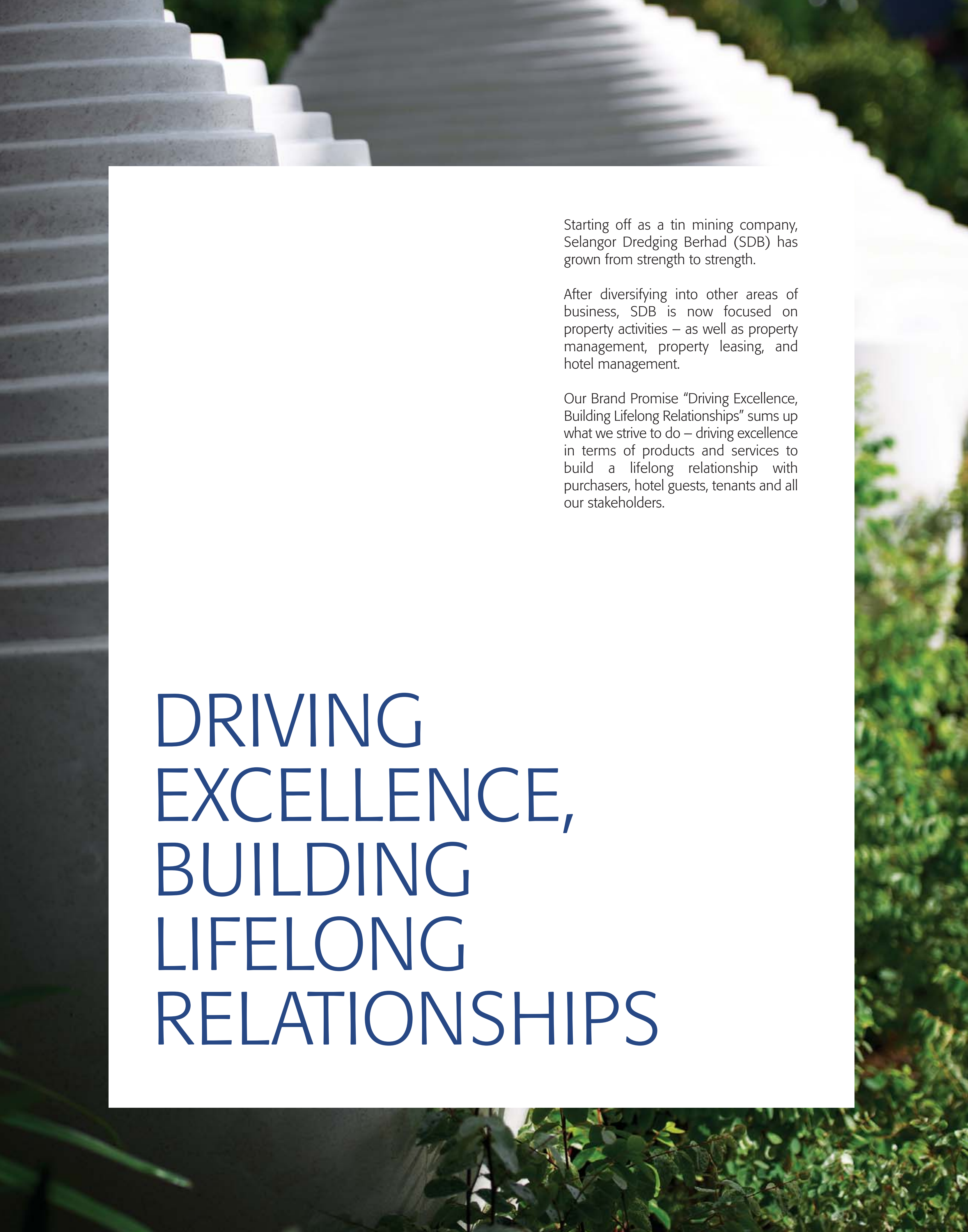
SDB Selangor Dredging Berhad (4624-U)

ANNUAL REPORT 2017



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

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **FIFTY-SIXTH ANNUAL GENERAL MEETING OF SELANGOR DREDGING BERHAD** will be held at the Ballroom, Hotel Maya Kuala Lumpur, 138, Jalan Ampang, 50450 Kuala Lumpur on Friday, 29 September 2017 at 9.00 am for the following purposes:

1. To receive the Financial Statements for the year ended 31 March 2017 and the Directors' and Auditors' Reports thereon. **(please refer to explanatory Note A)**

2. To approve the payment of a First and Final Single Tier Dividend of 5% (2016: 5%) for the year ended 31 March 2017. **(Resolution 1)**

3. To approve the payment of Directors' Fees amounting to RM320,458 (2016: RM272,000) for the year ended 31 March 2017. **(Resolution 2)**

4. To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors of up to RM20,000 from 1 February 2017 until the next annual general meeting of the Company. **(Resolution 3)**

5. To re-elect the following directors who retire by rotation pursuant to Article 80 of the Company's Constitution:-

   (a) Mr Eddy Chieng Ing Huong **(Resolution 4)**
   (b) Mr Tee Keng Hoon **(Resolution 5)**

6. To re-appoint Tan Sri Mohd Ismail bin Che Rus as a Director of the Company. **(Resolution 6)**

7. To re-appoint Messrs BDO, as Auditors of the Company and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

8. Authority to Allot Shares

   To consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:-

   "THAT, subject always to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorized pursuant to Section 75 of the Companies Act, 2016 to allot shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being." **(Resolution 8)**

9. Proposed Retention of Independent Non-Executive Directors

   To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:-

   "THAT Tan Sri 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." **(Resolution 9)**

   "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." **(Resolution 10)**

10. To transact any other business which due notice shall have been received.

By Order of the Board

WON SEE YEE
SEOW FEI SAN
Secretaries

Kuala Lumpur
31 July 2017

NOTICE OF DIVIDEND PAYMENT

Subject to the approval of the shareholders at the Annual General Meeting, a First and Final Single Tier Dividend of 5% will be paid on 16 October 2017 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 5 October 2017.

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 5 October 2017 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 members whose names appear in the Record of Depositors as at 20 September 2017 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 to attend, speak and vote in his stead. A proxy may but need not be a member of the Company.

(iii) A member of the Company may appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where the member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.

(iv) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) 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 appointor or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its common 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), under which is signed or notarially certified copy threreof, must be deposited at the Share Registrars, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

Explanatory Notes to Special Business:

Note A – The shareholders' approval on the Audited Financial Statements are not required pursuant to Section 340 (1) of the Companies Act 2016 ("Act"), hence, the matter will not be put for voting.

Resolutions 2 & 3 – Pursuant to Section 230 (1) of the Act, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the Fifty-Sixth Annual General Meeting ("AGM") on the Directors' fees and benefits in two (2) separate resolutions as below:-

- Resolution No. 2 on payment of Directors' fees in respect of the financial year ended 31 March 2017.
- Resolution No. 3 on payment of Directors' benefits (excluding Directors' fees) from 1 February 2017 until the next AGM.

The current structure for Directors' benefits of the Company is basically the meeting allowances for Board/Board Committee meetings attended. The Directors' benefits from 1 February 2017 until the conclusion of the next AGM is estimated not to exceed RM20,000. The Board will seek shareholders' approval at the next AGM in the event the amount of the Directors' benefits is insufficient due to an increase in Board/Board Committee meetings and/or increase in Board size.

Details of the Directors' Fees and benefits paid to the Non-Executive Directors are disclosed on pages 28 to 35 of the Statement on Corporate Governance in the Annual Report 2017.

Resolution 6 – At the Fifty-Fifth AGM of the Company held on 26 August 2016, Tan Sri Mohd Ismail bin Che Rus, who is above the age of 70 years was re-appointed pursuant to Section 129 of the Companies Act, 1965 to hold office until the conclusion of this AGM. With the coming into force the Companies Act, 2016 on 31 January 2017, there is no age limit for directors. Tan Sri Mohd Ismain bin Che Rus offered himself for re-appointment.

The proposed Resolution 6, if passed, will enable Tan Sri Mohd Ismail bin Che Rus to continue to act as Director of the Company and he shall subject to retirement by rotation at a later date.

Resolution 8 – The proposed Ordinary Resolution 8, if passed, will give the Directors of the Company, from the date of the Fifty-Sixth AGM, authority to allot shares from the unissued capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of printing of the Annual Report, no new shares were issued by the Company pursuant to the authority granted to the Directors at the Fifty-Fifth AGM held on 26 August 2016 and the said authority will lapse at the conclusion of the Fifty-Sixth AGM.

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

Resolutions 9 & 10 – The proposed Resolutions 9 & 10 are proposed pursuant to the Recommendation of the Malaysian Code of Corporate Governance 2012 and is passed, will allow Tan Sri Mohd Ismail bin Che Rus and Mr Tee Keng Hoon to be retained and continue to act as Independent Non-Executive Director of the Company.

The full details of the Board justifications for the retention of Tan Sri Mohd Ismail bin Che Rus and Mr Tee Keng Hoon are set out on pages 28 to 35 of the Statement on Corporate Governance in the Annual Report 2017.

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
Tan Sri 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
Tan Sri Mohd Ismail bin Che Rus

Members
Mr Eddy Chieng Ing Huong
Mr Tee Keng Hoon

REMUNERATION COMMITTEE

Chairman
Mr Eddy Chieng Ing Huong

Members
Tan Sri Mohd Ismail bin Che Rus
Mr Tee Keng Hoon

RISK MANAGEMENT COMMITTEE

Chairman
Ms Teh Lip Kim

Members
Mr Loong Ching Hong
Mr Lew Shih Kee
Mr Danish Loh

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 & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 603-2783 9299
Fax : 603-2783 9222

AUDITORS

Messrs BDO
Level 8, BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel : 603-2616 2888
Fax : 603-2616 3190

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
12th Floor, South Block
Wisma Selangor Dredging
142-A, Jalan Ampang
50450 Kuala Lumpur
Tel : 603-2711 2288
Fax : 603-2711 2219

SDB Interiors 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)

SDB Properties Sdn Bhd (190055-A) **100%**

Seldredge Industries Sdn Berhad (78890-A) **100%**

SDB International Sdn Bhd (78891-P) **100%**

SDB Interiors Sdn Bhd (78893-H) **100%**

SDB Mining Sdn Bhd *(formerly known as SDB Connect Sdn Bhd)* (1227602-A) **100%**

SDB Properties Sdn Bhd:

- 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 HOST Sdn Bhd (1151257-T) **100%**
- SDB Teambuild Sdn Bhd (1096808-X) **50%**

SDB International Sdn Bhd:

- SDB Asia Pte Ltd (200618870N) **100%**
- SDB Green Energy Pte Ltd (201102729E) **100%**
  - SuperGreen Solutions Sdn Bhd (1153407-M) *(formerly known as SDB Green Solutions Sdn Bhd)* **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%**

CORPORATE STRUCTURE

MR EDDY CHIENG ING HUONG
Chairman

Mr Eddy Chieng Ing Huong, aged 60, Male, 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 and Nomination Committees.

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 Fellow 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; primarily in ASEAN, Hong Kong and Australia.

Mr Chieng is the Executive Chairman of Esthetics International Group Berhad and Senior Independent Director of QL Resources Berhad. He was previously the Founder/Managing Director of Nationwide Express Courier Services Berhad, Executive Director of OSK Holdings Berhad, Independent Non-Executive Director of Ancom Berhad, Nylex (Malaysia) Berhad, Oroton Group Limited (ASX listed) and Chairman of Asia Poly Holdings Berhad. In addition, he was instrumental in bringing Fedex to Malaysia and was a Director of Federal Express Malaysia for a number of years.

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 34 of the Financial Statements. Mr Chieng has no convictions of any offences within the past five years and has not been imposed by the relevant regulatory bodies any penalty during the financial year 2017.

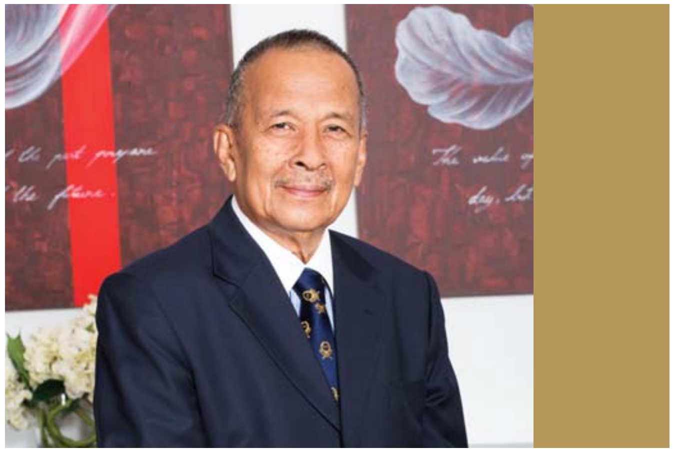
PROFILE OF MEMBERS OF BOARD OF DIRECTORS

MS TEH LIP KIM
Managing Director

Ms Teh Lip Kim, aged 50, Female, 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 34 of the Financial Statements. Ms Teh has no convictions of any offences within the past five years and has not been imposed by the relevant regulatory bodies any penalty during the financial year 2017.



TAN SRI MOHD ISMAIL BIN CHE RUS
Senior Independent Non-Executive Director

Tan Sri Mohd Ismail Bin Che Rus, aged 74, Male, Malaysian Malay, was appointed as a Senior Independent Non-Executive Director on 10 September 2002. Tan Sri Mohd Ismail is the Chairman of the Audit and Nomination Committees and a member of Remuneration Committee. Tan Sri 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.

Tan Sri 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. He is also the President of Retired Senior Police Officers Association of Malaysia.

Tan Sri 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. He has no convictions of any offences within the past five years and has not been imposed by the relevant regulatory bodies any penalty during the financial year 2017.

MS TEH LIP PINK
Non-Independent Non-Executive Director

Ms Teh Lip Pink, aged 65, Female, 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 34 of the Financial Statements. Ms Teh has no convictions of any offences within the past five years and has not been imposed by the relevant regulatory bodies any penalty during the financial year 2017.

MR TEE KENG HOON
Independent Non-Executive Director

Mr Tee Keng Hoon, aged 67, Male, 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 43 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. He has no convictions of any offences within the past five years and has not been imposed by the relevant regulatory bodies any penalty during the financial year 2017.

PROFILE OF KEY SENIOR MANAGEMENT

MR LOONG CHING HONG
Group General Manager, Selangor Dredging Berhad

Mr Loong Ching Hong, aged 51, Malaysian Chinese, is the Group General Manager of Selangor Dredging Berhad. He is a member of the Malaysian Institute of Accountants and the Fellow Member of Chartered Association of Certified Accountants, United Kingdom.

He started his career as an Audit Senior in Chew Wai Khoon & Co and then as a Cost Controller in J.Walter Thompson Sdn Bhd. From 1990 to 1995, he worked as an Accountant in IJM Corporation Berhad, a public listed company in Malaysia.

In 1996, he joined Selangor Dredging Berhad as Deputy Group Financial Controller and was later promoted to Group Financial Controller within the same year.

In 2000, he became the Group General Manager of the Company and currently holds directorship in subsidiary and associated companies of Selangor Dredging Berhad.

Mr Loong does not have any family relationship with any director and/or substantial shareholder of the Company. Mr Loong has no conflict of interest with the Company. He has no convictions of any offences within the past five years and has not been imposed by the relevant regulatory bodies any penalty during the financial year 2017.

CHAIRMAN'S STATEMENT

THE YEAR ENDED 31 MARCH 2017 WAS A CHALLENGING ONE FOR THE GROUP. THE MARKET AS A WHOLE REMAINED DEMANDING AND LIKE THE PREVIOUS YEAR, THE PROPERTY SECTOR REMAINED BEARISH.

The Group registered a profit of RM57.28 million from a turnover of RM220.50 million. This result was better than the previous year where we registered a profit of RM43.09 million and a turnover of RM 216.56 million. The improved results was mainly due to the revaluation surplus of our properties amounting to RM52.50 million.

GROUP OPERATIONS

During the year under review, the Group continued to market units in both completed developments and developments under construction. At the same time we took the opportunity to introduce upcoming developments to potential purchasers. This time, we broadened our promotional efforts by having roadshows in various other towns in both West and East Malaysia.

Our next development will be a joint-venture development located in Jalan Peel, Cheras. Located just 300 meters form Maluri MRT station, UNA will comprise 316 units of homes. We are currently gathering registration of interest for UNA and hope to open it up for sale when the time is right.

SQWHERE, Sungai Buloh
Retail outlets and restaurants look into the green lawn of the Retail Square

WISMA SELANGOR DREDGING, Jalan Ampang, Kuala Lumpur
The central feature of the building is the fountain and mature greenery in the courtyard

In the meantime, construction of our developments, THE HUB in SS2 Petaling Jaya and SQWHERE in Sungai Buloh is progressing well. THE HUB which comprises suites and retail units is expected to be ready in 2018, while the mixed development SQWHERE is due for completion in 2019.

For our hotel property, HOTEL MAYA located on Jalan Ampang, the occupancy increased slightly from 52.1% to 56.7%. The hotel saw a reduction in meeting and conference bookings and coupled with high operating costs, it registered a loss of RM2.8 million.

In line with the Group's strategic expansion and diversification plan into the mining sector, we announced the signing of a share sale agreement to acquire a 20% equity interest in with Webcon Mining Sdn. Bhd., which is involved in the mining, extraction, excavation and sale of iron ore in Bukit Besi, Terengganu. Further details on the acquisition can be found in our Bursa announcement dated 9 May 2017.

WISMA SELANGOR DREDGING, located just a short walk away from the Petronas Twin Towers, also saw a dip in occupancy rate to 86.1 % compared to 93.4% last year. This was mainly due to several larger tenants moving out, and slower take up rate for available space. The Group has since entered into a conditional sale and purchase agreement for the disposal of Wisma Selangor Dredging on an as-is-where-is basis for cash consideration of RM480 million, in excess of current assessed Market Value and audited net book value of RM372.1 million. Further details of the disposal can be found in our announcement to Bursa Announcement dated 20 June 2017.

AWARDS

I am delighted to announce that the Group was presented with various awards during the year. We garnered two FIABCI Malaysia Property Awards in November 2016. One was for our BY THE SEA development in Penang in the mid-rise category, and the other for our River Rehabilitation Project of Sungai Satu, located adjacent to the BY THE SEA development. Following that, the River Rehabilitation project was awarded the World Silver Award in the Environmental (Rehabilitation/Conservation) category for the FIABCI Prix d'Excellence Awards.

At the same time, our development Village in Singapore won The Asia Pacific Property Awards in the apartment category. On the CSR front, I am happy to share that our One-Two-Wash initiative was awarded the Asia Responsible Entrepreneurship Award (AREA) for Social Empowerment.

These awards are indeed something to be proud of and is heartening to see that the Group's efforts in coming up with good developments and the initiatives that we partake are duly recognised.

DIVIDEND

The Board of Directors has recommended a first and final dividend of 2.5 sen per share (2016: 2.5 sen) amounting to RM10,653,192 (2016: RM10,653,192) for the year ended 31 March 2017. This will be tabled at the Annual General Meeting for shareholders approval.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to thank the management and staff of the Group for their ongoing contributions and commitment.

For the shareholders, our customers and business associates, thank you for your continued support.

EDDY CHIENG ING HUONG
Chairman

SQWHERE Serviced Apartment, Sungai Buloh
The light filled show unit at our Sales Gallery

BY THE SEA, Penang
A birds eye view of By The Sea

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

THE YEAR UNDER REVIEW PROVED TO BE ANOTHER CHALLENGING ONE FOR THE MALAYSIAN PROPERTY MARKET. THE PROPERTY DEVELOPMENT SECTOR REMAINED BEARISH DUE TO CAUTIOUS CONSUMER SPENDING, RISING COSTS AND CONTINUED STRINGENT REGULATIONS ON HOUSING LOAN APPROVALS.

Like other property companies, these adverse market conditions affected the results of the Group.

FINANCIAL

For the year ended 31 March 2017, the Group registered a profit after tax of RM57.28 million on the back of a turnover of RM220.50 million. This performance was better than that of last year where we recorded a profit of RM43.09 million on a turnover of RM216.56 million. The increase in profit was mainly due to the revaluation surplus of Wisma Selangor Dredging resulting in a net surplus of RM52.67 million.

Selangor Dredging Berhad

While Selangor Dredging Berhad recorded a lower turnover of RM23.78 million, its improved pre-tax profit was mainly due to the revaluation of Wisma Selangor Dredging amounting to RM52.67 million.

Property

Hotel Operations

For the year under review, the hotel saw an increase in revenue from RM22.21 million last year to RM23.25 million in this financial year. While the hotel made a gross operating profit of RM866,000 due to high operating costs the hotel recorded a loss of RM2.86 million.

Property Development

For the year ended 31 March 2017, the property development operations recorded a gross profit of RM37.49 million on a turnover of RM147.08 million with a pre-tax profit of RM3.68 million.

This was mainly due to a damp property market which resulted in a slower take-up on our existing properties and leading us to defer our proposed property launches.

PERFORMANCE OVERVIEW

Selangor Dredging Berhad

The company recorded a pre-tax profit of RM58.23 million on a turnover of RM23.78 million.

Wisma Selangor Dredging

Wisma Selangor Dredging (WSD) our main leasing property continued to fair well during the year under review. Occupancy rates was at 86.11% which was less than last year's 93.4%. The reduced occupancy was mainly due to some larger tenants moving. At the time of writing, new tenants are moving in, while a few others are expanding their operations and taking more space. In this regard the occupancy rate is expected to reach approximately 90% in this coming year.

The building still continues to be well maintained and during the year, WSD was awarded the third placing for the Best Managed Office Building in The Edge Best Managed Property Awards. This was indeed an accolade to be proud of, as WSD is more than 30 years old and has been maintained to such a level that it rivals most other office buildings in the city.

Property

Our property sector comprises of property development, our main business activity, as well as hotel operations of Hotel Maya Kuala Lumpur.

Hotel Operations

Our hotel property, Hotel Maya Kuala Lumpur is a boutique hotel located on Jalan Ampang and just a 5 minute walk away from the Petronas Twin Towers.

For the year under review, the hotel saw an increase in revenue from RM22.21 million last year to RM23.25 million in this financial year. Average occupancy rate also increased slightly from 52.1% to 56.7%. However there was a reduction in the number of meetings and conference bookings.

The hotel made a gross operating profit of RM866,000 however, it recorded a net loss of RM2.86 million.

In the meantime, upgrading works have been carried out to improve energy consumption. Lights are being replaced to energy saving LED ones, and other electrical enhancements are being made to help reduce electricity costs. The hotel is also expanding its promotional efforts by going to other markets in Asia and Europe.

Property Development

As mentioned earlier, the property development sector was challenging, and this was compounded by financial institutions limiting the availability of housing loans. With rising prices for goods and services, consumer spending was cautious and many took a 'wait and see' attitude to investing in a home.

GILSTEAD 2, Singapore
The pool and hydrotherapy pool on the facilities deck

DEDAUN, Jalan Ampang
The expansive living and dining spaces

WINDOWS ON THE PARK, Cheras
The 50m swimming pool is located in the development's 4.2-acre park

During the year, the Group concentrated on introducing upcoming developments and marketing balance properties in existing developments. Various marketing events were held to attract new customers and to fete our existing buyers. These included family-themed events as well as talks and lectures for the adults. At the same time, roadshows of our product offerings were continuously held at various locations within Klang Valley, Penang, Ipoh and East Malaysia.

As mentioned in the previous report our fifth development in Singapore, the 148 unit development named Village in the west coast of the island, was duly handed over to purchasers in August 2016.

In the meantime, developments under construction, namely THE HUB in SS2 Petaling Jaya and the SQWHERE in Sungai Buloh are still under progress. Construction for THE HUB is expected to be completed by April 2018, while the SOVO Tower and retail/offices for SQWHERE are expected to be completed by mid-2019.

Corporate Social Responsibility (CSR)

Our CSR efforts with the One-Two-Juice juice stall which started in 2011 and the One-Two-Wash car wash which started in 2015 continued to do well. Both these initiatives are staffed by youth with learning difficulties who are given an opportunity to earn a living and learn independence.

We are indeed pleased that in June 2017, One-Two-Wash was awarded an Asia Responsible Entrepreneurship Award (AREA) South-East Asia for Social Empowerment. This is following the two previous AREA awards received by the One-Two-Juice initiative in 2012 and 2014.

During the year, our staff participated in a CSR programme in which team members planted Rhizophora tree saplings in one of the world's largest mangrove forests that practices sustainable forestry, the Matang Mangrove Forest in Kuala Sepetang, Perak.

During the year, the Group also took the initiative to work together with social enterprises. Social enterprises are businesses who support or assist marginalised individuals or communities. This resulted in us working with Greenyards, a social enterprise who promotes recycling and reusing used cooking oil to make products such as candles and soap. The Hotel is already contributing to this effort on a regular basis, while a pilot test on used oil collection was successfully conducted in one of our developments and will be replicated to other developments. Our collaboration with social enterprises also culminated in "The Social Market" event in May this year, where various social enterprises sold and promoted their products at the courtyard of Wisma Selangor Dredging.

20TREES WEST, Taman Melawati
These homes have a vantage view of the majestic Melawati quartz ridge

DEDAUN, Jalan Ampang
This elegant low density development comprises two interlocking blocks, with Guilin Mountain inspired glass sculptures between these blocks

Prospects

The year under review remained a soft one for the property market and the market as a whole. Generally costs continued to rise. The financial institutions are also more stringent in approving housing loans.

The last component of SQWHERE, our mixed-development in Sungai Buloh is the Service Apartment tower, which has 255 units of homes with a large podium deck with swimming pools, gardens and other recreational facilities. SQWHERE will be directly linked to the Kampung Selamat LRT station via a 70 meter link bridge making it extremely convenient for residents to travel to various parts of the Klang Valley.

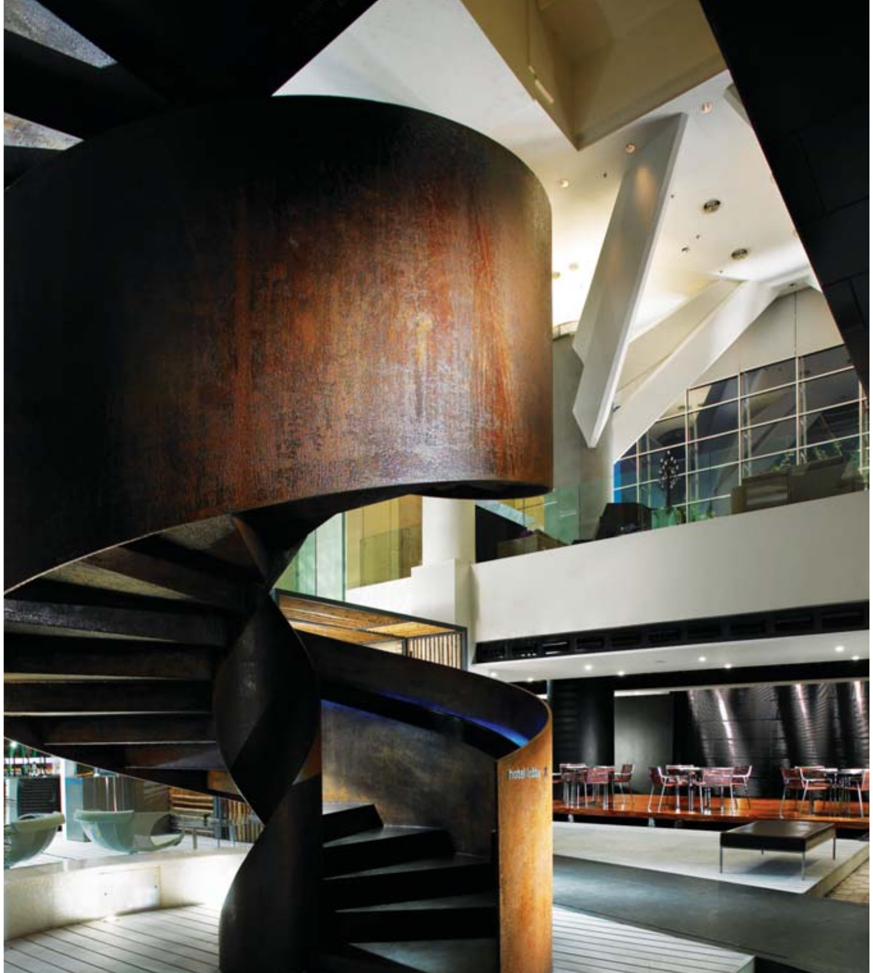
We are already preparing and garnering interest from potential purchasers for the next development which is a joint-venture development. Strategically located in Jalan Peel, this development called UNA will have 316 units of service apartments and several retail units on the ground floor. It is located just 300m away from the Maluri MRT station and adjacent to the newly opened Sunway Velocity Shopping Mall which will be very convenient for residents and visitors alike. UNA has been designed with extensive recreational areas on the podium deck and on the roof-top, and promises to provide excellent views of the city skyline.

During the year under review, we continued with development planning for our parcels of land in Bukit Serdang and Melawati.

The Group also added to its landbank and procured more land for future developments. In October 2016 we purchased a parcel of land measuring 5.8 acres in Penang. This parcel of land located in Batu Ferringhi, is currently in the development planning stage.

In December, we purchased a parcel of land in Serangoon District 12, Singapore measuring 31,735 square feet and located right next to the Kallang River. This land used to belong to the National Aerated Water factory which used to produce aerated drinks from the 1920s.

BY THE SEA, Penang
Our beach front development situated on Batu Ferringhi beach



HOTEL MAYA, Kuala Lumpur
The sculptural staircase is an architectural feature at Hotel Maya

Recently, in June 2017 we purchased another parcel of land in Draycott Park, District 10 Singapore. This parcel measuring 17,442 square feet enjoys a good location and is just minutes away from the world famous Scotts Road and Orchard Road shopping belt.

We were delighted to once again be honoured with the FIABCI Malaysian Property Awards in November last year. This time we received two awards. BY THE SEA was awarded the winner in the Mid-Rise category and The Sungai Satu Rehabilitation project, located adjacent to BY THE SEA was the winner in the Rehabilitation/Conservation category. In May 2017, the River Rehabilitation project was awarded the World Silver Winner in the highly esteemed FIABCI Prix d'Excellence awards which was held in Andorra. At the same time our project in Singapore, Village also won The Asia Pacific Property Awards in the apartment category.

LANDBANK FOR DEVELOPMENT

Penang

Batu Ferringhi
5.8 acres

Klang Valley

The Hub, Petaling Jaya
2.51 acres **

Sqwhere, Sungai Buloh
4.48 acres **

Bukit Serdang, Selangor
18.5 acres

Melawati, Selangor
23.9 acres

*** under construction*

Singapore

* Serangoon Road, District 12
31,735 sq ft

* Draycott Park, District 10
17,442 sq ft

** parcels owned by joint-venture companies*

Looking Forward

Moving ahead, the main focus in this coming year will be to sell the balance units in our developments. We will concentrate on marketing and garnering interest for upcoming developments before we proceed with any launch. At the same time, we will do the groundwork on concept and design planning for new developments both here and in Singapore.

This year we will be putting our efforts to positioning SDB as a credible and award-winning company that creates developments with residents in mind. We recently launched the SDB Brand Manifesto which explains to the public what we believe in and what we stand for as a company, so that more people will be more aware of the SDB brand.

In May this year, the Group acquired a 20% equity interest in Webcon Mining Sdn. Bhd., a company that has been given the rights to mine and sell iron ore from Bukit Besi, Terengganu. This marks the Group's strategic entry into the mining sector.

We anticipate that the next year may still be a soft one for the property market. While external market factors are beyond our control, we will continue to put in concerted effort to come up with quality developments that have become our hallmark. For example, homes will have abundant light and ventilation, while landscape and areas outside the home will be well-planned so that residents can have a complete and holistic living experience. We are confident of the properties we develop and trust that those looking for good quality homes will see the value of what we offer. This will be further enhanced when our subsidiary SuperGreen Solutions will be involved in installing more energy-efficient products within our new developments. At the time of writing, the Group has approximately RM322 million in unbilled sales which is derived from on-going projects under construction. This is will contribute to the Groups earnings for the next few years.

Subsequent Event

In June this year, we entered into a sale and purchase agreement with Golden Eagle Realty Sdn. Bhd. for the sale of Wisma Selangor Dredging located in Jalan Ampang, Kuala Lumpur for a consideration of RM480 million.

The divestment of Wisma Selangor Dredging will allow the company to unlock its investment in this asset and put the Group on a stronger footing for our business operations. It will also provide financial flexibility and provide additional funds for working capital, being in the best interest of the Group.

Proceeds from the proposed disposal will be channelled towards investments that will provide favourable returns and growth prospects. This will strengthen our balance sheet and enable SDB to acquire opportunistic assets for future property development projects and fund these projects.

The sale of the property will be subject to conditions including obtaining the approval of the shareholders at an Extraordinary General Meeting (EGM).

THE VILLAGE, Pasir Panjang, Singapore

Homes in this 148-unit development overlook the greenery of the central lawn and the pool area

AS A COMPANY, WE ARE COMMITTED BEING GOOD CORPORATE CITIZENS AND BEING ACCOUNTABLE FOR WHAT WE DO. THIS INCLUDES ENSURING ENVIRONMENTAL SUSTAINABILITY, EXTENDING SUPPORT TO THE COMMUNITY AT LARGE, STRIVING FOR CONTINUOUS IMPROVEMENTS FOR OUR EMPLOYEES AND PROTECTING AND ENHANCING VALUE FOR OUR STAKEHOLDERS.

Our sustainability practices, principles and responsibilities have been encapsulated in the SDB Brand Manifesto on living well and living responsibly. It is a seven point manifesto which speaks on investing in our product, our community, our quality, our customers, our people, our environmental sustainability and our peace-of-mind.

SUNGAI SATU REHABILITATION, Penang
This River Rehabilitation project was recognised, and won both national and international awards last year

Some of the ways in which we conduct our business in a sustainable manner is exemplified below.

ENVIRONMENTAL SUSTAINABILITY

With regard to environmental sustainability we have always ensured that the developments we develop have "green" considerations from the planning and design stage. Our aim is to ensure that the internal units of the home are functional and comfortable and that the areas outside are suited for recreational activities for the family.

For internal units, we ensure the spatial proportions of the home, and take into account having abundant light and ventilation the unit. This is done by using rectilinear layouts which allows maximum light and ventilation into each home, thus conserving energy usage. We ensure that all our homes have at least 20% of natural light and at least 10% of ventilation.

Equal attention to detail is paid to outdoor spaces. In all our developments more than 35% of total land area of the development is dedicated to recreational facilities and landscaped areas. This not only allows the residents to enjoy quality time with their families outside the home, it also creates a harmonious living experience, for all residents regardless of age.

Our environmental sustainability efforts have also been recognised by the property industry. Sungai Satu which runs through our development By The Sea in Batu Ferringhi, was previously heavily polluted from activities conducted upstream. We decided to rehabilitate the river using a bio-engineering method which uses specially selected plants, which extract the nitrates from the water. The 200 meter rehabilitated of stretch of Sungai Satu is now beautifully landscaped and the water that flows out into the sea is much cleaner. From a Class IV river quality upstream, it is now improved to a Class II river downstream. This rehabilitation exercise has also helped mitigate flooding and erosion of the river banks.

We are indeed delighted that this Sungai Satu river rehabilitation project has been awarded the FIABCI Malaysia Property Award 2016 in the Rehabilitation/Conservation category and also gained international recognition with the FIABCI Prix d'Excellence World Silver Award 2017 in the same category.

SUSTAINABILITY REPORT

SOCIAL RESPONSIBILITY

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, improve their skills and broaden their work experience and exposure. The training covers various skills and personal development, updates on laws and regulations, and sponsorship for certification programmes.

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

At SDB, we have a dedicated team to monitor progress of work and compliance to the company's strategic plans. Information on the Group's half yearly plans are cascaded to ensure everyone has full clarity and can achieve their targets based on set KPIs and scorecards. Employees who have served the company for a year or more enjoy an annual complimentary health screening and health advice from one of our panel doctors. Hospital and surgical benefits have also been enhanced, with out-patient medical coverage given to immediate family members.

In addition to this, various sporting and learning activities, including Corporate Social Responsibility (CSR) events, are also organised from time to time, and there is a gymnasium located on the office block for the use of employees who are keen to keep fit. For an improved work life balance, flexi-hours were introduced, with staff being able to come in and leave at least an hour prior to official working hours.

A safe and healthy work environment goes hand-in-hand with health, safety and security considerations. Fire drills, first aid training, firefighting workshops, and other health and safety programmes are conducted to enhance health and safety and security awareness and knowledge. These programmes are extended to include the tenants at our property, Wisma Selangor Dredging, at Jalan Ampang, Kuala Lumpur.

Our social agenda also includes our CSR programmes. Our main CSR initiative is the One-Two-Juice juice stall and One-Two-Wash car wash, which have been running from 2011 and 2015, respectively. Both programmes are run by youth with learning difficulties. These CSR projects have allowed them to work and earn their own money, be more independent and more importantly encourage social inclusiveness.

Both these CSR initiatives have been awarded the Asia Responsible Entrepreneurship Award (AREA). In 2012 One-Two-Juice was awarded for the juice stall initiative and in 2014, the 1-2-Juice mobile juice service was recognised. In June 2017, One-Two-Wash car wash initiative was awarded. These various awards were given in the Social Empowerment category.

GROUP FINANCIAL HIGHLIGHTS

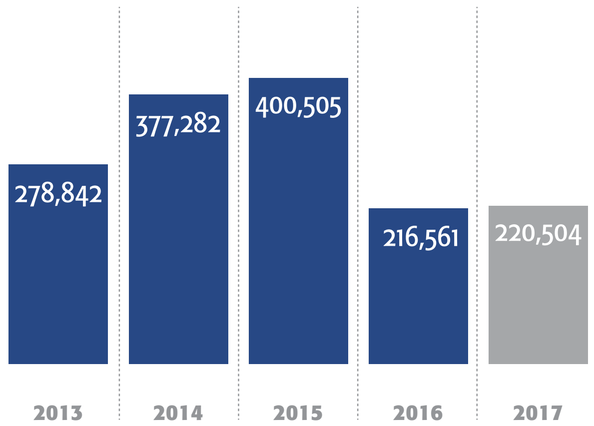
GROUP YEAR ENDED 31 MARCH	'17 RM'000	'16 RM'000	'15 RM'000	'14 RM'000	'13 RM'000
Profitability					
Turnover	**220,504**	216,561	400,505	377,282	278,842
Profit / (Loss) before taxation	**68,583**	46,867	96,524	77,720	56,096
Provision for taxation	**(11,036)**	(3,779)	(29,576)	(15,551)	(8,097)
Profit / (Loss) after taxation	**57,277**	43,088	66,948	62,169	47,999
Minority interest	**-**	-	-	-	-
Earnings / (Loss) for the year	**57,277**	43,088	66,948	62,169	47,999
Profit available for appropriation	**565,189**	518,565	488,261	434,097	381,516
Dividend net of tax	**10,653**	12,784	12,784	9,588	9,588
Key Balance Sheet Data					
Total assets	**1,642,752**	1,531,057	1,433,805	1,372,490	1,296,632
Issued share capital	**213,541**	213,064	213,064	213,064	213,064
Shareholders' fund	**876,247**	813,776	770,648	704,417	643,653
Total bank borrowings	**629,422**	563,761	505,100	556,023	580,490
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	**6.54%**	5.29%	8.69%	8.83%	7.46%
Return on total assets	**3.49%**	2.81%	4.67%	4.53%	3.70%
Gearing ratio	**34.97%**	33.28%	30.66%	36.63%	42.85%
Interest cover	**4.07**	3.07	6.43	4.67	3.44
Earnings / (Loss) after tax (sen)	**13.44**	10.11	15.71	14.59	11.26
Dividend after tax (sen) *	**2.50**	2.50	3.00	3.00	2.25
Net asset backing (sen)	**205.63**	190.97	180.85	165.31	151.05
Price earning ratio (x)	**7.07**	9.25	6.37	6.85	7.28
Gross dividend yield	**2.63%**	3.21%	3.00%	4.00%	3.66%
Share price as at 31 March (RM)	**0.95**	0.94	1.00	1.00	0.82

** Dividend declared during the financial year.*

Turnover

RM220.5m

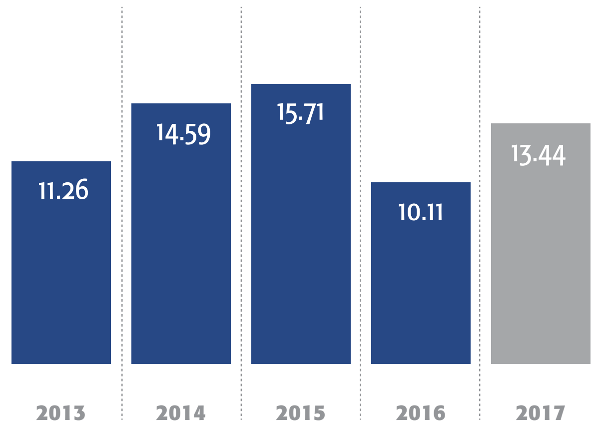
(RM'000)



Earnings After Tax

13.44 sen

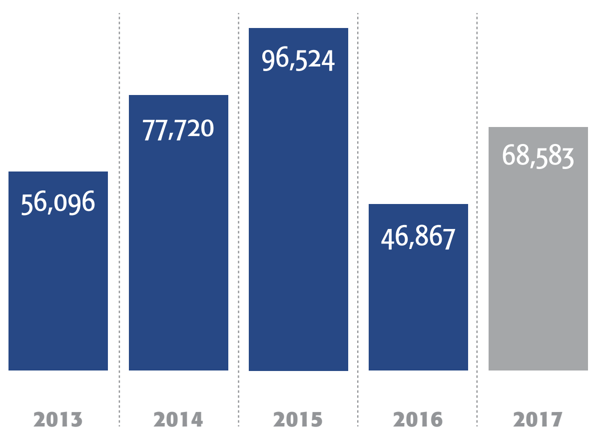
(Sen)



Profit Before Taxation

RM68.6m

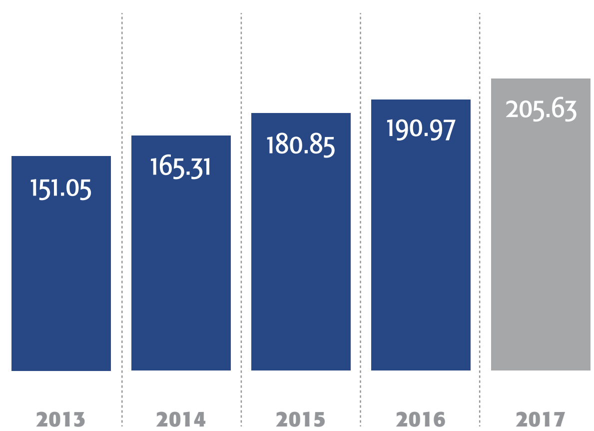
(RM'000)



Net Assets Backing

205.63 sen

(Sen)



STATEMENT ON CORPORATE GOVERNANCE

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 and Policies

The Board has formulated and adopted Board Charter to ensure that all Board members are aware of the Board's fiduciary and leadership functions and is accessible through the Company's website at www.sdb.com.my.

On top of the Board Charter, the Company has formalised a Code of Conduct to actively promote and establish a corporate culture which promotes ethical conduct that permeates throughout the Group.

The Company also has in place a Whistleblowing Policy which provides a structured reporting channel and guidance to all employees and external parties to whistleblow without the fear of victimisation.

The reportable activities include fraud, bribery, abuse of power, conflict of interest, theft or embezzlement, misuse of Company's property and non-compliance with Company's policies.

Policies are available for access on the Company's intranet and/or website.

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 are 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 10 of the Annual Report.

The Chairman

The Non-Executive Chairman of the Board, Mr Eddy Chieng Ing Huong is not involved in the day-to-day management of the Group.

In addition, he oversees the efficient operation of the Board and to set the tone for the Board so as to foster ethical and responsible decision making, appropriate oversight of management and best practices in corporate governance.

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.

The Managing Director

The Managing Director is responsible in formulating medium to long-term business strategies and managing business objectives which include capital requirements, growth, turnover and profitability to maximize the return of shareholders.

Management Responsibilities

Management is to support the Managing Director and implement business operation and activities while ensuring that systems of internal control and effective governance are in place.

The Board has established Limit of Authority ("LoA") on management to ensure the appropriate levels of approval are delegated to respective management levels for the group. The LoA is reviewed as and when required and revised upon the approval of the Board.

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 made 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%
Tan Sri Mohd Ismail Bin Che Rus	4	100%
Ms Teh Lip Pink	4	100%
Mr Tee Keng Hoon	4	100%

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 respective Committees also report 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 seven days 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.

The Board and individual director may seek independent professional advice at the Company's expenses in discharging its various duties for the Company, subject to approval by the Board and depending on the quantum of the fees involved.

The Company Secretaries are qualified Chartered Secretaries and are responsible for ensuring that Board procedures are adhered to and the applicable rules and regulations for the conduct of the affairs of the Board are complied with.

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 receiving 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, 2016 and Main Market Listing Requirements. The Committee selection of the director candidate is generally based on the achievement in the candidate personal career, integrity, wisdom, ability to make independent and analytical inquiries, ability to work as a 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

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

The assessment criteria include of Board structure, contribution and interaction, roles and responsibilities, governance and risk management.

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.

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 2017, 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 judgement.

The Board of Directors has via the Nomination Committee conducted an annual performance evaluation and assessment of Tan Sri 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.

Similarly, 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.

Re-election

In accordance with the Company's Constitution, 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 Constitution further provides 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 "Decoding Transaction and RPT Rules" for the Board, by Mr Chee Kai Mun, Principal Trainer of CKM Advisory Sdn. Bhd. was held on 27 February 2017.

There were also briefings by the Internal 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.

Time Commitment for Directors

According to the MCCG 2012, the Board will set out its expectations on time commitment for its members and accepting new directorships. Thus, the Board required each director to notify the Chairman of the Board and the Company Secretary in writing before accepting any new directorship of the Company.

Succession Plan

The Board is notified of the appointments and replacements, if any, of senior management and the Nomination Committee monitors and evaluates the performance of the members of the Board with a view of continuous improvements and to plan for successors when the need arises.

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 for the financial year ended 31 March 2017 is as follows:

Category	Fees RM	Benefit & Allowance RM
Executive Director	40,000	2,000
Non-Executive Directors	232,000	8,000

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

Received from the Company

	Number of Directors	
Range of Remuneration	**Executive**	**Non-Executive**
Above RM500,000	1	-
RM50,000 - RM100,000	-	2
Below RM50,000	-	2
Total	1	4

Received on Group Basis

Range of Remuneration	Number of Directors Executive	Non-Executive
Above RM1,500,000	1	-
RM50,000 - RM100,000	-	2
Below RM50,000	-	2
	1	4

Received from the Company

	Executive RM	Non-Executive RM
Directors' Fee	40,000	232,000
Meeting Allowances	2,000	8,000
Salaries & Other Emoluments	715,188	-
Benefit- in- Kind	-	-

Received on Group Basis

	Executive RM	Non-Executive RM
Directors' Fee	80,458	240,000
Meeting Allowances	2,000	8,000
Salaries & Other Emoluments	1,430,376	-
Benefit- in- Kind	-	-

C. BOARD COMMITTEES

The Board has set up five Board Committees, i.e. Investment, Audit, Nomination, Remuneration Committees and Risk Management Committee 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, Audit Committee Report and the Statement on Risk Management and Internal Control.

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 report and announcements of Group's performance and major developments.

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.

Poll Voting

Pursuant to Paragraph 8.29A of the Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of any general meeting shall be voted by poll.

The Company conducted poll voting for all resolutions set out in the Notice of Fifty-Fifth AGM held on 26 August 2016 and an independent scrutineer was appointed to undertake the polling process.

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 40 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 pages 36 to 39 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 RM89,532.28.

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.

Assessment of Suitability and Independence of External Auditors

The Audit Committee had obtained confirmation from the external auditors, Messrs BDO that they are independent in accordance with the Bylaws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

An annual assessment which taking into consideration of several criterial like Fees, Service quality, Sufficiency of resources, Independence and professionalism, will be conducted on the suitability of the External Auditors.

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Statement on Risk Management and Internal Control has been prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Introduction

The Statement on Risk Management and Internal Control outlines the nature and scope of risk management and internal control of the Group during the year, in accordance with latest Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers issued by the Taskforce on Internal Control with the support and endorsement of Bursa Malaysia Securities Berhad.

Board Responsibility

The Board of Directors is committed to maintaining an effective system of internal control 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.

Key Elements of Risk Management and Internal Control

<u>Risk management is embedded in the Group's management system</u>

The Board confirms that the Group has in place an Enterprise Risk Management ("ERM") Framework, which is based on the ISO 31000 for the on-going process of identifying, evaluating, monitoring and managing the significant risks affecting the achievement of the Group's business objectives. The key aspects of the ERM Framework are:-

- The establishment of the Risk and Compliance Department, and the Risk Management Committee ("RMC") since 2016, comprising Senior Management in assisting the Board with managing and having oversight of the Group's Risk Management activities respectively as shown in table 1 on the Group's ERM Governance structure;

- The appointment of Risk & Compliance Officer ("RCO"), which is automatically the Head of Department, and also the Alternate Risk & Compliance Officer ("ARCO") in every department is to ensure the smooth implementation of all risk management and compliance activities in every department are carry out in an effective manner;

- ERM assessment reviews are performed on a quarterly basis to identify, assess and manage the risks faced by the Group. The ERM assessment reviews are carried out to address major risk areas of concern, if any from the perspectives of financial, regulatory, legal, governance, contracts, operational, information technology, customers, suppliers, project management, human capital, products and services;

- Likelihood of occurrence of those risk factors and magnitude of their impacts are determined based on the Group's level of risk tolerance defined earlier and the previously established risk parameter table;

- Key risk management strategies or management action plans to key business processes are identified based upon risk evaluation where overall risk rating and profile are determined;

- The key risks identified during the corporate risk scorecard assessment reviews together with the controls for managing them and the management action plans to be implemented are summarized in the Key Risk Profiles and Risk Registers, serving as the supporting details for the Risk and Control Report and as the means for assuring the Board of Directors that the ERM processes are effective;

- ERM compliance reviews are carried out on a continuous monitoring basis to ensure the controls/key risk management strategies for managing risks are functioning effectively. All are documented in the Risk Registers including the implementation status of management action plans;

- The Board of Directors upon receiving the ERM Risk and Control Report, and also the Audit Report from Group Internal Auditors, which independently reviews the effectiveness of the Group's systems of risk and internal control, before onward submission to the Board for notification, direction and endorsement; and

- The results of the ERM Framework, i.e. the internal control procedures that are identified to address key risks, are used as one of the basis to develop risk-based internal audit plans.

During the financial year, the Board was updated on a quarterly basis on the corporate risk scorecard for which management of each business area identified their risks, the probability of those risks occurring, the impact if they do occur and the action plans being taken to manage those risks to the desired level, after being evaluated and reviewed by the Risk & Compliance Department. After which it is presented to RMC for concurrence before updating the Board on it.

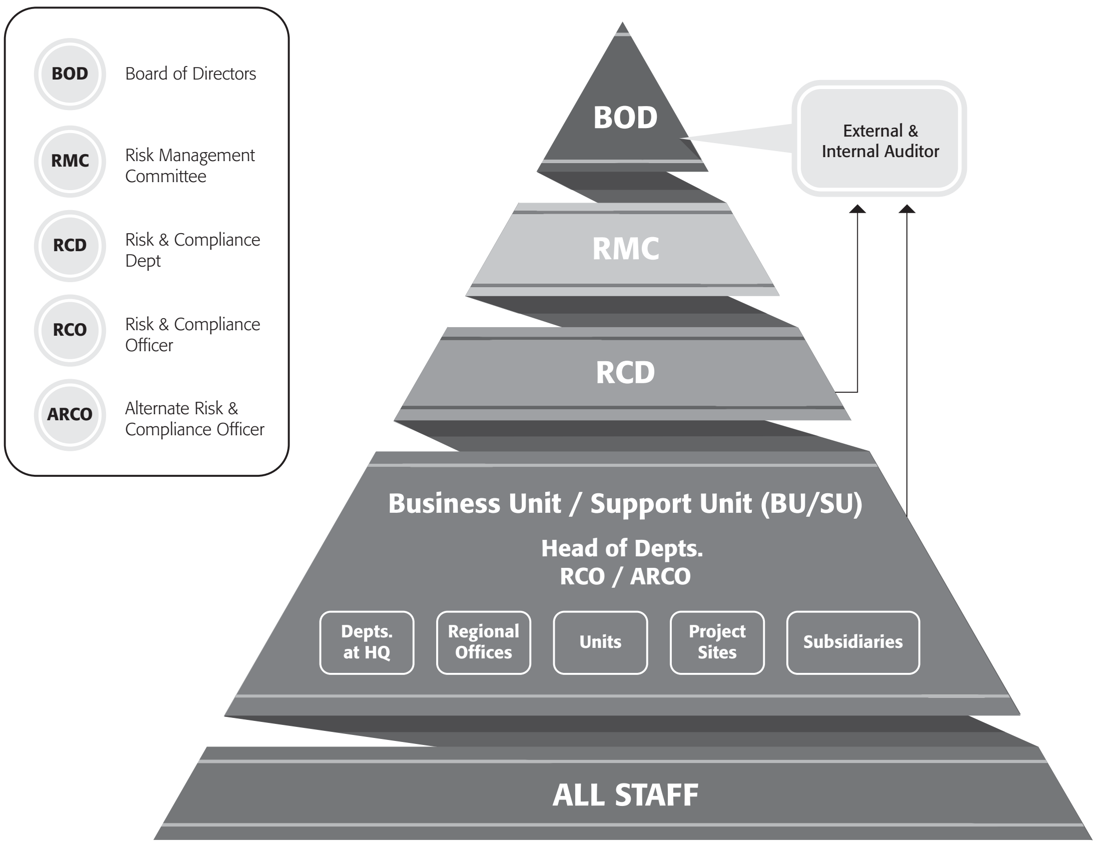


Table 1 : ERM GOVERNANCE STRUCTURE

Key elements of risk management and internal control that the Board has established in reviewing the adequacy and integrity of the system of internal control are described below:

- **Terms of Reference**

  Clear definition of the terms of reference, i.e. functions, authorities and responsibilities of the various committees of Senior Management and the Board of Directors have been established.

- **Management Styles and Control Procedures**

  Weekly operational meetings are conducted among senior management to discuss and review the business plans, budgets, financial and operational performances of the Group.

  Operating policies and procedures are made available to guide staff in their day-to-day work processes. As such operating policies and Standard Operating Procedures (SOP)s has been established, as well as reviewed and updated periodically to meet changing business , operational needs and regulatory requirements.

  Quality control and progress of the project is monitored via frequent site visits by the relevant teams, regular site meetings with the contractors and employment of fulltime staff on site. Moreover, external certification/standards such as the Construction Quality Assessment System ("CONQUAS") standards are adopted to strengthen and improve the output processes and quality.

- **Organisational Structure and Accountability Levels**

  The Group has a well-defined organisational structure with clear lines of responsibility and delegation of authority and key business functions of the Group are centralized, to ensure accountability and quick impartment of risk management strategies. Including the setting up of the Risk Management Committee and appointing all Head of Departments as a Risk and Compliance Officer in their respective departments' in ensuring accountability. In addition, the Head of Departments are also required to appoint an Alternate Risk & Compliance officer within their respective departments to assist them with managing risk & implementing control activities.

- **Human Resource Policy**

  There are proper guidelines within the Group for recruitment and selection, compensation and benefits, performance management, code of conduct 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.

- **Business Continuity Management**

  Business continuity plan and disaster recovery plan are in placed with daily backup and system vendors support to provide assurance for business continuity. There are also offline procedures to implement in case of system failure.

- **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.

- **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 Occupational Safety and Health Act Committee is in place to be in compliance with Section 30(1) of the Occupational Safety and Health Act, 1994. An Emergency Response Team is also 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. Joint ventures have been excluded because the Group does not have full management and control over them.

Assurance Provided by 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 are in place and operating reliably in all material aspects to meet the Group's objectives during the financial year under review.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of the MMLR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control intended to be included in the annual report for the FYE 2017 has not been prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement on Risk Management and Internal Control factually inaccurate.

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, 2016 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.

OTHER CORPORATE DISCLOSURE

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. **Audit and Non-Audit Fees**
   During the financial year under review, the fees paid/payable to the external auditors in relation to audit and non-audit services rendered to the Group are as follows:-

Purpose	**Group RM**	**Company RM**
Audit Fees	155,000	38,500
Review of Statement on Risk Management and Internal Control	3,000	-
Total	**158,000**	**38,500**

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 Properties**
    The revaluation policy on properties is as disclosed in the financial statements for the financial year ended 31 March 2017.

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.

AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee Report which provides insights into the manner in which the Audit Committee discharged its functions for the Group during the financial year ended 31 March 2017.

(A) COMPOSITION

The Audit Committee comprises three members, all of whom are Non-Executive Directors, and two being Independent Directors.

Mr Eddy Chieng Ing Huong, the member of the Audit Committee is a member of Institute of Chartered Accountants, Australia and also The Malaysian Institute of Accountants. Accordingly, the Company complies with paragraph 15.09(1)(c)(i) of the Listing Requirements.

(B) MEETING AND ATTENDANCE

The Audit Committee met on four (4) 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	Tan Sri Mohd Ismail Bin Che Rus	4/4
Members	Mr Eddy Chieng Ing Huong	4/4
	Mr Tee Keng Hoon	4/4

The Managing Director and Group General Manager were invited to attend all the meetings to provide clarification on Group's financial performance and business operations.

The representative from Deloitte Enterprise Risk Services Sdn. Bhd., the Internal Auditors attended all the meetings to table the internal audit reports, internal audit progress reports and annual audit plan. The External Auditors, Messrs BDO, were present at two of the total meetings held.

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

(C) 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:

(a) Financial Reporting

- Reviewed the quarterly and audited financial reports of the Company and the Group, focusing particularly on the following areas, prior to submission to the Board for approval and subsequent release to the Bursa Malaysia Securities Berhad and Securities Commission Malaysia accordingly:-

  - The overall performance of the Group;
  - Compliance with accounting standards and regulatory requirements;
  - Changes in or implementation of accounting policies and practices;
  - Significant issues arising from the audit; and
  - Going concern assumption.

(b) Audit Reports

- 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.

(c) External Audit

- Reviewed the external auditors' scope of work and audit plan for the financial year, prior to the commencement of audit.

- Met with the external auditors twice a year.

- Reviewed the suitability and performance of the external auditors for re-appointment and fees, based on the outcome of the annual assessment of the external auditors, which included an assessment of the engagement teams' qualifications, credentials and experience, particularly in the financial services sector, their audit work approach, and their ability to provide value added advice and services, as well as to perform the work within timeline agreed.

(d) Risk Management and Internal Control

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.

(e) Related Party Transactions

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").

(D) 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..

The activities of the Internal Auditors during the financial year ended 31 March 2017 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 2017; 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.

(E) TERMS OF REFERENCE

The details of terms of reference of the Audit Committee are available on the Company's website at www.sdb.com.my.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

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 2017.

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 5 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 for the financial year	57,277	51,346
Profit attributable to:		
- equity holders of the Company	57,277	51,346

DIVIDENDS

A first and final single tier dividend of 5% amounting to RM10,653,192, proposed in the previous financial year and dealt with in the previous year's Directors' Report was paid by the Company during the current financial year.

The Directors now propose a first and final single tier dividend of 5% amounting to RM10,653,192 in respect of the financial year ended 31 March 2017.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than the effects of adoption of Companies Act, 2016 as disclosed in Note 20 to the financial statements.

ISSUE OF SHARES AND DEBENTURES

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

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

Selangor Dredging Berhad

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

Subsidiaries of Selangor Dredging Berhad

Loong Ching Hong

DIRECTORS' INTERESTS IN SHARES

According to the register required to be kept pursuant to Section 59 of the Companies Act, 2016, the following Directors have interests in shares in the Company and its related corporations as follows:

	Number of ordinary shares			
Shares in the Company	**Balance as at 1.4.2016**	**Bought**	**Sold**	**Balance as at 31.3.2017**
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 are also deemed to be interested in the Company's shareholdings in all its direct subsidiary companies.

None of the other Directors holding 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 34 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.

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in Note 29 to the financial statements.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the statements of profit or loss, statements of other 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 had satisfied themselves that there were no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would necessitate the writing off of bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;

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

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

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (continued)

(d) In the opinion of the Directors:

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

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant events subsequent to the end of the reporting period are disclosed in Note 42 to the financial statements.

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

Auditor's remuneration of the Group and the Company for the financial year ended 31 March 2017 is disclosed in Note 28 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Eddy Chieng Ing Huong
Director

Teh Lip Kim
Director

Kuala Lumpur
23 June 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SELANGOR DREDGING BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Selangor Dredging Berhad, which comprise the statements of financial position as at 31 March 2017 of the Group and of the Company, statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 54 to 129.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Property development revenue and profit recognition

Revenue from property development during the financial year amounted to RM173.6 million as disclosed in Note 25 to the financial statements.

As disclosed in Note 1(d) to the financial statements, property development revenue and profit recognition involves significant judgements in estimating the stage of completion of property development activities and assessing the forecast costs to complete.

In estimating the total costs to complete, the Group considers the completeness and accuracy of its costs estimation, including its obligations to contract variations, claims and cost contingencies. The total cost to complete including sub-contractor costs, can vary with market conditions and may also be incorrectly forecasted due to unforeseen events during construction.

Audit response

Our audit procedures included the following:

(a) Evaluated management's controls relating to revenue recognition including the determination of the percentage of completion and timing of revenue recognition;

Key Audit Matters (continued)

Audit response (continued)

(b) Tested the Group's controls by verifying approvals over budgets setting and authorising and recording of costs;

(c) Assessed management's estimate on budgeted costs to be incurred including corroboration of historical budgets with actual costs incurred;

(d) Recomputed stage of completion determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs; and

(e) Assessed estimated total costs to complete through enquiries with operational and financial personnel of the Group and verified documentation to support the cost estimates.

Recoverability of trade receivables

As at 31 March 2017, trade receivables that had been past due more than 120 days and not impaired were RM7.1 million as disclosed in note 40(c) to the financial statements.

Management recognised impairment losses on trade receivables based on specific known facts or circumstances or customers' abilities to pay.

As disclosed in Note 1(d) to the financial statements, the determination of whether trade receivables are recoverable involves significant management judgement.

Audit response

Our audit procedures included the following:

(a) Evaluated and tested the credit process in place to assess and manage the recoverability of trade receivables by the Group;

(b) Assessed recoverability of debts that were past due but not impaired with reference to the past historical repayment trends, customers credit profiles, post year end cash receipts and including discussion with management to understand the status of attempts by management to recoup the amounts outstanding;

(c) Challenged management's assessment that no further impairment loss was required based on analysis of customer worthiness, past historical repayment trends and expectation of repayment patterns; and

(d) Assessed likelihood of property buyers securing loans subsequent to the end of the reporting period by inspecting relevant correspondences and reports.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

Information Other than the Financial Statements and Auditors' Report Thereon (continued)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit 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 Group's and Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 5 to the financial statements.

Other Reporting Responsibilities

The supplementary information set out in Note 44 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 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO
AF : 0206
Chartered Accountants

Lum Chiew Mun
03039/04/2019 (J)
Chartered Accountant

Kuala Lumpur
23 June 2017

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	2	189,805	191,410	4,404	4,948
Land held for property development	3	308,161	198,950	-	-
Investment properties	4	375,420	321,487	374,450	320,472
Investments in subsidiary companies	5	-	-	221,626	221,826
Investments in joint ventures	6	163,939	166,605	-	-
Intangible assets	7	384	-	-	-
Deferred tax assets	8	2,548	3,519	-	-
		1,040,257	881,971	600,480	547,246
Current assets					
Inventories	9	120,336	189,461	678	674
Property development costs	10	234,199	190,944	-	-
Gross amount due from customers	11	-	13	-	-
Trade receivables	12	31,597	29,024	271	237
Accrued billings	13	27,169	39,169	-	-
Other receivables, deposits and prepayments	14	19,997	25,686	1,120	1,069
Amounts owing by subsidiary companies	15	-	-	48,307	20,807
Amounts owing by joint ventures	16	1,250	4,942	-	-
Current tax assets		9,631	12,039	-	1,084
Short term investments	17	25,733	1,072	603	465
Deposits	18	104,583	112,441	390	390
Cash and bank balances	19	28,000	44,295	2,760	1,796
		602,495	649,086	54,129	26,522
		602,495	649,086	54,129	26,522
TOTAL ASSETS		1,642,752	1,531,057	654,609	573,768

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

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	20	213,541	213,064	213,541	213,064
Share premium (non-distributable)		-	477	-	477
Revaluation reserve (non-distributable)		50,433	50,433	2,219	2,219
Exchange translation reserve (non-distributable)		39,223	23,376	-	-
Other reserve (distributable)	21	7,861	7,861	7,861	7,861
Retained earnings		565,189	518,565	292,588	251,895
TOTAL EQUITY		876,247	813,776	516,209	475,516
LIABILITIES					
Non-current liabilities					
Bank borrowings	22	345,364	292,100	21,250	23,750
Deferred tax liabilities	8	15,727	13,495	15,263	13,029
		361,091	305,595	36,513	36,779
Current liabilities					
Trade payables	23	91,783	119,934	165	74
Other payables and accruals	24	23,104	20,091	9,603	8,896
Amount owing to a subsidiary company	15	-	-	38,803	3
Amount owing to a joint venture	16	5,379	-	-	-
Bank borrowings	22	284,058	271,661	52,500	52,500
Current tax liabilities		1,090	-	816	-
		405,414	411,686	101,887	61,473
TOTAL LIABILITIES		766,505	717,281	138,400	98,252
TOTAL EQUITY AND LIABILITIES		1,642,752	1,531,057	654,609	573,768

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

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Revenue	25	220,504	216,561	23,779	24,549
Cost of sales	26	(152,590)	(154,199)	(7,690)	(8,491)
Gross profit		67,914	62,362	16,089	16,058
Other income		69,065	43,063	55,664	59,541
Selling and distribution expenses		(6,197)	(7,750)	-	-
Administrative and general expenses		(31,898)	(35,469)	(9,004)	(9,844)
Other expenses		(6,600)	(8,089)	-	-
Share of (loss)/profit of joint ventures	6	(1,394)	15,430	-	-
Finance costs	27	(22,307)	(22,680)	(4,522)	(4,600)
Profit before tax	28	68,583	46,867	58,227	61,155
Tax expense	30	(11,306)	(3,779)	(6,881)	(3,329)
Profit for the financial year		57,277	43,088	51,346	57,826
Profit attributable to: - equity holders of the Company		57,277	43,088		
Basic earnings per share (sen)	31	13.44	10.11		
Diluted earnings per share (sen)	31	13.44	10.11		
Dividend per share (sen) First and final single tier dividend paid in respect of the financial year ended 31 March					
- 2016				2.50	-
- 2015				-	3.00

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

STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit for the financial year	57,277	43,088	51,346	57,826
Other comprehensive income, net of tax:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operation	15,847	(2,969)	-	-
Items that will not be reclassified subsequently to profit or loss:				
Revaluation surplus on property, plant and equipment	-	15,793	-	462
Total comprehensive income for the financial year	73,124	55,912	51,346	58,288

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	← Non-distributable			→	← Distributable →		
Group	**Share capital RM'000**	**Share premium RM'000**	**Revaluation reserve RM'000**	**Exchange translation reserve RM'000**	**Other reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
2017							
Balance at 1 April 2016	213,064	477	50,433	23,376	7,861	518,565	813,776
Profit for the financial year	-	-	-	-	-	57,277	57,277
Other comprehensive income for the financial year, net of tax	-	-	-	15,847	-	-	15,847
Total comprehensive income for the financial year	-	-	-	15,847	-	57,277	73,124
Transaction with owners							
Dividend paid (Note 32)	-	-	-	-	-	(10,653)	(10,653)
Effect of the new Companies Act, 2016 (Note 20)	477	(477)	-	-	-	-	-
Balance at 31 March 2017	213,541	-	50,433	39,223	7,861	565,189	876,247
2016							
Balance at 1 April 2015	213,064	477	34,640	26,345	7,861	488,261	770,648
Profit for the financial year	-	-	-	-	-	43,088	43,088
Other comprehensive income/(loss) for the financial year, net of tax	-	-	15,793	(2,969)	-	-	12,824
Total comprehensive income/(loss) for the financial year	-	-	15,793	(2,969)	-	43,088	55,912
Transaction with owners							
Dividend paid (Note 32)	-	-	-	-	-	(12,784)	(12,784)
Balance at 31 March 2016	213,064	477	50,433	23,376	7,861	518,565	813,776

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

Company	Share capital RM'000	← Non-distributable Share premium RM'000	Revaluation reserve RM'000 →	← Distributable Other reserve RM'000	Retained earnings RM'000 →	Total equity RM'000
2017						
Balance at 1 April 2016	213,064	477	2,219	7,861	251,895	475,516
Profit for the financial year	-	-	-	-	51,346	51,346
Other comprehensive income for the financial year, net of tax	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	51,346	51,346
Transaction with owners						
Dividend paid (Note 32)	-	-	-	-	(10,653)	(10,653)
Effect of the new Companies Act, 2016 (Note 20)	477	(477)	-	-	-	-
Balance at 31 March 2017	213,541	-	2,219	7,861	292,588	516,209
2016						
Balance at 1 April 2015	213,064	477	1,757	7,861	206,853	430,012
Profit for the financial year	-	-	-	-	57,826	57,826
Other comprehensive income for the financial year, net of tax	-	-	462	-	-	462
Total comprehensive income for the financial year	-	-	462	-	57,826	58,288
Transaction with owners						
Dividend paid (Note 32)	-	-	-	-	(12,784)	(12,784)
Balance at 31 March 2016	213,064	477	2,219	7,861	251,895	475,516

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		68,583	46,867	58,227	61,155
Adjustments for:					
Depreciation of property, plant and equipment	2	4,546	6,589	798	1,218
Effect of FRS 139 - gain on amortised cost		-	-	-	(41,511)
Fair value adjustments of investment properties	4	(52,503)	(2,499)	(52,548)	(2,499)
Finance costs	27	22,307	22,680	4,522	4,600
Gain on disposal of property, plant and equipment		-	(34)	-	-
Gain on disposal of investment property		-	(13,688)	-	(13,688)
Impairment losses on trade receivables		572	-	-	-
Impairment losses on other receivables	14	471	-	-	-
Interest income		(2,642)	(1,809)	(1,631)	(596)
Property, plant and equipment written-off		3	-	3	-
Reversal of impairment loss on trade receivables		(274)	-	-	-
Share of loss/(profit) of joint ventures	6	1,394	(15,430)	-	-
Unrealised loss/(gain) on foreign exchange		2,541	(4,940)	-	-
Operating profit before working capital changes		44,998	37,736	9,371	8,679
Changes in inventories		70,128	7,634	(4)	4
Changes in property development costs		(43,256)	(45,914)	-	-
Changes in gross amount due from/(to) customers		13	(13)	-	-
Changes in receivables		2,378	18,823	(85)	(200)
Changes in payables		(27,603)	(28,736)	798	(2,429)
Changes in accrued billings		12,000	50,306	-	-
Cash generated from operations		58,658	39,836	10,080	6,054
Tax paid		(4,604)	(16,871)	(2,746)	(2,446)
Net cash from operating activities		54,054	22,965	7,334	3,608

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

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Disposal/(Additional) investment in subsidiaries		-	-	200	(200)
Additions of intangible assets	7	(384)	-	-	-
Additions in investment properties	4	(1,430)	(1,180)	(1,430)	(1,180)
Purchase of property, plant and equipment	2	(1,045)	(3,785)	(257)	(84)
Purchase of land held for development		(109,211)	(93,392)	-	-
Proceeds from disposal of property, plant and equipment		39	122	-	-
Proceeds from disposal of investment property		-	32,496	-	32,496
Proceeds from disposal of shares		-	6	-	6
Return of investments in joint ventures	6	12,050	18,380	-	-
Advances from/(to) subsidiary companies		-	-	11,782	(15,873)
Repayments from/(Advances to) joint ventures		9,071	(4,991)	-	-
Interest received		2,584	1,809	163	129
Uplift of deposits placed with financial institutions		12,230	-	-	-
Deposits placed with financial institutions with original maturity of more than three (3) months		-	(12,230)	-	-
Placements of fixed deposits pledged		-	(1,702)	-	-
Net cash (used in)/from investing activities		(76,096)	(64,467)	10,458	15,294
CASH FLOWS FROM FINANCING ACTIVITIES					
Net drawdown/(repayments) of bank borrowings		65,661	58,661	(2,500)	(2,500)
Dividend paid to shareholders	32	(10,653)	(12,784)	(10,653)	(12,784)
Interest paid		(22,142)	(22,517)	(3,537)	(3,690)
Net cash from/(used in) financing activities		32,866	23,360	(16,690)	(18,974)
Net increase/(decrease) in cash and cash equivalents		10,824	(18,142)	1,102	(72)
Cash and cash equivalents at beginning of financial year		143,291	163,746	2,261	2,333
Effect of exchange rate changes		1,856	(2,313)	-	-
Cash and cash equivalents at end of financial year		155,971	143,291	3,363	2,261

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

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Represented by:					
Short term investments	17	25,733	1,072	603	465
Deposits	18	104,583	112,441	390	390
Cash and bank balances	19	28,000	44,295	2,760	1,796
		158,316	157,808	3,753	2,651
Less: Amount pledged as security for bank guarantee facility					
- deposits	18	(2,150)	(2,092)	(390)	(390)
- bank balances	19	(195)	(195)	-	-
Less: Deposits with licensed banks with maturity more than 3 months		-	(12,230)	-	-
		155,971	143,291	3,363	2,261

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, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

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 revised FRS, Amendments to FRSs and Issues Committee Interpretation ("IC Interpretation") during the financial year:

FRS 14	*Regulatory Deferral Accounts*
Amendments to FRS 116 and 138	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to FRS 11	*Accounting for Acquisition of Interests in Joint Operations*
Amendments to FRS 127	*Equity Method in Separate Financial Statements*
Amendments to FRSs	*Annual Improvements 2012 - 2014 Cycle*
Amendments to FRS 101	*Disclosure Initiative*
Amendments to FRS 10, FRS 12 and FRS 128	*Investment Entities: Applying the Consolidation Exception*

(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, Amendments to FRSs and IC Interpretation		Effective Date
Amendments to FRS 112	*Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
Amendments to FRS 107	*Disclosure Initiative*	1 January 2017
Amendments to FRS 12	*Annual Improvements to FRS Standards 2014 - 2016 Cycle*	1 January 2017
Amendments to FRS 2	*Classification and Measurement of Share-based Payment Transactions*	1 January 2018
Amendments to FRS 1	*Annual Improvements to FRS Standards 2014 - 2016 Cycle*	1 January 2017
Amendments to FRS 4	*Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts*	See FRS 4 Paragraphs 46, 47AA and 48
Amendments to FRS 128	*Annual Improvements to FRS Standards 2014 - 2016 Cycle*	1 January 2018
Amendments to FRS 140	*Transfer of Investment Property*	1 January 2018
IC Interpretation 22	*Foreign Currency Transactions and Advance Consideration*	See IC Interpretation 22 Paragraphs A1 and A1AA
Amendments to FRS 10 and FRS 128	*Sale or Contribution of Assets between an Investor and its Associates or Joint Venture*	Deferred

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Standards issued but not yet effective (continued)

The Group is still in the process of assessing the impact of implementing these standards, since the effects would only be observable in future financial years.

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 28 October 2015, all Transitioning Entities shall adopt the MFRS framework and prepare their first MFRS financial statements for annual periods beginning on or after 1 January 2018.

The Group will adopt MFRS and will prepare its first set of MFRS financial statements on 31 March 2019. 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.

The Group is in the process of assessing the impact of adopting MFRS framework since the effects would only be observable for the financial year ending 31 March 2019.

Certain subsidiaries and joint ventures 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.

(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 end of the reporting period, 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Significant accounting judgements and estimates (continued)

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

There are no critical judgements made by management in the process of applying the accounting policies of the Company that have the most significant effect on the amounts recognised in the financial statements.

(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 have significant risks 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 to 50 years.

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.

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 12, 14 and 16 to the financial statements.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Significant accounting judgements and estimates (continued)

(ii) Key sources of estimation uncertainty (continued)

Impairment of investments in subsidiaries and amounts owing by subsidiaries

The management reviews the investments in subsidiaries for impairment when there is an indication of impairment and assesses the impairment of receivables on the amounts owing by subsidiaries when the receivables are long outstanding.

The recoverable amounts of the investments in subsidiaries and amounts owing by subsidiaries are assessed by reference to the value in use of the respective subsidiaries.

The value in use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to reflect their income and cash flows. Judgement had also been used to determine the discount rate for the cash flows and the future growth of the businesses of the subsidiaries.

(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.

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.

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.

1. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

(e) Basis of consolidation (continued)

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.

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 acquiree; 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 joint ventures

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

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

An investment in a joint venture 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 joint venture.

Goodwill relating to a joint venture 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.

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 joint venture's profit or loss in the period in which the investment is acquired.

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

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

The results and reserves of joint ventures 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 joint venture, any retained interest in the former joint venture 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 joint venture is recognised in profit or loss.

In the Company's separate financial statements, investments in joint ventures 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 joint ventures disposed of is recognised in profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(ii) Financial instrument categories and subsequent measurement

<u>Financial assets</u>

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.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

Available for sale financial assets ("AFS")

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 reclassified to the profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in the profit or loss.

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.

(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 liability, 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial instruments (continued)

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in FRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of each reporting period, the Group assess whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

(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 and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

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, net of deferred tax, if any. 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. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Property, plant and equipment (continued)

(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	20%
Motor vehicles	20%
Renovation	10% - 50%
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 (continued)**

(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) Intangible asset

Intangible asset is franchise license which is measured at cost less any accumulated amortisation and accumulated impairment losses, if any. Franchise license is amortised on a straight-line basis over a period of twenty five (25) years. In the event that the expected future economic benefits are no longer probable of being recovered, the license agreement is written down to its recoverable amount.

(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.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Development properties (continued)

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).

(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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Share capital

Ordinary shares are recorded at proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

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.

(vii) The provision of property management services fees is recognised when the services are rendered and the customer receives and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Foreign currencies (continued)

(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.

(t) Impairment of non-financial assets

Property, plant and equipment, land held for property development, investment in subsidiary companies and joint ventures.

Property, plant and equipment, land held for property development, investment in subsidiary companies and joint ventures 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.

1. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

(t) Impairment of non-financial assets (continued)

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.

(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.

(v) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as expenses 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Employee benefits (continued)

(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 substantively 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 (continued)**

(x) Taxation (continued)

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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(aa) Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

(ab) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

(ac) Earnings per share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ad) Fair value measurements

The fair value of an asset or a liability, except for lease transactions is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant 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.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

2. PROPERTY, PLANT AND EQUIPMENT

Group 2017	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	Total RM'000
At 1 April 2016						
- *cost*	-	-	14,846	2,737	37,048	54,631
- *valuation*	150,000	32,577	-	-	-	182,577
	150,000	32,577	14,846	2,737	37,048	237,208
Additions - *cost*	-	-	-	-	1,045	1,045
Disposal	-	-	-	-	(46)	(46)
Written-off	-	-	-	(4)	(11)	(15)
Foreign exchange adjustments	-	1,886	-	-	111	1,997
At 31 March 2017						
- *cost*	-	-	14,846	2,733	38,147	55,726
- *valuation*	150,000	34,463	-	-	-	184,463
	150,000	34,463	14,846	2,733	38,147	240,189
Accumulated depreciation						
At 1 April 2016						
- *cost*	-	-	14,590	1,030	30,178	45,798
- *valuation*	-	-	-	-	-	-
	-	-	14,590	1,030	30,178	45,798
Charge for the year						
- *cost*	-	-	159	466	2,224	2,849
- *valuation*	1,560	137	-	-	-	1,697
Disposal	-	-	-	-	(7)	(7)
Written-off	-	-	-	(4)	(8)	(12)
Foreign exchange adjustments	-	2	-	-	57	59
At 31 March 2017						
- *cost*	-	-	14,749	1,492	32,444	48,685
- *valuation*	1,560	139	-	-	-	1,699
	1,560	139	14,749	1,492	32,444	50,384

2. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2017	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	Total RM'000
Carrying value						
At 31 March 2017						
- *cost*	-	-	97	1,241	5,703	7,041
- *valuation*	148,440	34,324	-	-	-	182,764
	148,440	34,324	97	1,241	5,703	189,805
The carrying value of revalued assets stated under the historical cost convention						
At 31 March 2017	47,151	7,558	-	-	-	54,709

Group 2016	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 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
Additions - *cost*	-	-	-	1,188	2,597	-	3,785
Disposal	-	-	-	(354)	-	-	(354)
Reclassifications	-	6,210	-	-	-	(6,210)	-
Adjustment on revaluation	(7,799)	(1,543)	-	-	-	-	(9,342)
Revaluation surplus	7,799	8,462	-	-	-	-	16,261
Foreign exchange adjustments	-	1,050	-	-	85	-	1,135
At 31 March 2016							
- *cost*	-	-	14,846	2,737	37,048	-	54,631
- *valuation*	150,000	32,577	-	-	-	-	182,577
	150,000	32,577	14,846	2,737	37,048	-	237,208

2. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2016	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	Total RM'000
Accumulated depreciation						
At 1 April 2015						
- *cost*	-	-	14,371	901	25,947	41,219
- *valuation*	6,239	433	-	-	-	6,672
	6,239	433	14,371	901	25,947	47,891
Charge for the year						
- *cost*	-	-	219	395	4,201	4,815
- *valuation*	1,560	214	-	-	-	1,774
Disposal	-	-	-	(266)	-	(266)
Adjustment on revaluation	(7,799)	(658)	-	-	-	(8,457)
Foreign exchange adjustments	-	11	-	-	30	41
At 31 March 2016						
- *cost*	-	-	14,590	1,030	30,178	45,798
- *valuation*	-	-	-	-	-	-
	-	-	14,590	1,030	30,178	45,798
Accumulated impairment losses						
At 1 April 2015						
- *valuation*	-	825	-	-	-	825
Adjustment on revaluation	-	(885)	-	-	-	(885)
Foreign exchange adjustment	-	60	-	-	-	60
At 31 March 2016						
- *valuation*	-	-	-	-	-	-
Carrying value						
At 31 March 2016						
- *cost*	-	-	256	1,707	6,870	8,833
- *valuation*	150,000	32,577	-	-	-	182,577
	150,000	32,577	256	1,707	6,870	191,410
The carrying value of revalued assets stated under the historical cost convention At 31 March 2016	48,210	7,275	-	-	-	55,485

2. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2017	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 2016					
- *cost*	-	14,804	1,148	8,631	24,583
- *valuation*	2,720	-	-	-	2,720
	2,720	14,804	1,148	8,631	27,303
Additions - *cost*	-	-	-	257	257
Written-off - *cost*	-	-	-	(8)	(8)
At 31 March 2017					
- *cost*	-	14,804	1,148	8,880	24,832
- *valuation*	2,720	-	-	-	2,720
	2,720	14,804	1,148	8,880	27,552
Accumulated depreciation					
At 1 April 2016					
- *cost*	-	14,548	521	7,286	22,355
- *valuation*	-	-	-	-	-
	-	14,548	521	7,286	22,355
Charge for the year					
- *cost*	-	159	228	397	784
- *valuation*	14	-	-	-	14
Written-off	-	-	-	(5)	(5)
At 31 March 2017					
- *cost*	-	14,707	749	7,678	23,134
- *valuation*	14	-	-	-	14
	14	14,707	749	7,678	23,148
Carrying value At 31 March 2017					
- *cost*	-	97	399	1,202	1,698
- *valuation*	2,706	-	-	-	2,706
	2,706	97	399	1,202	4,404
The carrying value of revalued asset stated under the historical cost convention At 31 March 2017	2,131	-	-	-	2,131

2. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2016	**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 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
Additions - *cost*	-	-	-	84	84
Adjustment on revaluation	(248)	-	-	-	(248)
Revaluation surplus	488	-	-	-	488
At 31 March 2016					
- *cost*	-	14,804	1,148	8,631	24,583
- *valuation*	2,720	-	-	-	2,720
	2,720	14,804	1,148	8,631	27,303
Accumulated depreciation					
At 1 April 2015					
- *cost*	-	14,327	292	6,567	21,186
- *valuation*	199	-	-	-	199
	199	14,327	292	6,567	21,385
Charge for the year					
- *cost*	-	221	229	719	1,169
- *valuation*	49	-	-	-	49
Adjustment on revaluation	(248)	-	-	-	(248)
At 31 March 2016					
- *cost*	-	14,548	521	7,286	22,355
- *valuation*	-	-	-	-	-
	-	14,548	521	7,286	22,355
Carrying value					
At 31 March 2016					
- *cost*	-	256	627	1,345	2,228
- *valuation*	2,720	-	-	-	2,720
	2,720	256	627	1,345	4,948
The carrying value of revalued asset stated under the historical cost convention					
At 31 March 2016	2,164	-	-	-	2,164

2. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) The Group revalues its freehold hotel property, freehold land and buildings once in every five years based on valuation carried out by independent firm of professional valuers using the open market basis.

The latest valuations were carried out by Rahim & Co International Sdn. Bhd. and Bernard Valuers & Real Estate Consultants Pte. Ltd. on 31 March 2016 for properties in Malaysia and Singapore, respectively. The fair value of the freehold hotel property, freehold land and buildings was determined using comparison method and therefore is categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the fair value hierarchy during the financial year.

(b) The freehold hotel property has been pledged as security for the bank borrowings referred to in Note 22 to the financial statements.

(c) The fair value measurements of the freehold hotel property, freehold land and buildings (at valuation) are based on the highest and best use which does not differ from their actual use.

3. LAND HELD FOR PROPERTY DEVELOPMENT

Group	Balance as at 1.4.2016 RM'000	Additions RM'000	Transfer from property development costs (Note 10) RM'000	Balance as at 31.3.2017 RM'000
Carrying amount				
Freehold land	127,612	91,605	21	219,238
Leasehold land	25,216	-	1,920	27,136
Development costs	46,122	11,543	4,122	61,787
	198,950	103,148	6,063	308,161

	Balance as at 1.4.2015 RM'000	Additions RM'000	Transfer from property development costs (Note 10) RM'000	Balance as at 31.3.2016 RM'000
Carrying amount				
Freehold land	-	87,913	39,699	127,612
Leasehold land	-	21,155	4,061	25,216
Development costs	-	12,872	33,250	46,122
	-	121,940	77,010	198,950

3. LAND HELD FOR PROPERTY DEVELOPMENT (continued)

(a) As at the end of the reporting period, land held for property development with carrying amount of RM246,373,000 (2016: RM152,828,000) were pledged to licensed bank to secure the bank borrowings referred to in Note 22 to the financial statements.

(b) Included under development costs is borrowing costs of RM5,434,000 (2016: RM4,947,000) incurred during the financial year. The interest rate ranges from 4.38% to 5.13% (2016: 3.80% to 5.30%) per annum.

(c) In the previous financial year, there was unpaid balance of additions to land held for property development amounted to RM28,524,000 which was included in accrued land cost referred to in Note 23 to the financial statements.

4. INVESTMENT PROPERTIES

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
At 1 April	321,487	318,046	320,472	317,031
Fair value adjustments	52,503	2,499	52,548	2,499
Additions during the year	1,430	1,180	1,430	1,180
Disposals during the year	-	(238)	-	(238)
At 31 March	375,420	321,487	374,450	320,472
Comprise:				
Freehold land and buildings				
Wisma Selangor Dredging	372,100	318,000	372,100	318,000
Office space in a 24-storey office building known as Plaza 138	3,320	3,487	2,350	2,472
	375,420	321,487	374,450	320,472

(a) The amount of rental income and direct operating expenses recognised on revenue generating investment properties are disclosed in Notes 25 and 28 to the financial statements respectively.

(b) The fair values of the investment properties at 31 March 2017 are based on a valuation carried out by Raine & Horne International Zaki + Partners 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 financial year.

(c) *Wisma Selangor Dredging* has been pledged as security for the bank borrowings referred to in Note 22 to the financial statements.

5. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company 2017 RM'000	Company 2016 RM'000
Unquoted shares at cost		
- ordinary shares	23,568	23,768
- non-cumulative redeemable preference shares	199,000	199,000
	222,568	222,768
Impairment losses	(942)	(942)
	221,626	221,826

(a) The subsidiary companies are:

	Equity interest Direct 2017 %	Equity interest Direct 2016 %	Equity interest Indirect 2017 %	Equity interest Indirect 2016 %	Country of incorporation	Principal activities
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. ("SDBI")	100	100	-	-	Malaysia	Investment holding
SDB Interiors Sdn. Bhd.	100	100	-	-	Malaysia	Provision of property support services
SDB Property Management Sdn. Bhd. ("SDBPM")	-	-	100	100	Malaysia	Provision of property management services

5. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

(a) The subsidiary companies are: (continued)

	Equity interest Direct 2017 %	Equity interest Direct 2016 %	Equity interest Indirect 2017 %	Equity interest Indirect 2016 %	Country of incorporation	Principal activities
SDB Host Sdn. Bhd. ("HOST")	-	-	100	100	Malaysia	Provision of property management services
SuperGreen Solutions Sdn. Bhd. (Formerly known as SDB Green Solutions Sdn. Bhd.) ("SGS")	-	100	100	-	Malaysia	Dormant
SDB Asia Pte. Ltd.*	-	-	100	100	Singapore	Investment in property and property development
SDB Green Energy Pte. Ltd.*	-	-	100	100	Singapore	Master Franchisee of energy efficient products

* *Subsidiary companies not audited by BDO*

(b) Disposal of a subsidiary

On 30 September 2016, the Company has disposed 200,000 ordinary shares of RM1.00 each, representing 100% of issued and paid up capital of SuperGreen Solutions Sdn. Bhd. to SDB Green Energy Pte. Ltd., a wholly-owned subsidiary of SDB International Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company, at a consideration sum of RM200,000.

6. INVESTMENTS IN JOINT VENTURES

	Group 2017 RM'000	Group 2016 RM'000
Capital contribution, at cost	64,500	76,550
Group's share of post-acquisition reserves and retained profit less losses	70,600	71,994
Foreign exchange adjustments	28,839	18,061
	163,939	166,605

6. INVESTMENTS IN JOINT VENTURES (continued)

The joint ventures are as follows:

	Equity interest					
	Direct		Indirect		Country of incorporation	Principal activities
	2017 %	2016 %	2017 %	2016 %		
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
SDB Teambuild Sdn. Bhd.	-	-	50	50	Malaysia	Contractor for building and project management service
Subsidiary of CHI						
SDB Guernsey Limited*	-	-	50	50	Guernsey	Investment holding and property investment
Subsidiaries of CD						
Tiara Land Pte. Ltd.*	-	-	50	50	Singapore	Investment in property and property development
Teratai Investment Holdings Pte. Ltd.*	-	-	50	50	Singapore	Dormant

* *Joint ventures not audited by BDO*

	Group	
	2017 RM'000	2016 RM'000
Reconciliation of net assets to carrying amount as at 31 March		
Group's share of net assets	163,939	166,605
Elimination of unrealised profits	-	-
Carrying amount in the statement of financial position	163,939	166,605
Group's share of (loss)/profit, net of tax	(1,394)	15,430

6. INVESTMENTS IN JOINT VENTURES (continued)

Summarised financial information of material joint ventures is as follows:

2017	CHI and its subsidiary RM'000	CD and its subsidiaries RM'000
Assets and liabilities		
Current assets	71,341	396,584
Current liabilities	(165)	(139,941)
Net assets	71,176	256,643
Proportion of the ownership of the Group	50%	50%
Carrying amount of the investments in joint ventures	35,588	128,321
Results		
Revenue	-	46,163
Cost of sales	(73)	(39,709)
Gross (loss)/profit	(73)	6,454
Other operating income	1,324	377
Adminstrative and general expenses	(1,253)	(8,612)
Other operating expenses	(805)	-
Loss before tax	(807)	(1,781)
Tax (expense)/income	(280)	269
Loss for the financial year	(1,087)	(1,512)
Share of loss by the Group for the financial year	(544)	(756)

6. INVESTMENTS IN JOINT VENTURES (continued)

Summarised financial information of material joint ventures is as follows: (continued)

2016	CHI and its subsidiary RM'000	CD and its subsidiaries RM'000
Assets and liabilities		
Current assets	75,019	452,310
Current liabilities	(5,121)	(189,245)
Net assets	69,898	263,065
Proportion of the ownership of the Group	50%	50%
Carrying amount of the investments in joint ventures	34,949	131,532
Results		
Revenue	1,609	254,657
Cost of sales	-	(219,252)
Gross profit	1,609	35,405
Other operating income	10,994	99
Adminstrative and general expenses	(1,230)	(5,088)
Other operating expenses	(411)	(6,077)
Finance cost	(1,157)	(586)
Profit before tax	9,805	23,753
Tax income/(expense)	1,465	(4,167)
Profit for the financial year	11,270	19,586
Share of profit by the Group for the financial year	5,635	9,793

6. INVESTMENTS IN JOINT VENTURES (continued)

The summarised aggregate financial information of the Group's share of other individually immaterial joint venture as at 31 March is as follows:

	Group	
	2017 RM'000	2016 RM'000
Net (loss)/profit for the financial year	(94)	2
Total comprehensive (loss)/income	(94)	2
Carrying amount of the Group's interest in joint venture	30	124

7. INTANGIBLE ASSETS

	Group	
	2017 RM'000	2016 RM'000
Franchise license		
Cost		
As at 1 April 2016/2015	-	-
Add: Addition during the financial year	384	-
At 31 March 2017/2016	384	-
Accumulated amortisation		
At 1 April 2016/2015	-	-
Amortisation charge for the year	-	-
At 31 March 2017/2016	-	-
Net carrying amount	384	-

8. DEFERRED TAX

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

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Deferred tax assets:				
Tax effect of unutilised tax losses	2,548	3,519	-	-
Deferred tax liabilities:				
Recognised in profit or loss:				
Plant, property and equipment ("PPE")	(139)	(555)	(139)	(531)
Tax effects of fair value gain on investment properties subject to real property gain tax	(15,120)	(12,472)	(15,098)	(12,472)
Recognised in other comprehensive income:				
Tax effects of revaluation gain on PPE	(468)	(468)	(26)	(26)
Total deferred tax liabilities	(15,727)	(13,495)	(15,263)	(13,029)
Net deferred tax liabilities	(13,179)	(9,976)	(15,263)	(13,029)

(b) 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	
	2017 RM'000	2016 RM'000
Unutilised tax losses	13,991	3,377
Unabsorbed capital allowances	145	138
Unabsorbed investment tax allowances	73,720	73,720
Other deductible temporary differences	3,228	-
	91,084	77,235

9. INVENTORIES

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
At cost				
Completed development properties	119,362	188,401	-	-
Consumables	974	1,060	678	674
	120,336	189,461	678	674
Inventories recognised in profit or loss as cost of sales	50,762	7,575	11	105

10. PROPERTY DEVELOPMENT COSTS

	Group 2017 RM'000	Group 2016 RM'000
Freehold land at cost	211,803	279,220
Leasehold land at cost	49,669	43,904
Development costs	576,690	546,121
Costs recognised as an expense in profit or loss in previous financial years	(497,247)	(467,469)
Transfer of completed properties	(149,971)	(80,769)
At 1 April	190,944	321,007
Costs incurred during the year		
- Freehold land at cost	21	-
- Leasehold land at cost	1,970	5,775
- Development costs	108,940	156,861
	110,931	162,636
Cost recognised as an expense in profit or loss in current year	(61,613)	(116,722)
Cost transferred to inventories	-	(98,967)
Cost transferred to land held for property development (Note 3)	(6,063)	(77,010)
At 31 March	234,199	190,944

(a) Included in property development costs above is land with carrying amount of RM38,000,000 (2016: RM38,000,000) which were pledged to licensed bank to secure the bank borrowings referred to in Note 22 to the financial statements.

(b) Included in development costs is borrowing costs of RM372,000 (2016: RM2,243,000) incurred during the financial year. The interest rate ranges from 4.83% to 5.04% (2016: 4.80% to 5.03%) per annum.

10. PROPERTY DEVELOPMENT COSTS (continued)

(c) On 18 October 2016, SDB Damansara Sdn. Bhd. ("SDSB"), a wholly-owned subsidiary of the Company, has entered into a conditional agreement with Bukit Selesa Development Sdn. Bhd. ("BSDSB") to dispose of 16 pieces of land with individual titles for a consideration of RM71,000,000. The agreement shall be unconditional upon BSDSB obtaining the amended development order within 24 months from the date of the agreement.

11. GROSS AMOUNT DUE FROM CUSTOMERS

	Group	
	2017 RM'000	2016 RM'000
Aggregate contract expenditure incurred to date	1,258	1,820
Add: Attributable profits	122	80
	1,380	1,900
Less: Progress billings	(1,380)	(1,887)
	-	13

12. TRADE RECEIVABLES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Progress billings receivables	27,953	26,043	-	-
Retention sums receivables	101	338	-	-
Rental receivables	330	291	271	237
Other trade receivables	3,511	2,352	-	-
	31,895	29,024	271	237
Less: Impairment losses	(298)	-	-	-
Total trade receivables	31,597	29,024	271	237

(a) 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 24 months.

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

(c) 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.

(d) All trade receivables are denominated in Ringgit Malaysia.

13. ACCRUED BILLINGS

	Group 2017 RM'000	Group 2016 RM'000
Revenue recognised in profit or loss to date	850,034	615,371
Progress billings to date	(822,865)	(576,202)
	27,169	39,169
Accrued billings	40,045	53,872
Progress billings	(12,876)	(14,703)
	27,169	39,169

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Other receivables	13,269	13,811	118	112
Less: Impairment losses	(471)	-	-	-
	12,798	13,811	118	112
Interest receivables	70	170	-	-
Deposits	3,056	9,848	407	407
Loan and receivables	15,924	23,829	525	519
Prepayments	4,073	1,857	595	550
	19,997	25,686	1,120	1,069

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

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

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 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	-	-

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

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
- RM	15,636	23,463	525	519
- Singapore Dollar ("SGD")	288	366	-	-
	15,924	23,829	525	519

15. AMOUNTS OWING BY/(TO) SUBSIDIARY COMPANIES

(a) The amounts owing by subsidiary companies consist of the following:

	Company	
	2017 RM'000	2016 RM'000
Interest-free advances	749	221
Interest bearing advances	47,558	20,586
	48,307	20,807

Amounts owing by subsidiary companies are unsecured, which represent interest-free advances, or interest bearing advances at rates ranging from 4.60% to 5.00% (2016: 4.60% to 5.00%) per annum and receivable on demand.

(b) Amount owing to a subsidiary company included under current liabilities represent unsecured, interest bearing advances at a rate of 5.00% (2016: 5.00%) per annum, which are payable on demand.

(c) All amounts owing by/(to) subsidiary companies are denominated in Ringgit Malaysia.

16. AMOUNTS OWING BY/(TO) JOINT VENTURES

(a) Amounts owing by/(to) joint ventures represent advances and payments made on behalf, which are unsecured, interest-free and receivable on demand in cash and cash equivalents.

(b) The currency exposure profile of amounts owing by/(to) joint ventures are as follows:

	Group	
	2017 RM'000	2016 RM'000
- RM	1,250	4,942
- SGD	(5,379)	-
	(4,129)	4,942

17. SHORT TERM INVESTMENTS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Short term funds	25,733	1,072	603	465

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

(b) All short term investments are denominated in Ringgit Malaysia.

18. DEPOSITS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Deposits with licensed banks	104,583	112,441	390	390

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

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Stamp duty payable on a facility agreement	2,150	2,092	390	390

18. DEPOSITS (continued)

(b) The effective interest rates of the deposits range from 0.85% to 3.24% (2016: 0.85% to 3.30%) per annum. All the deposits have maturities of 12 months or less.

(c) The currency exposure profile of deposits is as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
- RM	2,150	2,592	390	390
- SGD	102,433	109,849	-	-
	104,583	112,441	390	390

19. CASH AND BANK BALANCES

(a) Included in cash and bank balances of the Group is a balance of RM4,228,000 (2016: RM27,272,000) held under Housing Development Account pursuant to Section 7A of Housing Development (Control and Licensing) Act, 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulations, 2016, which is not available for general use by the Group.

Funds maintained in the Housing Development Accounts earn interest ranging from 1.75% to 2.00% (2016: 1.75% to 2.00%) per annum.

(b) Cash and bank balances of the Group also included an amount of RM195,000 (2016: RM195,000) pledged to secure bank guarantee facility granted to a subsidiary company.

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

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
- RM	21,402	39,104	2,760	1,796
- SGD	6,582	5,177	-	-
- Australian Dollar ("AUD")	16	14	-	-
	28,000	44,295	2,760	1,796

20. SHARE CAPITAL

	Group and Company 2017 RM'000	Group and Company 2016 RM'000
Issued and fully paid:		
426,127,662 ordinary shares	213,064	213,064
Transfer from share premium account pursuant to the new Companies Act, 2016	477	-
	213,541	213,064

With the introduction of the new Companies Act, 2016 (the "Act") effective 31 January 2017, the concept of authorised share capital and par value of share capital has been abolished. Consequently, balances within the share premium account have been transferred to the share capital account pursuant to the transitional provisions set out in Section 618(2) of the new Act. Notwithstanding this provision, the Company has elected to utilise its share premium account of RM477,000 for purposes stipulated in Section 618(3) of the new Act for a transitional period of 24 months from 31 January 2017.

21. OTHER RESERVE (Distributable)

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

22. BANK BORROWINGS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Secured				
Term loans	373,672	304,511	-	-
Revolving credits	190,750	194,250	23,750	26,250
Unsecured				
Revolving credits	65,000	65,000	50,000	50,000
	629,422	563,761	73,750	76,250
Repayments due within 12 months *(included under current liabilities)*	(284,058)	(271,661)	(52,500)	(52,500)
Repayments due after 12 months *(included under non-current liabilities)*	345,364	292,100	21,250	23,750

22. BANK BORROWINGS (continued)

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
(a) The bank borrowings are repayable as follows:				
- not later than one (1) year	284,058	271,661	52,500	52,500
- later than one (1) year but not later than two (2) years	30,862	200,050	2,500	2,500
- later than two (2) years but not later than five (5) years	104,552	41,400	7,500	7,500
- later than five (5) years	209,950	50,650	11,250	13,750
	629,422	563,761	73,750	76,250

(b) The range of interest rates at the end of the reporting period for bank borrowings are as follows:

	Group		Company	
	2017	2016	2017	2016
Term loans	4.38% - 5.02%	3.85% - 5.10%	-	-
Revolving credits	4.36% - 5.04%	3.85% - 5.28%	4.37% - 5.04%	4.54% - 5.28%

(c) All borrowings are denominated in Ringgit Malaysia.

(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 land belonging to the Group as indicated in Notes 3 and 10 to the financial statements.

23. TRADE PAYABLES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Contractors' claims	12,982	2,090	-	-
Retention sums	37,791	39,369	-	-
Accrued property development cost	40,327	49,876	-	-
Accrued land cost	-	28,524	-	-
Others	683	75	165	74
	91,783	119,934	165	74

23. TRADE PAYABLES (continued)

(a) 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.

(b) The currency exposure profile of trade payables is as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
- RM	89,505	116,940	165	74
- SGD	2,278	2,994	-	-
	91,783	119,934	165	74

24. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Other payables, deposits and accruals	8,890	5,819	2,721	2,056
Interest payable	600	635	44	20
Tenants' deposits	6,926	6,917	6,838	6,820
Deposits received from property purchasers	6,688	6,720	-	-
	23,104	20,091	9,603	8,896

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

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
- RM	23,025	20,009	9,603	8,896
- SGD	79	82	-	-
	23,104	20,091	9,603	8,896

25. REVENUE

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Property development revenue	173,556	170,203	-	-
Rental income	22,562	23,417	23,779	24,549
Sale of hotel rooms, food and beverages and other ancillary services	23,251	22,212	-	-
Construction revenue	380	82	-	-
Management services	755	647	-	-
	220,504	216,561	23,779	24,549

26. COST OF SALES

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Cost of property development	132,272	132,472	-	-
Cost of letting of properties	7,786	8,544	7,690	8,491
Cost of hotel services rendered	12,532	13,183	-	-
	152,590	154,199	7,690	8,491

27. FINANCE COSTS

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Interest expenses on:				
- Revolving credits	11,929	12,169	3,537	3,690
- Term loans	10,378	10,511	-	-
- Advances from a subsidiary	-	-	985	910
	22,307	22,680	4,522	4,600

28. PROFIT BEFORE TAX

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Profit before tax is stated after charging:				
Auditors' remuneration				
- current year	181	247	39	65
- (over)/under provision in prior years	(49)	9	(21)	5
Non-statutory audit fee:				
- current year	-	5	-	-
Depreciation of property, plant and equipment	4,546	6,589	798	1,218
Direct operating expenses on revenue generating investment properties	7,785	8,544	7,690	8,491
Directors' remuneration				
- fees	368	365	272	272
- other emoluments	1,440	1,440	725	725
Impairment losses on trade receivables	572	-	-	-
Impairment losses on other receivables	471	-	-	-
Loss on foreign exchange				
- realised	-	16	-	-
- unrealised	2,541	-	-	-
Rental of equipment	89	90	11	12
Rental of premises	489	542	-	-
and crediting:				
Gain on disposal of property, plant and equipment	-	34	-	-
Gain on disposal of investment property	-	13,688	-	13,688
Interest income from				
- subsidiary companies	-	-	1,468	467
- fixed deposits	862	813	19	21
- short term investments	480	393	144	108
- others	1,300	603	-	-
Fair value gain on investment properties	52,503	2,499	52,548	2,499
Rental income	578	186	-	-
Reversal of impairment loss on trade receivables	274	-	-	-
Gain on foreign exchange				
- realised	9,026	15,260	-	-
- unrealised	-	4,940	-	-
Effect of FRS 139				
- Gain on amortised cost	-	-	-	41,511

29. DIRECTORS' REMUNERATION

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Executive Directors' remuneration:				
- Fees	121	118	40	40
- Salaries and other emoluments	1,440	1,440	725	725
	1,561	1,558	765	765
Non-Executive Directors' remuneration				
- Fees	247	247	232	232
Total	1,808	1,805	997	997

30. TAX EXPENSE

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Malaysian tax based on results for the year				
- current	6,567	4,521	2,636	2,276
- deferred	4,661	(62)	2,614	117
Real property gains tax	-	1,619	-	1,619
Under/(Over) provision in prior years	78	(2,299)	1,631	(683)
	11,306	3,779	6,881	3,329

(a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2016: 24%) of the estimated taxable profits for the fiscal year.

(b) 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 joint ventures) and is analysed as follows:

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Accounting profit	69,977	31,437	58,227	61,155

30. TAX EXPENSE (continued)

(b) 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 joint ventures) and is analysed as follows: (continued)

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Taxation at applicable statutory tax rates	16,794	7,545	13,974	14,677
Tax effects arising from:				
- non-taxable income	(2,059)	(5,203)	(386)	(13,280)
- non-deductible expenses	3,030	1,439	1,646	1,471
Difference in tax rates	(9,861)	(563)	(9,984)	(475)
Movements in unrecognised deferred tax assets	3,324	1,241	-	-
Real property gains tax imposed on disposal of investment property	-	1,619	-	1,619
Under/(Over) provision in prior years	78	(2,299)	1,631	(683)
	11,306	3,779	6,881	3,329

(c) Tax on each component of other comprehensive loss are as follows:

Group	Before tax RM'000	Tax effect RM'000	After tax RM'000
2017			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translations	15,847	-	15,847
2016			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translations	(2,969)	-	(2,969)
Revaluation on property, plant and equipment	16,261	(468)	15,793
	13,292	(468)	12,824

Company	Before tax RM'000	Tax effect RM'000	After tax RM'000
2016			
Items that may be reclassified subsequently to profit or loss			
Revaluation on property, plant and equipment	488	(26)	462

31. EARNINGS PER SHARE

(a) Basic earnings per ordinary 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 2017 RM'000	Group 2016 RM'000
Profit attributable to shareholders of the Company (RM'000)	57,277	43,088
Weighted average number of ordinary shares ('000) At 1 April/31 March	426,128	426,128
Basic earnings per share (sen)	13.44	10.11

(b) Diluted earnings per ordinary share

Diluted earnings per ordinary share equals basic earnings per ordinary share as there were no dilutive potential ordinary shares in issue as at 31 March 2017 and 31 March 2016.

32. DIVIDEND PAID

	Group and Company 2017 RM'000	Group and Company 2016 RM'000
First and final dividend of 5% (2015: 6%) in respect of the financial year ended 31 March 2016/2015	10,653	12,784

The Directors proposed a first and final single tier dividend of 5% amounting to RM10,653,192 in respect of the financial year ended 31 March 2017. This dividend, if approved by shareholders, would be accounted for as an appropriation of retained earnings in the financial year ending 31 March 2018.

33. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Employee benefits expense (included executive Directors' emoluments)	26,525	27,925	7,833	7,951

Included in the employee benefits expense are EPF contributions amounting to RM2,988,000 (2016: RM2,822,000) for the Group and RM891,000 (2016: RM827,000) for the Company.

34. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

Related parties of the Group include:

(i) its subsidiary companies and joint ventures;

(ii) key management personnel, which comprises persons (including the Directors of the Group) having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly; and

(iii) companies in which the Directors/shareholders of the Company or their close family members have substantial financial interests or significant influence.

(b) 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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Transactions with subsidiary companies								
Interest received/receivable from SDI	-	-	230	371	-	-	4,446	5,440
Interest received/receivable from SDBP	-	-	1,238	96	-	-	43,111	15,142
Rental received from SDBPM	-	-	108	108	-	-	-	-
Rental received from SDBP	-	-	1,023	974	-	-	-	-

34. RELATED PARTY DISCLOSURES (continued)

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

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Transactions with subsidiary companies (continued)								
Rental received from SDBINT	-	-	175	175	-	-	-	557
Management fee paid to SDBINT	-	-	99	66	-	-	-	-
Interest paid /payable to SDBINT	-	-	985	-	-	-	(38,803)	-
Interest paid/payable to SDBP	-	-	-	910	-	-	-	-
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	33	33	-	-	-	-	-	-
Rental paid to Teh Lip Ling, a close family member of Teh Lip Kim and Teh Lip Pink	33	33	-	-	-	-	-	-
Rental paid to Teh Kien Toh Sdn. Bhd., a company in which Teh Lip Kim and Teh Lip Pink have interests	33	33	-	-	-	-	-	-
Medical fees paid to Klinik Ian Ong, a clinic belonging to a close family member of Teh Lip Kim and Teh Lip Pink	112	78	69	39	-	-	-	-
Consultancy fee paid to Providence Capital Sdn. Bhd., a company in which Eddy Chieng Ing Huong has interest	180	180	-	-	-	-	-	-

34. RELATED PARTY DISCLOSURES (continued)

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

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Transactions with joint ventures:								
Progress billings on construction contract paid to SDB Teambuild Sdn. Bhd.	-	11,785	-	-	-	-	-	-
Rental received from SDB Teambuild Sdn. Bhd.	23	93	-	-	-	-	-	-

(c) Key management personnel compensation

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Directors				
Short-term employee benefits				
- fees	368	365	272	272
- remuneration	1,212	1,212	611	611
Total short-term employee benefits	1,580	1,577	883	883
Post-employment benefits				
- EPF	228	228	114	114
Sub-total	1,808	1,805	997	997
Other key management personnel				
Short-term employee benefits				
- salary, bonus and allowances	3,260	3,260	1,671	1,671
Post-employment benefits				
- EPF	509	509	270	270
Sub-total	3,769	3,769	1,941	1,941
Total compensation	5,577	5,574	2,938	2,938

35. CAPITAL COMMITMENTS

	Group	
	2017 RM'000	2016 RM'000
Commitments to purchase land held for development not provided for in the financial statements		
- approved and contracted for	-	60,750
Investment in an associate	20,000	-
	20,000	60,750

36. OPERATING LEASE COMMITMENTS

The Group and the Company as lessor

The Group and the Company lease out their investment properties under non-cancellable operating leases. The leases typically run for a period of 1 to 3 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 end of the reporting period but not recognised as assets are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Not later than one (1) year	17,946	15,919	16,983	15,883
Later than one (1) year but not later than five (5) years	10,059	10,047	9,731	10,047
	28,005	25,966	26,714	25,930

37. CONTINGENT LIABILITIES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Corporate guarantees given to financial institutions for credit facility granted to subsidiary companies	253,800	187,800	253,800	187,800
Bank guarantees given by financial institutions in respect of construction and property projects	6,846	2,294	4,861	839
	260,646	190,094	258,661	188,639

The Directors are of the view that the chances of financial institutions to call upon the guarantees are remote. Accordingly, the fair values of the above guarantees are negligible.

38. 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 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) Management services - 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.

2017	Property investment RM'000	Hotel operations RM'000	Investment holding RM'000	Property development RM'000	Management services RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External sales	22,473	23,251	-	173,935	845	-	220,504
Inter-segment sales	1,510	-	-	1,086	-	(2,596)	-
Total revenue	23,983	23,251	-	175,021	845	(2,596)	220,504
Results							
Segment results	68,098	(1,400)	8,251	30,939	(467)	(10,866)	94,555
Finance costs	-	-	-	(22,307)	-	-	(22,307)
Share of loss of joint ventures	-	-	(17)	(1,283)	(94)	-	(1,394)
Unallocated corporate expenses							(2,271)
Profit before tax							68,583
Tax expense							(11,306)
Profit for the financial year							57,277

38. SEGMENTAL ANALYSIS (continued)

2017	Property investment RM'000	Hotel operations RM'000	Investment holding RM'000	Property development RM'000	Management services RM'000	Elimination RM'000	Consolidated RM'000
Assets							
Segment assets	388,053	154,949	-	686,668	194,453	526	1,424,649
Investing assets	-	-	41,985	-	-	-	41,985
Investments in joint ventures	-	-	-	163,939	-	-	163,939
Current tax assets							9,631
Deferred tax assets							2,548
Consolidated total assets							1,642,752
Liabilities							
Segment liabilities	(83,521)	(1,147)	(9)	(649,054)	(17,047)	-	(750,778)
Deferred tax liabilities							(15,727)
Consolidated total liabilities							(766,505)
Other information							
Capital expenditure	1,687	527	-	508	137		2,859
Depreciation	847	2,661	-	1,034	4		4,546

2016	Property investment RM'000	Hotel operations RM'000	Investment holding RM'000	Property development RM'000	Management services RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External sales	23,404	22,212	-	170,203	742	-	216,561
Inter-segment sales	1,347	-	-	-	2,181	(3,528)	-
Total revenue	24,751	22,212	-	170,203	2,923	(3,528)	216,561

38. SEGMENTAL ANALYSIS (continued)

2016	Property investment RM'000	Hotel operations RM'000	Investment holding RM'000	Property development RM'000	Management services RM'000	Elimination RM'000	Consolidated RM'000
Results							
Segment results	30,417	(3,527)	29,477	19,941	(1,314)	(18,521)	56,473
Finance costs	(10,949)	-	-	(23,961)	-	12,230	(22,680)
Share of profit of joint ventures	-	-	-	15,430	-	-	15,430
Unallocated corporate expenses							(2,356)
Profit before tax							46,867
Tax expense							(3,779)
Profit for the financial year							43,088
Assets							
Segment assets	333,497	160,620	-	790,375	2,646	(46)	1,287,092
Investing assets	-	-	61,802	-	-	-	61,802
Investments in joint ventures	-	-	-	166,605	-	-	166,605
Current tax assets							12,039
Deferred tax assets							3,519
Consolidated total assets							1,531,057
Liabilities							
Segment liabilities	(85,220)	(1,987)	(25)	(615,987)	(567)	-	(703,786)
Deferred tax liabilities							(13,495)
Consolidated total liabilities							(717,281)
Other information							
Capital expenditure	1,262	1,819	-	1,879	5	-	4,965
Depreciation	1,218	2,942	-	2,372	57	-	6,589

38. SEGMENTAL ANALYSIS (continued)

(b) Secondary reporting format - geographical segment

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

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location from which the sale transactions originated.

Segment assets are based on the geographical location of the assets of the Group. The non-current assets do not include tax assets and assets used primarily for corporate purposes.

	2017 RM'000	2016 RM'000
Revenue from external customers		
Malaysia	196,412	216,561
Singapore	24,092	-
	220,504	216,561
Non current assets		
Malaysia	1,016,527	860,443
Singapore	23,711	21,528
	1,040,238	881,971

39. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

2017	Loans and receivables RM'000	Fair value through profit or loss RM'000	Total RM'000
Group			
Financial assets			
Trade receivables	31,597	-	31,597
Other receivables and deposits (excluding prepayments)	15,924	-	15,924
Amounts owing by joint ventures	1,250	-	1,250
Short term investments	-	25,733	25,733
Deposits	104,583	-	104,583
Cash and bank balances	28,000	-	28,000
Total financial assets	181,354	25,733	207,087

2017	Other financial liabilities RM'000	Total RM'000
Group		
Financial liabilities		
Trade payables	91,783	91,783
Other payables and accruals	23,104	23,104
Amount owing to a joint venture	5,379	5,379
Bank borrowings	629,422	629,422
Total financial liabilities	749,688	749,688

39. FINANCIAL INSTRUMENTS (continued)

(a) Classification of financial instruments (continued)

2016	Loans and receivables RM'000	Fair value through profit or loss RM'000	Total RM'000
Group			
Financial assets			
Trade receivables	29,024	-	29,024
Other receivables and deposits (excluding prepayments)	23,829	-	23,829
Amounts owing by joint ventures	4,942	-	4,942
Short term investments	-	1,072	1,072
Deposits	112,441	-	112,441
Cash and bank balances	44,295	-	44,295
Total financial assets	214,531	1,072	215,603

2016	Other financial liabilities RM'000	Total RM'000
Group		
Financial liabilities		
Trade payables	119,934	119,934
Other payables and accruals	20,091	20,091
Bank borrowings	563,761	563,761
Total financial liabilities	703,786	703,786

39. FINANCIAL INSTRUMENTS (continued)

(a) Classification of financial instruments (continued)

2017	Loans and receivables RM'000	Fair value through profit or loss RM'000	Total RM'000
Company			
Financial assets			
Trade receivables	271	-	271
Other receivables and deposits (excluding prepayment)	525	-	525
Amounts owing by subsidiary companies	48,307	-	48,307
Short term investments	-	603	603
Deposits	390	-	390
Cash and bank balances	2,760	-	2,760
Total financial assets	52,253	603	52,856

2017	Other financial liabilities RM'000	Total RM'000
Company		
Financial liabilities		
Trade payables	165	165
Other payables and accruals	9,603	9,603
Amount owing to a subsidiary company	38,803	38,803
Bank borrowings	73,750	73,750
Total financial liabilities	122,321	122,321

39. FINANCIAL INSTRUMENTS (continued)

(a) Classification of financial instruments (continued)

2016	Loans and receivables RM'000	Fair value through profit or loss RM'000	Total RM'000
Company			
Financial assets			
Trade receivables	237	-	237
Other receivables and deposits (excluding prepayment)	519	-	519
Amounts owing by subsidiary companies	20,807	-	20,807
Short term investments	-	465	465
Deposits	390	-	390
Cash and bank balances	1,796	-	1,796
Total financial assets	23,749	465	24,214

2016	Other financial liabilities RM'000	Total RM'000
Company		
Financial liabilities		
Trade payables	74	74
Other payables and accruals	8,896	8,896
Amount owing to a subsidiary company	3	3
Bank borrowings	76,250	76,250
Total financial liabilities	85,223	85,223

(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.

39. FINANCIAL INSTRUMENTS (continued)

(b) Fair value of financial instruments (continued)

(i) Financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values

The carrying amounts of financial assets and financial liabilities, such as trade and other receivables, amounts owing by/(to) subsidiary companies, amounts owing by/(to) joint ventures, trade and other payables and borrowings, are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

(ii) Short term investments

The fair value of short term investments in Malaysia is determined by reference to the counter parties' quotes at the close of the business at the end of the reporting period.

(c) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables set out the financial instruments carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				
2017	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Fair value RM'000**	**Carrying amount RM'000**
Group					
Financial assets					
Financial assets at fair value through profit or loss					
- Short term investments	-	25,733	-	25,733	25,733
Company					
Financial assets					
Financial assets at fair value through profit or loss					
- Short term investments	-	603	-	603	603

39. FINANCIAL INSTRUMENTS (continued)

(c) Fair value hierarchy (continued)

2016	Fair value of financial instruments carried at fair value Level 1 RM'000	 Level 2 RM'000	 Level 3 RM'000	 Fair value RM'000	Carrying amount RM'000
Group					
Financial assets					
Financial assets at fair value through profit or loss					
- Short term investments	-	1,072	-	1,072	1,072
Company					
Financial assets					
Financial assets at fair value through profit or loss					
- Short term investments	-	465	-	465	465

40. 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, 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.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 11% (2016: Nil) of the Group's sales were denominated in foreign currency. The Group's trade receivables and trade payables balances at the reporting date have similar exposures.

The Group also holds 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 RM109,015,000 (2016: RM115,026,000).

A sensitivity analysis has been performed on the outstanding foreign currency denominated monetary items of the Group as at 31 March 2017. 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 RM3,385,000 (2016: RM3,260,000).

(b) Interest rate risk

Financial assets

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.

The interest rate profile of interest rate risk of amounts owing by subsidiary companies have been disclosed in Note 15 to the financial statements.

Financial liabilities

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.

The interest rate profile of interest rate risk of amount owing to a subsidiary company has been disclosed in Note 15 to the financial statements.

A sensitivity analysis has been performed based on the outstanding floating rate bank borrowings of the Group as at 31 March 2017. 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 RM4,594,220 (2016: RM3,938,000), as a result of higher or lower interest expense on these borrowings.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) 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 trade receivables is as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Neither past due nor impaired	20,567	9,023	180	153
Past due, not impaired				
1 to 30 days past due	1,708	13,519	81	72
31 to 60 days past due	1,057	257	10	4
61 to 120 days past due	893	713	-	5
More than 120 days past due	7,372	5,512	-	3
	11,030	20,001	91	84
Past due and impaired	298	-	-	-
	31,895	29,024	271	237

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of the trade receivables of the Group and of the Company that are neither past due nor impaired have been renegotiated during the financial year.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk (continued)

Receivables that are past due but not impaired

Trade receivables that are past due but not impaired mainly arose from active corporate customers with healthy business relationship, in which the management is of the view that the amounts are recoverable based on past payments history.

The trade receivables of the Group and of the Company that are past due but not impaired are unsecured in nature.

Receivables that are past due and impaired

Trade receivables of the Company that are past due and impaired at the end of the reporting period are as follows:

	Group	
	2017	**2016**
	RM'000	**RM'000**
Individually impaired		
Trade receivables	298	-
Less: Impairment losses	(298)	-
	-	-

The reconciliation of movement in the impairment losses is as follows:

Trade receivables	**2017 RM'000**	**2016 RM'000**
At 1 April 2016/2015	-	-
Charge for the financial year	572	-
Reversal of impairment losses	(274)	-
At 31 March 2017/2016	298	-
Other receivables		
At 1 April 2016/2015	-	-
Charge for the financial year	471	-
At 31 March 2017/2016	471	-

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) 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
2017				
Trade payables	91,783	-	-	91,783
Other payables and accruals	23,104	-	-	23,104
Amount owing to a joint venture	5,379	-	-	5,379
Bank borrowings	296,249	185,760	212,970	694,979
	416,515	185,760	212,970	815,245
2016				
Trade payables	119,934	-	-	119,934
Other payables and accruals	20,091	-	-	20,091
Bank borrowings	299,027	265,903	62,148	627,078
	439,052	265,903	62,148	767,103

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Liquidity and cash flow risks (continued)

Company	Less than 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
2017				
Trade payables	165	-	-	165
Other payables and accruals	9,603	-	-	9,603
Amount owing to a subsidiary company	38,803	-	-	38,803
Bank borrowings	55,032	10,437	11,742	77,211
	103,603	10,437	11,742	125,782
2016				
Trade payables	74	-	-	74
Other payables and accruals	8,896	-	-	8,896
Amount owing to a subsidiary company	3	-	-	3
Bank borrowings	56,217	13,632	16,134	85,983
	65,190	13,632	16,134	94,956

41. 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		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Total borrowings (Note 22)	629,422	563,761	73,750	76,250
Less: Cash and bank balances, net of pledged bank balances	(27,805)	(44,100)	(2,760)	(1,796)
Deposits, net of deposits pledged	(102,433)	(110,349)	-	-
Short term investments	(25,733)	(1,072)	(603)	(465)
Net debt	473,451	408,240	70,387	73,989
Total equity	876,247	813,776	516,209	475,516
Net debt	473,451	408,240	70,387	73,989
	1,349,698	1,222,016	586,596	549,505
Gearing ratio	35%	33%	12%	13%

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

Under the requirement to Bursa Malaysia Practice Note No. 17/2005, the Group 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, if any), and such shareholders' equity is not less than RM40 million. The Group has complied with this requirement.

42. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(a) On 9 May 2017, SDB Connect Sdn. Bhd., a wholly owned subsidiary of SDB had entered into a Share Sale Agreement in acquiring 20% equity interest of Webcon Mining Sdn. Bhd. ("WMSB"). The principal activity of WMSB is mining, extraction, excavation and sale of minerals.

(b) On 20 June 2017, the Company had entered into a conditional sale and purchase agreement with Golden Eagle Realty Sdn. Bhd. for the disposal of Wisma Selangor Dredging for a cash consideration of RM480,000,000.

43. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 23 June 2017 by the Board of Directors.

44. 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 and the Company as at 31 March 2017, into realised and unrealised profits/(losses), pursuant to the directive, is as follows:

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Total retained earnings				
- Realised	243,742	244,563	44,189	56,210
- Unrealised	256,245	204,545	248,399	195,685
	499,987	449,108	292,588	251,895
Total share of retained profits from joint ventures				
- Realised	68,694	70,088	-	-
- Unrealised	1,906	1,906	-	-
	570,587	521,102	292,588	251,895
Consolidation adjustments	(5,398)	(2,537)	-	-
	565,189	518,565	292,588	251,895

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 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 54 to 129 have been drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

The information set out in Note 44 to the financial statements on page 130 has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,

Eddy Chieng Ing Huong
Director

Teh Lip Kim
Director

Kuala Lumpur
23 June 2017

STATUTORY DECLARATION

I, Loong Ching Hong, being the officer primarily responsible for the financial management of Selangor Dredging Berhad, do solemnly and sincerely declare that the financial statements set out on pages 54 to 130 are, to the best of my knowledge and belief, 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 in Malaysia.

Subscribed and solemnly declared at)
Kuala Lumpur in the Federal Territory)
this 23 June 2017) **Loong Ching Hong**

Before me:

No. W663
Baloo A/L T. Pichai
Commissioner for Oaths

ANALYSIS OF SHAREHOLDINGS

30 JUNE 2017

Financial year ended : 31 March 2017
Class of stock : Ordinary share
Voting rights : 1 vote per share

ANALYSIS OF SHAREHOLDINGS AS AT 30 JUNE 2017

	Number of Holders	Holdings	Total Holdings	%
	418	less than 100	6,949	0.00
	1,917	100 - 1,000	1,643,280	0.39
	4,613	1,001 - 10,000	20,345,857	4.77
	1,115	10,001 - 100,000	32,266,268	7.57
	148	100,001 to less than 5% of issued shares	121,653,456	28.55
	3	5% and above of issued shares	250,211,852	58.72
Total	**8,214**		**426,127,662**	**100.00**

DIRECTORS' SHAREHOLDINGS AS AT 30 JUNE 2017

		No. of Shares			
	Name of Directors	Direct Holding	Percentage %	Indirect Holding	Percentage %
1.	Mr Eddy Chieng Ing Huong	-	-	-	-
2.	Ms Teh Lip Kim	86,323,396	20.26	170,588,756	40.03
3.	Tan Sri 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 2017

	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	86,323,396	20.26	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 2017

Name of shareholders	Shares held	%
1. Teh Lip Kim	86,323,396	20.26
2. Teh Wan Sang & Sons Sdn Bhd	61,040,527	14.32
3. Teh Kien Toh Sdn Bhd	37,900,748	8.89
4. Teh Wan Sang & Sons Sdn Berhad	37,217,951	8.73
5. Teh Kien Toh Sdn Berhad	27,729,230	6.51
6. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt An for Bank of Singapore Limited	15,388,000	3.61
7. Citigroup Nominees (Asing) Sdn Bhd Exempt An for UBS AG Singapore (Foreign)	12,489,000	2.93
8. Wang, Kun-Lung	11,280,200	2.65
9. Teh Wan Sang & Sons Housing Development Sdn Bhd	5,867,300	1.38
10. Chan Keong Hon Sdn Bhd	5,725,580	1.34
11. Ng Chin Siu & Sons Rubber Estates Sdn Bhd	3,836,800	0.90
12. UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	3,332,548	0.78
13. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt An for Bank of Singapore Limited	3,010,000	0.71
14. Gan Teng Siew Realty Sdn Berhad	2,224,900	0.52
15. Teh Lip Bin	2,000,000	0.47
16. Citigroup Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited (Client A/C-NR)	1,776,457	0.42
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. HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Surinder Singh A/L Wassan Singh	1,545,000	0.36
20. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Chan Keong Hon Sdn Bhd (01-00600-000)	1,500,000	0.35
21. CIMB Group Nominees (Asing) Sdn Bhd Exempt An for DBS Bank Ltd (SFS)	1,464,000	0.34
22. JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Kwee Hock (STA1)	1,454,200	0.34
23. Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	1,352,800	0.32
24. Teh Lip Ling	1,341,000	0.31
25. JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Siew Lai (Margin)	1,241,400	0.29
26. Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Small Cap Series	1,118,200	0.26
27. Ulysses Sdn Bhd	1,067,779	0.25
28. Bidor Tahan Estates Sdn Bhd	1,000,000	0.23
29. Chinchoo Investment Sdn Berhad	1,000,000	0.23
30. Gemas Bahru Estates Sdn Bhd	1,000,000	0.23
	335,705,216	**78.74**

LIST OF MATERIAL PROPERTIES

Properties	Description	Land area/ (Built-up area) (Square feet)	Tenure (Expiry)	Age of building (Years)	Net book value as at 31.3.2017 (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: 362,782 sq ft)	103,882	Freehold (N/A)	32	372,100	22 March 2017
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)	19	148,440	31 March 2016
HS(M) 31374 (PT 80704), HS(M) 31375 (PT 80705) and HS(M) 31376 (PT 80706) Tempat Kuyow, Mukim and Daerah Petaling, Negeri Selangor	Development land	807,067	Freehold (N/A)	-	80,000	(13 April 2015)
GM 268 (Lot 581) and GM 188 (Lot 582), Tempat 8th Mile Ulu Klang, Mukim of Hulu Kelang, Daerah Gombak, Negeri Selangor	Development land	440,997	Freehold (N/A)	-	64,486	(26 January 2016)
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)	-	38,000	(28 March 2012)
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	Freehold (N/A)	-	34,500	(15 March 2012)

Properties	Description	Land area/ (Built-up area) (Square feet)	Tenure (Expiry)	Age of building (Years)	Net book value as at 31.3.2017 (RM'000)	Date of last revaluation (Date of acquisition)
Geran No. Hakmilik 35127, Lot 289 Seksyen 2, Bandar Batu Ferringgi, Daerah Timor Laut, Negeri Pulau Pinang.	Development land	253,998	Freehold (N/A)	-	25,000	(5 October 2016)
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)	-	23,199	(8 February 2013)
Lot 333P of TS 5 25, Teo Hong Road, Singapore 088333	1 block of 3 storey office building	1,731	Freehold (N/A)	-	22,745 (SGD7,188)	31 March 2016
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)

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

SDB Selangor Dredging Berhad (4624-U)

PROXY FORM

No. of shares held

CDS Account No.
–   –

I/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-Sixth Annual General Meeting of the Company to be held at the Ballroom, Hotel Maya Kuala Lumpur, 138, Jalan Ampang, 50450 Kuala Lumpur on Friday, 29 September 2017 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		
9	Resolution No.9		
10	Resolution No.10		

(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 ________________ 2017.

____
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 20 September 2017 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.

(iii) A member of the Company shall be entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holdings to be represented by each proxy.

(iv) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) 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 appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common 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 & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 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 Constitution 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 20 September 2017 and only Depositors whose names appear 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 Lee Siew Li
Organisation	:	Tricor Investor & Issuing House Services Sdn. Bhd.
Telephone number	:	603-2783 9299

Please fold here

STAMP

Selangor Dredging Berhad
c/o Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 603-2783 9299
Fax : 603-2783 9222

Please fold here

www.sdb.com.my

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