



ANNUAL
REPORT
2010

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

02	Notice of Annual General Meeting
04	Corporate Information
05	Corporate Structure
06	Profile of Members of Board of Directors
08	Chairman's Statement
14	Managing Director's Operations Review
22	Group Financial Highlights
25	Statement on Corporate Governance
31	Statement on Internal Control
34	Statement on Directors' Responsibilities
35	Other Corporate Disclosure
36	Audit Committee Report
41	Financial Statements
102	Analysis of Shareholdings
104	List of Material Properties Proxy Form

DRIVING EXCELLENCE, BUILDING LIFELONG RELATIONSHIPS

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 – property management and leasing, hotel and most recently property development.

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.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the FORTY-NINTH ANNUAL GENERAL MEETING OF SELANGOR DREDGING BERHAD will be held at the Ballroom, Hotel Maya Kuala Lumpur, 138, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 26 August 2010 at 9.00 am for the following purposes:

1. To receive and consider the Financial Statements for the year ended 31 March 2010 and the Directors' and Auditors' Reports thereon. **(Resolution 1)**
2. To approve the payment of a First and Final Dividend of 4% (2009 : 3%) less tax at 25% for the year ended 31 March 2010. **(Resolution 2)**
3. To approve the payment of Directors' Fees amounting to RM170,000 (2009 : RM170,000) for the year ended 31 March 2010. **(Resolution 3)**
4. To re-elect the following Directors who retire by rotation pursuant to Article 80 of the Company's Articles of Association:
 - (a) Mr Eddy Chieng Ing Huong **(Resolution 4)**
 - (b) Ms Teh Lip Kim **(Resolution 5)**
5. To re-appoint Messrs Mazars, the retiring Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

6. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

AUTHORITY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

"THAT, subject always to the Companies Act, 1965 and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time at such price, upon such terms and to such person/persons or party/parties whomsoever the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being, and that such authority shall continue in force until the conclusion of the next Annual General Meeting" **(Resolution 7)**

7. To consider and if thought fit, to pass the following resolution as a Special Resolution with or without modifications:

PROPOSED AMENDMENT TO ARTICLES OF ASSOCIATION

"THAT the existing Article 152 be and is hereby deleted in its entirety and substitute with the following new Article 152 reads as follows:

Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder who is named on the Register of Members or by way of telegraphic transfer or electronic transfer or remittance to such account as designated by such holder. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be made payable to the order of the person to whom it is sent and the payment of any such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall operate as a good and full discharge to the Company in respect of the payment represented thereby, notwithstanding that in the case of payment by cheque or warrant, it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented." **(Resolution 8)**

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

By Order of the Board

YEOW POH CHING
SEOW FEI SAN
Secretaries

Kuala Lumpur
30 July 2010

NOTICE OF DIVIDEND PAYMENT

Subject to the approval of the shareholders at the Annual General Meeting, a First and Final Dividend of 4% less tax at 25% will be paid on 9 September 2010 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 1 September 2010.

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 1 September 2010 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) A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
- (ii) A member of the Company may appoint not more than two proxies to attend at the same meeting. Where the member of the Company appoints two proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
- (iii) A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 can appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (iv) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- (v) The instrument appointing a proxy and the power of attorney or other authority, if any, which is signed or notarially certified copy of that power of authority, shall be deposited at the Share Registrars, Tricor Investor Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

Explanatory Notes to Special Business:

Resolution 7

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

The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company to issue and allot not more than 10% of the issued share capital of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company.

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

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

Resolution 8

The Proposed Amendment to the Articles of Association of the Company is made to facilitate the implementation of the proposed e-dividend.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

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

Managing Director

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

Directors

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

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

Mr Tee Keng Hoon
(Independent Non-Executive)

SECRETARIES

Ms Yeow Poh Ching
(MAICSA 7013977)

Ms Seow Fei San
(MAICSA 7009732)

NOMINATION COMMITTEE

Chairman

Mr Eddy Chieng Ing Huong

Members

Ms Teh Lip Kim
Dato' Mohd Ismail Bin Che Rus
Ms Teh Lip Pink
Mr Tee Keng Hoon

REMUNERATION COMMITTEE

Chairman

Mr Eddy Chieng Ing Huong

Members

Dato' Mohd Ismail Bin Che Rus
Mr Tee Keng Hoon

INVESTMENT COMMITTEE

Chairman

Mr Eddy Chieng Ing Huong

Members

Ms Teh Lip Kim
Mr Tee Keng Hoon

REGISTERED OFFICE

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

REGISTRARS

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

AUDITORS

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

PRINCIPAL BANKER

Public Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

LIST OF PRINCIPAL OFFICES

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

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

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

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

CORPORATE STRUCTURE



SDB Selangor Dredging Berhad (4624-U)



* Under members' voluntary winding up

PROFILE OF MEMBERS OF BOARD OF DIRECTORS

EDDY CHIENG ING HUONG
Non-Independent and
Non-Executive Director

Mr Eddy Chieng Ing Huong, age 53, 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, Nomination and Remuneration Committees and he is also a member of the Audit Committee.

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

Mr Chieng has extensive senior management experience having been involved in a number of successful entrepreneurial businesses in Malaysia and overseas. Other than being on the board of directors of the following public companies, he is adviser to the board of a number of other public companies and also that of some large family-run private companies.

Mr Chieng is the Chairman of Esthetics International Group Berhad and Director of QL Resources Berhad. He was previously a Director of Nationwide Express Courier Services Berhad, Ancom Berhad, Nylex (Malaysia) Berhad and the Chairman of Asia Poly Holdings Berhad. In addition to these notable achievements, 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 major shareholder of the Company. Mr Chieng has no conflict of interest with the Company except as disclosed under Note 37 of the Financial Statements and he has no convictions of any offences within the past ten years.

TEH LIP KIM
Managing Director

Ms Teh Lip Kim, aged 43, Malaysian Chinese, is the Managing Director and a major 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 and Nomination Committees 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 major shareholder of the Company. Ms Teh has no conflict of interest with the Company except as disclosed under Note 37 of the Financial Statements and she has no convictions of any offences within the past ten years.

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

Dato' Mohd Ismail Bin Che Rus, aged 67, Malaysian Malay, was appointed as a Senior Independent Non-Executive Director, Chairman of the Audit Committee and a member of the Nomination and Remuneration Committees on 10 September 2002. Dato' Mohd Ismail studied Training Management at Royal Institute of Public Administration, London, United Kingdom and Post Graduate Senior Management at the University of Manchester, United Kingdom.

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

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

TEH LIP PINK
Non-Independent
Non-Executive Director

Ms Teh Lip Pink, aged 58, Malaysian Chinese, a Non-Independent and Non-Executive Director and a major shareholder, was appointed as a Director of the Company on 28 July 1994. She is also a member of the Nomination Committee. 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 major shareholder of the Company. Ms Teh has no conflict of interest with the Company except as disclosed under Note 37 of the Financial Statements and she has no convictions of any offences within the past ten years.

TEE KENG HOON
Independent
Non-Executive Director

Mr Tee Keng Hoon, aged 60, 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 36 years. Currently, he is a director of Sunrise Berhad.

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

CHAIRMAN'S STATEMENT

The financial year under review commenced under challenging economic conditions as Malaysian gross domestic product and property sales declined in the first six months of 2009 as a result of the global economic and financial crisis.



In spite of the challenging conditions, I am pleased to report that for the financial year ended 31 March 2010, the Group recorded an improvement in its performance with net profit of RM17.96 million compared to RM17.24 million in the previous financial year. This was based on an improved turnover of RM234.4 million compared to RM164.1 million in the previous year.

These positive results are attributable to the good response to our niche property launches in Malaysia and Singapore, and a fair value assessment of our main office building, Wisma Selangor Dredging.

Dividend

In recognition of the continued support and loyalty of our shareholders, the Board of Directors has recommended a first and final dividend of 4% per share less 25% tax, amounting to RM6,391,915 (FY 2009: RM4,793,919).

This recommended dividend is subject to shareholders' approval at the forthcoming Annual General Meeting which will be held on 26 August 2010.



HOTEL MAYA, Kuala Lumpur, Jalan Ampang
A boutique urban resort in the heart of the city, it offers city comfort and convenience with distinct personality, and gives an extraordinary experience to its guests.



20trees, Taman Melawati

23 acres of undulating land, hidden amidst one of Kuala Lumpur's last green enclaves, with a stunning view of the longest quartz ridge in the world.



Group Operations

During the year under review, we completed and handed over two of our developments; 20trees in Melawati, Kuala Lumpur and Ameera in SS2, Petaling Jaya. The first phase of the luxury homes in 20trees together with the clubhouse was handed over to purchasers in October 2009. Ameera was completed ahead of schedule and was handed over to purchasers in late December 2009.

Construction of Jia, our maiden development in Singapore, is progressing as scheduled. A low density development with an exclusive 22 units, Jia's layout is designed to provide residents with ample living space. Jia is nestled within the quiet and prestigious enclave of Mount Sophia and The Istana. This development will be handed over to purchasers by the end of the year.

We also unveiled a new lifestyle development called Five Stones in SS2, Petaling Jaya. Five Stones is a unique development which offers the luxury of spacious units, a green environment and a broad range of recreational facilities conducive for all generations. The first phase of Five Stones was launched in August 2009 and sales were overwhelming with over 70% of units taken up within the first week of the launch. With this excellent response, we brought forward the launch of the final two blocks of Five Stones to February 2010. This again, was very well received.

In May 2010, we showcased a private preview of Gilstead Two, our second development in Singapore. Strategically located near Newton Circus and just minutes away from the central Orchard and Scotts Road shopping hub, Gilstead Two offers 110 smaller sized units. We have released a limited number of units for preview, and pleasingly, these units have been fully taken up.

Our development in Damansara Heights, Damansara 21, remains on halt, following the stop-work order which was imposed since December 2008. All slope stabilisation works have been completed and we are awaiting a decision by the relevant authorities on when the project can resume.

Our main leasing property, Wisma Selangor Dredging, continued to perform well with occupancy at approximately 95% at the time of writing. We believe that the central location of the property in the Kuala Lumpur City Centre (KLCC) vicinity and our continuous improvements and quality property management services have been central to retaining our valued key tenants.

Hotel Maya, our five-star boutique urban resort, continues to enjoy good patronage but occupancy was impacted by the H1N1 pandemic and the cancellation of European flights due to the Icelandic volcanic ash. We are continuously working on improving results from the hotel, and ensuring that the standards of services meet and exceed the expectations of our guests.





Awards

We are pleased to report that our flagship development, Park Seven, was awarded the FIABCI Malaysia Property Awards for the Best Residential (High Rise) in November 2009 as well as the highly coveted international FIABCI Prix d'Excellence Award Runner Up in May 2010. Park Seven was also awarded with the Singapore Institute of Architects Design Award 2010 and received the Highly Commended Award at the Asia Pacific Residential Property Awards 2010 in the high rise residential development category.

Outlook

The past year was a positive one for SDB, as we were able to perform despite the relatively soft market conditions.

While market conditions have improved since the last financial year, sentiment may remain cautious amidst the current uncertainties in Europe.

At SDB, we will continue to focus on our strategy of niche, quality developments and will prudently proceed with our plans to launch based on market conditions.

With a strong track record established in Malaysia and Singapore, we believe that the Group remains well positioned for the year ahead.

Acknowledgement

On behalf of the Board of Directors, I would like to take this opportunity to extend my thanks to the management and staff of the Group for their outstanding effort and commitment over the past year.

I would also like to convey our appreciation to our shareholders, customers and business associates for their continued support and confidence in the Group.

Eddy Chieng Ing Huong
Chairman



PARK SEVEN, Persiaran KLCC, Kuala Lumpur

Our award winning development with its "Back To Basics" concept, is one of the first earthquake resistant residential buildings in Malaysia.



MANAGING DIRECTOR'S OPERATIONS REVIEW

For the financial year ended 31 March 2010, the Group achieved net profit of RM17.96 million for the year under review, compared to RM17.24 million in the last financial year. This was based on an improved turnover of RM234.4 million compared to RM164.07 million in the previous year.



Results

The improved result was contributed by good response from our new property launches and the increase in the fair value of our investment properties.

Listed below are details of the Group's subsidiaries.

Selangor Dredging Berhad

During the year under review, the Company registered a turnover of RM19.29 million. The Company registered a pre-tax profit of RM11.2 million. This was mainly contributed by the fair value assessment of our building Wisma Selangor Dredging, amounting to RM7.06 million.

Wisma Selangor Dredging (WSD)

Our main leasing property along Jalan Ampang continued to perform. Its location, which is in close proximity to Kuala Lumpur City Centre (KLCC) coupled with the services provided in the building, continues to make it a select choice for office space. The occupancy of the building at the time of writing is 95%.

During the year, we introduced new access cards which are used for car park entry and lift access to specific floors in the building. This card doubles up as an added security feature and has been well received by tenants.

SDB Properties Sdn Bhd (SDBP) Group

SDBP Group (property development and hotel operations) registered a turnover of RM195.12 million and a pre-tax profit of RM19.13 million. The improved result was due to the contribution made by the Group's property development arm.



FIVE STONES, SS2 Petaling Jaya

An exceptional collection of five towers encircling about 1 acre of a truly unique landscape, it is poised to set a whole new standard of community living in Petaling Jaya.



Property Development

Despite being a demanding year due to the global economic downturn, I am very pleased to report that property development performed well, mainly because of the overwhelming response to our new development.

During the year, we launched Five Stones, our second development in SS2, Petaling Jaya. This development is on one of the last tracts of land in the established SS2 neighbourhood and has a total Gross Development Value (GDV) of RM414 million. Comprising of five blocks of spacious condominium units, with sizes from 1,700 sq ft, it is targeted at three generational families. The development has been designed to accommodate all ages, and to enhance community living. It has greenery of up to an acre, a sports complex, children's water play area as well as two gyms with one specially designed for more mature residents to build their strength and stability.

The first phase of the development was launched in August 2009. These three blocks were very well received and this spurred us to launch the second phase (the final two blocks) in February 2010, earlier than originally planned. We were delighted that despite the soft property market, it received excellent response. At the time of writing, the development has nearly sold out.





Work on our development, Jia in Singapore, is progressing as planned. This low density 22 unit development has relatively large sized units. To date, about 50% of this development has been taken up. We will be setting up a show unit on site upon completion of the development in December 2010, to further boost sales. The GDV for this development is about RM126 million.

GILSTEAD TWO, Off Dunearn Road, Bukit Timah, District 11, Singapore
With only 110 units, it speaks of understated elegance with remarkable space efficient layouts.

During the year, two developments had been handed over to home buyers. The first phase and clubhouse of 20trees, our 23 acre development in Melawati was handed over in October 2009. These homes in 20trees enjoy an unobstructed view of the world's longest quartz ridge.

Ameera, located just next to Five Stones, was the other development which had been handed over in the year under review. This 290-unit condominium development was completed ahead of schedule, and was ready in December 2009. About 30% of residents have since moved in to their new home.

Hotel

Hotel Maya continued to enjoy the patronage of discerning guests during the year. However, the performance from the meeting and convention market segment has been reduced, as many companies trimmed down their budgets and made cut-backs in this area. We also saw a reduction of foreign guests into the country, primarily due to the H1N1 virus outbreak, and when flights from Europe were cancelled due to the Icelandic volcanic ash cloud. Many travellers had also cancelled holiday plans when the unfortunate riots in Bangkok took place, reducing stop-over travellers into Malaysia.

Promotional efforts continued for the hotel, and we also took the opportunity to improve our services and food and beverage offerings during the year. Anggun Spa on Level 3 continues to be well received by both in-house and walk-in guests.

Due to the reduced numbers from both meeting and room bookings, the hotel incurred a loss of RM1.2 million.

PROSPECTS

Property development

While the worst of the economic downturn appears to be over, the year ahead will still be challenging. At the time of writing, market movements have yet to stabilise. While things are expected to improve and pick up, we will remain heedful of the market and take this into consideration when planning for property launches.

In May 2010, we unveiled the show unit for our second development in Singapore for a private preview. Gilstead Two is located in District 11, near Newton Circus and is just minutes away from the Scotts/Orchard shopping hub. This 34-storey development comprises of 110 smaller sized units, measuring 775 and 905 sq ft. Our share of GDV for this development is approximately SGD100 million. We released 40 units for the initial preview and all units have since been taken up. We are currently waiting to release another 20 units for sale.

At the time of writing, sales from 20trees, Jia, Five Stones and Gilstead Two amount to RM727.9 million and as at 31 March 2010, RM221.8 million has been recognised. RM506.07 in unbilled sales will be reflected in the Group's results in the next few years.

We have also been preparing for several developments for launch when the time is right. 20trees West, located adjacent to 20trees in Melawati is a 10 acre development comprising of 48 units of spacious bungalows with swimming pool. This development will also have vantage views of the Melawati quartz ridge. The homes in 20trees West, which are sized from 6,000 sq ft onwards will be readily landscaped with tropical canopy trees and plantings. This concept was developed for residents who enjoy the greenery. The GDV for this development is approximately RM170 million.

The launch of Dedaun, our development located in a quiet green enclave along Jalan Ampang has been deferred. This development comprises of only 38 units. The units are larger in size measuring 3,200 sq ft upwards and the concept of the development is based on the quiet elegance of homes in the 1970s. The GDV for this development is RM160 million, and will be launched when the timing is more favorable.

We are in the midst of developing the concept for our third parcel of land in Singapore located on Balestier Road, near Novena. We will be developing smaller apartments with space efficient features. We hope to launch this development by early 2011, depending on market conditions.

With regard to our development in Damansara Heights, Damansara 21, it is still under a stop-work order which was enforced in December 2008, after the incident in Bukit Antarabangsa. All slope stabilisation works on site are completed and the matter has now been taken up to the Cabinet for decision. More than one and half years after the stop work order was imposed, we are still waiting for the green light to proceed with the development.



20trees West, Taman Melawati, Kuala Lumpur
48 exceptional limited edition 3-storey bungalow residences, planned around your own private valley.





The 20trees Clubhouse
With a 50-metre Swimming Pool, Jacuzzi and complete recreational facilities overlooking the majestic Melawati Quartz Ridge.

The year was a good one for the Group's property development arm in more ways than one. Our flagship development, Park Seven was awarded with several awards. It won the FIABCI Malaysia Property Awards for the Best Residential (High Rise) in November 2009. We then competed on an international level and were awarded the highly coveted FIABCI Prix d'Excellence Award Runner Up in May 2010. Park Seven was also awarded with the Singapore Institute of Architects Design Award 2010, after competing with 180 other high rise residential buildings. Park Seven also received the Highly Commended Award at the Asia Pacific Residential Property Awards 2010 in the high rise residential development category. It is an honour for us to be recognised on an international level and indeed gratifying, considering we began our foray into property development just six years ago.

We will continue to come up with strong concepts for all our developments, and strive to develop niche products and services we are all proud of. Despite this, we acknowledge that the market sentiment may remain guarded for some time. We will remain prudent in conducting business activities and attentive to market conditions before launching new products.

Hotel

As anticipated, the hotel performance was affected during the year under review. We saw a dip in meeting and event bookings, and demand for rooms was also affected mainly due to a reduction in travellers. We are continuously promoting the hotel both abroad and locally and expect the hotel's performance to pick up in the financial year ahead.

This year we took the opportunity to focus on ways to enhance our customer service. Dedicated teams were set up to look into various customer interactions, and improve on the processes of customer interaction throughout the Group.

I wish to take this opportunity to thank SDB team for their efforts and hard work put in during the year. My thanks also go out to shareholders, customers and business associates for the constant support throughout the years.

Due to the improved performance of the Group this year, the Board is recommending a dividend of 4% per share (less 25% tax) amounting to RM6,391,915 for the financial year ended 31 March 2010 (FY 2009: 3% / RM4,793,938). This will be proposed at the shareholders meeting at the Annual General Meeting for approval.

Teh Lip Kim
Managing Director

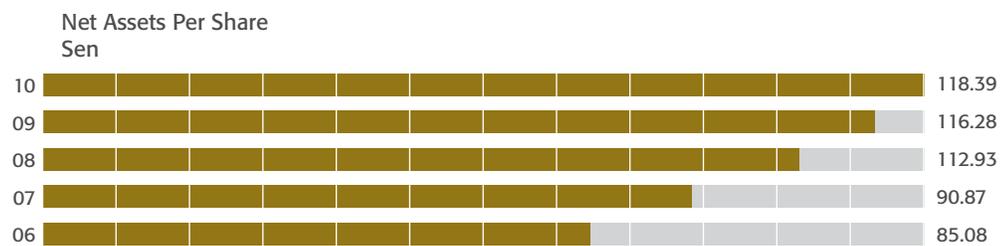
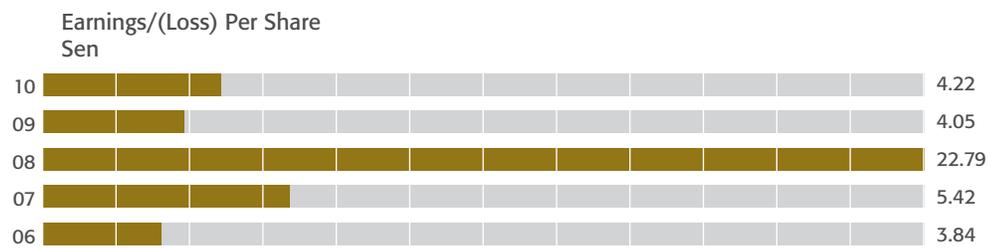
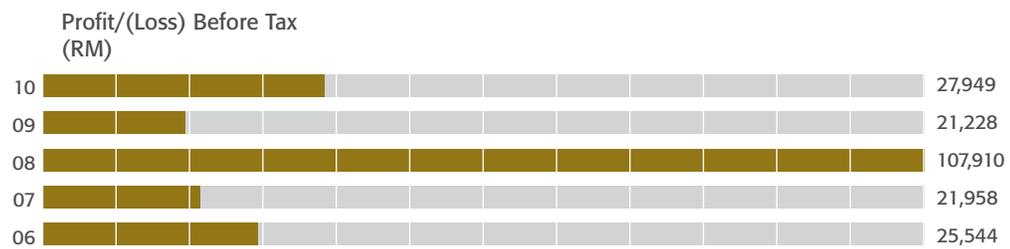
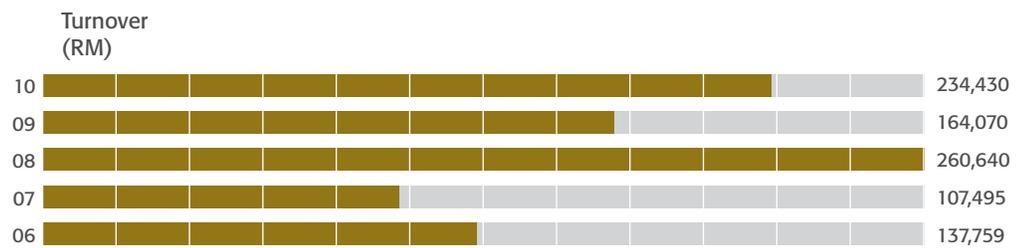


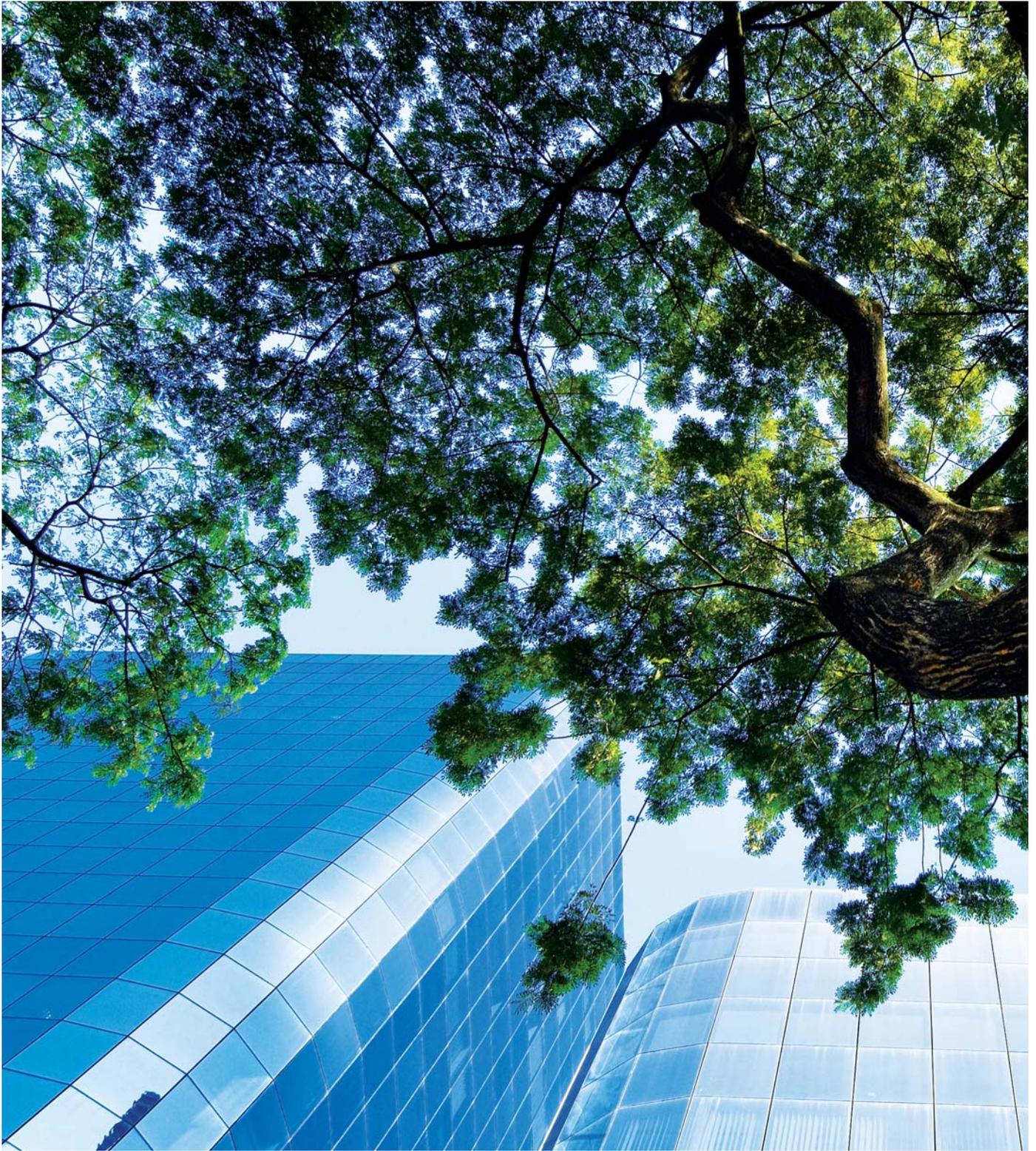
DEDAUN, Off Jalan Ampang, Kuala Lumpur
A low-rise development of 38 limited edition luxury residences, situated on 1 acre of prime freehold land in KL's inner city.

GROUP FINANCIAL HIGHLIGHTS

YEAR ENDED 31 MARCH	2010 Group RM'000	2009 Group RM'000	2008 Group RM'000	2007 Group RM'000	2006 Group RM'000
PROFITABILITY					
Turnover	234,430	164,070	260,640	107,495	137,759
Profit/(Loss) before taxation	27,949	21,228	107,910	21,958	25,544
Provision for taxation	(9,986)	(3,987)	(10,786)	1,124	(9,192)
Profit/(Loss) after taxation	17,963	17,241	97,124	23,082	16,352
Minority interests	0	0	0	0	0
Earnings/(Loss) for the year	17,963	17,241	97,124	23,082	16,352
Profit available for appropriation	281,605	268,436	257,502	165,044	76,700
Dividend net of tax	4,794	6,307	4,666	4,666	4,602
KEY BALANCE SHEET DATA					
Total assets	1,043,745	1,014,946	995,667	695,371	617,862
Issued share capital	213,064	213,064	213,064	213,064	213,064
Shareholders' funds	504,477	495,484	481,223	387,243	362,556
Total bank borrowings	471,011	438,512	450,703	249,800	193,550
No of ordinary shares in issue ('000)	426,128	426,128	426,128	426,128	426,128
SHARE INFORMATION					
Per 50 sen ordinary share					
Earnings/(Loss) after tax (sen)	4.22	4.05	22.79	5.42	3.84
Dividend after tax (sen)*	1.50	1.13	1.48	1.10	1.08
Net asset backing (sen)	118.39	116.28	112.93	90.87	85.08

* Dividend declared during the financial year.





WISMA SELANGOR DREDGING, Kuala Lumpur

A sprawling low-density office building, surrounded by lush greenery and centered by a serene fountain courtyard. Just a walk away from KLCC, it is truly the preferred business address in the city.

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 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.

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 two (2) Independent Directors in effect represent the minority shareholders' interests in the Company by virtue of their roles and responsibilities as Independent Directors.

The profile of the members of the Board is presented on pages 6 to 7 of the Annual Report. The presence of Independent Directors fulfils a pivotal role in corporate accountability. The role of the Independent Directors is particularly important as they provide unbiased and independent views, advice and judgement.

There is a clear division of responsibilities between the Chairman and Managing Director to ensure that there is a balance of power and authority. The current Chairman was not the previous managing director of the Company.

Board Meetings

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

Name of Directors	Total Meetings Attended	Percentage of Attendance
Mr Eddy Chieng Ing Huong	Four meetings	100%
Ms Teh Lip Kim	Four meetings	100%
Dato' Mohd Ismail Bin Che Rus	Four meetings	100%
Ms Teh Lip Pink	Three meetings	75%
Mr Tee Keng Hoon	Four meetings	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 Audit Committee also reports the outcome of committee meetings to the Board and such reports are incorporated as part of the minutes of the Board meetings.

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

Statement on Corporate Governance

Supply of Information

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

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

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

Appointment to the Board

The Group has implemented procedures for the nomination and election of Directors via the 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 Nomination Committee was established on 30 May 2002. When appointing new directors, the Committee is provided with the curriculum vitae of the candidate for consideration. The appointment is then finalised after discussions at the Board meeting. In view of this and the current composition of the Board being small in number, the entire Board was co-opted into the Nomination Committee.

Re-election

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

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

Directors' Training

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

During the financial year, briefings on business operations of the Group were conducted for Directors by the senior management team.

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

All the Directors have fulfilled their training requirements for the financial year ended 31 March 2010.

Statement on Corporate Governance

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 a double amount in recognition of his additional responsibilities. An additional fee is also paid to Non-Executive Directors sitting on Board Committees.

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

	2010 (RM)	2009 (RM)
Executive Director		
Salaries and other emoluments	819,028	715,832
Fees	58,124	57,613
Non-Executive Directors		
Fees	153,000	153,000

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

	2010	2009
Executive Director		
RM1,050,000 - RM1,100,000	-	-
RM1,000,000 - RM1,050,000	-	-
RM500,000 - RM1,000,000	1	1
Non-Executive Directors		
RM50,000 - RM100,000	1	1
Below RM50,000	3	3

C. BOARD COMMITTEES

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

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

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

Statement on Corporate Governance

D. SHAREHOLDERS

Communication

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

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

Each item of the ordinary and 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 Bursa Malaysia Securities Berhad's website.

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

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

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

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

Briefing to Analysts

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

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

E. ACCOUNTABILITY AND AUDIT

Financial Reporting

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

The Statement of Directors' Responsibility is also enclosed in page 36 of this Annual Report.

Statement on Corporate Governance

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 Internal Control is presented on page 31 and the Board will ensure the continuous process of identifying, evaluating and managing the internal control systems within the Group for review by the Audit Committee.

Dealings in Securities

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

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

Relationship with Auditors

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

F. CORPORATE SOCIAL RESPONSIBILITY

Our brand promise "Driving Excellence, Building Lifelong Relationships" refers not only to the way we work but also our commitment to all our activities, our stakeholders, the people and the environment around us.

Environment

The Group is continuously committed and mindful of our responsibility to prevent, minimise and mitigate adverse impacts on the environment resulting from our activities. Therefore, we continuously identify opportunities and seek measures to enhance environmental standards in our activities.

For our property development projects, generous expanse of space is set aside for landscape and recreational facilities, and design of our properties always take into consideration natural light and ventilation. Environmental and waste management such as measures on recycling, water and energy conservation is also constantly reviewed.

Community

In our efforts to contribute to the community, the Group consistently supported various charitable organisations and carried out charitable activities for underprivileged homes during the year.

The Group believes that the employees work so that they and their family can enjoy a better life. In line with this, the Group has regular educational programmes for both the employees and their children, especially during the school holidays.

As part of the graduate employment programme, the Group continuously offers opportunities for industrial training and internship from various educational institutions, particularly in the hospitality industry.

Statement on Corporate Governance

Workplace

The Group believes that corporate social responsibility begins internally and strives for continuous improvements in ensuring that the employees' well-being is taken care of. This, coupled with the Group's passion for continuous learning, has led the Group to emphasise on corporate social responsibility focused on educational training and development programmes for the employees.

The Group recognises the importance of having a conducive working environment for the employees. It emphasises on competitive remuneration, incentives and development scheme for all employees regardless of age and gender through the performance management system.

The Group also recognises the importance of employees welfare and strives to improve on the quality of life by putting in place various educational and teambuilding activities for the employees.

To promote healthy lifestyles among our employees, the Group continuously organises health awareness programmes on fitness and nutrition. A dedicated gymnasium with exercise machines is available for staff use. Other on-going sports and recreational activities which are conducted fortnightly include gym, yoga, badminton, bowling and futsal. At the same time, various teambuilding activities are held every quarter.

In ensuring and providing a safe and healthy working environment for our employees, the Group is committed to implement all the health, safety and security programmes throughout the Group. Health, safety and security considerations will not be compromised in all the Group activities. Health, safety and security programmes such as fire drill, first aid training, fire fighting workshops, etc were conducted throughout the year. The above activities will enhance the employees level of health, safety and security awareness and knowledge. The health, safety and security programmes are also extended to tenants within the building premises.

Marketplace

The Group is supportive of the adoption of principles and best practices as enshrined in the Malaysian Code on Corporate Governance throughout the Group for the protection and enhancement of stakeholders' value and the performance of the Group. The Group is fully aware of the importance of effective and timely communication with stakeholders and endeavours to make timely release of information on the Group's business activities and performance to the stakeholders. A newsletter is also distributed to all purchasers and tenants on a quarterly basis, to keep our stakeholders updated of the Group activities.

In line with the Group's brand promise of "Driving Excellence, Building Lifelong Relationship", it is the Group's aim to provide high quality products and services to our stakeholders. As part of the Group's commitment in ensuring high quality products, the Group has adopted the internationally recognised Conquas 21 quality assessment benchmark for all our property development projects.

Compliance Statement

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

Statement on Internal Control

Introduction

The Board recognises the importance of a sound system of internal control to safeguard shareholders' investment and the Group's assets.

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

Board Responsibility

The Board of Directors is committed to maintaining a 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 adequacy and integrity of 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. Accordingly, it can only 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 Internal Control Process

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

- **Term of Reference**

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

- **Management Styles**

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

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

- **Control Procedures**

Operating policies and procedures are documented and made available to guide staff in their day-to-day work processes. These policies and procedures are reviewed regularly and updated as and when necessary.

- **Organisational Structure and Accountability Levels**

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

- **Reporting and Review**

The Group's management teams carry out monthly monitoring and review of financial results and forecasts for all businesses within the Group. Performance measurements are implemented to ensure information is collected for further evaluation. Actual results are then compared with targeted results. Any significant matter is brought forward for the Board's consideration and decision.

Statement on Internal Control

- **Human Resource Policy**

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

- **Internal Audit**

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

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

- **Risk Management**

Risk exposures are identified from the scoped internal audit reviews carried out by the internal audit team and are managed by the management via the formulation and implementation of internal controls to address the risks identified. These internal controls are appropriate and effectively implemented by the management to achieve acceptable risk exposures. In addition, the Group performs analyses on financial risks. These are performed via the identification of financial variances reported from the comparison of the Group's financial budgets to the Group's actual financial performance. The supervision of funding and liquidity risk activities is performed by the Finance Department.

Every department in the Group play an important role in ensuring that the above risk management process is being carried out on a regular basis. These include the Project Department which is primarily responsible for managing operational risk which may arise from budgeting, tendering, monitoring of construction works and timely delivery of completed units to purchasers and the Sales Administration Department which is primarily responsible for managing credit risk related activities.

- **Centralisation**

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

- **Board Commitment**

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

- **Tender**

Review and award of major contracts are carried out by a Tender Committee. A minimum of three quotations 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.

Statement on Internal Control

- **Insurance on Key Assets**

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

- **Safety and Security - Emergency Response Team**

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

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

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

Review of the Statement by External Auditors

The External Auditors have reviewed this Statement on Internal Control in accordance with Auditing Technical Release 5, Guidance for Auditors on the Review of Directors' Statement on Internal Control for the inclusion in the annual report for the year ended 31 March 2010 in compliance with Paragraph 15.26 of Bursa Securities Listing Requirements and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

Statement on Directors' Responsibilities in Relation to the Financial Statements

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

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

1. Suitable accounting policies have been adopted and applied consistently.
2. Judgements and statements made are reasonable and prudent.
3. Suitable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

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

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

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. Non-Audit Fees

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

7. Profit Estimate, Forecast, Projection or Unaudited Results

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

8. Profit Guarantee

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

9. Material Contracts

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

10. Revaluation Policy on Landed Properties

The revaluation policy on landed properties is as disclosed in the financial statement for the financial year ended 31 March 2010.

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

(A) MEMBERSHIP AND MEETINGS

The Audit Committee met on 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	Dato' Mohd Ismail Bin Che Rus (Senior Independent Non-Executive Director)	All four meetings
Members	Mr Eddy Chieng Ing Huong (Non-Independent Non-Executive Director)	All four meetings
	Mr Tee Keng Hoon (Independent Non-Executive Director)	All four meetings

(B) SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

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

- * Reviewed the quarterly reports and announcements of the Company and the Group prior to submission to the Board for approval and subsequent release to the Bursa Malaysia Securities Berhad.
- * Reviewed the reports and the audited financial statements of the Company and of the Group prior to tabling to the Board for approval.
- * Reviewed the external auditors' scope of work and audit plan for the financial year and made recommendation to the Board on remuneration.
- * Reviewed and discussed external auditors' audit report and areas of concern highlighted in the management letter, including management's response to the concerns raised by the external auditors.
- * Discussed on significant accounting and auditing issues, impact of new or proposed changes in accounting standards and regulatory requirements.
- * Reviewed the audit plans for the financial year for the Company and Group as prepared by the Internal Auditors.
- * Reviewed the internal audit reports, audit recommendations made and management's response to these recommendations for the Company and Group as prepared by the Internal Auditors.
- * Reviewed the Audit Committee Report, Statement on Internal Control and Statement on Corporate Governance and recommended to the Board for approval prior to their inclusion in the Company's Annual Report.
- * Tabled the Minutes of each Committee Meeting to the Board for notation, and for further direction by the Board, where necessary.
- * Met with the external auditors twice a year without the presence of the executive Board members.
- * Considered the retirement of external auditors, Messrs Moores Rowland and appointment of new auditors, Messrs Mazars.

Audit Committee Report

(C) INTERNAL AUDIT FUNCTION

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

The total costs incurred for the internal audit function of the Group for the financial year was RM70,000.00.

The activities of the Internal Auditors during the financial year ended 31 March 2010 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 2010; 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.

TERMS OF REFERENCE FOR AUDIT COMMITTEE

1.0 Constitution

1.1 The Board has established a Committee of the Board to be known as the Audit Committee.

2.0 Membership

2.1 The Committee shall be appointed by the Board from amongst the Directors of the Company and consist of not fewer than three members, all members must be non executive directors, with a majority of whom should be Independent Directors.

2.2 At least one member of the Audit Committee:

- (a) must be a member of the Malaysian Institute of Accountants; or
- (b) if he is not a member of Malaysian Institute of Accountants, he must have at least three years working experience and:
 - (i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967;
 - (ii) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
 - (iii) fulfils such other requirements as prescribed or approved by the Exchange.

Audit Committee Report

TERMS OF REFERENCE FOR AUDIT COMMITTEE (cont'd)

2.0 Membership (cont'd)

- 2.3 The Board must ensure that no alternate director is appointed as a member of the Audit Committee.
- 2.4 The members of the Committee shall elect a Chairman from amongst their number who shall be an Independent Director.
- 2.5 In the event of any vacancy in the Committee resulting in the number of members being reduced to below three, the Board of Directors must fill the vacancy within three months.
- 2.6 The term of office and performance of each committee member shall be reviewed by the Board at least once every three years.

3.0 Authority

- 3.1 The Committee shall in accordance with a procedure to be determined:
 - (a) have authority to investigate any matter within its terms of reference;
 - (b) have the resources which are required to perform its duties;
 - (c) have full and unrestricted access to any information pertaining to the Company;
 - (d) have direct communication channels with the external auditors and person(s) carrying the internal audit function or activity;
 - (e) be able to obtain independent professional or other advice; and
 - (f) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

4.0 Functions

- 4.1 The duties of the Committee include:
 - 4.1.1 to review the following and report the same to the Board of Directors of the Company:
 - (a) with the external auditors, the audit plan, including the scope of work to ascertain that will meet the needs of the Board, the shareholders and regulatory authorities;
 - (b) with the external auditors, the evaluation of the system of internal accounting controls;
 - (c) with the external auditors, the audit report, including the management's response, to discuss problems and observations arising from the interim and final audits and any matters the external auditors may wish to discuss (in the absence of management where necessary);
 - (d) the assistance given by the employees of the Company to the external auditors;
 - (e) the adequacy of the scope, functions, competency and resources of the Internal Audit Department and that it has the necessary authority to carry out its work;

Audit Committee Report

TERMS OF REFERENCE FOR AUDIT COMMITTEE (cont'd)

4.0 Functions (cont'd)

- (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken the recommendations of the Internal Audit Department and urgent response to the major findings of internal investigations;
 - (g) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:
 - (i) changes in or implementation of major accounting policy changes and practices;
 - (ii) significant and unusual events;
 - (iii) compliance with accounting standards and other legal requirements and the going concern assumptions; and
 - (iv) significant adjustments arising from the audit;
 - (h) any related party transaction and conflict of interest situation that may arise with the Company or Group including any transaction, procedure or course of conduct that raises questions management integrity;
 - (i) any letter of resignation from external auditors of the Company; and
 - (j) whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment.
- 4.1.2 to consider the appointment or termination of a person or persons as external auditors and their remuneration.
- 4.1.3 to consider the appointment or termination of a person or persons as internal auditors and their remuneration.
- 4.1.4 to promptly report to Bursa Malaysia Securities Berhad any matter reported by the Committee to the Board which has not been satisfactorily resolved resulting in a breach of the Listing Requirements.
- 4.1.5 to carry out any other functions as may be agreed to by the Committee and the Board.

5.0 Meetings

- 5.1 Meetings shall be held not less than four times a year and shall normally be attended by the Head of Finance and Internal Auditors. The presence of the external auditors will be requested, if required. Other board members and employees attend only at the Committee's invitation.
- 5.2 At least twice a year, the Committee shall meet with the external auditors, the internal auditors or both without the executive board members present.
- 5.3 The quorum for each meeting shall be two. The majority of members present to form a quorum must be Independent Directors.
- 5.4 The Company Secretary shall be the Secretary of the Committee. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

Financial Statements

42	Directors' Report
45	Independent Auditors' Report
47	Balance Sheets
49	Income Statements
50	Statements of Changes in Equity
51	Cash Flow Statements
53	Notes to the Financial Statements
101	Statement by Directors
101	Statutory Declaration

Driving Excellence, Building Lifelong Relationships

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 – property management and leasing, hotel and most recently property development.

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.

Directors' Report

for the year ended 31 March 2010

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 2010.

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 6 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 attributable to shareholders of the Company	17,963	8,940

DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final dividend of 3% less 25% income tax amounting to RM4,793,936 in respect of the financial year ended 31 March 2009, as proposed in the directors' report of that year.

The directors now propose a first and final dividend of 4% less 25% income tax amounting to RM6,391,915 in respect of the financial year under review.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the statement of changes in equity set out on pages 13 and 14.

ISSUE OF SHARES AND DEBENTURES

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

DIRECTORS

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

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

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

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

Directors' Report

for the year ended 31 March 2010

DIRECTORS' INTERESTS IN SHARES

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

	Ordinary shares of 50 sen each			At 31.3.2010
	At 1.4.2009	Bought	Sold	
Teh Lip Kim				
- direct	52,904,196	1,730,000	-	54,634,196
- indirect	170,488,756	100,000	-	170,588,756
Teh Lip Pink				
- direct	425,000	-	-	425,000
- indirect	65,797,978	132,000	-	65,929,978

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become 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 37 to the financial statements.

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

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
- to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to amounts which they might be expected so to realise.

Directors' Report

for the year ended 31 March 2010

OTHER STATUTORY INFORMATION (cont'd)

- (b) At the date of this report, the directors are not aware of any circumstances:
- (i) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent, or
 - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading, or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Company or its subsidiary companies which has arisen since the end of the financial year which secures the liabilities of any other person, or
 - (ii) any contingent liability of the Company or its subsidiary companies which has arisen since the end of the financial year.
- (d) No contingent or other liability of the Company or its subsidiary companies has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Company or its subsidiary companies to meet their obligations as and when they fall due.
- (e) At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.
- (f) In the opinion of the directors:
- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

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

Signed on behalf of the directors in accordance with a directors' resolution dated 25 May 2010

EDDY CHIENG ING HUONG
Director

TEH LIP KIM
Director

Independent Auditors' Report

to the members

Report on the Financial Statements

We have audited the financial statements of Selangor Dredging Berhad, which comprise the balance sheets as at 31 March 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 47 to 100.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2010 and of their financial performance and cash flows for the year then ended.

Independent Auditors' Report

to the members

Report on Other Legal and Regulatory Requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in note 6 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment material to the consolidated financial statements and did not include any adverse comment required to be made under Section 174(3) of the Act.

Other Matters

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

MAZARS
No. AF: 1954
Chartered Accountants

TANG KIN KHEONG
No. 1501/9/11 (J/PH)
Partner

Kuala Lumpur

Balance Sheets

31 March 2010

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
ASSETS					
Non-current assets					
Property, , plant and equipment	3	138,563	141,580	6,665	7,093
Investment properties	4	291,617	283,899	287,914	276,812
Land held for property development	5	47,044	79,420	-	-
Investment in subsidiary companies	6	-	-	60,654	60,654
Investment in jointly controlled entities	7	103,538	97,856	-	-
Other investments	8	1,457	4,718	1,457	4,718
Amounts owing by subsidiary companies	9	-	-	383,757	377,899
Total non-current assets		582,219	607,473	740,447	727,176
Current assets					
Inventories	10	4,917	6,934	730	725
Property development costs	11	295,099	263,818	-	-
Gross amount due from customers	12	155	152	-	-
Trade receivables	13	37,326	14,074	339	344
Accrued billings	14	46,942	56,251	-	-
Other receivables, deposits and prepayments	15	5,405	8,714	1,781	5,022
Current tax assets		4,333	5,867	-	-
Short term investments	16	4,388	238	1	1
Deposits	17	6,410	21,530	3,410	17,610
Cash and bank balances	18	56,551	29,895	1,395	762
Total current assets		461,526	407,473	7,656	24,464
TOTAL ASSETS		1,043,745	1,014,946	748,103	751,640

Balance Sheets

31 March 2010

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	19	213,064	213,064	213,064	213,064
Share premium (Non-distributable)		477	477	477	477
Revaluation reserve (Non-distributable)		1,728	1,728	1,708	1,708
Exchange translation reserve (Nondistributable)		(258)	3,918	-	-
Other reserve (Distributable)	20	7,861	7,861	7,861	7,861
Unappropriated profit		281,605	268,436	251,744	247,598
Total equity		504,477	495,484	474,854	470,708
Non-current liabilities					
Bank borrowings	21	266,564	305,762	207,000	216,000
Deferred tax liabilities	22	-	-	-	-
Amount owing to subsidiary company	9	-	-	863	-
Total non-current liabilities		266,564	305,762	207,863	216,000
Current liabilities					
Trade payables	23	49,869	56,731	-	-
Other payables and accruals	24	15,264	16,245	5,679	5,484
Progress billings	14	-	620	-	-
Amounts owing to a subsidiary company	9	-	-	-	32
Amounts owing to jointly controlled entities	25	-	6,242	-	-
Bank borrowings	21	204,447	132,750	59,000	59,000
Current tax liabilities		3,124	1,112	707	416
Total current liabilities		272,704	213,700	65,386	64,932
Total liabilities		539,268	519,462	273,249	280,932
TOTAL EQUITY AND LIABILITIES		1,043,745	1,014,946	748,103	751,640

Notes to and forming part of the financial statements are set out on pages 53 to 100
Auditors' Report - Pages 45 to 46

Income Statements

for the year ended 31 March 2010

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	26	234,430	164,070	19,295	19,096
Cost of sales	27	(167,647)	(119,626)	(9,718)	(10,485)
<hr/>					
Gross profit		66,783	44,444	9,577	8,611
Other operating income		4,310	6,533	654	922
Selling and marketing expenses		(7,361)	(9,480)	-	-
Administrative and general expenses		(16,441)	(15,244)	(1,872)	(1,663)
Other operating expenses		(7,518)	(5,772)	-	-
<hr/>					
Profit from operations	28	39,773	20,481	8,359	7,870
Profit from investing activities	29	8,292	23,979	14,753	31,950
Share of loss of jointly controlled entities	7	(3,268)	(3,848)	-	-
Finance costs	30	(16,848)	(19,384)	(11,876)	(13,263)
<hr/>					
Profit before tax		27,949	21,228	11,236	26,557
Tax expense	31	(9,986)	(3,987)	(2,296)	(1,608)
<hr/>					
Profit for the year		17,963	17,241	8,940	24,949
<hr/>					
Basic earnings per share (sen)	32	4.22	4.05		
<hr/>					
Dividend per share (net of tax) (sen)					
First and final dividend paid in respect of the year ended 31 March					
				1.13	-
- 2009					
- 2008				-	1.48
<hr/>					

Statements of Changes in Equity

for the year ended 31 March 2010

Note	Non-distributable			Distributable			Total RM'000
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Other reserve RM'000	Unappropriated profit RM'000	
Group							
Balance at 1 April 2008	213,064	477	1,728	591	7,861	257,502	481,223
Net income recognised directly in equity							
- translation differences for the year	-	-	-	3,327	-	-	3,327
Profit for the year	-	-	-	-	-	17,241	17,241
Total recognised income for the year	-	-	-	3,327	-	17,241	20,568
Dividend paid	33	-	-	-	-	(6,307)	(6,307)
Balance at 31 March 2009	213,064	477	1,728	3,918	7,861	268,436	495,484
Balance at 1 April 2009	213,064	477	1,728	3,918	7,861	268,436	495,484
Net income recognised directly in equity							
- translation differences for the year	-	-	-	(4,176)	-	-	(4,176)
Profit for the year	-	-	-	-	-	17,963	17,963
Total recognised income for the year	-	-	-	(4,176)	-	17,963	13,787
Dividend paid	33	-	-	-	-	(4,794)	(4,794)
Balance at 31 March 2010	213,064	477	1,728	(258)	7,861	281,605	504,477

Note	Non-distributable			Distributable			Total RM'000
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Other reserve RM'000	Unappropriated profit RM'000		
Company							
Balance at 1 April 2008	213,064	477	1,708	7,861	228,956	452,066	
Profit for the year	-	-	-	-	24,949	24,949	
Dividend paid	33	-	-	-	(6,307)	(6,307)	
Balance at 31 March 2009/ 1 April 2009	213,064	477	1,708	7,861	247,598	470,708	
Profit for the year	-	-	-	-	8,940	8,940	
Dividend paid	33	-	-	-	(4,794)	(4,794)	
Balance at 31 March 2010	213,064	477	1,708	7,861	251,744	474,854	

Notes to and forming part of the financial statements are set out on pages 53 to 100
Auditors' Report - Pages 45 to 46

Cash Flow Statements

for the year ended 31 March 2010

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	27,949	21,228	11,236	26,557
Adjustments for:				
Allowance for doubtful debts	-	10	-	-
Allowance for doubtful debts no longer required	-	(1)	-	-
Bad and doubtful debts	2	58	-	52
Depreciation	4,682	4,528	1,000	977
Gain on disposal of property, plant and equipment	(38)	(12)	(36)	(11)
Property, plant and equipment written off	1	8	1	5
Impairment in value of property, plant and equipment	444	360	-	-
Gain on fair value adjustments of investment properties	(7,082)	(22,841)	(7,066)	(22,250)
Gain on disposal of investment properties	(225)	-	-	-
Surplus arising from liquidation of a subsidiary company	-	204	-	204
Share of loss of jointly controlled entities	3,268	3,848	-	-
(Gain)/Loss on disposal of investments	(354)	308	(354)	296
Diminution in value of investments	102	43	102	43
Diminution in value of investments no longer required	(350)	-	(350)	-
Unrealised loss on foreign exchange	1	33	-	-
Dividend income	(127)	(916)	(127)	(828)
Interest income	(762)	(1,871)	(6,958)	(9,415)
Interest expense	16,848	19,384	11,876	13,263
Operating profit before working capital changes	44,359	24,371	9,324	8,893
Changes in inventories	2,017	1,195	(5)	13
Changes in property development costs	663	(22,423)	-	-
Changes in gross amount due from customers	(3)	(152)	-	-
Changes in receivables	(21,626)	(3,148)	(72)	28
Changes in payables	(1,054)	2,808	35	(93)
Changes in accrued billings/progress billings	8,689	31,321	-	-
Cash generated from operations	33,045	33,972	9,282	8,841
Interest received	508	1,094	-	-
Tax paid	(6,414)	(5,597)	(1,979)	(403)
Net cash generated from operating activities	27,139	29,469	7,303	8,438

Cash Flow Statements

for the year ended 31 March 2010

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital repayment from liquidation of a subsidiary company	721	5	721	5
Subscription of shares in jointly controlled entities	(11,972)	(46,262)	-	-
Purchase of investment properties (see note 35)	(1,371)	(3,002)	(1,371)	(3,002)
Purchase of property, plant and equipment (see note 34)	(2,351)	(2,579)	(652)	(67)
Proceeds from disposal of property, plant and equipment	222	62	115	62
Proceeds from disposal of investment properties	3,553	-	-	-
Additions to land held for property development	(8,334)	(17,753)	-	-
Purchase of investments	(2)	(124,635)	(2)	(78,546)
Proceeds from the disposal of investments	3,865	125,044	3,865	78,967
Advances to subsidiary companies	-	-	(4,705)	(45,308)
Placement of fixed deposits and bank balance	35	12,465	-	-
Dividends received	101	874	101	786
Interest received	300	795	5,842	23,586
Net cash (used in)/generated from investing activities	(15,233)	(54,986)	3,914	(23,517)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net drawdown/(Repayment) of bank borrowings	31,518	(13,550)	(9,000)	(9,800)
Repayment of hire purchase liability	-	(20)	-	-
(Repayment to)/Advance from jointly controlled entities	(6,242)	6,242	-	-
Advances from subsidiary companies	-	-	831	32
Dividend paid to shareholders of the Company	(4,794)	(6,307)	(4,794)	(6,307)
Interest paid	(16,799)	(19,557)	(11,821)	(13,543)
Net cash generated from/(used in) financing activities	3,683	(33,192)	(24,784)	(29,618)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	15,589	(58,709)	(13,567)	(44,697)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	50,023	108,583	16,963	61,660
EFFECT OF EXCHANGE RATE CHANGES	132	149	-	-
CASH AND CASH EQUIVALENTS CARRIED FORWARD	65,744	50,023	3,396	16,963
Represented by:				
Short term investments	4,388	238	1	1
Deposits	6,410	21,530	3,410	17,610
Cash and bank balances	56,551	29,895	1,395	762
	67,349	51,663	4,806	18,373
Less:				
Amount pledged as security for a bank guarantee facility				
- deposits	(1,410)	(1,410)	(1,410)	(1,410)
- bank balances	(195)	(230)	-	-
	65,744	50,023	3,396	16,963

Notes to and forming part of the financial statements are set out on pages 53 to 100
Auditors' Report - Pages 45 to 46

Notes to the Financial Statements

for the year ended 31 March 2010

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements comply with Financial Reporting Standards (“FRS”) issued by the Malaysian Accounting Standards Board and with the provisions of the Companies Act, 1965.

The measurement bases applied in the preparation of the financial statements include cost, recoverable value, realisable value, revalued amount and fair value. Estimates are used in measuring these values.

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) New/revised FRSs, Issue Committee Interpretation (“IC Interpretations”) and Amendments to FRSs that are not yet effective

The Group and the Company have not adopted the following new/revised FRSs, and IC Interpretations (including its consequential amendments) that have been issued by Malaysian Accounting Standards Board (MASB) but are not yet effective:

New FRSs, Amendments to FRSs and Interpretations		Effective for financial periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards (revised)	1 July 2010
FRS 3	Business Combinations (revised)	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements (revised)	1 January 2010
FRS 123	Borrowing Costs (revised)	1 January 2010
FRS 127	Consolidated and Separate Financial Statements (revised)	1 July 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
	Improvements to FRSs (2009)	1 January 2010
	Improvements to FRSs (2010)	1 July 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operations	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010

Consequential amendments were also made to various existing FRSs as a result of these new/revised FRSs and IC Interpretations.

Notes to the Financial Statements

for the year ended 31 March 2010

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- (b) New/revised FRSs, Issue Committee Interpretation ("IC Interpretations") and Amendments to FRSs that are not yet effective (cont'd)

The above new/revised FRSs, IC Interpretations and Amendments to FRSs are expected to have no significant impact on the financial statements of the Group and Company upon their initial application except for the changes arising from the adoption of FRS 7, FRS 101, FRS 139 and IC Interpretation 15. The Group is exempted from disclosing the possible impact to the financial statements upon the initial application of FRS 7 and FRS 139. Changes arising from the adoption of FRS 101 and IC Interpretation 15 are discussed below:

FRS 101 - Presentation of Financial Statements

FRS 101 requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (ie. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements.

IC Interpretation 15: Agreements for the Construction of Real Estate

IC Interpretation 15 addresses how entities should determine whether an agreement for the construction of real estate is within the scope of FRS 111 - Construction Contracts or FRS 118 - Revenue and when revenue from construction of real estate should be recognised.

Presently, the agreements for the construction of real estate of the Group are accounted for in accordance with FRS 201 - Property Development Activities whereby revenue is recognised using percentage of completion, as the construction of real estate progresses.

The Group is in the process of reviewing its agreements for the construction of real estate to determine if there will be any impact resulting from the adoption of IC Interpretation 15.

- (c) 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 balance sheet date, and reported amounts of income and expenses during the financial year.

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

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

Notes to the Financial Statements

for the year ended 31 March 2010

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Significant accounting judgements and estimates (cont'd)

(i) *Critical judgement made in applying accounting policies*

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

Classification between investment properties and owner-occupied properties

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

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

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

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

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

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

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 (k) and (l) 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.

Notes to the Financial Statements

for the year ended 31 March 2010

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Significant accounting judgements and estimates (cont'd)

(ii) Key sources of estimation uncertainty

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

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis to write off their costs to their residual values over their estimated useful lives. Management estimates the useful lives of property, plant and equipment to be within 3 to 50 years.

The carrying amounts of the Group's and Company's property, plant and equipment as at 31 March 2010 were RM138,563,000 and RM6,665,000 (2009 : RM141,580,000 and RM7,093,000) respectively.

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.

Estimation of the fair value of investment properties

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

Allowance for doubtful debts

The collectibility of receivables is assessed on an ongoing basis. An allowance for doubtful debts is made for any receivables considered to be doubtful of collection.

The carrying amount of the Group's and Company trade receivables as at 31 March 2010 were RM37,326,000 and RM339,000 (2009 : RM14,074,000 and RM344,000) respectively.

The allowance for doubtful debts is made based on a review of all outstanding amounts as at the balance sheet date. 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 allowances may be required.

Income taxes

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

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

The carrying amounts of the Group's and the Company's tax assets as at 31 March 2010 were RM4,333,000 and Nil (2009 : RM5,867,000 and Nil) respectively.

The carrying amounts of the Group's and the Company's tax liabilities as at 31 March 2010 were RM3,124,000 and RM707,000 (2009 : RM1,112,000 and RM416,000) respectively.

Notes to the Financial Statements

for the year ended 31 March 2010

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiary companies made up to the end of the financial year. The consolidated financial statements are prepared using uniform accounting policies for like transactions 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.

All subsidiary companies are consolidated on the purchase method of accounting from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Under the purchase method of accounting, the cost of an acquisition is measured as the aggregate of the fair values of the assets given, liabilities incurred or assumed and equity instruments issued at the date of exchange, plus any costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured at their fair values at the acquisition date.

The excess of the acquisition cost over the fair values of the identifiable assets, liabilities, contingent liabilities acquired is retained in the balance sheet as goodwill, while the shortfall is immediately credited to the consolidated income statement.

Goodwill arising on the acquisition of subsidiary companies is presented separately in the balance sheet.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is tested for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired.

(e) Subsidiary companies

A subsidiary company is an entity controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible, are considered when assessing whether the Group has the power to govern the financial and operating policies of another entity.

Investments in subsidiary companies are stated at cost less impairment losses. Impairment losses are charged to the income statement.

On disposal, the difference between the net disposal proceeds and the carrying amounts of the subsidiary company disposed of is taken to the income statement.

Notes to the Financial Statements

for the year ended 31 March 2010

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Jointly controlled entities

The Group has interests in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in jointly controlled entities are accounted for in the consolidated financial statements by the equity method of accounting.

Investments in jointly controlled entities are stated at cost less impairment losses. Impairment losses are charged to the income statement.

On disposal, the difference between the net disposal proceeds and the carrying amount of the jointly controlled entity disposed of is taken to the income statement.

(g) Investments

Long term investments

Long term investments are stated at cost. An allowance for diminution in value is made if the directors are of the opinion that there is a decline in the value of such investments which is other than temporary. The diminution in value is charged to the income statement.

On disposal, the difference between the net disposal proceeds and the carrying amount of the investment disposed of is taken to the income statement.

Short term investments

Short term investments are stated at the lower of cost and market value. On disposal, the difference between the net disposal proceeds and the carrying amount of the short term investment disposed of is taken to the income statement.

(h) Property, plant and equipment

(i) Measurement basis

The Group's property, plant and equipment are initially recorded at cost. 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 item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses except for the freehold land and building and freehold hotel property comprising land and building which is stated at valuation less accumulated depreciation and impairment losses.

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

Notes to the Financial Statements

for the year ended 31 March 2010

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Property, plant and equipment (cont'd)

(ii) Depreciation

Freehold land is not depreciated.

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

The principal annual rates used for this purpose are:

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

The residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

(i) 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.

(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 the income statement on a straight line basis over the period of the lease.

Notes to the Financial Statements

for the year ended 31 March 2010

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) 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 balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement 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 the income statement.

(k) 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 balance sheet 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.

When it is probable that total costs will exceed revenue, the foreseeable loss is immediately recognised in the income statement 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 the income statement 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 the income statement is recognised as progress billings under current liabilities.

Notes to the Financial Statements

for the year ended 31 March 2010

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) 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 the income statement 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 balance sheet, 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).

(m) 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.

(n) Receivables

Receivables are initially recognised at their costs when the contractual right to receive cash or another financial asset from another entity is established. Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Known bad debts are written off and allowance is made for any receivables considered to be doubtful of collection.

(o) Share capital

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

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

(p) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

Notes to the Financial Statements

for the year ended 31 March 2010

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) 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 the income statement 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 the income statement 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.

- (v) Revenue from the sale of completed development properties is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.
- (vi) Dividend income is recognised when the right to receive payment is established.
- (vii) 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.

(r) Foreign currencies

(i) Functional currency

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

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

(ii) Transactions and balances in foreign currencies

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

Monetary items denominated in foreign currencies at the balance sheet date 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 the income statement for the period.

When a gain or loss on a non-monetary item is recognised directly in equity, any corresponding exchange gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in the income statement, any corresponding exchange gain or loss is recognised in income statement.

Notes to the Financial Statements

for the year ended 31 March 2010

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Foreign currencies (cont'd)

(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 balance sheet date.

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 differences relating to that foreign operation are recognised in the income statement as part of the gain or loss on disposal.

(s) Impairment of assets

(i) Goodwill

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

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

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

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

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

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

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

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

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

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.

Notes to the Financial Statements

for the year ended 31 March 2010

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Employee benefits

(i) Short term employee benefits

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

(ii) Post-employment benefits

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

The legal or constructive obligation of the Company and its Malaysian subsidiary companies is limited to the amount that they agree to contribute to the EPF. The contributions to the EPF are charged to the income statement 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 the income statement as incurred.

(u) Borrowing costs

All borrowing costs are charged to the income statement in the period which they are incurred. The interest component of hire purchase payments is charged to the income statement over the hire purchase period so as to give a constant periodic rate of interest on the remaining tenure of the hire purchase contract.

(v) Taxation

The tax expense in the income statement represents the aggregate amount of current tax and deferred tax included in the determination of profit or loss for the financial year.

On the balance sheet, a deferred tax liability is recognised for taxable temporary differences while a deferred tax asset is recognised for deductible temporary differences and unutilised tax losses only 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.

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 tax rates enacted or substantively enacted by the balance sheet date 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 equity if the tax relates to items that are credited or charged, whether in the same or a different period, directly to equity.

Notes to the Financial Statements

for the year ended 31 March 2010

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(w) Cash equivalents

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 cash flow statement, cash and cash equivalents are presented net of bank overdrafts and exclude fixed deposits and bank balances pledged to secure banking facilities.

(x) Financial instruments

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

(i) *Financial instruments recognised in the balance sheet*

The Group's financial instruments which are recognised in the balance sheet comprise deposits, cash and bank balances, investments, receivables, payables, borrowings and ordinary shares.

These financial instruments are recognised when a contractual relationship has been established. The accounting policies and methods adopted, including the basis of measurement applied, are disclosed above, where relevant.

The information about the extent and nature of these recognised financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows are disclosed in the respective notes below, where applicable.

(ii) *Financial instruments not recognised in the balance sheet*

The Company has provided corporate guarantees to a bank for credit facilities granted to a subsidiary company which represents present obligations existing at the balance sheet date. The corporate guarantees are not recognised in the financial statements at inception and at the balance sheet date because it is not probable that an outflow of economic benefits will be required to settle the obligations.

(y) Segment reporting

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.

(z) Disclosure of fair value

Cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings

The carrying amounts of these financial instruments approximate fair values because of their short maturities.

Quoted investments

The fair value of quoted investments is determined based on quoted market prices.

Long term borrowings and debts

The carrying amounts of the Group's long term floating-rate borrowings approximate fair value.

The fair value of the Group's long term fixed-rate borrowings and debts is estimated using discounted cash flow analyses, based on current market interest rates available to the Group for similar types of lending and borrowing arrangements.

Notes to the Financial Statements

for the year ended 31 March 2010

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The objective of the Group's financial risk management policies is to ensure that adequate financial resources are available for the normal operations and development of the Group's businesses whilst managing its interest rate, market, credit, liquidity and cash flow risks.

The Group's management closely monitors its financial position with the aim of minimising potential adverse effects on the financial performance of the Group. Towards this end, the Group operates within clearly defined guidelines, reviews and agrees policies for managing risks approved by the Board of Directors, which are set out as follows:-

(a) 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.

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 are 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.

(b) Market rate risk

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

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

(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.

Notes to the Financial Statements

for the year ended 31 March 2010

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(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.

3. PROPERTY, PLANT AND EQUIPMENT

Group 2010	Freehold hotel property RM'000	Freehold land and building RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation, furniture, fittings and equipment RM'000	Total RM'000
At 1.4.2009						
- cost	-	3,124	18,512	1,878	19,946	43,460
- valuation	125,000	8,275	-	-	-	133,275
	125,000	11,399	18,512	1,878	19,946	176,735
Additions - cost	-	66	138	712	1,534	2,450
Disposals - cost	-	-	-	(487)	(5)	(492)
Write offs - cost	-	-	(2,623)	-	(17)	(2,640)
Foreign exchange adjustments	-	(184)	-	2	(4)	(186)
At 31.3.2010						
- cost	-	3,139	16,027	2,105	21,454	42,725
- valuation	125,000	8,142	-	-	-	133,142
	125,000	11,281	16,027	2,105	21,454	175,867

Notes to the Financial Statements

for the year ended 31 March 2010

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group 2010	Freehold hotel property RM'000	Freehold land and building RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation, furniture, fittings and equipment RM'000	Total RM'000
Accumulated depreciation						
At 1.4.2009						
- cost	-	52	17,681	897	11,107	29,737
- valuation	4,101	16	-	-	-	4,117
	4,101	68	17,681	897	11,107	33,854
Charge for the year						
- cost	-	55	184	320	2,739	3,298
- valuation	1,368	16	-	-	-	1,384
Disposals - cost	-	-	-	(303)	(5)	(308)
Write offs - cost	-	-	(2,622)	-	(17)	(2,639)
Foreign exchange adjustments	-	(3)	-	-	(1)	(4)
At 31.3.2010						
- cost	-	104	15,243	914	13,823	30,084
- valuation	5,469	32	-	-	-	5,501
	5,469	136	15,243	914	13,823	35,585
Accumulated impairment losses						
At 1.4.2009	-	1,301	-	-	-	1,301
Charge for the year	-	444	-	-	-	444
Foreign exchange adjustments	-	(26)	-	-	-	(26)
At 31.3.2010	-	1,719	-	-	-	1,719
Carrying value at 31.3.2010						
- cost	-	2,255	784	1,191	7,631	12,609
- 2009 valuation	-	4,724	-	-	-	3,943
- 2008 valuation	-	2,447	-	-	-	2,480
- 2006 valuation	119,531	-	-	-	-	119,531
	119,531	9,426	784	1,191	7,631	138,563
The carrying value of revalued assets stated under the historical cost convention						
At 31.3.2010	54,564	7,181	-	-	-	61,745

Notes to the Financial Statements

for the year ended 31 March 2010

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group 2009	Freehold hotel property RM'000	Freehold land and building RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation, furniture, fittings and equipment RM'000	Total RM'000
At 1.4.2008						
- cost	-	702	18,377	1,947	18,363	41,921
- valuation	125,000	5,950	-	-	-	128,418
	125,000	6,652	18,377	1,947	18,363	170,339
Additions - cost	-	722	43	9	1,706	2,480
Disposals - cost	-	-	-	(81)	(13)	(94)
Write offs - cost	-	-	-	(5)	(23)	(28)
Reclassifications	-	-	92	-	(92)	-
Transfer from investment properties						
- cost (see note 4)	-	3,873	-	-	-	3,873
Foreign exchange adjustments	-	152	-	8	5	165
At 31.3.2009						
- cost	-	3,124	18,512	1,878	19,946	43,460
- valuation	125,000	8,275	-	-	-	133,275
	125,000	11,399	18,512	1,878	19,946	176,735
Accumulated depreciation						
At 1.4.2008						
- cost	-	101	7,484	600	8,560	26,654
- valuation	2,734	-	-	-	-	2,734
	2,734	101	7,484	600	8,560	29,388
Charge for the year						
- cost	-	41	177	327	2,600	3,145
- valuation	1,367	16	-	-	-	1,383
Disposals - cost	-	-	-	(29)	(15)	(44)
Write offs - cost	-	-	-	(2)	(18)	(20)
Reclassifications	-	-	20	-	(20)	-
Foreign exchange adjustments	-	1	-	1	-	2
At 31.3.2009						
- cost	-	52	17,681	897	11,107	29,737
- valuation	4,101	16	-	-	-	4,117
	4,101	68	17,681	897	11,107	33,854

Notes to the Financial Statements

for the year ended 31 March 2010

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group 2009	Freehold hotel property RM'000	Freehold land and building RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation, furniture, fittings and equipment RM'000	Total RM'000
Accumulated impairment losses						
At 1.4.2008	-	938	-	-	-	938
Charge for the year	-	360	-	-	-	360
Foreign exchange adjustments	-	3	-	-	-	3
At 31.3.2009	-	1,301	-	-	-	1,301
Carrying value at 31.3.2009						
- cost	-	3,072	831	981	8,839	13,723
- 2009 valuation	-	4,494	-	-	-	4,494
- 2008 valuation	-	2,464	-	-	-	2,464
- 2006 valuation	120,899	-	-	-	-	120,899
	120,899	10,030	831	981	8,839	141,580
The carrying value of revalued assets stated under the historical cost convention						
At 31.3.2009	55,623	7,631	-	-	-	63,254

Company 2010	Freehold land and building RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation, furniture, fittings and equipment RM'000	Total RM'000
At 1.4.2009					
- cost	-	16,172	1,122	5,789	23,083
- valuation	3,418	-	-	-	3,418
	3,418	16,172	1,122	5,789	26,501
Additions - cost	-	138	296	218	652
Disposals - cost	-	-	(297)	-	(297)
Write-offs - cost	-	(2,623)	-	(17)	(2,640)
At 31.3.2010					
- cost	-	13,687	1,121	5,990	20,798
- valuation	3,418	-	-	-	3,418
	3,418	13,687	1,121	5,990	24,216

Notes to the Financial Statements

for the year ended 31 March 2010

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company 2010	Freehold land and building RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation, furniture, fittings and equipment RM'000	Total RM'000
Accumulated depreciation					
At 1.4.2009					
- cost	-	15,833	433	2,188	18,454
- valuation	16	-	-	-	16
	16	15,833	433	2,188	18,470
Charge for the year					
- cost	-	176	210	597	983
- valuation	17	-	-	-	17
Disposals - cost	-	-	(218)	-	(218)
Write-offs - cost	-	(2,623)	-	(16)	(2,639)
At 31.3.2010					
- cost	-	13,386	425	2,769	16,580
- valuation	33	-	-	-	33
	33	13,386	425	2,769	16,613
Accumulated impairment loss					
At 1.4.2009	938	-	-	-	938
Charge for the year	-	-	-	-	-
At 31.3.2010	938	-	-	-	938
Carrying value					
At 31.3.2010					
- cost	-	301	696	3,221	4,218
- 2008 valuation	2,447	-	-	-	2,447
	2,447	301	696	3,221	6,665
The carrying value of revalued asset stated under the historical cost convention					
At 31.3.2010	1,533	-	-	-	1,533

Notes to the Financial Statements

for the year ended 31 March 2010

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company 2009	Freehold land and building RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation, furniture, fittings and equipment RM'000	Total RM'000
At 1.4.2008					
- cost	-	16,080	1,202	5,843	23,125
- valuation	3,418	-	-	-	3,418
	3,418	16,080	1,202	5,843	26,543
Additions - cost	-	-	-	67	67
Disposals - cost	-	-	(80)	(6)	(86)
Write-offs - cost	-	-	-	(23)	(23)
Reclassifications	-	92	-	(92)	-
At 31.3.2009					
- cost	-	16,172	1,122	5,789	23,083
- valuation	3,418	-	-	-	3,418
	3,418	16,172	1,122	5,789	26,501
Accumulated depreciation					
At 1.4.2008					
- cost	-	15,645	256	1,645	17,546
- valuation	-	-	-	-	-
	-	15,645	256	1,645	17,546
Charge for the year					
- cost	-	168	206	587	961
- valuation	16	-	-	-	16
Disposals - cost	-	-	(29)	(6)	(35)
Write-offs - cost	-	-	-	(18)	(18)
Reclassifications	-	20	-	(20)	-
At 31.3.2009					
- cost	-	15,833	433	2,188	18,454
- valuation	16	-	-	-	16
	16	15,833	433	2,188	18,470
Accumulated impairment loss					
At 1.4.2008					
Charge for the year	938	-	-	-	938
	-	-	-	-	-
At 31.3.2009					
	938	-	-	-	938

Notes to the Financial Statements

for the year ended 31 March 2010

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company 2009	Freehold land and building RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation, furniture, fittings and equipment RM'000	Total RM'000
Carrying value					
At 31.3.2009					
- cost	-	339	689	3,601	4,629
- 2008 valuation	2,464	-	-	-	2,464
	2,464	339	689	3,601	7,093
The carrying value of revalued asset stated under the historical cost convention At 31.3.2009	1,564	-	-	-	1,564

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

The 2009 valuations of the freehold land and building were carried out by Wong Yick Ming, licensed Appraiser, of Bernard Valuers & Real Estate Consultants Pte Ltd on 31 March 2009.

The 2008 valuations of the freehold land and buildings were carried out by Kan Kok Leong MIS (M), registered valuer, of Rahim & Co Chartered Surveyors Sdn Bhd on 26 March 2008.

The 2006 valuations of the freehold hotel property was carried out by Abdul Khalid Bin Abdul Rahman MIS (M), MIEA, APEPS, registered valuer, of Colliers Jordan Lee & Jaafar (JH) Sdn Bhd on 27 February 2006.

The freehold hotel property has been pledged as security for the bank borrowings referred to in note 21.

Notes to the Financial Statements

for the year ended 31 March 2010

4. INVESTMENT PROPERTIES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At 1 April	283,899	264,308	276,812	254,120
Gain on fair value adjustments	7,082	22,841	7,066	22,250
Addition during the year - <i>cost</i>	4,036	442	4,036	442
Disposal during the year - <i>valuation</i>	(3,328)	-	-	-
Foreign exchange adjustments	(72)	181	-	-
Transfer to property, plant and equipment (see note 3)	-	(3,873)	-	-
At 31 March	291,617	283,899	287,914	276,812
Comprise:				
<u>Freehold land and building</u>				
- <i>Wisma Selangor Dredging</i>	265,000	254,084	265,000	254,084
- Office space in a 24-storey office building known as <i>Plaza 138</i>	4,748	7,874	3,614	3,428
- Shop offices at Teo Hong Road, Singapore	2,569	2,641	-	-
<u>Freehold land</u>				
- Karlton palm oil estate	13,670	13,670	13,670	13,670
- Agricultural land at Puchong	5,630	5,630	5,630	5,630
	291,617	283,899	287,914	276,812

In 2009, the Group's investment properties of RM3,873,000 was transferred to property, plant and equipment - freehold land and building, as the property was owner occupied.

The fair values of the investment properties of the Group and Company at 31 March 2010 are arrived at by reference to market evidence of transaction prices for similar properties and is performed by a registered independent valuer having an appropriate recognised professional qualification and recent experience in the location and category of property being valued.

The freehold land and building, Wisma Selangor Dredging and shopoffices at Teo Hong Road have been pledged as security for the bank borrowings referred to in note 21.

Notes to the Financial Statements

for the year ended 31 March 2010

5. LAND HELD FOR PROPERTY DEVELOPMENT

Group	Group		Total RM'000
	Freehold land at cost RM'000	Development expenditure at cost RM'000	
At 1 April 2009	74,874	4,546	79,420
Additions	-	1,334	1,334
Transfer to property development costs (see note 11)	(30,382)	(3,328)	(33,710)
At 31 March 2010	44,492	2,552	47,044
At 1 April 2008	124,378	10,717	135,095
Additions	25,507	4,160	29,667
Transfer to property development costs (see note 11)	(76,579)	(10,459)	(87,038)
Foreign exchange adjustments	1,568	128	1,696
At 31 March 2009	74,874	4,546	79,420

Included in land held for property development included above at a carrying amount of RM21,216,824 has been pledged to bank to secure the bank borrowings referred to in note 21 below.

6. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2010 RM'000	2009 RM'000
Unquoted shares at cost		
- ordinary shares	23,596	23,596
- non-cumulative redeemable preference shares	38,000	38,000
Impairment losses	61,596 (942)	61,596 (942)
	60,654	60,654

Notes to the Financial Statements

for the year ended 31 March 2010

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The subsidiary companies are:

	Equity interest				Country of incorporation	Principal activities
	Direct		Indirect			
	2010 %	2009 %	2010 %	2009 %		
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 ("PP")	-	-	100	100	Malaysia	Property developer
Hayat Abadi Sdn Bhd ("HA")	-	-	100	100	Malaysia	Property developer
SDB Damansara Sdn Bhd ("SDBD")	-	-	100	100	Malaysia	Property developer
SDB SS2 Development Sdn Bhd ("SDBSS2")	-	-	100	100	Malaysia	Property developer
SDB Ampang Sdn Bhd ("SDB Ampang")	-	-	100	100	Malaysia	Property developer
Crescent Consortium Sdn Bhd ("CCSB")	-	-	100	100	Malaysia	Property developer
Seldredge Industries Sdn Berhad ("SDI")	100	100	-	-	Malaysia	Investment holding
SDB International Sdn Bhd ("SDBI")	100	100	-	-	Malaysia	Investment holding
* SDB Hotels Pty Ltd ("SDBH")	-	-	100	100	Australia	Investment holding
+ SDB Asia Pte Ltd ("SDB Asia")	-	-	100	100	Singapore	Investment in property and property developer
SDB Customer Services Sdn Bhd ("SDBCS")	100	100	-	-	Malaysia	Provision of property support services
* SDB Australia Pty Ltd ("SDBA")	100	100	-	-	Australia	Investment holding

* *Subsidiary companies not audited by Mazars*

+ *Audited by an associate of Mazars*

Notes to the Financial Statements

for the year ended 31 March 2010

7. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	Group	
	2010 RM'000	2009 RM'000
Capital contribution, at cost	111,405	99,433
Group's share of post-acquisition reserves and retained profit less losses	(7,450)	(4,182)
Foreign exchange adjustments	(417)	2,605
	103,538	97,856

The jointly controlled entities are as follows:

	Equity interest				Country of incorporation	Principal activities
	Direct		Indirect			
	2010 %	2009 %	2010 %	2009 %		
* Chedstone Investment Holdings Pte Ltd	-	-	50	50	Singapore	Investment in property and property developer
* Champsworth Development Pte Ltd	-	-	50	50	Singapore	Investment holding
* Tiara Land Pte Ltd	-	-	50	50	Singapore	Investment in property and property developer

* Audited by an associate of Mazars

The Group's share of the assets and liabilities as at 31 March 2010 and revenue and results for the year ended 31 March 2010 of the jointly controlled entities are as follows:

	2010 RM'000	2009 RM'000
Assets and liabilities		
Total assets	199,218	205,598
Total liabilities	95,680	107,742
Results		
Revenue	803	65
Loss for the year	3,268	3,848

Notes to the Financial Statements

for the year ended 31 March 2010

8. OTHER INVESTMENTS

(a) Investments held directly by the Company

	Group and Company	
	2010	2009
	RM'000	RM'000
At cost		
Shares quoted in Malaysia	1,934	2,047
Diminution in value	(477)	(798)
Carrying amount of investments held directly by the Company	1,457	1,249
<i>Market value</i>		
Shares quoted in Malaysia	3,148	1,987

(b) Discretionary fund managed by external investment management company

The discretionary fund in 2009 had a principal sum of RM3,000,000 which was managed in accordance with the terms of an investment management agreement.

	Group and Company	
	2010	2009
	RM'000	RM'000
At market value		
Quoted investments in Malaysia	-	280
At cost		
Quoted investments*		
- in Malaysia	-	573
- outside Malaysia	-	66
Quoted unit trust in Malaysia*	-	957
Deposits with a licensed bank	-	1,516
Bank balance	-	81
	-	3,473
Less:		
Other payables	-	(4)
Carrying amount of discretionary fund	-	3,469
<i>* Market value</i>		
Quoted investments		
- in Malaysia	-	914
- outside Malaysia	-	69
Quoted unit trust in Malaysia	-	957
Total carrying amount of other investments	1,457	4,718

Notes to the Financial Statements

for the year ended 31 March 2010

9. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amounts owing by the subsidiary companies included under non-current asset represent unsecured advances not expected to be recalled within the next 12 months are analysed as follows:

	Company	
	2010 RM'000	2009 RM'000
Interest bearing advances at cost of funds (2009 : 0.5% above the cost of funds) of a reference bank	229,293	229,851
Interest free advances	152,745	147,482
Interest receivable	1,719	566
	383,757	377,899

The effective interest rate at the balance sheet date ranged between 3.05% and 5.00% (2009 : 3.12% and 5.00%) per annum.

The amount owing to the subsidiary company included under non-current liability represent unsecured interest free advances which are not expected to be payable within the next 12 months.

The amount owing to the subsidiary company included under current liability in 2009 represented unsecured interest free advances which were payable on demand. The amount owing has been fully settled during the financial year.

10. INVENTORIES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At cost				
Completed development properties	3,620	5,576	-	-
Consumable stores	1,297	1,358	730	725
	4,917	6,934	730	725

Notes to the Financial Statements

for the year ended 31 March 2010

11. PROPERTY DEVELOPMENT COSTS

	Group																												
	2010 RM'000	2009 RM'000																											
Freehold land at cost	177,711	127,870																											
Development and construction costs	224,620	258,984																											
Costs recognised as an expense in income statement in previous years	(138,513)	(232,973)																											
At 1 April	263,818	153,881																											
<table border="0" style="width: 100%;"> <tr> <td>Costs transferred from land held for property development (see note 5)</td> <td></td> <td></td> </tr> <tr> <td>- Freehold land</td> <td style="text-align: right;">30,382</td> <td style="text-align: right;">76,579</td> </tr> <tr> <td>- Development costs</td> <td style="text-align: right;">3,328</td> <td style="text-align: right;">10,459</td> </tr> <tr> <td>Costs incurred during the year</td> <td></td> <td></td> </tr> <tr> <td>- Development costs</td> <td style="text-align: right;">142,556</td> <td style="text-align: right;">115,422</td> </tr> <tr> <td></td> <td style="text-align: right;">176,266</td> <td style="text-align: right;">202,460</td> </tr> <tr> <td>Cost recognised as an expense in income statement in current year</td> <td style="text-align: right;">(143,219)</td> <td style="text-align: right;">(92,999)</td> </tr> <tr> <td>Foreign exchange adjustments</td> <td style="text-align: right;">(1,766)</td> <td style="text-align: right;">476</td> </tr> <tr> <td>At 31 March</td> <td style="text-align: right;">295,099</td> <td style="text-align: right;">263,818</td> </tr> </table>			Costs transferred from land held for property development (see note 5)			- Freehold land	30,382	76,579	- Development costs	3,328	10,459	Costs incurred during the year			- Development costs	142,556	115,422		176,266	202,460	Cost recognised as an expense in income statement in current year	(143,219)	(92,999)	Foreign exchange adjustments	(1,766)	476	At 31 March	295,099	263,818
Costs transferred from land held for property development (see note 5)																													
- Freehold land	30,382	76,579																											
- Development costs	3,328	10,459																											
Costs incurred during the year																													
- Development costs	142,556	115,422																											
	176,266	202,460																											
Cost recognised as an expense in income statement in current year	(143,219)	(92,999)																											
Foreign exchange adjustments	(1,766)	476																											
At 31 March	295,099	263,818																											

Included in property development costs included above at a carrying amount of RM33,820,602 has been pledged to bank to secure the bank borrowings referred to in note 21 below.

12. GROSS AMOUNT DUE FROM CUSTOMERS

	Group	
	2010 RM'000	2009 RM'000
Aggregate contract expenditure incurred to-date	310	164
Attributable profit recognised to-date	65	37
Progress billings	375	201
	(220)	(49)
	155	152
Progress billings		
- received	220	49
- receivable	-	-
	220	49

Notes to the Financial Statements

for the year ended 31 March 2010

13. TRADE RECEIVABLES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Progress billings receivables	25,522	4,788	-	-
Retention sums receivables	9,856	7,438	-	-
Rental receivables	366	360	339	344
Other trade receivables	1,582	1,498	-	-
Total gross trade receivables	37,326	14,084	339	344
Allowance for doubtful debts	-	(10)	-	-
	37,326	14,074	339	344

Progress billings to house buyers are due within 21 days as stipulated in 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 18 months.

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

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

14. ACCRUED BILLINGS

	Group	
	2010 RM'000	2009 RM'000
Revenue recognised in income statement to-date	371,662	178,872
Progress billings to-date	(324,720)	(123,241)
	46,942	55,631
Accrued billings	46,942	56,251
Progress billings	-	(620)
	46,942	55,631

Notes to the Financial Statements

for the year ended 31 March 2010

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Gross other receivables	1,598	1,012	9	4
Surplus assets and capital receivable upon liquidation of a subsidiary company	849	1,570	849	1,570
Interest receivables	40	86	27	64
Deposits				
- purchase of investment properties (see note 35)	-	2,560	-	2,560
- purchase of property, plant and equipment (see note 34)	-	99	-	-
- others	1,276	1,960	135	72
Prepayments	1,642	1,427	761	752
	5,405	8,714	1,781	5,022

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Teh Lip Ling, a close family member of Teh Lip Kim and Teh Lip Pink	6	6	-	-
Teh Lip Bin, a close family member of Teh Lip Kim and Teh Lip Pink	6	6	-	-
Teh Kien Toh Sdn Bhd, a company in which Teh Lip Kim and Teh Lip Pink have interests	6	6	-	-

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
- RM	3,741	7,240	1,020	4,270
- Australian Dollar ("AUD")	-	14	-	-
- Singapore Dollar ("SGD")	22	33	-	-
	3,763	7,287	1,020	4,270

Notes to the Financial Statements

for the year ended 31 March 2010

16. SHORT TERM INVESTMENTS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unit trust quoted in Malaysia, at cost	4,388	238	1	1
Market value	4,388	238	1	1

17. DEPOSITS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Deposits with licensed banks:				
- in Malaysia	6,410	14,769	3,410	12,910
- outside Malaysia	-	6,261	-	-
Deposits with other financial institution in Malaysia	-	500	-	4,700
	6,410	21,530	3,410	17,610

The currency exposure profile of deposits is as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
- RM	6,410	19,969	3,410	17,610
- AUD	-	1,561	-	-
	6,410	21,530	3,410	17,610

Deposits include the following amounts which have been pledged to secure:

	Group and Company	
	2010 RM'000	2009 RM'000
Stamp duty payable on a facility agreement	1,410	1,410

The effective interest rates of the deposits range from 1.8% to 3.75% (2009 : 1.8% to 3.75%) per annum. All the deposits have maturities of 12 months or less.

Notes to the Financial Statements

for the year ended 31 March 2010

18. CASH AND BANK BALANCES

Cash and bank balances of the Group include an amount of RM21,906,000 (2009 : RM5,290,000) maintained in Housing Development Accounts. Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Development (Housing Development Account) Regulations 1991.

Funds maintained in the Housing Development Accounts earn interest range between 1.00% and 1.25% (2009 : 2.0%) per annum.

Cash and bank balances of the Group also include an amount of RM195,000 (2009 : RM230,000) pledged to secure bank guarantee facility granted to a subsidiary company.

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
- RM	49,812	18,535	1,395	762
- SGD	6,305	10,780	-	-
- AUD	434	580	-	-
	56,551	29,895	1,395	762

19. SHARE CAPITAL

	2010 RM'000	2009 RM'000
Authorised:		
600,000,000 ordinary shares of 50 sen each	300,000	300,000
Issued and fully paid:		
426,127,662 ordinary shares of 50 sen each	213,064	213,064

20. OTHER RESERVE (Distributable)

The distributable other reserve represents realised capital gains transferred from unappropriated profit.

Notes to the Financial Statements

for the year ended 31 March 2010

21. BANK BORROWINGS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unsecured				
Revolving credits	84,750	92,500	66,000	70,000
Secured				
Bank term loan bearing interest at fixed rate of 5.00% per annum, repayable in full at the end of the 5 years from 27 August 2007 (Bank loan I)	170,000	170,000	170,000	170,000
Bank term loan bearing interest at 1.00% per annum above 1 month or 3 months Singapore Dollar Interbank Offered Rates repayable in full at the end of the 3 year from 27 June 2007 and was subsequently extended to 27 June 2012 (Bank loan II)	35,031	36,012	-	-
Bank term loan bearing interest at 1.25% above the lender banks' cost of fund per annum repayable by 16 quarterly instalments of RM1,875,000 commencing 39 months after the date of first draw down, or by redemption of properties to be developed, whichever is earlier (Bank loan III)	26,230	-	-	-
Revolving credits	155,000	140,000	30,000	35,000
	471,011	438,512	266,000	275,000
Repayments due				
- not later than one year	204,447	132,750	59,000	59,000
- later than one year but not later than two years	25,667	65,429	9,000	9,000
- later than two years but not later than five years	228,866	230,333	193,000	197,000
- later than five years	12,031	10,000	5,000	10,000
	471,011	438,512	266,000	275,000
Repayments due within 12 months (included under current liabilities)	(204,447)	(132,750)	(59,000)	(59,000)
Repayments due after 12 months (included under non-current liabilities)	266,564	305,762	207,000	216,000

Notes to the Financial Statements

for the year ended 31 March 2010

21. BANK BORROWINGS (cont'd)

The currency exposure profile of bank borrowings is as follows: (cont'd)

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
- RM	435,980	402,500	266,000	275,000
- SGD	35,031	36,012	-	-
	471,011	438,512	266,000	275,000

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 and properties at Teo Hong Road of the Group; and
- (iv) various lands belonging to the Group as indicated in note 5 and 11.

The revolving credits bear interest from 0.45% to 1.25% (2009 : 0.45% to 1.00%) per annum above the cost of funds of the respective lending banks. The effective interest rates range from 3.05% to 5.00% (2009 : 3.12% to 5.00%) per annum.

22. DEFERRED TAX LIABILITIES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At 1 April	-	1	-	-
Transfer to income statement	-	(1)	-	-
At 31 March	-	-	-	-

Notes to the Financial Statements

for the year ended 31 March 2010

22. DEFERRED TAX LIABILITIES (cont'd)

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unutilised tax losses	22,525	14,420	-	-
Unabsorbed capital allowances	20,156	18,622	-	-
Excess of capital allowances claimed over accumulated depreciation on property, plant and equipment	(9,606)	(9,083)	-	-
Excess of accumulated depreciation on property, plant and equipment over capital allowances claimed	77	378	77	377
Allowance for doubtful debt	10	10	-	-
	33,162	24,347	77	377

23. TRADE PAYABLES

	Group	
	2010 RM'000	2009 RM'000
Sub-contractors' claims	2,725	5,488
Retention sums	14,938	14,707
Accrued property development cost	30,787	33,578
Others	1,419	2,958
	49,869	56,731

The currency exposure profile of trade payable is as follows:

	Group	
	2010 RM'000	2009 RM'000
- RM	47,967	55,653
- SGD	1,902	1,078
	49,869	56,731

The normal credit terms extended by suppliers from 30 to 60 days. Retention sums are payable upon the expiry of the defect liability periods of 12 to 18 months.

Notes to the Financial Statements

for the year ended 31 March 2010

24. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unpaid balance for acquisition of land held for development	-	7,000	-	-
Unpaid consideration for acquisition of investment properties (see note 34)	105	-	105	-
Other payables, deposits and accruals	10,144	3,871	753	744
Interest payables	325	276	131	76
Tenants' deposits	4,564	4,572	4,564	4,572
Cost of hotel refurbishment payable	-	408	-	-
Rental received in advance	126	92	126	92
Deposits received from house purchasers	-	26	-	-
	15,264	16,245	5,679	5,484

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
- RM	15,190	16,085	5,679	5,484
- AUD	43	26	-	-
- SGD	31	134	-	-
	15,264	16,245	5,679	5,484

25. AMOUNT OWING TO JOINTLY CONTROLLED ENTITIES

The amount owing to the jointly controlled entities in 2009 represented unsecured interest free advances which were payable on demand. The amount owing was fully settled during the financial year.

26. REVENUE

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Property development revenue	193,398	119,305	-	-
Gross rental income	19,694	19,506	19,295	19,096
Sale of hotel rooms, food and beverages and other ancillary services	20,532	23,422	-	-
Construction revenue	806	1,837	-	-
	234,430	164,070	19,295	19,096

Notes to the Financial Statements

for the year ended 31 March 2010

27. COST OF SALES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cost of property development	144,948	95,318	-	-
Cost of letting of properties	10,051	10,855	9,718	10,485
Cost of hotel services rendered	11,114	11,961	-	-
Contract cost recognised as expense	1,534	1,492	-	-
	167,647	119,626	9,718	10,485

28. PROFIT FROM OPERATIONS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit from operations is stated after charging:				
Auditors' remuneration	113	115	30	30
Bad debts written off	2	58	-	52
Allowance for doubtful debts	-	10	-	-
Depreciation	4,682	4,528	1,000	977
Direct operating expenses on revenue generating investment properties	8,718	9,508	8,718	9,508
Directors' remuneration				
- fees	273	272	170	170
- other emoluments	818	716	438	383
Impairment in value of property, plant and equipment	444	360	-	-
Property, plant and equipment written off	1	8	1	5
Rental of equipment	3	4	-	-
Rental of premises	106	161	-	-
Loss on foreign exchange				
- realised	2	17	-	-
- unrealised	1	33	-	-

and crediting:

Allowance for doubtful debt no longer required	-	1	-	-
Gain on disposal of property, plant and equipment	38	12	36	11
Realised gain on foreign exchange	92	36	-	-
Interest income	508	1,094	-	-
Rental income	76	119	4	4

Notes to the Financial Statements

for the year ended 31 March 2010

29. PROFIT FROM INVESTING ACTIVITIES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Gross dividends income from shares quoted in Malaysia	127	916	127	828
Interest income from				
- subsidiary companies	-	-	6,851	8,755
- fixed deposits	132	691	94	617
- short term investments	106	44	-	-
- others	16	42	13	43
Gain on disposal of investment properties	225	-	-	-
Gain on disposal of other investments	354	-	354	-
Gain on fair value adjustment on investment properties	7,082	22,841	7,066	22,250
Diminution in value of investments no longer required	350	-	350	-
	8,394	24,534	14,855	32,493
Diminution in value of other investments	(102)	(43)	(102)	(43)
Deficit arising from liquidation of a subsidiary company	-	(204)	-	(204)
Loss on disposal of other investments	-	(308)	-	(296)
	8,292	23,979	14,753	31,950

30. FINANCE COSTS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Interest paid and payable on:				
Revolving credits	7,429	7,920	3,376	3,200
Term loans	9,419	11,463	8,500	10,063
Hire purchase liability	-	1	-	-
	16,848	19,384	11,876	13,263

Notes to the Financial Statements

for the year ended 31 March 2010

31. TAX EXPENSE

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Malaysian tax based on results for the year				
- current	9,852	4,531	2,292	2,237
- deferred	-	(1)	-	-
	9,852	4,530	2,292	2,237
Under/(Over)estimated in prior years				
- current	134	(543)	4	(629)
	9,986	3,987	2,296	1,608

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Accounting profit	31,217	25,076	11,236	26,557
Taxation at applicable statutory tax rates	7,804	6,269	2,809	6,639
Tax effects arising from:				
- non-taxable income				
* gain on fair value adjustments on investment properties	(1,767)	(5,710)	(1,767)	(5,562)
* others	(258)	(475)	(163)	(279)
- non-deductible expenses	1,770	2,426	1,488	1,499
Different in tax rates	99	-	-	-
Effect of reduction in future tax rate	-	(11)	-	-
Origination/(Reversal) of deferred tax assets not recognised	2,204	2,031	(75)	(60)
Under/(Over)estimated in prior years	134	(543)	4	(629)
	9,986	3,987	2,296	1,608

Subject to agreement with the Inland Revenue Board and the prevailing tax rate applicable to dividends, the Company has sufficient tax credits available to frank the entire unappropriated profit of the Company.

Subject to agreement with the Inland Revenue Board, the Group has unutilised investment tax allowances amounting to approximately RM45 million.

Notes to the Financial Statements

for the year ended 31 March 2010

32. BASIC EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the Group's profit for the year of RM17,963,000 (2009 : RM17,241,000) by the number of shares in issue of 426,127,662 (2009 : 426,127,662) during the financial year.

33. DIVIDENDS

	2010 RM'000	2009 RM'000
First and final dividend of 4% less 26% income tax in respect of the year ended 31 March 2008	-	6,307
First and final dividend of 3% less 25% income tax in respect of the year ended 31 March 2009	4,794	-
	4,794	6,307

The directors now propose a first and final dividend of 4% less 25% income tax amounting to RM6,391,915 in respect of the financial year under review.

34. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Aggregate cost of property, plant and equipment acquired	2,450	2,480	652	67
Deposit paid in current year	-	99	-	-
Deposit paid in prior year	(99)	-	-	-
Cash paid during the year	2,351	2,579	652	67

Notes to the Financial Statements

for the year ended 31 March 2010

35. PURCHASE OF INVESTMENT PROPERTIES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Aggregate cost of investment properties acquired	4,036	442	4,036	442
Deposit paid in current year	-	2,560	-	2,560
Deposit paid in prior year	(2,560)	-	(2,560)	-
Unpaid balances included under other payables and accruals (see note 24)	(105)	-	(105)	-
	1,371	3,002	1,371	3,002

36. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Employee costs (include executive directors' emoluments)	16,415	15,325	3,940	3,842

Included in the employee benefits expense are EPF contributions amounting to RM1,386,000 (2009 : RM1,386,000) for the Group and RM361,230 (2009 : RM330,620) for the Company.

37. RELATED PARTY DISCLOSURES

(a) Significant related party transactions during the financial year were as follows:

	← Transaction value →				← Balance outstanding →			
	Group		Company		Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<i>Transactions with subsidiary companies</i>								
Interest received/receivable from SDBP	-	-	6,851	8,755	-	-	1,719	566
Rental received from SDBP	-	-	662	662	-	-	-	-
Rental received from SDBCS	-	-	313	308	-	-	-	-
Management fee paid to SDBCS	-	-	66	66	-	-	-	-
Project management fee paid/payable to SDBCS	-	-	16	16	-	-	-	6

Notes to the Financial Statements

for the year ended 31 March 2010

37. RELATED PARTY DISCLOSURES (cont'd)

(a) Significant related party transactions during the financial year were as follows: (cont'd)

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2010	2009	2010	2009	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>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:</i>								
Rental paid to Dr Teh Lip Bin, a close family member of Teh Lip Kim and Teh Lip Pink	29	29	-	-	-	-	-	-
Rental paid to Teh Lip Ling, a close family member of Teh Lip Kim and Teh Lip Pink	29	29	-	-	-	-	-	-
Rental paid to Teh Kien Toh Sdn Bhd, a company in which Teh Lip Kim and Teh Lip Pink have interests	29	29	-	-	-	-	-	-
Medical fees paid to Klinik Ian Ong, a clinic belonging to a close family member of Teh Lip Kim and Teh Lip Pink	43	85	20	22	-	-	-	-
Consultancy fee paid to Providence Capital Sdn Bhd, a company in which Eddy Chieng Ing Huong has interest	180	180	180	180	-	-	-	-
Sales of properties to:								
- Teh Lip Kim	-	6,413	-	-	-	-	-	-
- Teh Lip Pink	5,613	-	-	-	-	-	-	-
- Close family members of the directors	-	11,375	-	-	-	-	-	-
- Providence Properties Sdn Bhd, a company in which Eddy Chieng Ing Huong has interest	10,661	-	-	-	-	-	-	-
Construction services rendered to:								
- Klinik Ian Ong	-	8	-	-	-	8	-	-
- Teh Lip Kim	-	247	-	-	-	-	-	-
- Close family members of the directors	59	586	-	-	58	56	-	-

Notes to the Financial Statements

for the year ended 31 March 2010

37. RELATED PARTY DISCLOSURES (cont'd)

(b) Key management personnel compensation

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<i>Directors</i>				
Short-term employee benefits				
- fees	273	272	170	170
- remuneration	730	639	391	342
Total short-term employee benefits	1,003	911	561	512
Post-employment benefits				
- EPF	88	77	47	41
Sub-total	1,091	988	608	553
<i>Other key management personnel</i>				
Short-term employee benefits				
- salary, bonus and allowances	2,168	2,268	1,637	1,307
- estimated monetary value of benefits-in-kind	-	4	-	-
Total short-term employee benefits	2,168	2,272	1,637	1,307
Post-employment benefits				
- EPF	262	261	199	157
Sub-total	2,430	2,533	1,836	1,464
Total compensation	3,521	3,521	2,444	2,017

Notes to the Financial Statements

for the year ended 31 March 2010

39. COMMITMENTS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Commitments for acquisition of property, plant and equipment				
- contracted	-	1,075	-	968
- approved but not contracted	-	90	-	-
	-	1,165	-	968

40. OPERATING LEASES

The Group as lessor

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

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Not later than one year	13,281	14,566	13,778	15,134
Later than one year but not later than five years	8,739	8,645	8,870	8,827
	22,020	23,211	22,648	23,961

41. CONTINGENT LIABILITIES (Unsecured)

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Corporate guarantees given to a bank for credit facility granted to subsidiary companies	-	-	20,000	50,000

Notes to the Financial Statements

for the year ended 31 March 2010

42. SEGMENTAL ANALYSIS

2010	Property investment RM'000	Hotel operations RM'000	Investment holding RM'000	Property development RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
REVENUE							
External sales	19,694	20,532	-	193,398	806	-	234,430
Inter-segment sales	975	-	-	-	773	(1,748)	-
Total revenue	20,669	20,532	-	193,398	1,579	(1,748)	234,430
RESULT							
Segment result	6,803	(1,851)	59	39,686	(569)	(1,748)	42,380
Unallocated corporate expenses							(2,607)
Profit from operations							39,773
Profit from investing activities							8,292
Share of losses of jointly controlled entities							(3,268)
Finance costs							(16,848)
Profit before tax							27,949
Tax expense							(9,986)
Profit for the year							17,963
OTHER INFORMATION							
Segment assets	302,824	129,655	-	484,274	2,046	-	918,799
Investing assets	-	-	111,264	-	-	-	111,264
Current tax assets	-	-	-	-	4,333	-	4,333
Unallocated corporate assets	-	-	-	-	9,349	-	9,349
Consolidated total assets							1,043,745
Segment liabilities	(5,786)	(2,474)	(37)	(91,083)	(59,781)	-	(159,161)
Current and deferred tax liabilities	-	-	-	-	(3,124)	-	(3,124)
Unallocated corporate liabilities	-	-	-	-	(376,983)	-	(376,983)
Consolidated total liabilities							(539,268)
Capital expenditure							6,486
Depreciation							4,682
Other non-cash (income)/expenses							(7,259)

Notes to the Financial Statements

for the year ended 31 March 2010

42. SEGMENTAL ANALYSIS (cont'd)

2009	Property investment RM'000	Hotel operations RM'000	Investment holding RM'000	Property development RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
REVENUE							
External sales	19,506	23,422	-	119,305	1,837	-	164,070
Inter-segment sales	970	-	-	-	407	(1,377)	-
Total revenue	20,476	23,422	-	119,305	2,244	(1,377)	164,070
RESULT							
Segment result	9,209	851	(41)	14,532	(456)	(1,377)	22,718
Unallocated corporate expenses							(2,237)
Profit from operations							20,481
Profit from investing activities							23,979
Share of losses of jointly controlled entities							(3,848)
Finance costs							(19,384)
Profit before tax							21,228
Tax expense							(3,987)
Profit for the year							17,241
OTHER INFORMATION							
Segment assets	296,732	130,823	-	441,817	2,527	-	871,899
Investing assets	-	-	132,535	-	-	-	132,535
Current tax assets	-	-	-	-	5,867	-	5,867
Unallocated corporate assets	-	-	-	-	4,645	-	4,645
Consolidated total assets							1,014,946
Segment liabilities	(5,638)	(2,498)	(6,274)	(100,556)	(59,882)	-	(174,848)
Current and deferred tax liabilities	-	-	-	-	(1,112)	-	(1,112)
Unallocated corporate liabilities	-	-	-	-	(343,502)	-	(343,502)
Consolidated total liabilities							(519,462)
Capital expenditure	-	-	-	-	2,922	-	2,922
Depreciation	145	2,875	-	-	1,508	-	4,528
Other non-cash (income)/expenses	(676)	(1)	4,066	455	(21,826)	-	(17,982)

Notes to the Financial Statements

for the year ended 31 March 2010

42. SEGMENTAL ANALYSIS (cont'd)

(a) Primary reporting format - business segment

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

- | | |
|---------------------------|---|
| (i) Property investment | - letting of commercial properties |
| (ii) Hotel operations | - operation of hotel and related services |
| (iii) Investment holding | - investment holding |
| (iv) Property development | - property development |
| (v) Others | - provision of management and property support services |

Transactions between segments were entered into in the normal course of business and were established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties. The effects of such inter-segmental transactions are eliminated on consolidation.

(b) Secondary reporting format - geographical segment

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

43. FINANCIAL INSTRUMENTS

(a) *Credit risk*

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(b) *Fair value*

The carrying amounts of the financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values except as follows:

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
2010				
Other investments				
Shares quoted in Malaysia	1,457	3,148	1,457	3,148

Notes to the Financial Statements

for the year ended 31 March 2010

43. FINANCIAL INSTRUMENTS

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
2010				
Amounts owing by subsidiary companies	-	-	383,757	*
Amounts owing to a subsidiary company	-	-	863	*
Bank borrowings				
Bank term loan I	170,000	178,105	170,000	178,105
2009				
Other investments				
Shares quoted in Malaysia	2,126	3,233	2,126	3,233
Unit trust	1,000	957	1,000	957
	3,126	4,190	3,126	4,190
Amounts owing by subsidiary companies	-	-	377,899	*
Bank borrowings				
Bank term loan I	170,000	170,001	170,000	170,001

* It is not practical to estimate the fair values of the amounts owing by/to subsidiary companies due principally to the absence of fixed repayment terms. However, the Company does not anticipate the carrying amounts to be significantly different from the values that it would eventually receive.

44. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 25 May 2010 by the board of directors.

Statement by Directors

In the opinion of the directors, the financial statements set out on pages 47 to 100 are drawn up:

- (a) so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2010 and of their results and cash flows for the year ended on that date;
- (b) in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965.

Signed on behalf of the directors in accordance with a directors' resolution dated 25 May 2010

EDDY CHIENG ING HUONG
Director

TEH LIP KIM
Director

Statutory Declaration

I, Loong Ching Hong, being the person primarily responsible for the financial management of Selangor Dredging Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 47 to 100 are correct.

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

Subscribed and solemnly declared at)
Kuala Lumpur in the Federal Territory)
)
this 25 May 2010)
)
)
)
)
Before me:)

LOONG CHING HONG

Robert Lim Hock Kee
Commissioner for Oaths

Analysis of Shareholdings

as at 30 June 2010

Financial year ended : 31 March 2010
 Class of stock : RM0.50 ordinary share
 Voting rights : 1 vote per share

ANALYSIS OF SHAREHOLDINGS AS AT 30 JUNE 2010

	Number of Holders	Holdings	Total Holdings	%
	198	less than 100	4,938	0.00
	2,366	100 - 1,000	2,197,354	0.52
	6,896	1,001 - 10,000	30,663,902	7.19
	1,572	10,001 - 100,000	44,028,794	10.33
	158	100,001 to less than 5% of issued shares	105,532,022	24.77
	6	5% and above of issued shares	243,700,652	57.19
Total	11,196		426,127,662	100.00

DIRECTORS' SHAREHOLDINGS AS AT 30 JUNE 2010

Name of Directors	Direct Holding	No. of Shares		Percentage %
		Percentage %	Indirect Holding	
1. Mr Eddy Chieng Ing Huong	-	-	-	-
2. Ms Teh Lip Kim	54,634,196	12.82	170,588,756	40.03
3. Dato' Mohd Ismail Bin Che Rus	-	-	-	-
4. Ms Teh Lip Pink	425,000	0.10	65,929,978	15.47
5. Mr Tee Keng Hoon	-	-	-	-

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 30 JUNE 2010

Name of Shareholders	Direct Shareholding	Percentage %	Deemed Interest	
			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	54,634,196	12.82	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

Analysis of Shareholdings

as at 30 June 2010

LIST OF 30 LARGEST SHAREHOLDERS AS AT 30 JUNE 2010

Name of shareholders	Shares held	%
1. Teh Wan Sang & Sons Sdn Bhd	51,504,527	12.09
2. Teh Kien Toh Sdn Bhd	37,900,748	8.89
3. Teh Wan Sang & Sons Sdn Berhad	37,217,951	8.73
4. Teh Lip Kim	29,084,800	6.82
5. Teh Kien Toh Sdn Berhad	27,729,230	6.51
6. Citigroup Nominees (Asing) Sdn Bhd Exempt An for UBS AG Singapore (Foreign)	25,178,000	5.91
7. Teh Lip Kim	22,618,667	5.31
8. Teh Wan Sang & Sons Sdn Berhad	9,536,000	2.24
9. Wang, Kun-Lung	9,048,100	2.12
10. Chan Keong Hon Sdn Bhd	6,515,080	1.53
11. Teh Wan Sang & Sons Housing Development Sdn Bhd	5,867,300	1.38
12. Cimsec Nominees (Asing) Sdn Bhd Exempt An for CIMB Securities (Singapore) Pte Ltd (Retail Clients)	5,469,866	1.28
13. Citigroup Nominees (Asing) Sdn Bhd UBS AG Singapore For Renowned Navigator Ltd	4,961,500	1.16
14. Ng Chin Siu & Sons Rubber Estates Sdn Bhd	3,836,800	0.90
15. Citigroup Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited (Client A/C-NR)	3,540,757	0.83
16. Teh Lip Kim	2,930,729	0.69
17. Permodalan Negeri Selangor Berhad	2,896,000	0.68
18. Pymont Holdings Sdn Bhd	2,616,500	0.61
19. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for MAAKL Progress Fund	2,315,000	0.54
20. Daya Sebatl Sdn Bhd	2,191,400	0.51
21. Teh Lip Bin	2,000,000	0.47
22. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sow Gek Pong (MLK)	1,766,000	0.41
23. Rengo Malay Estate Sdn Bhd	1,532,700	0.36
24. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Chan Keong Hon Sdn Bhd (01-00600-000)	1,500,000	0.35
25. Cho Chun Hong	1,477,500	0.35
26. Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	1,312,700	0.31
27. Ulysses Sdn Bhd	1,222,779	0.29
28. Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Small Cap Series	1,118,200	0.26
29. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loong Ching Hong (E-KLC)	1,072,000	0.25
30. HLG Nominee (Tempatan) Sdn Bhd Hong Leong Fund Management Sdn Bhd for Hong Leong Assurance Bhd (Life)	1,040,000	0.24
	307,000,834	72.04

List of Material Properties

Properties	Description	Land area/ (Built-up area) (Square feet)	Tenure (Expiry)	Age of building (Years)	Net book value as at 31.3.2010 (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: 358,621 sq ft)	103,882	Freehold (N/A)	25	265,000	31 March 2010
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)	12	122,656	27 February 2006
65 Wilkie Road Singapore 228068	Development land - Jia Project	17,112	Freehold (N/A)	-	SGD21,751 RM50,796	(29 June 2007)
Geran 43950 to 43953 Lot 52309 to 52312 Mukim Kuala Lumpur Daerah Kuala Lumpur Negeri Wilayah Persekutuan Kuala Lumpur	Development land	250,347	Freehold (N/A)	-	50,074	(24 August 2005)
Geran 5267 Lot No. 248 Seksyen 89A Bandar Kuala Lumpur Daerah Kuala Lumpur Negeri Wilayah Persekutuan Kuala Lumpur	Development land	44,315	Freehold (N/A)	-	29,500	(30 July 2007)
Geran No 35096, Lot 417 Geran No 35097, Lot No 418 Geran No 49378, Lot No 35 Seksyen 1, Bandar Batu Ferringgi, Timor Laut Pulau Pinang	Development land	204,733	Freehold (N/A)	-	24,568	(18 January 2008)
GM719, Lot 49679 Tempat Batu 7½ Jalan Damansara Mukim Sungai Buluh Daerah Petaling Selangor Darul Ehsan	Development land - Five Stones Project	214,611	Freehold (N/A)	-	24,049	(3 April 2006)

List of Material Properties

Properties	Description	Land area/ (Built-up area) (Square feet)	Tenure (Expiry)	Age of building (Years)	Net book value as at 31.3.2010 (RM'000)	Date of last revaluation (Date of acquisition)
GM257 Lot 501 GM223 Lot 502 GM224 Lot 503 Mukim Ulu Kelang Daerah Gombak	Development land - 20trees Project	334,867 334,867 332,144	Freehold (N/A)	-	21,743	(07 July 2003)
Geran Mukim 721, Lot 49682 Geran Mukim 722, Lot 49683 Tempat Batu 7½ Jalan Damansara Bandar Petaling Jaya SGB Daerah Petaling Selangor Darul Ehsan	Development land - Commercial	133,742	Freehold (N/A)	-	18,900	(22 November 2007)
Lot 11486 Mukim of Kajang District of Ulu Langat Selangor Darul Ehsan	Industrial land with 1,489,752 sq ft of land still planted with oil palm	2,571,155	Freehold (N/A)	-	13,670	31 March 2010

This page has been deliberately left blank

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 Forty-Ninth Annual General Meeting of the Company to be held at the Ballroom, Hotel Maya Kuala Lumpur, 138, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 26 August 2010 at 9.00 am and at any adjournment thereof, and to vote as indicated below:

NO.	RESOLUTION	FOR	AGAINST
1	To receive the Financial Statements for the year ended 31 March 2010		
2	Payment of First and Final Dividend		
3	Payment of Directors' Fees		
4	Re-election of Mr Eddy Chieng Ing Huong as Director		
5	Re-election of Ms Teh Lip Kim as Director		
6	Re-appointment of Messrs Mazars as Auditors		
7	Authority pursuant to Section 132D of the Companies Act, 1965		
8	Proposed Amendment to Articles Of Association		

(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 _____ 2010.

Signature of Member(s)

Telephone No./Handphone No.

*Delete whichever is not applicable

Notes:

Proxy

- (i) A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
- (ii) A member of the Company may appoint not more than two proxies to attend at the same meeting. Where the member of the Company appoints two proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
- (iii) A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 can appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (iv) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- (v) The instrument appointing a proxy and the power of attorney or other authority, if any which it is signed or notarially certified copy of that power of authority shall be deposited at the Share Registrars, Tricor Investor Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
- (vi) Where a member of the Company wishes to submit the instrument appointing a proxy by fax, please fax the proxy form to the Share Registrars at Fax No.: 603-2282 1886. Please ensure that the original proxy form is deposited at the Share Registrars of the Company not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

General Meeting Record of Depositors

For purpose of determining who shall be entitled to attend this meeting in accordance with Articles 54(b) and 54(c) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 20 August 2010 and only Depositors whose name appears on such Record of Depositors shall be entitled to attend the said meeting.

Registration

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

Parking

Parking is complimentary and you are advised to park your vehicle at Hotel Maya Kuala Lumpur car park.

Enquiry

For enquiries prior to the meeting, please contact the following persons during office hours:

Name : Ms Jennifer Yeow/Ms Won See Yee
Organisation : Selangor Dredging Berhad
Telephone number : 603-2161 3377

Name : Ms Lee Siew Li
Organisation : Tricor Investor Services Sdn Bhd
Telephone number : 603-2264 3883

Stamp

**Selangor Dredging Berhad
c/o Tricor Investor Services Sdn. Bhd.**

Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia
Tel : 603 2264 3883
Fax : 603 2282 1886

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

www.sdb.com.my