354,492	351,378	39,519	40,810
Current liabilities					
Trade payables	21	118,190	71,330	-	-
Other payables and accruals	22	22,356	21,840	11,399	7,795
Amount owing to subsidary company	7	-	-	39,068	55,343
Amount owing to jointly controlled company		49	-	-	
Bank borrowings	19	163,900	218,924	52,500	27,500
Current tax liabilities		4,170	4,601	-	187
Total current liabilities		308,665	316,695	102,967	90,825
Total liabilities		663,157	668,073	142,486	131,635
TOTAL EQUITY AND LIABILITIES		1,433,805	1,372,490	572,498	583,525

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS

For The Year Ended 31 March 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Revenue	23	400,505	377,282	23,508	22,326
Cost of sales	24	(277,733)	(258,195)	(8,016)	(8,119)
Gross profit		122,772	119,087	15,492	14,207
Other income		33,881	19,725	35,089	23,638
Selling and marketing expenses		(24,072)	(21,188)	-	-
Administrative and general expenses		(28,898)	(32,985)	(9,417)	(8,009)
Other expenses		(6,490)	(5,315)	-	(70)
Share of profit of jointly controlled entities	5	17,111	19,547	-	-
Finance costs	25	(17,780)	(21,151)	(46,976)	(4,619)
Profit/(Loss) before tax	26	96,524	77,720	(5,812)	25,147
Taxation	27	(29,576)	(15,551)	(3,282)	(14,229)
Profit/(Loss) for the year		66,948	62,169	(9,094)	10,918
Attributable to:					
- equity holders of the Company		66,948	62,169		
Basic earnings per share (sen)	28	15.71	14.59		
Dividend per share (net of tax) (sen)					
First and final dividend paid in respect of the year ended 31 March					
- 2014				3.00	-
- 2013				-	2.25

The accompanying notes form an integral part of the financial statements.

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Profit/(Loss) for the year	66,948	62,169	(9,094)	10,918
Other comprehensive income, net of tax:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operation	12,067	8,183	-	-
Other comprehensive income for the year, net of tax	12,067	8,183	-	-
Total comprehensive income/(loss) for the year	79,015	70,352	(9,094)	10,918

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For The Year Ended 31 March 2015

	Note	← Non-distributable				→	← Distributable →		
		Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Fair value reserve RM'000	Exchange translation reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000
Group									
Balance at 1 April 2013		213,064	477	34,640	-	6,095	7,861	381,516	643,653
Profit for the year		-	-	-	-	-	-	62,169	62,169
Other comprehensive income for the year, net of tax		-	-	-	-	8,183	-	-	8,183
Total comprehensive income for the year		-	-	-	-	8,183	-	62,169	70,352
Dividend paid	29	-	-	-	-	-	-	(9,588)	(9,588)
Balance at 31 March 2014		213,064	477	34,640	-	14,278	7,861	434,097	704,417
Balance at 1 April 2014		213,064	477	34,640	-	14,278	7,861	434,097	704,417
Profit for the year		-	-	-	-	-	-	66,948	66,948
Other comprehensive income for the year, net of tax		-	-	-	-	12,067	-	-	12,067
Total comprehensive income for the year		-	-	-	-	12,067	-	66,948	79,015
Dividend paid	29	-	-	-	-	-	-	(12,784)	(12,784)
Balance at 31 March 2015		213,064	477	34,640	-	26,345	7,861	488,261	770,648

	Note	← Non-distributable			→	← Distributable →		
		Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Fair value reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000
Company								
Balance at 1 April 2013		213,064	477	1,757	-	7,861	227,401	450,560
Profit for the year		-	-	-	-	-	10,918	10,918
Other comprehensive income for the year, net of tax		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	10,918	10,918
Dividend paid	29	-	-	-	-	-	(9,588)	(9,588)
Balance at 31 March 2014		213,064	477	1,757	-	7,861	228,731	451,890
Balance at 1 April 2014		213,064	477	1,757	-	7,861	228,731	451,890
Loss for the year		-	-	-	-	-	(9,094)	(9,094)
Other comprehensive income for the year, net of tax		-	-	-	-	-	-	-
Total comprehensive loss for the year		-	-	-	-	-	(9,094)	(9,094)
Dividend paid	29	-	-	-	-	-	(12,784)	(12,784)
Balance at 31 March 2015		213,064	477	1,757	-	7,861	206,853	430,012

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For The Year Ended 31 March 2015

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	96,524	77,720	(5,812)	25,147
Adjustments for:				
Depreciation	6,494	4,658	1,428	1,189
Dividend income	(138)	(6)	-	(6)
Gain on disposal of property, plant and equipment	(140)	(1)	(140)	(1)
Fair value adjustments of investment properties	(24,256)	(14,095)	(24,181)	(13,803)
Share of profit of jointly controlled entities	(17,111)	(19,547)	-	-
Unrealised gain on foreign exchange	(2,112)	(25)	-	-
Interest income	(1,440)	(400)	(9,992)	(8,872)
Finance costs	17,780	21,151	46,976	4,619
Operating profit before working capital changes	75,601	69,455	8,279	8,273
Changes in inventories	(73,443)	(9,806)	17	2
Changes in property development costs	54,657	47,150	-	-
Changes in gross amount due from/to customers	135	(115)	-	-
Changes in receivables	8,831	1,725	(1,292)	(275)
Changes in payables	46,077	20,422	3,604	1,260
Changes in accrued billings	(29,433)	(21,998)	-	-
Cash generated from operations	82,425	106,833	10,608	9,260
Tax paid	(19,946)	(4,873)	(2,874)	(1,571)
Net cash generated from operating activities	62,479	101,960	7,734	7,689
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property development cost	-	(2,317)	-	-
Acquisition of jointly controlled entity	(375)	-	-	-
Dividend received	138	6	-	6
Purchase of investment properties	(560)	(516)	(560)	(516)
Purchase of property, plant and equipment	(2,953)	(5,007)	(1,874)	(773)
Purchase of other investment	-	(6)	-	(6)
Proceeds from disposal of property, plant and equipment	152	100	152	100
Proceeds from disposal of investment properties	-	2,141	-	2,141
Return of investments from subsidiaries	-	-	-	28
Return of investments in jointly controlled entities	33,417	9,585	-	-
(Advances to)/Repayment from subsidiary companies	-	-	(14,479)	34,740
Repayment from jointly controlled entity	50	-	-	-
Interest received	1,440	400	729	158
Net cash generated from/(used in) investing activities	31,309	4,386	(16,032)	35,878

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Net drawdown/(repayment) of bank borrowings	(50,701)	(27,912)	22,500	(31,500)
Dividend paid to shareholders	(12,784)	(9,588)	(12,784)	(9,588)
Interest paid	(17,324)	(20,578)	(3,238)	(3,597)
Net cash (used in)/generated from financing activities	(80,809)	(58,078)	6,478	(44,685)
NET CHANGES IN CASH AND CASH EQUIVALENTS	12,979	48,268	(1,820)	(1,118)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	148,280	97,387	4,153	5,271
EFFECT OF EXCHANGE RATE CHANGES	2,487	2,625	-	-
CASH AND CASH EQUIVALENTS CARRIED FORWARD	163,746	148,280	2,333	4,153
Represented by:				
Short term investments	10,622	35,352	369	2,102
Deposits	2,538	2,630	390	390
Cash and bank balances	151,171	110,883	1,964	2,051
	164,331	148,865	2,723	4,543
Less:				
Amount pledged as security for a bank guarantee facility				
- deposits	(390)	(390)	(390)	(390)
- bank balances	(195)	(195)	-	-
	163,746	148,280	2,333	4,153

The accompanying notes form an integral part of the financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB") and the requirements of the Companies Act 1965 in Malaysia.

The measurement bases applied in the preparation of the financial statements include historical cost, recoverable value, realisable value and fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value measurements are categorised as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand.

(b) Changes in accounting policies

The significant accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except for the adoption of the following Amendments to FRSs and Issues Committee Interpretation ("IC Interpretation") that are effective from financial periods beginning on or after 1 January 2014:

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Impairment of Assets - Recoverable Amount Disclosures for Non-financial Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

The adoption of the above amendments and IC interpretation does not have significant impact on the financial statements of the Group and the Company.

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Standards issued but not yet effective

The Group and the Company have not applied the following standards and amendments that have been issued by the MASB but are not yet effective:

New FRS and Amendments to FRSs		Effective Date
Amendments to FRS 119	Defined Benefit Plans: Employee Contributions	1 July 2014
Amendments to FRS 2, FRS 3, FRS 8, FRS 116, FRS 124, FRS 138	Annual Improvements to FRSs 2010-2012 Cycle	1 July 2014
Amendments to FRS 3, FRS 13, FRS 140	Annual Improvements to FRSs 2011-2013 Cycle	1 July 2014
FRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 5, FRS 7, FRS 119 and FRS 134	Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
Amendments to FRS 101	Disclosure Initiative	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016

The adoption of the above new standards and amendments are not expected to have significat impact on the financial statements of the Group and of the Company.

Malaysian Financial Reporting Standards

On 19 November 2011, the MASB issued new MASB approved accounting framework, i.e. Malaysian Financial Reporting Standards ("MFRS").

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 and/or IC Interpretation 15 Agreements for Construction of Real Estate, including the entities' parent, significant investor and venturer (herein referred to as 'Transitioning Entities'). Transitioning Entities are allowed to defer adoption of MFRS, and continue to use the existing FRS framework until the MFRS framework is mandated by the MASB.

The Group falls within the definition of Transitioning Entities and has opted to defer adoption of MFRS.

According to an announcement made by the MASB on 2 September 2014, all Transitioning Entities shall adopt the MFRS framework and prepare their first MFRS financial statements for annual periods beginning on or after 1 January 2017.

The Group will adopt MFRS and will prepare its first set of MFRS financial statements for the financial year ending 31 March 2018. In presenting its first set of MFRS financial statements, the Group will quantify the financial effects of the differences between the currently applied FRS and MFRS. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

1. **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

(c) Standards issued but not yet effective (Cont'd)

Malaysian Financial Reporting Standards (Cont'd)

The Group and the Company have not applied the following standards and amendments (which are applicable upon adoption of MFRS) that have been issued by the MASB but are not yet effective.

New and amendments to MFRS		Effective Date
MFRS 15	Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 116	Incorporating Bearer Plants into the Scope of MFRS 116	1 January 2017
Amendments to MFRS 141	Amendments Resulting from the Incorporation of Bearer Plants into the scope of MFRS 116	1 January 2017
MFRS 9	Financial Instruments	1 January 2018

MFRS 9 Financial Instruments

MFRS 9 addresses the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities, as well as general hedge accounting. It replaces MFRS 139. MFRS 9 requires financial assets to be classified into two measurement categories, i.e. at fair value and at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to changes in an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. MFRS 9 contains a new impairment model based on expected losses (as oppose to 'incurred loss' model under MFRS 139), i.e. a loss event needs not occur before an impairment loss is recognised, which will result in earlier recognition of losses.

The Group and the Company are currently assessing the impact to the financial statements upon adopting MFRS 9, and intends to adopt MFRS 9 on the mandatory effective date.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 introduces a new model for revenue recognition arising from contracts with customers. MFRS 15 will replace supersede MFRS 111 Construction Contracts, MFRS 118 Revenue, IC 13 Customer Loyalty Programmes, IC 15 Agreements for the Construction of Real Estate, IC 18 Transfers of Assets from Customers and IC 31 Revenue - Barter Transactions Involving Advertising Services. The application of MFRS 15 may result in difference in timing of revenue recognition as compared with current accounting policies.

The Group and the Company are currently assessing the impact to the financial statements upon adopting MFRS 15, and will adopt MFRS 15 on the mandatory effective date.

Accordingly, the financial performance and financial position of the Group as disclosed in these financial statements for the year ended 31 March 2015 could be different if prepared in accordance with MFRS framework.

Certain subsidiaries and associates of the Group prepare their financial statements using MFRS framework. Accordingly, reconciliations have been performed for the different financial reporting frameworks. However, the differences did not have significant impact to these consolidated financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Significant accounting judgements and estimates

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the reporting date, and reported amounts of income and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(i) Critical judgement made in applying accounting policies

The following are judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on amounts recognised in the financial statements:

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed certain criteria based on *FRS 140 Investment Property*, in making that judgement.

In making its judgement, the Group considers whether a property generates cash flows largely independently of other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to the property, but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production or supply of goods and services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately.

If the portions could not be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production or supply of goods and services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at each financial reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis to write off their costs to their residual values over their estimated useful lives. Management estimates the useful lives of property, plant and equipment to be within 2.5 to 50 years.

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Significant accounting judgements and estimates (Cont'd)

(ii) Key sources of estimation uncertainty (Cont'd)

Depreciation of property, plant and equipment (Cont'd)

Changes in the expected level of usage, physical wear and tear and technological development could impact the economic useful lives and residual values of these assets, and therefore future depreciation charges could be revised.

The carrying amount of property, plant and equipment is disclosed in Note 2 to the financial statements.

Estimation of the fair value of investment properties

The Group determines the fair values of its investment properties by reference to market evidence of transaction price for similar properties and valuation is performed by a registered independent valuer having an appropriate recognised professional qualification and recent experience in the location and category of property being valued.

The carrying amount of investment properties is disclosed in Note 3 to the financial statements.

Impairment of receivables

The collectibility of receivables is assessed on an ongoing basis. An impairment is recognised for any receivables considered to be doubtful of collection.

The impairment of receivables is made based on a review of all outstanding amounts as at the end of each reporting period. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collection history of each customer. If the financial condition of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

The carrying amounts of receivables are disclosed in Notes 11 and 13 to the financial statements.

Impairment loss and write down of inventories

Inventories are stated at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices.

Inventories are reviewed on a regular basis and the Group will make an impairment loss for the inventories based primarily on historical trends and management estimates of expected and future demand and related pricing.

Demand levels, technological advances and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's inventories, the Group might be required to reduce the value of its inventories and additional impairment losses for inventories may be required.

The carrying amount of inventories is disclosed in Note 8 to the financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Significant accounting judgements and estimates (Cont'd)

(ii) Key sources of estimation uncertainty (Cont'd)

Revenue recognition of property development activities and construction contracts

The Group recognises property development activities and construction contracts based on the percentage of completion method. The stage of completion of the property development activities and construction contracts is measured in accordance with the accounting policies set out in 1(n) and 1(o) below.

Significant judgement is required in determining the percentage of completion, the extent of the development project and contract costs incurred, the estimated total revenue and total costs and the recoverability of the development project and contract. In making these assumptions, management relies on past experience and the work of specialists.

Income taxes

Significant judgement is involved in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The income taxes are disclosed in Note 27 to the financial statements.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and tax losses can be utilised.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying amount of deferred tax assets is disclosed in Note 20 to the financial statements.

(e) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiaries and entities controlled by the Company made up to the end of the financial year.

The Company controls an investee if and only if the Company has all the following:

(i) power over the investee;
(ii) exposure, or rights, to variable returns from its involvement with the investee; and
(iii) the ability to use its power over the investee to affect the amount of the investor's returns.

Potential voting rights are considered when assessing control only if the rights are substantive.

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Basis of consolidation (Cont'd)

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of an investee shall begin from the date the Company obtains control of the investee and cease when the investor loses control of the investee.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

The Group attributes the profit or loss and each component of other comprehensive income to the owners of the Company and to the non-controlling interests. The Group also attributes total comprehensive income to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes of Interests in Subsidiaries

The changes of interests in subsidiaries that do not result in a loss of control are treated as equity transactions between the Group and non-controlling interest holders. Any gain or loss arising from equity transactions is recognised directly in equity.

Loss of control

When the Group loses control of a subsidiary:

(i) It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.

(ii) It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.

(iii) It recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant FRSs. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with FRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

(f) Accounting for business combinations

The Group accounts for each business combination by applying the acquisition method.

The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer.

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Accounting for business combinations (Cont'd)

The Group accounts for acquisition related costs as expenses in the periods in which the costs are incurred and the services are received.

For each business combination, the Group measures at the acquisition date, components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation at either: (i) fair value; or (ii) the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

On the date of acquisition, goodwill is measured as the excess of (a) over (b) below:

(a) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interest in the acquire; and (iii) in a business combination achieved in stages, the fair value of the Group's previously held equity interest in the investee.

(b) The net fair value of the identifiable assets acquired and the liabilities assumed.

A business combination in which the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognises the resulting gain in profit or loss on the acquisition date.

(g) Investment in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are measured at cost less impairment losses, if any. Impairment losses are charged to profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the subsidiary disposed of is recognised in profit or loss.

(h) Equity accounting of jointly controlled entities

Jointly controlled entities are entities with contractually agreed sharing of control between the parties, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control, and the parties have rights to the net assets of the arrangement.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investments in jointly controlled entities are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the jointly controlled entities.

The Group's share of net profit or loss and changes recognised directly in the other comprehensive income of the jointly controlled entities are recognised in the consolidated income statement and consolidated statement of comprehensive income, respectively.

An investment in a jointly controlled entity is accounted for using the equity method from the date on which the Group obtains joint control until the date the Group ceases to have a joint control over the jointly controlled entity.

Goodwill relating to a jointly controlled entity is included in the carrying value of the investment and it is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment.

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Equity accounting of jointly controlled entities (Cont'd)

Discount on acquisition is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the jointly controlled entity's profit or loss in the period in which the investment is acquired.

Unrealised gains or losses on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities.

Equity accounting is discontinued when the carrying amount of the investment in a jointly controlled entity diminishes by virtue of losses to zero, unless the Group has legal or constructive obligations or made payments on behalf of the jointly controlled entity.

The results and reserves of jointly controlled entities are accounted for in the consolidated financial statements based on financial statements made up to the end of the financial year and prepared using accounting policies that conform to those used by the Group for like transactions in similar circumstances.

When the Group ceases to have joint control over a jointly controlled entity, any retained interest in the former jointly controlled entity is recognised at fair value on the date when joint control is lost. Any gain or loss arising from the loss of joint control over a jointly controlled entity is recognised in profit or loss.

In the Company's separate financial statements, investments in jointly controlled entities are measured at cost less impairment losses, if any. Impairment losses are recognised in profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the jointly controlled entities disposed of is recognised in profit or loss.

(i) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Company or its subsidiaries becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

1. **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

(i) Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss (FVTPL), held-to-maturity investments, available-for-sale financial assets or loans and receivables, as appropriate. Management determines the classification of the financial assets upon initial recognition depends on the nature and purpose of the financial assets.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace. A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting.

Loans and receivables

This category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents. They are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets.

The subsequent measurement of financial assets in this category is at amortised cost using the effective interest method, less allowance for impairment losses.

Available for sale financial assets

This category comprises investments in equity and debt securities that are not held for trading or designated at fair value through profit or loss.

The subsequent measurement of financial assets in this category is at fair value, unless the fair value cannot be measured reliably, in which case they are measured at cost less impairment loss.

Any gains or losses arising from changes in fair value of a financial asset in this category are recognised in other comprehensive income, except for impairment losses, until the investment is derecognised, at which time the cumulative gain or loss previously reported in other comprehensive income is reclassfied to the income statement. Interest calculated for a debt instrument using the effective interest method is recognised in the income statement.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss comprises financial liabilities that are held for trading, derivatives (except for a designated and effective hedging instrument) and financial liabilities that are specifically designated into this category upon initial recognition. These financial liabilities are subsequently measured at their fair values with the gain or loss recognised in the profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Financial instruments (Cont'd)

(iii) Derecognition of financial assets and liabilities

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in equity is recognised in the profit or loss.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

On derecognition of a financial liabilities, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

(j) Property, plant and equipment

(i) Measurement basis

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as profit or loss when incurred.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

The Group revalues its freehold hotel property and freehold land and building once in every five years based on valuation carried out by independent firm of professional valuers using the open market basis. Surplus arising from revaluation is dealt with through the asset revaluation reserve account. Any deficit arising is set-off against the asset revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount will be charged to profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Property, plant and equipment (Cont'd)

(ii) Depreciation

Freehold land and capital work-in-progress is not depreciated.

Depreciation is calculated to write off the depreciable amount of other property, plant and equipment on a straight-line basis over their estimated useful lives. The depreciable amount is determined after deducting residual value from cost.

The principal annual rates used for this purpose are:

Freehold hotel property and other buildings	2%
Plant and machinery	7% - 20%
Motor vehicles	20% - 40%
Renovation	7% - 10%
Furniture, fittings and equipment	10% - 20%

The residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

(k) Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

(i) Finance lease

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Property, plant and equipment acquired by way of finance leases are stated at amounts equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and any impairment losses.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is determinable; if not, the Group's incremental borrowing rate is used.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment or investment properties.

(ii) Operating lease

An operating lease is a lease other than a finance lease.

Operating lease income or operating lease rentals are credited or charged to profit or loss on a straight line basis over the period of the lease.

Leasehold land which in substance is an operating lease is classified as prepaid lease payment.

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(l) Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both rather than for use in the production or supply of goods and services or for administrative purposes, or sale in the ordinary course of business.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of each reporting period. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(m) Non-current asset held for sale or distribution to owners

Non-current assets, or disposal group comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution to owners rather than through continuing use, are classified as held for sale or distribution.

Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are measured at the lower of their carrying amount and fair value less costs of disposal.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity-accounted associates and joint venture ceases once classified as held for sale or distribution.

(n) Development properties

Development properties are classified under two categories i.e., land held for property development and property development costs.

Land held for property development is defined as land on which development is not expected to be completed within the normal operating cycle. Usually, no significant development work would have been undertaken on these lands. Accordingly, land held for property development is classified as non-current assets on the statements of financial position and is stated at cost plus incidental expenditure incurred to put the land in a condition ready for development.

Land on which development has commenced and is expected to be completed within the normal operating cycle is included in property development costs. Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Development properties (Cont'd)

Where the outcome of a development activity can be reasonably estimated, revenue and expenses are recognised on the percentage of completion method. The stage of completion is determined by the proportion that costs incurred to-date bear to estimated total costs. In applying this method of determining stage of completion, only those costs that reflect actual development work performed are included as costs incurred.

Where the outcome of a development activity cannot be reasonably estimated, revenue is recognised to the extent of property development costs incurred that is probable will be recoverable, and the property development costs on the development units sold shall be recognised as an expense in the period in which they are incurred.

When it is probable that total costs will exceed revenue, the foreseeable loss is immediately recognised in profit or loss irrespective of whether development work has commenced or not, or of the stage of completion of development activity, or of the amounts of profits expected to arise on other unrelated development projects.

The excess of revenue recognised in profit or loss over billings to purchasers of properties is recognised as accrued billings under current assets.

The excess of billings to purchasers of properties over revenue recognised in profit or loss is recognised as progress billings under current liabilities.

(o) Construction contracts

The Group's construction contracts comprise substantially fixed price contracts and where their outcome can be reasonably estimated, revenue is recognised on the percentage of completion method. The stage of completion is determined by the proportion that costs incurred to-date bear to estimated total costs, and for this purpose, only those costs that reflect actual contract work performed are included as costs incurred.

Where the outcome of a construction contract cannot be reasonably estimated, revenue is recognised only to the extent of contract costs incurred that are expected to be recoverable. At the same time, all contract costs incurred are recognised as an expense in the period in which they are incurred.

Costs that relate directly to a contract and which are incurred in securing the contract are also included as part of the contract costs if they can be separately identified and measured reliably and it is probable that the contract will be obtained.

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in profit or loss irrespective of whether contract work has commenced or not, or of the stage of completion of contract activity, or of the amounts of profits expected to arise on other unrelated contracts.

On the statements of financial position, contracts in progress are reflected either as gross amounts due from or due to customers, where a gross amount due from customers is the surplus of (i) costs incurred plus profits recognised under the percentage of completion method over (ii) recognised foreseeable losses plus progress billings. A gross amount due to customers is the surplus of (ii) over (i).

1. **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

(p) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of materials being the cost of purchase, is determined either on the first-in-first-out basis or the weighted average basis in respect of consumables, food and beverages. Net realisable value is the estimate of selling price in the ordinary course of business, less cost to completion and selling expenses.

Cost of inventories of completed houses is determined based on specific identification method.

(q) Share capital

Ordinary shares are recorded at nominal value and proceeds received in excess of the nominal value of shares issued, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of shares is accounted for as a deduction from share premium, if any, otherwise it is charged to profit or loss.

Dividends to shareholders are recognised in equity in the period in which they are declared and paid.

(r) Income recognition

(i) Rental income is recognised on a straight-line basis over the specific tenure of the respective leases.

(ii) Revenue from services rendered in respect of sale of hotel rooms, food and beverages and other ancillary services is recognised in profit or loss as and when services are rendered.

(iii) Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer.

(iv) Revenue from construction contracts and the sale of development properties is recognised on the percentage of completion method, where the outcome of the contract can be reliably estimated.

Revenue from construction contracts represents the proportionate contract value on construction contracts attributable to the percentage of contract work performed during the financial year.

Revenue from the sale of development properties represents the proportionate sales value of development properties sold attributable to the percentage of development work performed during the financial year.

Revenue from the sale of completed development properties is measured at the fair value of the consideration receivable and is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer.

(v) Dividend income is recognised when the right to receive payment is established.

(vi) Interest income is recognised on a time proportion basis using the effective interest rate applicable. If the collectibility of the interest income is in doubt, the recognition of interest income is deferred until prospect of collection becomes certain.

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(s) Foreign currencies

(i) Functional currency

Functional currency is the currency of the primary economic environment in which an entity operates.

The financial statements of each entity within the Group are measured using their respective functional currency.

(ii) Transactions and balances in foreign currencies

Transactions in currencies other than the functional currency ("foreign currencies") are translated to the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary items denominated in foreign currencies at the end of each reporting period are translated at foreign exchange rates ruling at that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at foreign exchange rates ruling at the date of the transaction.

Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the foreign exchange rates ruling at the date when the fair values were determined.

Exchange differences arising on the settlement of monetary items and the translation of monetary items are included in profit or loss for the period.

When a gain or loss on a non-monetary item is recognised directly in other comprehensive income, any corresponding exchange gain or loss is recognised directly in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any corresponding exchange gain or loss is recognised in profit or loss.

(iii) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM (including goodwill and fair value adjustments arising from the acquisition of the foreign operations) are translated at the exchange rates ruling at the end of each reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 January 2006 which are translated at exchange rates ruling at the date of acquisition.

Income and expense items are translated at exchange rates approximating those ruling on transactions dates.

All exchange differences arising from the translation of the financial statements of foreign operations are dealt with through the exchange translation reserve account within equity. On the disposal of a foreign operation, the cumulative exchange translation reserves relating to that foreign operation are recognised in profit or loss as part of the gain or loss on disposal.

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(t) Impairment of non-financial assets

(i) Goodwill

Goodwill is tested for impairment annually, or more frequently if events of changes in circumstances indicate that the goodwill may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from synergies of the business combination.

An impairment loss is recognised in profit or loss when the carrying amount of the cash-generating unit, including the goodwill, exceeds the recoverable amount of the cash-generating unit. Recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value in use.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the cash-generating unit and then to the other assets of the cash-generating unit proportionately on the basis of the carrying amount of each asset in the cash-generating unit.

Impairment loss recognised on goodwill is not reversed in the event of an increase in recoverable amount in subsequent periods.

(ii) Property, plant and equipment, land held for property development, investment in subsidiary companies and jointly controlled entities

Property, plant and equipment, land held for property development, investment in subsidiary companies and jointly controlled entities are assessed at the end of each reporting period to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are charged to profit or loss.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(u) Impairment of financial assets

All financial assets except for financial assets categorised as FVTPL, are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

AFS financial assets

An impairment loss is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an AFS financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified and recognised in profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(v) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees other than those that are attributable to property development activities in which case such expenses are capitalised in the property development costs.

(ii) Post-employment benefits

The Company and its Malaysian subsidiary companies pay monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Company and its Malaysian subsidiary companies are limited to the amount that they agree to contribute to the EPF. The contributions to the EPF are charged to profit or loss in the period to which they relate.

Some of the Company's foreign subsidiary companies make contributions to their respective countries' statutory pension schemes which are recognised as an expense in profit or loss as incurred.

(w) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(x) Taxation

The income tax expense in profit or loss represents the aggregate amount of current tax and deferred tax.

Current tax is the expected income tax payable or receivable on the taxable income or loss for the year, estimated using the tax rates enacted or substantially enacted by the end of the reporting period.

On the statement of financial position, a deferred tax liability is recognised for taxable temporary differences while a deferred tax asset is only recognised for deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax losses can be utilised.

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(x) Taxation (Cont'd)

No deferred tax is recognised for temporary differences arising from the initial recognition of:

(i) goodwill, or

(ii) an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on the tax rates enacted or substantively enacted by the end of the reporting period that are expected to apply to the period when the asset is realised or when the liability is settled.

Current tax and deferred tax are charged or credited directly to other comprehensive income if the tax relates to items that are credited or charged, whether in the same or a different period, directly to other comprehensive income.

(y) Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude fixed deposits and bank balances pledged to secure banking facilities.

(z) Segment reporting

Segment reporting in the financial statements is presented on the same basis as it is used by management internally for evaluating operating segment performance and in deciding how to allocate resources to each operating segment. Operating segments are distinguishable components of the group that engage in business activities from which they may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the chief operating decision-maker to decide how to allocate resources to the segment and assess its performance, and for which discrete financial information is available.

Segment revenue, expense, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenue, expense, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Board of Directors. Segment total asset is used to measure the return on assets of each segment.

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, and intangible assets other than goodwill.

The Group does not use geographical segment as its main operations are in Malaysia.

2. PROPERTY, PLANT AND EQUIPMENT

Group 2015	Freehold hotel property RM'000	Freehold land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation furniture, fittings and equipment RM'000	Capital Work-in-progress RM'000	Total RM'000
At 1 April 2014							
- *cost*	-	-	14,846	1,933	31,730	5,960	54,469
- *valuation*	150,000	17,843	-	-	-	-	167,843
	150,000	17,843	14,846	1,933	31,730	5,960	222,312
Additions - cost	-	-	-	790	3,009	250	4,049
Disposal	-	-	-	(820)	(179)	-	(999)
Write-off	-	-	-	-	(239)	-	(239)
Foreign exchange adjustments	-	555	-	-	45	-	600
At 31 March 2015							
- *cost*	-	-	14,846	1,903	34,366	6,210	57,325
- *valuation*	150,000	18,398	-	-	-	-	168,398
	150,000	18,398	14,846	1,903	34,366	6,210	225,723
Accumulated depreciation							
At 1 April 2014							
- *cost*	-	-	14,139	1,397	22,277	-	37,813
- *valuation*	4,557	319	-	-	-	-	4,876
	4,557	319	14,139	1,397	22,277	-	42,689
Charge for the year							
- *cost*	-	-	232	324	4,181	-	4,737
- *valuation*	1,560	197	-	-	-	-	1,757
Disposal	-	-	-	(820)	(167)	-	(987)
Write-off	-	-	-	-	(239)	-	(239)
Foreign exchange adjustments	-	(83)	-	-	17	-	(66)
At 31 March 2015							
- *cost*	-	-	14,371	901	26,069	-	41,341
- *valuation*	6,117	433	-	-	-	-	6,550
	6,117	433	14,371	901	26,069	-	47,891

2. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group 2015	Freehold hotel property RM'000	Freehold land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation furniture, fittings and equipment RM'000	Capital Work-in-progress RM'000	Total RM'000
Accumulated impairment losses							
At 1 April 2014							
- *valuation*	-	791	-	-	-	-	791
Foreign exchange adjustment	-	34	-	-	-	-	34
At 31 March 2015							
- *valuation*	-	825	-	-	-	-	825
Carrying value							
At 31 March 2015							
- *cost*	-	-	475	1,002	8,297	6,210	15,984
- *valuation*	143,883	17,140	-	-	-	-	161,023
	143,883	17,140	475	1,002	8,297	6,210	177,007
The carrying value of revalued assets stated under the historical cost convention							
At 31 March 2015	49,269	7,069	-	-	-	-	56,338

Unpaid balance of additions to property, plant and equipment amounted to RM1,096,000 (2014: Nil) which has been included in other payables.

2. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group 2014	Freehold hotel property RM'000	Freehold land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation furniture, fittings and equipment RM'000	Capital Work-in-progress RM'000	Total RM'000
At 1 April 2013							
- *cost*	-	-	14,684	1,879	27,225	-	43,788
- *valuation*	150,000	12,633	-	-	-	-	162,633
	150,000	12,633	14,684	1,879	27,225	-	206,421
Additions - *cost*	-	-	162	350	4,495	-	5,007
Disposal	-	-	-	(296)	-	-	(296)
Transfer from investment property *(Note 3)*	-	4,750	-	-	-	-	4,750
Transfer from property development cost *(Note 9)*	-	-	-	-	-	5,960	5,960
Write-off	-	-	-	-	(32)	-	(32)
Foreign exchange adjustments	-	460	-	-	42	-	502
At 31 March 2014							
- *cost*	-	-	14,846	1,933	31,730	5,960	54,469
- *valuation*	150,000	17,843	-	-	-	-	167,843
	150,000	17,843	14,846	1,933	31,730	5,960	222,312
Accumulated depreciation							
At 1 April 2013							
- *cost*	-	-	13,906	1,401	19,725	-	35,032
- *valuation*	2,997	218	-	-	-	-	3,215
	2,997	218	13,906	1,401	19,725	-	38,247
Charge for the year							
- *cost*	-	-	233	193	2,573	-	2,999
- *valuation*	1,560	99	-	-	-	-	1,659
Disposal	-	-	-	(197)	-	-	(197)
Write-off	-	-	-	-	(32)	-	(32)
Foreign exchange adjustments	-	2	-	-	11	-	13
At 31 March 2014							
- *cost*	-	-	14,139	1,397	22,277	-	37,813
- *valuation*	4,557	319	-	-	-	-	4,876
	4,557	319	14,139	1,397	22,277	-	42,689

2. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group 2014	Freehold hotel property RM'000	Freehold land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation furniture, fittings and equipment RM'000	Capital Work-in-progress RM'000	Total RM'000
Accumulated impairment losses							
At 1 April 2013							
- *valuation*	-	760	-	-	-	-	760
Foreign exchange adjustment	-	31	-	-	-	-	31
At 31 March 2014							
- *valuation*	-	791	-	-	-	-	791
Carrying value							
At 31 March 2014							
- *cost*	-	-	707	536	9,453	5,960	16,656
- *valuation*	145,443	16,733	-	-	-	-	162,176
	145,443	16,733	707	536	9,453	5,960	178,832
The carrying value of revalued assets stated under the historical cost convention							
At 31 March 2014	50,328	6,660	-	-	-	-	56,988

2. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company 2015	Freehold land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation furniture, fittings and equipment RM'000	Total RM'000
At 1 April 2014					
- *cost*	-	14,804	1,178	7,642	23,624
- *valuation*	2,480	-	-	-	2,480
	2,480	14,804	1,178	7,642	26,104
Additions - *cost*	-	-	790	1,084	1,874
Disposal	-	-	(820)	(179)	(999)
At 31 March 2015					
- *cost*	-	14,804	1,148	8,547	24,499
- *valuation*	2,480	-	-	-	2,480
	2,480	14,804	1,148	8,547	26,979
Accumulated depreciation					
At 1 April 2014					
- *cost*	-	14,097	896	5,802	20,795
- *valuation*	149	-	-	-	149
	149	14,097	896	5,802	20,944
Charge for the year					
- *cost*	-	230	216	932	1,378
- *valuation*	50	-	-	-	50
Disposal	-	-	(820)	(167)	(987)
At 31 March 2015					
- *cost*	-	14,327	292	6,567	21,186
- *valuation*	199	-	-	-	199
	199	14,327	292	6,567	21,385
Carrying value					
At 31 March 2015					
- *cost*	-	477	856	1,980	3,313
- *valuation*	2,281	-	-	-	2,281
	2,281	477	856	1,980	5,594
The carrying value of revalued asset stated under the historical cost convention At 31 March 2015	2,197	-	-	-	2,197

2. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company 2014	Freehold land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation furniture, fittings and equipment RM'000	Total RM'000
At 1 April 2013					
- *cost*	-	14,641	1,124	7,382	23,147
- *valuation*	2,480	-	-	-	2,480
	2,480	14,641	1,124	7,382	25,627
Additions - *cost*	-	163	350	260	773
Disposal	-	-	(296)	-	(296)
At 31 March 2014					
- *cost*	-	14,804	1,178	7,642	23,624
- *valuation*	2,480	-	-	-	2,480
	2,480	14,804	1,178	7,642	26,104
Accumulated depreciation					
At 1 April 2013					
- *cost*	-	13,863	1,017	4,972	19,852
- *valuation*	100	-	-	-	100
	100	13,863	1,017	4,972	19,952
Charge for the year					
- *cost*	-	234	76	830	1,140
- *valuation*	49	-	-	-	49
Disposal	-	-	(197)	-	(197)
At 31 March 2014					
- *cost*	-	14,097	896	5,802	20,795
- *valuation*	149	-	-	-	149
	149	14,097	896	5,802	20,944
Carrying value					
At 31 March 2014					
- *cost*	-	707	282	1,840	2,829
- *valuation*	2,331	-	-	-	2,331
	2,331	707	282	1,840	5,160
The carrying value of revalued asset stated under the historical cost convention					
At 31 March 2014	2,230	-	-	-	2,230

2. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The freehold hotel property and freehold land and buildings of the Group and of the Company were revalued by the directors based on independent professional valuations on the open market value basis.

The last valuations were carried out by Chee Kok Thim FISM MRICS MEPS, registered Valuer, of Rahim & Co Chartered Surveyors Sdn Bhd and Wong Yick Ming, licensed Appraiser, of Bernard Valuers & Real Estate Consultants Pte Ltd on 31 March 2011 for properties in Malaysia and Singapore, respectively.

The freehold hotel property has been pledged as security for the bank borrowings referred to in note 19 to the financial statements.

3. INVESTMENT PROPERTIES

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
At 1 April	311,800	304,016	310,860	298,682
Fair value adjustments	24,256	14,095	24,181	13,803
Additions during the year	560	516	560	516
Disposals during the year	-	(2,141)	-	(2,141)
Transfer to non current asset held for sale	(18,570)	-	(18,570)	-
Transfer to property, plant and equipment *(Note 2)*	-	(4,750)	-	-
Foreign exchange adjustments	-	64	-	-
At 31 March	318,046	311,800	317,031	310,860
Comprise:				
Freehold land and buildings				
- *Wisma Selangor Dredging*	314,560	290,000	314,560	290,000
- Office space in a 24-storey office building known as *Plaza 138*	3,486	3,230	2,471	2,290
Freehold land				
- Karlton palm oil estate	-	18,570	-	18,570
	318,046	311,800	317,031	310,860

3. INVESTMENT PROPERTIES (Cont'd)

The Company has entered into a sale and purchase agreement on 25 November 2014, for the sale of freehold land at a carrying amount of RM18,570,000 for a consideration of RM32,496,000. The sale has not been completed as at 31 March 2015. Consequently, the said land was classified as non-current asset held for sale.

The amount of rental income and direct operating expenses recognised on revenue generating investment properties are disclosed in notes 23 and 26 to the financial statements, respectively.

The fair values of the investment properties at 31 March 2015 are based on a valuation carried out on 30 March 2015 by Rahim & Co Chartered Surveyors Sdn Bhd, a firm of independent professional valuers who have appropriate professional qualifications and recent experience in the relevant location and assets being valued. The fair value of the investment properties was determined using comparison method and therefore is categorised as Level 2 in the fair value hierarchy.

The comparison method entails comparing the property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, size, building construction and finishes, building services, management and maintenance, age and state of repair, market conditions and other relevant characteristics.

There is no transfer between levels in the fair value hierarchy during the year.

Wisma Selangor Dredging has been pledged as security for the bank borrowings referred to in note 19 to the financial statements.

4. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2015 RM'000	**2014 RM'000**
Unquoted shares at cost		
- ordinary shares	23,568	23,568
- non-cumulative redeemable preference shares	38,000	38,000
	61,568	61,568
Impairment losses	(942)	(942)
	60,626	60,626

4. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

The subsidiary companies are:

	Equity interest					
	Direct		Indirect		Country of incorporation	Principal activities
	2015 %	2014 %	2015 %	2014 %		
SDB Properties Sdn Bhd ("SDBP")	100	100	-	-	Malaysia	Property development and the operation of a boutique urban resort hotel known as Hotel Maya Kuala Lumpur
Prestij Permai Sdn Bhd	-	-	100	100	Malaysia	Property development
Hayat Abadi Sdn Bhd	-	-	100	100	Malaysia	Property development
SDB Damansara Sdn Bhd	-	-	100	100	Malaysia	Property development
SDB SS2 Development Sdn Bhd	-	-	100	100	Malaysia	Property development
SDB Ampang Sdn Bhd	-	-	100	100	Malaysia	Property development
Crescent Consortium Sdn Bhd	-	-	100	100	Malaysia	Property development
Seldredge Industries Sdn Bhd ("SDI")	100	100	-	-	Malaysia	Property development
SDB International Sdn Bhd	100	100	-	-	Malaysia	Investment holding
SDB Customer Services Sdn Bhd ("SDBCS")	100	100	-	-	Malaysia	Provision of property support services
SDB Property Management Sdn Bhd ("SDBPM")	-	-	100	-	Malaysia	Provision of property management services
SDB Asia Pte Ltd *	-	-	100	100	Singapore	Investment in property and property development
SDB UK Pte Ltd *	-	-	100	100	Singapore	Investment holding

* *Subsidiary companies not audited by Mazars*

5. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	Group 2015 RM'000	Group 2014 RM'000
Capital contribution, at cost	94,930	127,972
Group's share of post-acquisition reserves and retained profit less losses	56,564	39,453
Foreign exchange adjustments	19,451	10,731
	170,945	178,156

The jointly controlled entities are as follows:

	Equity interest Direct 2015 %	Equity interest Direct 2014 %	Equity interest Indirect 2015 %	Equity interest Indirect 2014 %	Country of incorporation	Principal activities
Chedstone Investment Holdings Pte Ltd (CHI)*	-	-	50	50	Singapore	Investment in property and property development
Champsworth Development Pte Ltd (CD)*	-	-	50	50	Singapore	Investment in property and property development
Tiara Land Pte Ltd (TL)*	-	-	50	50	Singapore	Investment in property and property development
Teratai Investment Holdings Pte Ltd*	-	-	50	50	Singapore	Dormant
SDB Guernsey Limited (SDBG)*	-	-	50	50	Guernsey	Investment holding and property investment
SDB Teambuild Sdn Bhd *(formerly known as Modern Hallmark Sdn Bhd)*	-	-	50	-	Malaysia	Construction

* *Jointly controlled entities not audited by Mazars*

5. INVESTMENT IN JOINTLY CONTROLLED ENTITIES (Cont'd)

	Group 2015 RM'000	Group 2014 RM'000
Reconciliation of net assets to carrying amount as at 31 March		
Group's share of net assets	170,945	178,156
Elimination of unrealised profits	-	-
Carrying amount in the statement of financial position	170,945	178,156
Group's share of profit or loss, net of tax	17,111	19,547
Other information		
Cash dividend received by the Group	-	-

Summarised financial information of material jointly controlled entities is as follows:

2015	CHI RM'000	CD RM'000	TL RM'000	SDBG RM'000
Statement of financial position				
Current assets	91,404	412,366	159,182	1,209
Cash and bank balances	64,315	90,564	102,343	1,192
Non-current assets	27,032	8,099	-	60,429
Current liabilities	15,626	107,495	124,378	4,268
Current financial liabilities (excluding trade and other payables and provisions)	10,216	102,852	112,685	1,082
Non-current liabilities	-	-	-	34,472
Statement of profit or loss and other comprehensive income				
Revenue	20,408	149,568	117,898	2,213
Profit before tax	1,687	22,025	25,340	7,045
Other comprehensive income	-	-	-	-
Total comprehensive income	1,430	18,346	21,100	6,905
Depreciation	-	-	-	-
Interest income	-	-	-	-
Interest expense	(299)	-	-	(1,258)
Tax expense	(257)	(3,679)	(4,240)	(140)

5. INVESTMENT IN JOINTLY CONTROLLED ENTITIES (Cont'd)

2014	**CHI RM'000**	**CD RM'000**	**TL RM'000**	**SDBG RM'000**
Statement of financial position				
Current assets	20,175	166,730	58,819	427
Cash and bank balances	20,149	20,893	27,794	400
Non-current assets	88,511	133,278	-	26,701
Current liabilities	58,467	103,235	67,819	1,188
Current financial liabilities (excluding trade and other payables and provisions)	51,854	98,775	64,806	1,188
Non-current liabilities	-	-	-	17,097
Statement of profit or loss and other comprehensive income				
Revenue	1,037	243	13	1,046
(Loss)/Profit before tax	(416)	7,973	(1,469)	339
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss)	816	(840)	(1,469)	339
Depreciation	-	-	-	-
Interest income	-	-	-	-
Interest expense	(862)	7,973	(840)	(607)
Tax expense	(67)	-	-	-

The summarised aggregate financial information of the Group's share of other individual immaterial jointly controlled entity as at 31 March:

	2015 RM'000	**2014 RM'000**
Net loss for the year	256	8
Total comprehensive loss	256	8
Carrying amount of the Group's interest in jointly controlled entity	111	8

6. OTHER INVESTMENTS

	Group and Company	
	2015 RM'000	**2014 RM'000**
Classified as AFS financial assets		
Shares quoted in Malaysia at cost:		
Balance as at 1 April	6	-
Additions	-	6
Balance as at 31 March	6	6

7. AMOUNTS OWING BY/(TO) SUBSIDIARY COMPANIES

The amount owing by subsidiary companies consist of the following:

	Company	
	2015 RM'000	2014 RM'000
Interest-free advances	150,260	185,265
Interest bearing advances	13,670	14,936
	163,930	200,201

Amounts owing by subsidiary companies are unsecured advances not expected to be recalled within the next 12 months. The effective interest rate of interest bearing advances ranges from 4.60% to 5.00% (2014: 4.60% to 5.00%) per annum.

Amounts owing to subsidiary company included under current liabilities represent unsecured interest-free advances which are payable on demand.

8. INVENTORIES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At cost				
Completed development properties	94,818	21,336	-	-
Consumables	1,077	1,117	678	695
Foreign exchange adjustment	738	-	-	-
	96,633	22,453	678	695
Inventories recognised in profit or loss as cost of sales	7,743	6,964	105	135

9. PROPERTY DEVELOPMENT COSTS

	Group 2015 RM'000	Group 2014 RM'000
Freehold land at cost	318,052	349,545
Development costs	282,853	496,837
Costs recognised as an expense in profit or loss in previous years	(225,418)	(476,920)
At 1 April	375,487	369,462
Costs incurred during the year		
- Freehold land at cost	5,072	-
- Development costs	263,268	208,865
Costs transferred from land held for property development		
- Freehold land	-	40,534
- Development costs	-	13,019
	268,340	262,418
Costs transferred to property, plant and equipment *(see note 2)*		
- Freehold land	-	(1,148)
- Development costs	-	(4,812)
Cost recognised as an expense in income statements in current year	(242,227)	(232,363)
Cost transferred to inventories	(80,769)	(21,336)
Foreign exchange adjustments	176	3,266
At 31 March	321,007	375,487

Included in property development costs above, land with carrying amount of RM105,107,000 (2014: RM215,785,000) has been pledged to bank to secure the bank borrowings referred to in note 19 to the financial statements.

Included under development costs in 2015 is borrowing costs of RM2,818,377 incurred during financial year. The interest rate ranges between 4.44% to 5.02% per annum.

10. GROSS AMOUNT DUE FROM CUSTOMERS

	Group 2015 RM'000	Group 2014 RM'000
Aggregate contract expenditure incurred to date	-	190
Progress billings	-	(55)
	-	135

11. TRADE RECEIVABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Progress billings receivables	42,626	45,784	-	-
Retention sums receivables	7,770	15,569	-	-
Rental receivables	166	144	63	102
Other trade receivables	1,289	3,633	-	-
Total trade receivables	51,851	65,130	63	102

Progress billings to house buyers are due within 21 days as stipulated in the sale and purchase agreements. The retention sums are due upon the expiry of the defect liability period stated in the sale and purchase agreements. The defect liability periods range from 6 to 36 months.

Monthly rentals from tenants are due at the beginning of the month.

Normal credit terms granted to other customers is 30 days. For major established customers, the credit terms may be extended to 60 days based on the discretion of management.

The currency exposure profile of trade receivables is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
- RM	51,851	63,575	63	102
- Singapore Dollar ("SGD")	-	1,555	-	-
	51,851	65,130	63	102

12. ACCRUED BILLINGS

	Group	
	2015 RM'000	2014 RM'000
Revenue recognised in income statements to date	721,275	469,122
Progress billings to date	(634,234)	(412,492)
Foreign exchange adjustment	1,130	1,095
	88,171	57,725

12. ACCRUED BILLINGS (Cont'd)

	Group 2015 RM'000	Group 2014 RM'000
Accrued billings	121,942	104,533
Progress billings	(33,771)	(46,808)
	88,171	57,725

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Other receivables	14,947	13,213	87	94
Surplus assets and capital receivable upon liquidation of a subsidiary company	-	306	-	306
Interest receivables	44	44	-	-
Deposits	2,465	2,282	408	462
Prepayments	4,500	1,574	2,168	470
	21,956	17,419	2,663	1,332

Included in deposits are rental deposits held by the following parties:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Teh Lip Ling, a close family member of Teh Lip Kim and Teh Lip Pink, directors of the Company	6	6	-	-
Teh Lip Bin, a close family member of Teh Lip Kim and Teh Lip Pink, directors of the Company	6	6	-	-
Teh Kien Toh Sdn Bhd, a company in which Teh Lip Kim and Teh Lip Pink, directors of the Company, have interests	6	6	-	-

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Cont'd)

The currency exposure profile of other receivables and deposits is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
- RM	15,377	14,672	495	862
- SGD	2,079	1,173	-	-
	17,456	15,845	495	862

14. SHORT TERM INVESTMENTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Short term funds, at amortised cost	10,622	35,352	369	2,102

The short term funds are managed and invested into fixed income securities and money market instruments by a fund management company. The short term funds are readily convertible to cash.

15. DEPOSITS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Ringgit denominated deposits with licensed banks in Malaysia	2,538	2,630	390	390

Deposits include the following amounts which have been pledged as security for a bank guarantee facility:

	Group and Company	
	2015 RM'000	2014 RM'000
Stamp duty payable on a facility agreement	390	390

The effective interest rates of the deposits range from 3.00% to 3.30% (2014: 3.00% to 3.30%) per annum. All the deposits have maturities of 12 months or less.

16. CASH AND BANK BALANCES

Cash and bank balances of the Group include an amount of RM64,346,000 (2014: RM84,671,000) maintained in Housing Development Accounts. Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Development (Housing Development Account) Regulations 1991.

Funds maintained in the Housing Development Accounts earn interest ranging between 1.75% and 2.00% (2014: 1.75% and 2.00%) per annum.

Cash and bank balances of the Group also include an amount of RM195,000 (2014: RM195,000) pledged to secure bank guarantee facility granted to a subsidiary company.

The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
- RM	64,617	45,953	1,964	2,051
- SGD	86,541	64,549	-	-
- Australian Dollar ("AUD")	13	381	-	-
	151,171	110,883	1,964	2,051

17. SHARE CAPITAL

	Group and Company	
	2015 RM'000	2014 RM'000
Authorised: 600,000,000 ordinary shares of 50 sen each	300,000	300,000
Issued and fully paid: 426,127,662 ordinary shares of 50 sen each	213,064	213,064

18. OTHER RESERVE (Distributable)

The distributable other reserve represents realised capital gains transferred from retained earnings.

19. BANK BORROWINGS

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Secured				
Term loans	258,350	356,773	-	-
Revolving credits	181,750	159,250	28,750	31,250
Unsecured				
Revolving credits	65,000	40,000	50,000	25,000
	505,100	556,023	78,750	56,250
Repayments due within 12 months *(included under current liabilities)*	(163,900)	(218,924)	(52,500)	(27,500)
Repayments due after 12 months *(included under non-current liabilities)*	341,200	337,099	26,250	28,750
The bank borrowings are repayable as follows:				
- not later than one year	163,900	218,924	52,500	27,500
- later than one year but not later than two years	53,900	20,900	2,500	2,500
- later than two years but not later than five years	271,050	127,450	7,500	7,500
- later than five years	16,250	188,749	16,250	18,750
	505,100	556,023	78,750	56,250

The range of interest rates at the reporting date for bank borrowings are as follows:

	Group 2015	Group 2014	Company 2015	Company 2014
Term loans				
Local	4.44%-5.02%	4.45%-4.69%	-	-
Foreign	-	1.46%-1.50%	-	-
Revolving credits	4.44%-5.33%	4.15%-5.00%	4.52%-5.33%	4.15%-4.19%

The currency exposure profile of bank borrowings is as follows:

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
- RM	505,100	468,131	78,750	56,250
- SGD	-	87,892	-	-
	505,100	556,023	78,750	56,250

19. BANK BORROWINGS (Cont'd)

The bank borrowings are secured as follows:

(i) negative pledge over the entire assets of the Company;

(ii) legal assignment of the rental proceeds from Wisma Selangor Dredging;

(iii) pledge over the hotel property of the Group; and

(iv) various lands and building belonging to the Group as indicated in notes 3 and 9 to the financial statements.

20. DEFERRED TAX ASSETS/(LIABILITIES)

The components of the Group's and the Company's deferred tax assets/(liabilities) are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deferred tax asset:				
Tax effect of unutilised tax losses	2,988	12,080	-	-
Deferred tax liabilities:				
Tax effects of fair value gain on investment properties subject to real property gains tax	(13,292)	(12,080)	(13,269)	(12,060)
Effect of difference in generally accepted accounting principles	-	(2,199)	-	-
Total deferred tax liabilities	(13,292)	(14,279)	(13,269)	(12,060)
Net deferred tax liabilities	(10,304)	(2,199)	(13,269)	(12,060)

The following temporary differences and unutilised tax losses exist as at 31 March of which the deferred tax benefits have not been recognised in the financial statements:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unutilised tax losses	43,349	1,158	-	-
Unabsorbed capital allowances	12,320	18,397	-	1,853
Unabsorbed investment tax allowances	73,720	73,720	-	-
Excess of capital allowances claimed over accumulated depreciation on property, plant and equipment	(236)	(157)	-	-
	129,153	93,118	-	1,853

21. TRADE PAYABLES

	Group 2015 RM'000	Group 2014 RM'000
Contractors' claims	25,015	11,966
Retention sums	42,582	27,838
Accrued property development cost	50,292	28,938
Others	301	2,588
	118,190	71,330

The currency exposure profile of trade payables is as follows:

	Group 2015 RM'000	Group 2014 RM'000
- RM	112,050	64,998
- SGD	6,140	6,332
	118,190	71,330

The normal credit terms extended by suppliers ranges from 30 to 60 days. Retention sums are payable upon the expiry of the defect liability periods of 12 to 24 months.

22. OTHER PAYABLES AND ACCRUALS

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Other payables, deposits and accruals	9,223	9,717	4,606	1,834
Interest payable	456	573	41	134
Tenants' deposits	6,752	5,827	6,752	5,827
Deposits received from property purchasers	5,925	5,723	-	-
	22,356	21,840	11,399	7,795

22. OTHER PAYABLES AND ACCRUALS (Cont'd)

The currency exposure profile of other payables and accruals is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
- RM	22,188	21,690	11,399	7,795
- SGD	168	150	-	-
	22,356	21,840	11,399	7,795

23. REVENUE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Property development revenue	354,707	327,812	-	-
Rental income	22,375	21,291	23,508	22,326
Sale of hotel rooms, food and beverages and other ancillary services	23,236	27,541	-	-
Construction revenue	187	638	-	-
	400,505	377,282	23,508	22,326

24. COST OF SALES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cost of property development	256,325	235,411	-	-
Cost of letting of properties	8,057	8,156	8,016	8,119
Cost of hotel services rendered	13,212	14,148	-	-
Contract cost recognised as expense	139	480	-	-
	277,733	258,195	8,016	8,119

25. FINANCE COSTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest paid and payable on:				
Revolving credits	9,707	9,786	3,237	3,731
Term loans	8,073	11,365	-	-
Advances from a subsidiary	-	-	2,228	888
Effect of adoption of FRS 139				
- loss on amortised cost	-	-	41,511	-
	17,780	21,151	46,976	4,619

26. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax is stated after charging:				
Auditors' remuneration				
- current year	188	211	47	52
Depreciation	6,494	4,658	1,428	1,189
Direct operating expenses on revenue generating investment properties	8,057	8,156	8,016	8,119
Directors' remuneration				
- fees	357	287	272	204
- other emoluments	1,440	1,440	724	725
Rental of equipment	92	83	10	9
Rental of premises	501	-	-	-
Loss on foreign exchange				
- realised	6	-	-	-
and crediting:				
Gross dividends income from shares quoted in Malaysia	138	6	-	6
Gain on disposal of property, plant and equipment	140	1	140	1
Interest income from				
- subsidiary companies	-	-	634	144
- fixed deposits	60	63	19	12
- short term investments	474	337	76	2
- others	906	-	-	-
- financial assets measured at amortised cost	-	-	9,263	8,714
Fair value adjustment on investment properties	24,256	14,095	24,181	13,803
Rental income	4	-	4	-
Gain on foreign exchange-				
- realised	-	702	-	-
- unrealised	2,112	25	-	-

27. TAX EXPENSE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Malaysian tax based on results for the year				
- current	18,893	13,223	1,734	2,040
- deferred	10,260	2,199	1,209	12,060
- under estimation in prior years	423	129	339	129
	29,576	15,551	3,282	14,229

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rates to the profit before tax (excluding share of results of jointly controlled entities) is analysed as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Accounting profit/(loss)	79,413	58,173	(5,812)	25,147
Taxation at applicable statutory tax rate	19,853	14,543	(1,453)	6,287
Tax effects arising from:				
- non-taxable income	(564)	(945)	(2,509)	(2,180)
- non-deductible expenses	6,889	4,880	11,848	1,422
Difference in tax rates	(6,034)	(3,802)	(4,836)	(2,760)
Movements in unrecognised deferred tax assets	9,009	(10,639)	(107)	(39)
Effect of change in real property gains tax rate	-	11,385	-	11,370
Underestimation of current tax in prior years	423	129	339	129
	29,576	15,551	3,282	14,229

28. BASIC EARNINGS PER SHARE

The basic earnings per share has been calculated by dividing the Group's profit for the year attributable to shareholders of the Company by the weighted average number of shares in issue:

	Group	
	2015	**2014**
Profit attributable to shareholders of the Company (RM'000)	66,948	62,169
Weighted average number of ordinary shares ('000) At 1 April/31 March	426,128	426,128
Basic earnings per share (sen)	15.71	14.59

29. DIVIDEND PAID

	Group and Company	
	2015 **RM'000**	**2014** **RM'000**
First and final dividend of 5% less 25% income tax in respect of the financial year ended 31 March 2013	-	9,588
First and final single tier dividend of 6% in respect of the financial year ended 31 March 2014	12,784	-
	12,784	9,588

The directors now proposed a first and final single tier dividend of 6% amounting to RM12,783,829 in respect of the financial year ended 31 March 2015.

30. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2015 **RM'000**	**2014** **RM'000**	**2015** **RM'000**	**2014** **RM'000**
Employee benefits expense (include executive directors' emoluments)	21,220	29,169	6,399	6,619

Included in the employee benefits expense are EPF contributions amounting to RM2,288,000 (2014: RM3,108,000) for the Group and RM758,000 (2014: RM766,000) for the Company.

31. RELATED PARTY DISCLOSURES

(a) Significant related party transactions determined on a basis negotiated between the Company and its related parties during the financial year were as follows:

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Transactions with subsidiary companies								
Interest received/receivable from SDI	-	-	634	131	-	-	13,670	7,531
Rental received from SDBP	-	-	753	704	-	-	-	-
Rental received from SDBCS	-	-	382	350	-	-	-	-
Management fee paid to SDBCS	-	-	-	-	-	-	-	-
Transactions with directors, close members of their families and companies in which they and/or close members of their families have interests were as follows:								
Rental paid to Dr Teh Lip Bin, a close family member of Teh Lip Kim and Teh Lip Pink	29	29	-	-	-	-	-	-
Rental paid to Teh Lip Ling, a close family member of Teh Lip Kim and Teh Lip Pink	29	29	-	-	-	-	-	-
Rental paid to Teh Kien Toh Sdn Bhd, a company in which Teh Lip Kim and Teh Lip Pink have interests	29	29	-	-	-	-	-	-
Medical fees paid to Klinik Ian Ong, a clinic belonging to a close family member of Teh Lip Kim and Teh Lip Pink	57	75	32	25	-	-	-	-
Consultancy fee paid to Providence Capital Sdn Bhd, a company in which Eddy Chieng Ing Huong has interest	180	180	180	180	-	-	-	-

31. RELATED PARTY DISCLOSURES (Cont'd)

(b) Key management personnel compensation

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Directors				
Short-term employee benefits				
- fees	357	287	272	204
- remuneration	1,211	1,211	610	611
Total short-term employee benefits	1,568	1,498	882	815
Post-employment benefits				
- EPF	229	229	114	114
Sub-total	1,797	1,727	996	929
Other *key management personnel*				
Short-term employee benefits				
- salary, bonus and allowances	3,003	2,349	1,469	1,505
Post-employment benefits				
- EPF	468	383	238	250
Sub-total	3,471	2,732	1,707	1,755
Total compensation	5,200	4,459	2,635	2,684

32. CAPITAL COMMITMENTS

	Group	
	2015 RM'000	2014 RM'000
Commitments to complete property, plant and equipment not provided for in the financial statements		
- approved and contracted for	-	1,094
Commitments to purchase land held for development not provided for in the financial statements		
- approved and contracted for	78,400	-

33. OPERATING LEASES

The Group as lessor

The Group leases out its investment properties under non-cancellable operating leases. The leases typically run for a period of 1 to 2 years with the option to renew the leases after the expiry date. None of the leases include contingent rents.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as assets are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Not later than one year	19,848	16,390	19,848	16,390
Later than one year but not later than five years	15,427	10,837	15,427	10,837
	35,275	27,227	35,275	27,227

34. CONTINGENT LIABILITIES (Unsecured)

	Company	
	2015 RM'000	2014 RM'000
Corporate guarantees given to a bank for credit facility granted to subsidiary companies	40,000	15,000

35. SEGMENTAL ANALYSIS

The Group's operating segment and reportable segments are business units engaging in providing different products and services and operating in different geographical locations.

(a) Primary reporting format - business segment

The Group's operations (excluding jointly controlled entities) comprise the following business segments:

(i) Property investment - letting of commercial properties

(ii) Hotel operations - operation of hotel and related services

(iii) Investment holding - investment holding

(iv) Property development - property development

(v) Others - provision of management and property support 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 those obtainable in transactions with unrelated parties. The effects of such inter-segmental transactions are eliminated on consolidation.

35. SEGMENTAL ANALYSIS (Cont'd)

(b) Secondary reporting format - geographical segment

The operations of the Group are mainly carried out in Malaysia and Singapore.

2015	Property investment RM'000	Hotel operations RM'000	Investment holding RM'000	Property development RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
REVENUE							
External sales	22,375	23,236	-	353,879	1,015	-	400,505
Inter-segment sales	1,271	-	-	-	3,977	(5,248)	-
Total revenue	23,646	23,236	-	353,879	4,992	(5,248)	400,505
RESULT							
Segment result	37,836	(3,045)	4,753	75,604	314	(15,837)	99,625
Unallocated corporate expenses							(2,432)
Unallocated share of profit of jointly controlled entities							17,111
Unallocated finance costs							(17,780)
Profit before tax							96,524
Tax expense							(29,576)
Profit for the year							66,948
OTHER INFORMATION							
Segment assets	331,483	156,076	-	704,791	184,400	(47)	1,376,703
Investing assets	-	-	54,808	-	-	-	54,808
Current tax assets	-	-	-	-	2,294	-	2,294
Consolidated total assets							1,433,805
Segment liabilities	(90,152)	(1,966)	(14)	(555,667)	(11,188)	-	(658,987)
Current tax liabilities	-	-	-	-	(4,170)	-	(4,170)
Consolidated total liabilities							(663,157)
Capital expenditure	2,434	619	-	1,511	45	-	4,609
Depreciation	1,427	2,762	-	2,212	93		6,494

35. SEGMENTAL ANALYSIS (Cont'd)

(b) Secondary reporting format - geographical segment (Cont'd)

2014	Property investment RM'000	Hotel operations RM'000	Investment holding RM'000	Property development RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
REVENUE							
External sales	21,291	27,541	-	327,812	638	-	377,282
Inter-segment sales	1,174	-	-	-	5,225	(6,399)	-
Total revenue	22,465	27,541	-	327,812	5,863	(6,399)	377,282
RESULT							
Segment result	25,563	428	3,392	66,756	(927)	(13,206)	82,006
Unallocated corporate expenses							(2,682)
Unallocated share of profit of jointly controlled entities							19,547
Unallocated finance costs							(21,151)
Profit before tax							77,720
Tax expense							(15,551)
Profit for the year							62,169
OTHER INFORMATION							
Segment assets	303,577	158,962	-	670,151	215,744	(46)	1,348,388
Investing assets	-	-	19,700	-	-	-	19,700
Unallocated corporate assets	-	-	-	-	4,402	-	4,402
Consolidated total assets							1,372,490
Segment liabilities	(76,110)	(2,046)	(14)	(584,978)	(324)	-	(663,472)
Current tax liabilities					(4,601)		(4,601)
Consolidated total liabilities							(668,073)
Capital expenditure	1,288	1,184	-	2,509	26		5,007
Depreciation	1,189	1,160	-	2,210	99		4,658

36. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

2015	Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Group			
Financial assets			
Trade receivables	51,851	-	51,851
Other receivables excluding prepayment	17,456	-	17,456
Other investments	-	6	6
Short term investments	10,622	-	10,622
Deposits	2,538	-	2,538
Cash and bank balances	151,171	-	151,171
Total financial assets	233,638	6	233,644

	At amortised cost RM'000	Total RM'000
Financial liabilities		
Trade payables	118,190	118,190
Other payables and accruals	22,356	22,356
Bank borrowings	505,100	505,100
Total financial liabilities	645,646	645,646

36. FINANCIAL INSTRUMENTS (Cont'd)

(a) Classification of financial instruments (Cont'd)

2014	Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Group			
Financial assets			
Trade receivables	65,130	-	65,130
Other receivables excluding prepayment	15,845	-	15,845
Other investment	-	6	6
Short term investments	35,352	-	35,352
Deposits	2,630	-	2,630
Cash and bank balances	110,883	-	110,883
Total financial assets	229,840	6	229,846

	At amortised cost RM'000	Total RM'000
Financial liabilities		
Trade payables	71,330	71,330
Other payables and accruals	21,840	21,840
Bank borrowings	556,023	556,023
Total financial liabilities	649,193	649,193

36. FINANCIAL INSTRUMENTS (Cont'd)

(a) Classification of financial instruments (Cont'd)

2015	Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Company			
Financial assets			
Trade receivables	63	-	63
Other receivables excluding prepayment	495	-	495
Amounts owing by subsidiary companies	163,930	-	163,930
Other investments	-	6	6
Short term investments	369	-	369
Deposits	390	-	390
Cash and bank balances	1,964	-	1,964
Total financial assets	167,211	6	167,217

	At amortised cost RM'000	Total RM'000
Financial liabilities		
Other payables and accruals	11,399	11,399
Amount owing to subsidiary company	39,068	39,068
Bank borrowings	78,750	78,750
Total financial liabilities	129,217	129,217

36. FINANCIAL INSTRUMENTS (Cont'd)

(a) Classification of financial instruments (Cont'd)

2014	Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Company			
Financial assets			
Trade receivables	102	-	102
Other receivables excluding prepayment	862	-	862
Amounts owing by subsidiary companies	200,201	-	200,201
Other investments	-	6	6
Short term investments	2,102	-	2,102
Deposits	390	-	390
Cash and bank balances	2,051	-	2,051
Total financial assets	205,708	6	205,714

	At amortised cost RM'000	Total RM'000
Financial liabilities		
Other payables and accruals	7,795	7,795
Amount owing to subsidiary companies	55,343	55,343
Bank borrowings	56,250	56,250
Total financial liabilities	119,388	119,388

(b) Fair value of financial instruments

The carrying amounts of the financial instruments of the Group and of the Company at the reporting date approximate or were at their fair values.

Other investment
Fair value of other investment has been determined by reference to its quoted closing bid price at the end of each reporting period.

36. FINANCIAL INSTRUMENTS (Cont'd)

(c) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2015 **Group/Company**	**Level 1** **RM'000**	**Level 2** **RM'000**	**Level 3** **RM'000**	**Total** **RM'000**
Financial assets				
Other investments	6	-	-	6

2014 **Group/Company**	**Level 1** **RM'000**	**Level 2** **RM'000**	**Level 3** **RM'000**	**Total** **RM'000**
Financial assets				
Other investments	6	-	-	6

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities are exposed to a variety of financial risks, including foreign currency exchange risk, interest rate risk, market rate risk, credit risk and liquidity and cash flow risks. The Group's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group.

Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to financial risk management policies.

There have been no significant changes on the Group's exposure to financial risks from the previous year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

The Group's management reviews and agrees on policies managing each of the financial risks and they are summarised as follows:

(a) Foreign currency exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. The foreign currencies in which these transactions are denominated are mainly in SGD.

Approximately 21% (2014: 24%) of the Group's sales are denominated in foreign currencies whilst almost 27% (2014: 29%) of costs are denominated in the respective functional currencies of the Group entities. The Group's trade receivables and trade payables balances at the reporting date have similar exposures.

The Group also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances (mainly in SGD) amount to RM86,541,000 (2014: RM64,548,000).

A sensitivity analysis has been performed on the outstanding foreign currency denominated monetary items of the Group as at 31 March 2015. If the SGD were strengthen or weaken by 1% against RM with all other variables held constant, the Group profit before tax would increase or decrease by RM2,920,000 (2014 : RM2,446,000).

(b) Interest rate risk

<u>Financial assets</u>

Surplus funds are placed in fixed deposits with licensed banks and finance companies to earn interest income based on prevailing market rates. The Group manages its interest rate risks by placing such funds on short tenures of 12 months or less.

<u>Financial liabilities</u>

The Group's policy is to borrow principally on a floating rate basis but to retain a proportion of fixed rate borrowings. The objective of a mix of fixed and floating rate borrowings is to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall. The mix between fixed and floating rate borrowings is monitored so as to ensure that the Group's financing cost is kept at the lowest possible. The Group does not generally hedge interest rate risks. Hedging of risk through the use of financial instruments may be adopted should its use result in significant cost savings. The Group has a policy to ensure that interest rates obtained are competitive.

It is the Group's policy not to trade in interest rate swap agreements.

A sensitivity analysis has been performed based on the outstanding floating rate bank borrowings of the Group as at 31 March 2015. If interest rate increase or decrease by 100 basis points with all other variable held constant, the Group profit before tax would decrease or increase by RM3,351,000 (2014: RM3,860,241), as a result of higher or lower interest expense on these borrowings.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Market rate risk

The Group's principal exposure to market risk arises from changes in value caused by movements in market price of its equity investments. The risk of loss is minimised via thorough analyses before investing and continuous monitoring of the performance of the investment. The Group optimises returns by disposing of investments after thorough analyses.

Common to all businesses, the overall performance of the Group's investments is also driven externally by global and domestic economics that are largely unpredictable and uncontrollable.

The effect of the fluctuation in the market rate does not have significant financial impact to the Company.

(d) Credit risk

Credit risk arises from the possibility that a counter party may be unable to meet the terms of a contract in which the Group has a gain position.

In the case of property development activities, the Group's credit risk is primarily attributable to progress billings receivable from house buyers. The Group mitigates the risk of default by maintaining its name as the registered owner of the development properties until full settlement by the purchaser of the self-financed portion of the purchase consideration and upon undertaking of end-financing by the purchaser's end-financier.

For other activities, the Group minimises and monitors its credit risk by dealing with credit worthy counterparties, setting credit limits on exposures, applying credit approval controls and obtaining collateral or security deposits where appropriate. Trade and financial receivables are monitored on an ongoing basis via group-wide management reporting procedures.

With regard to surplus cash, the Group seeks to invest its cash assets safely by depositing them with licensed financial institutions.

The aging analysis of receivables which are trade in nature is as follows:

	Group	
	2015 RM'000	2014 RM'000
Neither past due nor impaired	31,312	26,235
1 to 30 days past due	900	12,388
31 to 60 days past due	5,054	18,680
61 to 120 days past due	1,885	2,485
More than 120 days past due	6,700	5,342
	51,851	65,130
Impaired	-	-
	51,851	65,130

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(e) Liquidity and cash flow risks

The Group seeks to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management (i.e., inventory, accounts receivable and accounts payable management), must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

Besides maintaining an adequate current ratio, each business unit is required to submit cash flow projections to Group management on a monthly basis. Each unit must seek to ensure that projected cash inflows from operating and non-operating activities adequately cover funding requirements of operating and non-operating outflows. At a minimum, all projected net borrowings should be covered. Also, debt maturities are closely monitored to ensure that the Group is able to meet its obligations as they fall due.

Daily bank balances are prepared and any excess funds are invested in fixed deposits with licensed financial institutions at the most competitive interest rates obtainable.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities based on the contractual undiscounted cash flows.

Group	Less than 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
2015				
Trade payables	118,190	-	-	118,190
Other payables and accruals	22,356	-	-	22,356
Bank borrowings	188,485	374,291	19,358	582,134
	329,031	374,291	19,358	722,680
2014				
Trade payables	71,330	-	-	71,330
Other payables and accruals	21,840	-	-	21,840
Bank borrowings	241,923	185,154	216,877	643,954
	335,093	185,154	216,877	737,124

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(e) Liquidity and cash flow risks (Cont'd)

Company	Less than 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
2015				
Other payables and accruals	11,399	-	-	11,399
Amount owing to subsidiary company	39,068	-	-	39,068
Bank borrowings	56,345	14,068	19,358	89,771
	106,812	14,068	19,358	140,238
2014				
Other payables and accruals	7,795	-	-	7,795
Amount owing to subsidiary company	55,343	-	-	55,343
Bank borrowings	29,947	14,165	22,389	66,501
	93,085	14,165	22,389	129,639

38. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain an optimal capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The directors monitor and maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements.

The gearing ratios were as follows:

	Group 2015 RM'000	Group 2014 RM'000
Total borrowings *(note 19)*	505,100	556,023
Less : Cash and cash equivalents *(notes 14 to 16)*	(164,331)	(148,865)
Net debt	340,769	407,158
Total equity	770,648	704,417
Net debt to equity ratio	31%	37%

There were no changes in the Group's approach to capital management during the year.

38. CAPITAL MANAGEMENT (Cont'd)

Under the requirement to Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

39. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 26th June 2015 by the board of directors.

40. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Securities") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of each reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

The breakdown of the retained profits of the Group as at 31 March 2015, into realised and unrealised profits/(losses), pursuant to the directive, is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained earnings				
- Realised	222,327	203,844	(3,059)	35,626
- Unrealised	218,664	200,952	209,912	193,105
	440,991	404,796	206,853	228,731
Total share of retained profits from jointly controlled entities				
- Realised	43,776	34,106	-	-
- Unrealised	1,906	(1,387)	-	-
	486,673	437,515	206,853	228,731
Less : Consolidation adjustments	1,588	(3,418)	-	-
	488,261	434,097	206,853	228,731

The determination of realised and unrealised profits or losses is compiled based on Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Main Market Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Accordingly, the unrealised retained profits of the Group and the Company as disclosed above excludes translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts, as these gains or losses are incurred in the ordinary course of business of the Group and the Company, and are hence deemed as realised.

The disclosure of realised and unrealised profits/(losses) above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be used for any other purposes.

STATEMENT BY DIRECTORS

(Pursuant to section 169(15) of the Companies Act, 1965)

In the opinion of the directors, the financial statements set out on pages 46 to 114 are drawn up:

(a) so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2015 and of their financial performance and cash flows for the year ended on that date;

(b) in accordance with Financial Reporting Standards and the provisions of the Companies Act 1965.

The information set out in Note 40 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements as issued by the Malaysian Institute of Accountants.

Signed on behalf of the directors in accordance with a directors' resolution dated 26 June 2015.

EDDY CHIENG ING HUONG
Director

TEH LIP KIM
Director

STATUTORY DECLARATION

(Pursuant to section 169(16) of the Companies Act, 1965)

I, Loong Ching Hong, being the person primarily responsible for the financial management of Selangor Dredging Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 46 to 114 are correct.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at	)	
Kuala Lumpur in the Federal Territory	)	
	)	
this 26 June 2015	)	
	)	
	)	
	)	
Before me:	)	LOONG CHING HONG

No. 663
Baloo A/L T.Pichai
Commissioner for Oaths

ANALYSIS OF SHAREHOLDINGS

As at 30 June 2015

Financial year ended : 31 March 2015
Class of stock : RM0.50 ordinary share
Voting rights : 1 vote per share

ANALYSIS OF SHAREHOLDINGS AS AT 30 JUNE 2015

	Number of Holders	Holdings	Total Holdings	%
	368	less than 100	6,283	0.00
	1,995	100 - 1,000	1,735,686	0.41
	5,039	1,001 - 10,000	22,365,737	5.25
	1,217	10,001 - 100,000	35,021,025	8.22
	158	100,001 to less than 5% of issued shares	88,598,679	20.79
	4	5% and above of issued shares	278,400,052	65.33
Total	**8,781**		**426,127,662**	**100.00**

DIRECTORS' SHAREHOLDINGS AS AT 30 JUNE 2015

		No. of Shares			
	Name of Directors	Direct Holding	Percentage %	Indirect Holding	Percentage %
1.	Mr Eddy Chieng Ing Huong	-	-	-	-
2.	Ms Teh Lip Kim	79,558,296	18.67	170,588,756	40.03
3.	Dato' Mohd Ismail Bin Che Rus	-	-	-	-
4.	Ms Teh Lip Pink	425,000	0.10	65,629,978	15.40
5.	Mr Tee Keng Hoon	-	-	-	-

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 30 JUNE 2015

	Name of Shareholders	Direct Shareholding	Percentage %	Deemed Interest	Percentage %
1.	Teh Wan Sang & Sons Sdn Bhd	98,258,478	23.06	-	-
2.	Teh Kien Toh Sdn Bhd	65,629,978	15.40	-	-
3.	Ms Teh Lip Kim	79,558,296	18.67	169,755,756	39.84
4.	Dr Teh Lip Bin	2,000,000	0.47	163,888,456	38.46
5.	Ms Teh Lip Pink	425,000	0.10	65,629,978	15.40

LIST OF 30 LARGEST SHAREHOLDERS AS AT 30 JUNE 2015

Name of shareholders	Shares held	%
1. Teh Lip Kim	54,323,129	12.74
2. Teh Wan Sang & Sons Sdn Bhd	51,504,527	12.09
3. Teh Kien Toh Sdn Bhd	37,900,748	8.89
4. Teh Wan Sang & Sons Sdn Berhad	37,217,951	8.73
5. Citigroup Nominees (Asing) Sdn Bhd Exempt An for UBS AG Singapore (Foreign)	34,953,300	8.20
6. Teh Kien Toh Sdn Berhad	27,729,230	6.51
7. Teh Lip Kim	25,235,167	5.92
8. Wang, Kun-Lung	10,431,300	2.45
9. Teh Wan Sang & Sons Sdn Berhad	9,536,000	2.24
10. Teh Wan Sang & Sons Housing Development Sdn Bhd	5,867,300	1.38
11. Chan Keong Hon Sdn Bhd	5,725,580	1.34
12. Ng Chin Siu & Sons Rubber Estates Sdn Bhd	3,836,800	0.90
13. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt An for Bank of Singapore Limited	3,310,000	0.78
14. Gan Teng Siew Realty Sdn Berhad	2,224,900	0.52
15. UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	2,178,391	0.51
16. Teh Lip Bin	2,000,000	0.47
17. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cho Chun Hong (E-BPJ/TDA)	1,760,500	0.41
18. Rengo Malay Estate Sdn Bhd	1,717,700	0.40
19. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Chan Keong Hon Sdn Bhd (01-00600-000)	1,500,000	0.35
20. Citigroup Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited (Client A/C-NR)	1,470,457	0.34
21. Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	1,352,800	0.31
22. Ulysses Sdn Bhd	1,167,779	0.27
23. Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Small Cap Series	1,118,200	0.26
24. Bidor Tahan Estates Sdn Bhd	1,000,000	0.23
25. Chinchoo Investment Sdn Berhad	1,000,000	0.23
26. Gemas Bahru Estates Sdn Bhd	1,000,000	0.23
27. Key Development Sdn Berhad	1,000,000	0.23
28. Malaysia Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Shook Yuen @ Janett Shook Yuen Chan (01-00815-000)	1,000,000	0.23
29. Cimsec Nominees (Asing) Sdn Bhd Exempt An for CIMB Securities (Singapore) Pte Ltd (Retail Clients)	960,766	0.22
30. HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Surinder Singh A/L Wassan Singh	960,000	0.22
	330,982,525	77.60

Properties	Description	Land area/ (Built-up area) (Square feet)	Tenure (Expiry)	Age of building (Years)	Net book value as at 31.3.2015 (RM'000)	Date of last revaluation (Date of acquisition)
Wisma Selangor Dredging 142-A, 142-B, 142-C, 142-D Jalan Ampang 50450 Kuala Lumpur	4 blocks of office complex (Lettable area: 351,632 sq ft)	103,882	Freehold (N/A)	30	314,000	30 March 2015
Hotel Maya Kuala Lumpur 138, Jalan Ampang 50450 Kuala Lumpur	Boutique urban resort hotel with 207 rooms and 447 parking bays	(419,696)	Freehold (N/A)	17	143,883	31 March 2011
Geran 43950 to 43953 Lot 52309 to 52312 Mukim Kuala Lumpur Daerah Kuala Lumpur Negeri Wilayah Persekutuan Kuala Lumpur	Development land	250,347	Freehold (N/A)	-	50,074	(24 August 2005)
Geran Mukim 3320, Lot 33945, Tempat Hulu Sungai Balak, Pekan Ceras, Daerah Hulu Langat, Negeri Selangor	Development land – Windows on the Park Project	391,795	Freehold (N/A)	-	31,000	(26 April 2011)
PM 33 (Lot 1224), PM 24 (Lot 1234) and PM 235 (Lot 1235), Kampong Klang Gates Baru, Mukim of Hulu Kelang, Daerah Gombak, Negeri Selangor.	Development land	385,767	Leasehold (expiring on 26.9.2071 - PM33, 29.9.2069 - PM24 &235)	-	34,500	(15 March 2012)
PM 23 (Lot 1223) and PM17 (Lot 1230), Kampong Klang Gates Baru, Mukim of Hulu Kelang, Daerah Gombak, Negeri Selangor	Development land	244,201	Leasehold (expiring on 24.6.2068 and 17.5.2075 respectively)	-	24,050	(8 February 2013)

Properties	Description	Land area/ (Built-up area) (Square feet)	Tenure (Expiry)	Age of building (Years)	Net book value as at 31.3.2015 (RM'000)	Date of last revaluation (Date of acquisition)
PM 2290, Lot2164 (Formerly known as HS(M) 909, PT2164), Pekan Baru Sungai Buloh, Kg Bharu Sungai Buloh Daerah Petaling Selangor Darul Eshan	Development Land – SqWhere Project	210,876	Leasehold (expiring on 14.8.2111)	-	21,800	(28 March 2012)
PT 233 Seksyen 39 Bandar Petaling Jaya Daerah Petaling Negeri Selangor	Development land – The Hub Project	109,265	Freehold (N/A)	-	18,900	(22 November 2007)
Lot 333P of TS 5 25, Teo Hong Road, Singapore 088333	1 block of 3 storey office building	1,731	Freehold (N/A)	-	13,050	(20 June 2007)

鄭遠送父子有限公司
TEH WAN SANG & SONS SDN. BERHAD (2209-U)
(TERTUBUH DI TANAH MELAYU)

1st FLOOR,
WISMA TEH WAN SANG,
12A, JALAN TUN H. S. LEE,
50000 KUALA LUMPUR.
TEL : 03-2070 0354
FAX : 03-2070 9360
E-MAIL : tws_sons@tm.net.my

LETTER OF NOMINATION

Date: 1st July 2015

The Board of Directors
Selangor Dredging Berhad
18th Floor, West Block
Wisma Selangor Dredging
142-C Jalan Ampang
50450 Kuala Lumpur

Dear Sirs,

RE: NOTICE OF NOMINATION OF MESSRS BDO

We, Teh Wan Sang & Sons Sdn Berhad, a member of the company, hereby give notice, pursuant to section 172(11) of the Companies Act, 1965 of our nomination of Messrs BDO as auditors of the company in place of the retiring auditors, Messrs Mazars.

Yours faithfully,

Teh Kheng Seng @
Tee Kow Chai
Director of
Teh Wan Sang & Sons Sdn Berhad

SDB Selangor Dredging Berhad (4624-U)

PROXY FORM

No. of shares held

CDS Account No.: ___ ___ ___ – ___ ___ ___ – ___ ___ ___ ___ ___ ___ ___ ___ ___ ___

/We____
(full name as per NRIC/company name in block capitals)

NRIC/Company No. ____
(new and old NRIC Nos)

of____
(full address)

being a member/members of SELANGOR DREDGING BERHAD hereby appoint *the Chairman of the meeting or ____NRIC No. ____________________
(full name as per NRIC in block capitals) (new and old NRIC Nos)

of____
(full address)

or failing him_______________________________________NRIC No_____________________
(full name as per NRIC in block capitals) (new and old NRIC Nos)

of____
(full address)

as *my/our proxy/proxies to attend and vote for *me/us and on *my/our behalf at the Fifty-Fourth Annual General Meeting of the Company to be held at the Ballroom, Hotel Maya Kuala Lumpur, 138, Jalan Ampang, 50450 Kuala Lumpur on Wednesday, 26 August 2015 at 9.00 am and at any adjournment thereof, and to vote as indicated below:

NO.	RESOLUTION	FOR	AGAINST
1	Resolution No.1		
2	Resolution No.2		
3	Resolution No.3		
4	Resolution No.4		
5	Resolution No.5		
6	Resolution No.6		
7	Resolution No.7		
8	Resolution No.8		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion)

The proportions of *my/our shareholding to be represented by *my/our proxy/proxies are as follows:

First named Proxy ____________ %
Second named Proxy ____________ %
____________ %

In case of a vote taken by a show of hands, the First Proxy shall vote on *my/our behalf.

Dated this __________________ day of ______________ 2015.

____
Signature of Member(s)

____
Telephone No./Handphone No.

*Delete whichever is not applicable

Notes:

Proxy

(i) Only depositors whose names appear in the Record of Depositors as at 19 August 2015 shall be regarded as members and entitled to attend, speak and vote at the Annual General Meeting.

(ii) A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply. A proxy appointed to attend and vote at a meeting of a company shall be entitled to vote on any question at any general meeting and have the same rights as the member to speak at the meeting.

(iii) A member of the Company may appoint not more than two proxies to attend at the same meeting. Where the member of the Company appoints two proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.

(iv) A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 can appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(v) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary share in the Company for multiple beneficial owners in one (1) securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

(vi) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

(vii) The instrument appointing a proxy and the power of attorney or other authority, if any, which is signed or notarially certified copy of that power of authority, shall be deposited at the Share Registrars, Tricor Investor Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

General Meeting Record of Depositors

For purpose of determining who shall be entitled to attend this meeting in accordance with Articles 54(b) and 54(c) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 19 August 2015 and only Depositors whose name appears on such Record of Depositors shall be entitled to attend the said meeting.

Registration

(i) Registration will start at 8.00 am at the Ballroom of Hotel Maya Kuala Lumpur and will end when the meeting starts. Latecomers will not be entertained.
(ii) Please produce your original Identity Card at the registration counter for verification purpose.

Parking

Parking is complimentary and you are advised to park your vehicle at Hotel Maya Kuala Lumpur car park.

Enquiry

For enquiries prior to the meeting, please contact the following persons during office hours:

Name	:	Ms Won See Yee
Organisation	:	Selangor Dredging Berhad
Telephone number	:	603-2161 3377
Name	:	Ms Karen Tan
Organisation	:	Tricor Investor Services Sdn Bhd
Telephone number	:	603-2264 3883

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STAMP

Selangor Dredging Berhad
c/o Tricor Investor Services Sdn. Bhd.
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia
Tel : 603 2264 3883
Fax : 603 2282 1886

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Selangor Dredging Berhad (4624-U)

18th Floor, West Block, Wisma Selangor Dredging
142-C, Jalan Ampang, 50450 Kuala Lumpur

t 603 2161 3377
f 603 2161 6651

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