

SELANGOR DREDGING BERHAD

(Company No. 4624-U)
(Incorporated in Malaysia)

FIFTY-SIXTH ANNUAL GENERAL MEETING

QUESTIONS AND ANSWERS

1. Could we have more information on the mining business and what is the targeted launch?

SDB has acquired 22% equity interest in Webcon Mining Sdn. Bhd. (“Webcon”), a company that has been given the rights to mine extract, excavate and sell iron ore from Lembaga Tabung Amanah Warisan Negeri Terengganu over two plots of land. Webcon would have their first production process in early next year after spending a lot of money in the infrastructure for cleaning the land and also refining and production process on mine extract. The quality of the iron ore is of high grade and hence, fetch higher margin. The production cost is in RM whilst the sales are all in USD.

The late entry of SDB in Webcon saved them from the investment costs on the capital expenditure at the initial stage of operation.

2. Are they any board representative from SDB in Webcon? Any sand on the mining land?

They are two (2) board representatives from SDB who currently sit on the board of Webcon. The Company will disclose more information in the next Annual Report. There is no sand that can be extracted from the mining land.

3. How is Hotel Maya’s performance?

With a few changes to the management in hotel business, SDB was hoping that the performance of the hotel business will improve.

4. How is property division’s performance?

The property market is challenging and during the year, the Company concentrated on introducing upcoming developments and marketing the balance properties in existing developments. As the property market is not performing well, SDB is taking a “wait and see” approach to launching new projects. To date, the group has approximately RM322 million in unbilled sales which is derived from the on-going projects under construction.

We are unable to provide the target sales as the property market is quite volatile at this moment. Having said that, all in all, as we can see from the overall performance in year under review in both Malaysia and Singapore, the property outlook in Singapore is better than Malaysia.

5. How is SuperGreen Solutions’ performance?

We have a contract in hand to supply LED lighting to The Hub SS2 Petaling Jaya, which offer to save in energy of up to 10%-15%. The LED lighting is cheaper than solar as the battery for solar system is very expensive.

6. Why SDB wants to dispose of Wisma Selangor Dredging?

The divestment of Wisma Selangor Dredging will allow company to unlock its investment in this asset and put the group on a stronger footing for our business operations. It will also provide financial flexibility by repaying the bank borrowings and additional funds for working capital.

SDB will become the tenant after the disposal of Wisma Selangor Dredging.

7. Any plan to get a new director on board, in particular, independent director?

No plan at the moment but the Company is mindful of the succession plan.

8. Administrative matters

The management noted the comments of the shareholders whereby they have to queue and wait a very long time for the door gift and packed food and promised will look into the matter to improve the situation in future.