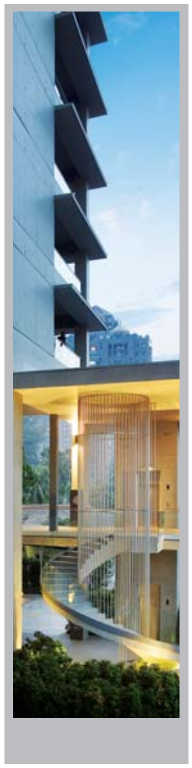
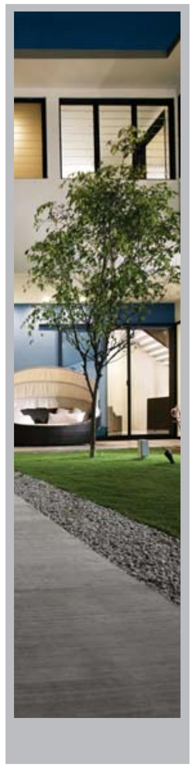
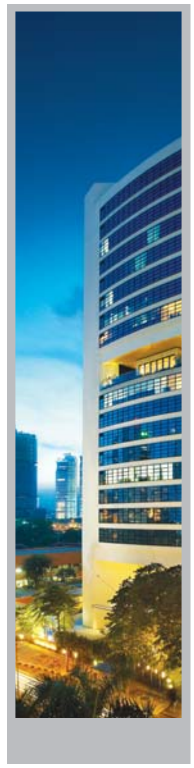
SDB Selangor Dredging Berhad (4624-U)

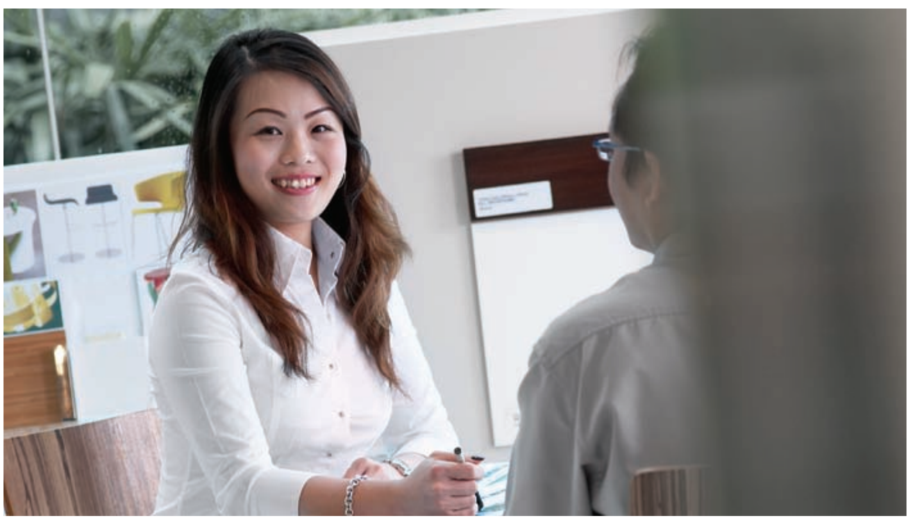





ANNUAL REPORT 2009

OUR CORE VALUES

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

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



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

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

Contents

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the FORTY-EIGHTH ANNUAL GENERAL MEETING OF SELANGOR DREDGING BERHAD will be held at the Ballroom, Hotel Maya Kuala Lumpur, 138, Jalan Ampang, 50450 Kuala Lumpur on Friday, 21 August 2009 at 9.00 am for the following purposes:

1. To receive and consider the Financial Statements for the year ended 31 March 2009 and the Directors' and Auditors' Reports thereon. **(Resolution 1)**

2. To approve the payment of a First and Final Dividend of 3% (2008 : 4%) less tax at 25% for the year ended 31 March 2009. **(Resolution 2)**

3. To approve the payment of Directors' Fees amounting to RM170,000 (2008 : RM170,000) for the year ended 31 March 2009. **(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 Tee Keng Hoon **(Resolution 4)**
   (b) Ms Teh Lip Pink **(Resolution 5)**

5. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

   Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965 (a copy of which is annexed in the Annual Report as "Appendix A" as in the Annual Report 2009) has been received by the Company for the nomination of Messrs Mazars, who have given their consent to act, for appointment as Auditors of the Company. **(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 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
27 July 2009

Notice of Annual General Meeting

NOTICE OF DIVIDEND PAYMENT

Subject to the approval of the shareholders at the Annual General Meeting, a First and Final Dividend of 3% less tax at 25% will be paid on 11 September 2009 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 28 August 2009.

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 28 August 2009 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, PFA Registration 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

The resolution 7, if passed, will renew the powers given to the Directors at the last Annual General Meeting authority to issue up to ten percentum (10%) of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. The authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

DETAILS OF DIRECTORS WHO ARE STANDING FOR RE-ELECTION

The Directors who are standing for re-election are Mr Tee Keng Hoon and Ms Teh Lip Pink. The details of Mr Tee Keng Hoon and Ms Teh Lip Pink are disclosed under the Profile of Members of Board of Directors on page 7. The Directors' shareholdings in the Company are disclosed under the Analysis of Shareholdings on page 102.

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

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

PRINCIPAL BANKERS

Public Bank Berhad
Bangkok Bank Berhad

STOCK EXCHANGE LISTING

Main Board 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)

SDB Properties Sdn Bhd (190055-A)
100%

SDB Damansara Sdn Bhd (245857-U)
100%

Prestij Permai Sdn Bhd (498568-P)
100%

Hayat Abadi Sdn Bhd (498396-X)
100%

SDB SS2 Development Sdn Bhd (723454-V)
100%

SDB Ampang Sdn Bhd (778930-P)
100%

Crescent Consortium Sdn Bhd (794998-H)
100%

Seldredge Industries Sdn Berhad (78890-A)
100%

SDB Australia Pty Ltd (118 252 761)
100%

SDB International Sdn Bhd (78891-P)
100%

SDB Hotels Pty Ltd (118 986 191)
100%

SDB Asia Pte Ltd (200618870N)
100%

Chedstone Investment Holdings Pte Ltd (200707403H)
50%

Champsworth Development Pte Ltd (200711535D)
50%

Tiara Land Pte Ltd (200704699H)
100%

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

Oriental Metal (Malaysia) Sdn Bhd (9777-A)*
72.1%

* 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 52, 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 39 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 42, 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 39 of the Financial Statements and she has no convictions of any offences within the past ten years.

Profile of Members of Board of Directors

DATO' MOHD ISMAIL BIN CHE RUS

Senior Independent
Non-Executive Director

Dato' Mohd Ismail Bin Che Rus, aged 66, 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 Ancom Berhad and Nylex (M) 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 and
Non-Executive Director

Ms Teh Lip Pink, aged 57, 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 39 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 59, 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 35 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

On behalf of the Board of Directors, this is the Annual Report and Accounts of Selangor Dredging Berhad Group (SDB) for the Financial Year that ended 31 March 2009.

Chairman's Statement

Park Seven, Persiaran KLCC, Kuala Lumpur

The financial year reviewed here was a challenging one in lieu of the global economic crisis.

Group Results

For the financial year ended 31 March 2009, the Group's net profit was RM17.24 million, compared to RM97.12 million for the last financial year. This was based on a turnover of RM164.07 million, compared to RM260.64 million in the previous year.

The Group's net profit reduced in part, due to the rising cost of building materials brought about by the increase in petrol prices, delay in work progress and the bearish property market.

The lower reported net profit was largely due to lower fair value adjustment of the Group's investment properties amounting to RM22.84 million in comparison to the previous year's adjustment value of RM62.04 million.

Shareholders Dividend

The Board of Directors has recommended a dividend of 1.5 sen per share less 25% tax, amounting to RM4,793,919 (FY 2008: RM6,306,689).

This recommended dividend is subject to shareholders' approval at the Annual General Meeting.

Group Operations

We carried out our business operations prudently amidst the year's challenges. Launches that had been planned were postponed until market demand for properties becomes once again more receptive. In the meantime, we re-visited concept and product designs to ensure that new launches would meet the needs of discerning homeowners.

Construction work on existing developments also continued. Ameera, our condominium development in SS2 Petaling Jaya, is progressing well. We hope to complete and hand over these homes to purchasers by early 2010.

Construction of 201 units of landed homes and apartments in 20trees, our 23 acre development in Melawati is now progressing well. During earthwork, we encountered a larger than expected volume of hard material; which took a longer time to be excavated. Also, we experienced some delay when the prices of raw materials increased sharply. These challenges have now been overcome and building works are making good progress. The residences will be handed-over in phases upon completion.

Work on Jia, our maiden property development project in Singapore is progressing as scheduled. This development, comprising of 22 apartment units is well located in Mount Sophia, close to the prestigious Orchard Road.

Chairman's Statement

Hotel Maya, Kuala Lumpur

Our development in Damansara Heights was temporarily halted following concerns arising from the landslide in Bukit Antarabangsa in December 2008. Despite this unforeseen event, as a responsible property developer, we are proceeding with the slope stabilization work while waiting for new guidelines on hill-slope developments to be made known by relevant authorities.

Wisma Selangor Dredging, our main leasing property continued to do well, with occupancy at 96% at the time of writing. Apart from the convenient location, good maintenance and services rendered, we continuously look to improve our facilities for tenants and their visitors. During the year, we began upgrading works on our elevators and have incorporated additional security features to these new lifts.

Hotel Maya has also registered an improved performance this year, mainly due to higher occupancy. We have seen continuous improvement in the personalized services rendered, and received good feedback on this from our guests.

Outlook

The global economic situation in the year ahead continues to remain challenging. This is a consequence of increasing unemployment, weak consumer demand, and lower economic activity amidst lack-lustre share and property markets.

Governments all over the world including Malaysia's, are taking proactive steps to lessen the impact of the global economic challenges by introducing several economic stimulus packages.

For the year ahead, we will continue to conduct our businesses prudently and be sensitive to the prevailing market scenario. At the time of writing, we are already seeing some improvements in the demand for properties. We will take this opportunity to introduce our new property development projects to the market.

For our hotel operations, we will continue to improve our service and marketing efforts to increase our performance. However at the time of writing, the H1N1 pandemic has led to a decline in the number of foreign travellers globally. This will consequently affect the performance of the hotel.

Acknowledgement

On behalf of the Board of Directors, I would like to convey my thanks to the management and staff of the Group for their contribution and efforts in the past year. My thanks also go out to our valued customers, tenants and business partners for their continued support.

Eddy Chieng Ing Huong
Chairman

Managing Director's Operations Review

I am pleased to present to you the Group's review

Managing Director's Operations Review

Background

2008 was a challenging year. Markets throughout the world suffered due to uncertainties which started from sub-prime property loans in the United States and Malaysia was not spared. This was also compounded by the sharp hike in petrol prices in June. Prices of goods increased and people started to tighten their belts.

For the property sector, apart from facing a drop in demand for homes, prices of building materials reached record-high. Developers, including us, were forced to absorb the higher rates which caused a reduction in the profit margin.

Due to the soft market conditions, we had to re-evaluate our plans for launches in the year under review.

Results

For the financial year ended 31 March 2009, the Group's turnover was RM164.07 million compared to RM260.64 million in the previous year. The Group achieved net profit of RM17.24 million for the year under review, compared to RM97.12 million in the last financial year.

The significant reduction compared to the previous year, was due to the fair value adjustment of the Group's investment properties. The previous year's adjustment was RM62.04 million compared to RM22.84 million this year. The Group's performance was also affected by lower profit margins due to the increase in cost of building materials and slower work progress on one of our developments, 20trees.

Listed below are details of the Group's subsidiaries.

Selangor Dredging Berhad

During the year under review, the Company registered a turnover of RM19.09 million. The Company registered a profit of RM26.55 million, mainly due to the revaluation of properties, amounting to RM22.25 million.

Wisma Selangor Dredging

Our main leasing property continued to perform well. Several tenants relocated during the year; however I am pleased to report that we were able to obtain new tenants almost immediately. At the time of writing, the occupancy of the building is 96%.

The building's proximity to Kuala Lumpur City Centre (KLCC) coupled with facilities and services which are continuously improved from time to time, is one of the factors that it remains a preferred choice for many offices. At the time of writing, all elevators in the building are being upgraded.

Ameera Residences, SS2 Petaling Jaya

Managing Director's Operations Review

SDB Properties Sdn Bhd (SDBP) Group

SDBP Group (property development and hotel operations) registered a turnover of RM141.24 million and a pre-tax profit of RM2.52 million.

The reduction in turnover and profit was mainly due to the weak property market.

Property Development

Progress of Ameera, our development in SS2 Petaling Jaya, is going well. This 290 unit condominium development comprising of both low and high rise blocks was launched in early 2007. At the time of writing, more than 90% of the development has been sold. Construction works are proceeding smoothly and we hope to complete the development and hand over the units to the purchasers by January 2010.

20trees, our development in Melawati Kuala Lumpur, is also proceeding as planned after a long delay. We experienced the delay when the prices of building materials went up last year. The contracted sum had to be renegotiated to lessen the risk of delayed completion and pay-out of liquidated damages to purchasers at the end of the project. Another reason for delay was due to the higher than anticipated volume of hard material which had to be excavated prior to building the homes. Work is now progressing on site as planned. This undulating development covering 23 acres has 201 units of landed homes and apartments that enjoy a vantage view of the famous Melawati quartz ridge.

To date, Ameera and 20trees has collectively achieved sales of RM276.48 million and to date, RM175.98 million has been recognised.

In the second half of 2008, we launched our maiden development in Singapore called Jia. This low-rise 22 unit development is ideally located on Wilkie Road, a quiet residential enclave adjacent to the grounds of The Istana, close to Orchard Road. As the Singapore property market has been hard hit by the economic crisis, the take up rate has been below our expectation. To date we have achieved sales of about 15%.

Hotel

Hotel Maya Kuala Lumpur continued to perform in the year under review. It has been getting a high number of repeat customers who appreciate the ambiance coupled with the personalized services and facilities provided. Both business and leisure travelers also enjoy the proximity to KLCC.

AmanSari, Puchong

Porte Cochere at Park Seven, Persiaran KLCC

Managing Director's Operations Review

We have also stepped up the efforts in promoting the hotel and have received many guests from neighbouring countries during holiday seasons. At the same time our spa, Anggun Spa, has also introduced more therapies which continue to be well-received.

This has resulted in an improved performance and the net profit is RM851,000 compared to RM306,000 in the previous year.

PROSPECTS

Property development

The current economic climate has compelled us to look into our property development plans. We rescheduled the launch of several projects during the year under review, to a time when the market is more favourable. During this time, we also took the opportunity to re-visit concepts and plans for future developments.

We are now in the final stages of preparation for the launch of our next development called "Five Stones" in SS2 Petaling Jaya. Five Stones is located adjacent to Ameera. This unique development has been designed to bring something distinctive to this established neighbourhood. Targeted at young families and three-generational families, it will have a large green lawn with walkways, a water-play area, a large sports complex and health facilities for both the young and old. The development will be launched in two phases and the first phase will comprise spacious homes within two low-rise and one high-rise block. This project is expected to be launched in August 2009 and the Gross Development Value (GDV) for the first phase of development is RM164 million.

We are also planning to launch "Dedaun", located on Jalan Ampang, in the last quarter of 2009. This is a low-density development, comprising of only 38 units, with a rooftop pool and garden. Located in a quiet enclave just behind the British High Commission, this development promises discerning homeowners spacious residences and lush greenery in the heart of the city. The GDV for this development is RM126 million.

In the first quarter of 2010 we plan to launch our next development in Singapore. We have made certain changes to the layout of the development, to adapt to the changing market needs. This 33 storey high-rise development on Gilstead Road, has been re-planned to house smaller units, reducing the absolute value of each property. There will now be 110 units instead of 66 units, and sizes will now start from 800 sq ft compared to 1,500 sq ft previously. The development located near Newton Circus in District 11 is a much sought after location, and just a short drive away from Scotts Road and Orchard Road, Singapore's shopping hub. Our share of GDV for the development is approximately RM225 million.

Our development in Damansara Heights, Damansara 21 has been temporarily halted. Work on several other developments had also been temporarily stopped after the unfortunate landslide incident which occurred at Bukit Antarabangsa in early December 2008. At the time of writing, we are still awaiting the new guidelines on hill-slope developments by the relevant authorities. In the meantime, as a responsible developer, we have ensured that slope stabilization works has been continuing on site, as planned.

The Courtyard Homes at 20trees, Taman Melawati

Discerning purchasers will be looking out for quality developments with good overall concepts and homes with practical layout, and we believe this is what our properties offer.

The year was a challenging one for the property development arm of the Group, which contributes about 70% of the Group's earnings. While the effect of the global economic crisis was slowly impinging on the foreign investments into the country, locally too there were several issues that affected the market. Prices of raw materials escalated and there was a dip in demand for homes due to poor confidence levels. Nonetheless, while the market sentiment may be down, we believe that people are still looking for opportunities to invest. In these more challenging times, discerning purchasers will be looking out for quality developments with good overall concepts and homes with practical layout, and we believe this is what our properties offer.

Although we are not able to predict when the market will fully recover, the government has introduced several stimulus plans to boost spending. At the same time the cost of building materials have stabilised, and financial institutions have recently reduce interest rates, making it more attractive for purchasers to take up home loans. We have recently been seeing signs of improvement in the market and pick up of demand for homes. With this in mind, we will proceed with our plans to launch new developments yet remain cautious and attentive to the market conditions.

Hotel

Performance of the hotel was commendable in the year under review. We received a greater number of positive feedback from hotel guests and a higher rate of return guests. Continuous marketing and promotional efforts have been stepped up locally and internationally, with good results.

At the time of writing, we have started to see a slight reduction in the number of guests coming into the hotel, due to the H1N1 influenza virus. In this regard, we anticipate that the number of room bookings and events for the year ahead will be affected.

During the year we took time to conduct a Brand Audit with various homeowners, business associates and members of the media to access how we had improved since venturing into property development 5 years ago. The results have been encouraging, and have spurred us to continue on our Group-wide focus to provide quality customer services to all our homeowners, guests and tenants. In line with our Brand Promise of "Driving Excellence, Buillding Lifelong Relationships", we believe being a customer-centric organization will make us a preferred choice.

I wish to take this opportunity to thank all the staff of the Selangor Dredging Berhad Group for their hard work during the year. My thanks also go out to shareholders and customers for their continuous support.

In view of the challenging business environment the Board is recommending a dividend of 1.5 sen per share (less 25% tax) for the financial year ended 31 March 2009, compared to 2 sen per share in the last financial year.

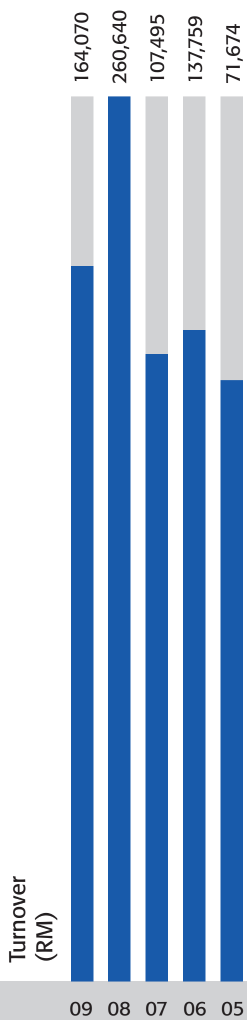
The Apartments at 20trees

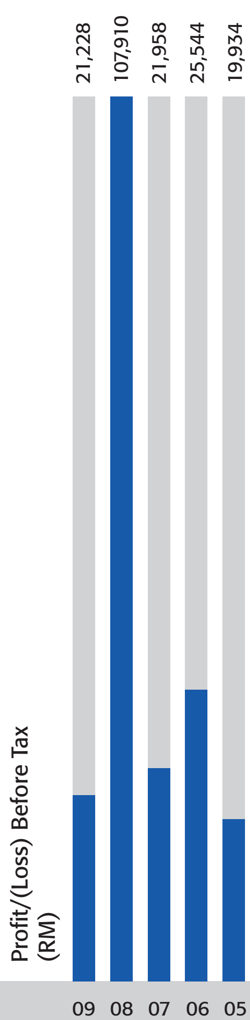
Pool & Function Room at Park Seven

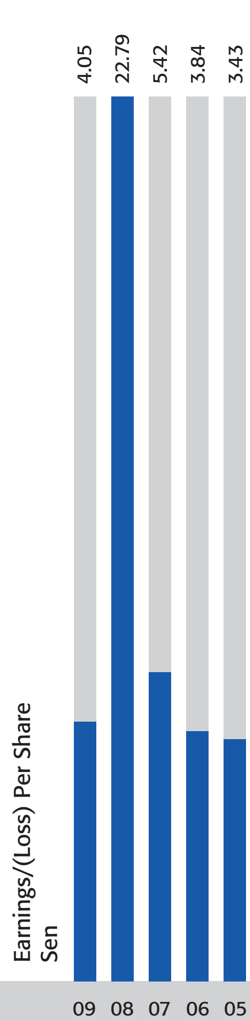
Sky Lounge at Hotel Maya

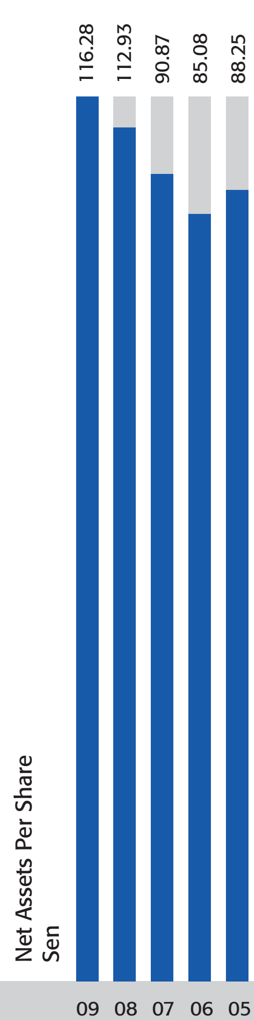
Ameera Residences

Group Financial Highlights









Group Financial Highlights

YEAR ENDED 31 MARCH	2009 Group RM'000	2008 Group RM'000	2007 Group RM'000	2006 Group RM'000	2005 Group RM'000
PROFITABILITY					
Turnover	164,070	260,640	107,495	137,759	71,674
Profit/(Loss) before taxation	21,228	107,910	21,958	25,544	19,934
Provision for taxation	(3,987)	(10,786)	1,124	(9,192)	(2,300)
Profit/(Loss) after taxation	17,241	97,124	23,082	16,352	17,634
Minority interests	0	0	0	0	(3,005)
Earnings/(Loss) for the year	17,241	97,124	23,082	16,352	14,629
Profit available for appropriation	268,436	257,502	165,044	76,700	64,950
Dividend net of tax	6,307	4,666	4,666	4,602	4,602
KEY BALANCE SHEET DATA					
Total assets	1,014,946	995,667	695,371	617,862	485,110
Issued share capital	213,064	213,064	213,064	213,064	213,064
Shareholders' funds	495,484	481,223	387,243	362,556	376,053
Total bank borrowings	438,512	450,703	249,800	193,550	61,750
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)	4.05	22.79	5.42	3.84	3.43
Dividend after tax (sen)*	1.13	1.48	1.10	1.08	1.08
Net asset backing (sen)	116.28	112.93	90.87	85.08	88.25

* Dividend declared during the financial year.

The gleaming blue façade of Wisma Selangor Dredging

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	Four meetings	100%
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.

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.

In addition, members of the Board are informed of various development programmes and encouraged to attend these programmes to keep abreast with the development in the industry and relevant regulatory updates in furtherance of their duties. However, due to their busy schedule, certain Directors did not attend any training for the financial year ended 31 March 2009. The Directors are committed to the continuous education programme and will endeavour to fulfill their training requirements for the financial year ending 31 March 2010.

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:

	2009 (RM)	2008 (RM)
Executive Directors		
Salaries and other emoluments	715,832	1,021,028
Fees	57,613	59,033
Non-Executive Directors		
Fees	153,000	153,000

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

	2009	2008
Executive Directors		
RM1,050,000 - RM1,100,000	-	1
RM1,000,000 - RM1,050,000	-	-
RM500,000 - RM1,000,000	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, 1965 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 on Directors' Responsibilities is also enclosed in page 30 of this Annual Report.

Internal Controls

The Board has undertaken the responsibility of identifying and reviewing the adequacy integrity of the Group's internal control systems for compliance with the applicable laws, regulations, rules, directives and guidelines. The Statement on Internal Control is presented on page 27 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 clear 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.

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 water and energy conservation is also constantly reviewed.

Statement on Corporate Governance

Community

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

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 the employees' children 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.

Workplace

The Group believes that corporate social responsibility begins internally and places emphasis on responsibility 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 focus 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 fair remuneration and promotional 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 welfare activities for the employees.

To promote healthy lifestyles among our employees, the Group has an in-house gym within its premises for use by the employees. Other on-going sports activities include yoga session, badminton, bowling and futsal.

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.

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.

Statement on Internal Control

- **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.

- **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 recognises 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.

Statement on Internal Control

- **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.

- **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 2009 in compliance with Paragraph 15.24 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. **American Depository Receipt (ADR) Global Depository Receipt (GDR) Programme**

   The Company did not sponsor any ADR or GDR programmes 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 2009.

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 their appointment and 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.

(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 RM75,652.90.

The activities of the Internal Auditors during the financial year ended 31 March 2009 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 2009; 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.

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.

Audit Committee Report

TERMS OF REFERENCE FOR AUDIT COMMITTEE (cont'd)

2.0 Membership (cont'd)

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;

(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;

TERMS OF REFERENCE FOR AUDIT COMMITTEE (cont'd)

4.0 Functions (cont'd)

(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 on 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

Directors' Report
for the year ended 31 March 2009

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 2009.

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	17,241	24,949

DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final dividend of 4% less 26% income tax amounting to RM6,306,689 in respect of the financial year ended 31 March 2008, as proposed in the directors' report of that year.

The directors now propose a first and final dividend of 3% less 25% income tax amounting to RM4,793,936 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 47 and 48.

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 the Article 80 of the Company's Articles of Association, Teh Lip Pink and Tee Keng Hoon retire by rotation from the Board at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

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 1.4.2008	**Bought**	**Sold**	**At 31.3.2009**
Teh Lip Kim				
- direct	52,904,196	-	-	**52,904,196**
- indirect	167,532,756	2,956,000	-	**170,488,756**
Teh Lip Pink				
- direct	425,000	-	-	**425,000**
- indirect	65,797,978	-	-	**65,797,978**

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.

The Company's shareholdings in its direct subsidiary companies during the financial year were as follows:

	Ordinary shares of RM1 each			
	At 1.4.2008	**Bought**	**Sold**	**At 31.3.2009**
SDB Properties Sdn Bhd	10,000,000	-	-	**10,000,000**
Seldredge Industries Sdn Berhad	10,000,000	-	-	**10,000,000**
SDB International Sdn Bhd	1,000,000	-	-	**1,000,000**
SDB Customer Services Sdn Bhd	1,000,000	-	-	**1,000,000**

	Ordinary shares of AUD1 each			
	At 1.4.2008	**Bought**	**Sold**	**At 31.3.2009**
SDB Australia Pty Ltd	10,000	-	-	**10,000**

	Redeemable preference shares of RM1 each			
	At 1.4.2008	**Bought**	**Sold**	**At 31.3.2009**
SDB Properties Sdn Bhd	38,000,000	-	-	**38,000,000**

The redeemable preference shares were changed from cumulative to non-cumulative preference shares on 2 March 2009.

Directors' Report
for the year ended 31 March 2009

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 39 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:

   (i) 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

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

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

   (i) which would render the amount written off for bad debts or the amount of the 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, Moores Rowland, Chartered Accountants, retire at the forthcoming annual general meeting and do not wish to seek re-appointment. The directors have received a nomination to appoint Mazars, Chartered Accountants, as auditors for the ensuing year. Mazars have expressed their willingness to accept nomination as auditors and a motion to resolve their appointment will be tabled at the forthcoming annual general meeting.

Signed on behalf of the directors in accordance with a directors' resolution dated 26 May 2009

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 2009 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 ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 44 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 2009 and of their financial performance and cash flows for the year then ended.

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.

Independent Auditors' Report
to the members

(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.

MOORES ROWLAND	GAN MORN GHUAT
No. AF: 0539	No. 1499/5/09 (J)
Chartered Accountants	Partner

Kuala Lumpur

26 May 2009

Balance Sheet

31 March 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	3	**141,580**	140,013	**7,093**	8,059
Investment properties	4	**283,899**	264,308	**276,812**	254,120
Land held for property development	5	**79,420**	135,095	**-**	-
Investment in subsidiary companies	6	**-**	-	**60,654**	60,654
Investment in jointly controlled entities	7	**97,856**	53,440	**-**	-
Other investments	8	**4,718**	5,478	**4,718**	5,478
Amounts owing by subsidiary companies	9	**-**	-	**377,899**	346,774
Total non-current assets		**607,473**	598,334	**727,176**	675,085
Current assets					
Inventories	10	**6,934**	8,129	**725**	738
Property development costs	11	**263,818**	153,881	**-**	-
Gross amount due from customers	12	**152**	-	**-**	-
Trade receivables	13	**14,074**	12,121	**344**	138
Accrued billings	14	**56,251**	86,956	**-**	-
Other receivables, deposits and prepayments	15	**8,714**	10,065	**5,022**	2,945
Current tax assets		**5,867**	3,493	**-**	747
Short term investments	16	**238**	-	**1**	-
Deposits	17	**21,530**	85,080	**17,610**	62,150
Cash and bank balances	18	**29,895**	37,608	**762**	920
Total current assets		**407,473**	397,333	**24,464**	67,638
TOTAL ASSETS		**1,014,946**	995,667	**751,640**	742,723
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 (Non-distributable)		**3,918**	591	**-**	-
Other reserve (Distributable)	20	**7,861**	7,861	**7,861**	7,861
Unappropriated profit		**268,436**	257,502	**247,598**	228,956
Total equity		**495,484**	481,223	**470,708**	452,066
Non-current liabilities					
Bank borrowings	21	**305,762**	317,153	**216,000**	225,000
Deferred tax liabilities	22	**-**	1	**-**	-
Total non-current liabilities		**305,762**	317,154	**216,000**	225,000

Balance Sheet
31 March 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Current liabilities					
Trade payables	23	**56,731**	50,162	**-**	-
Other payables and accruals	24	**16,245**	13,171	**5,484**	5,857
Progress billings	14	**620**	-	**-**	-
Amounts owing to subsidiary companies	9	**-**	-	**32**	-
Amounts owing to jointly controlled entitites	25	**6,242**	-	**-**	-
Hire purchase liability	26	**-**	20	**-**	-
Bank borrowings	21	**132,750**	133,550	**59,000**	59,800
Current tax liabilities		**1,112**	387	**416**	-
Total current liabilities		**213,700**	197,290	**64,932**	65,657
Total liabilities	`	**519,462**	514,444	**280,932**	290,657
TOTAL EQUITY AND LIABILITIES		**1,014,946**	995,667	**751,640**	742,723

Income Statements
for the year ended 31 March 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Revenue	27	**164,070**	260,640	**19,096**	17,765
Cost of sales	28	**(119,626)**	(182,234)	**(10,485)**	(10,408)
Gross profit		**44,444**	78,406	**8,611**	7,357
Other operating income		**6,533**	4,502	**922**	969
Selling and marketing expenses		**(9,480)**	(2,465)	**-**	-
Administrative and general expenses		**(15,244)**	(15,109)	**(1,663)**	(2,839)
Other operating expenses		**(5,772)**	(6,786)	**-**	-
Profit from operations	29	**20,481**	58,548	**7,870**	5,487
Profit from investing activities	30	**23,979**	65,686	**31,950**	73,133
Share of loss of jointly controlled entities		**(3,848)**	(334)	**-**	-
Finance costs	31	**(19,384)**	(15,990)	**(13,263)**	(10,073)
Profit before tax		**21,228**	107,910	**26,557**	68,547
Tax expense	32	**(3,987)**	(10,786)	**(1,608)**	(2,537)
Profit for the year		**17,241**	97,124	**24,949**	66,010
Basic earnings per share (sen)	33	**4.05**	22.79		
Dividend per share (net of tax) (sen)					
First and final dividend paid in respect of the year ended 31 March					
- 2008				**1.48**	-
- 2007				**-**	1.10

Notes to and forming part of the financial statements are set out on pages 51 to 100
Auditors' Report - Pages 42 to 43

Statements of Changes in Equities
for the year ended 31 March 2009

	Note	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	Total RM'000
		← Non-distributable			→	← Distributable	→	
Group								
Balance at 1 April 2007		213,064	477	832	(35)	7,861	165,044	387,243
Translation differences for the year		-	-	-	626	-	-	626
Surplus arising from revaluation of property, plant and equipment		-	-	1,028	-	-	-	1,028
Impairment in value of property, plant and equipment		-	-	(132)	-	-	-	(132)
Net income recognised directly in equity		-	-	896	626	-	-	1,522
Profit for the year		-	-	-	-	-	97,124	97,124
Total recognised income for the year		-	-	896	626	-	97,124	98,646
Dividend paid	34	-	-	-	-	-	(4,666)	(4,666)
Balance at 31 March 2008		213,064	477	1,728	591	7,861	257,502	481,223
Net income recognised directy 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	34	-	-	-	-	-	(6,307)	(6,307)
Balance at 31 March 2009		213,064	477	1,728	3,918	7,861	268,436	495,484

Notes to and forming part of the financial statements are set out on pages 51 to 100
Auditors' Report - Pages 42 to 43

Statements of Changes in Equities
for the year ended 31 March 2009

	Note	← Non-distributable → Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	← Distributable → Other reserve RM'000	Unappropriated profit RM'000	Total RM'000
Company							
Balance at 1 April 2007		213,064	477	812	7,861	167,612	389,826
Surplus arising from revaluation of property, plant and equipment		-	-	1,028	-	-	1,028
Impairment in value of property, plant and equipment		-	-	(132)	-	-	(132)
Net income recognised directly in equity		-	-	896	-	-	896
Profit for the year		-	-	-	-	66,010	66,010
Total recognised income for the year		-	-	896	-	66,010	66,906
Dividend paid	34	-	-	-	-	(4,666)	(4,666)
Balance at 31 March 2008		213,064	477	1,708	7,861	228,956	452,066
Profit for the year		-	-	-	-	24,949	24,949
Dividend paid	34	-	-	-	-	(6,307)	(6,307)
Balance at 31 March 2009		213,064	477	1,708	7,861	247,598	470,708

Notes to and forming part of the financial statements are set out on pages 51 to 100
Auditors' Report - Pages 42 to 43

Cash Flow Statements
for the year ended 31 March 2009

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**21,228**	107,910	**26,557**	68,547
Adjustments for:				
Allowance for doubtful debts	**10**	-	**-**	-
Allowance for doubtful debts no longer required	**(1)**	-	**-**	-
Bad and doubtful debts	**58**	38	**52**	-
Depreciation	**4,528**	4,265	**977**	1,024
Gain on disposal of property, plant and equipment	**(12)**	(190)	**(11)**	(183)
Property, plant and equipment written off	**8**	2	**5**	-
Impairment in value of property, plant and equipment	**360**	806	**-**	806
Inventories written off	**-**	2	**-**	2
Gain on fair value adjustments of investment properties	**(22,841)**	(62,044)	**(22,250)**	(61,174)
Deficit/(Surplus) arising from liquidation of a subsidiary company (see note 37)	**204**	(423)	**204**	(423)
Share of loss of jointly controlled entities	**3,848**	334	**-**	-
Loss/(Gain) on disposal of investments	**308**	(539)	**296**	(538)
Diminution in value of investments	**43**	42	**43**	42
Unrealised loss/(gain) on foreign exchange	**33**	(3)	**-**	-
Dividend income	**(916)**	(2,127)	**(828)**	(3,964)
Interest income	**(1,871)**	(1,683)	**(9,415)**	(7,076)
Interest expense	**19,384**	15,990	**13,263**	10,073
Operating profit before working capital changes	**24,371**	62,380	**8,893**	7,136
Changes in inventories	**1,195**	(2,597)	**13**	12
Changes in property development costs	**(22,423)**	20,653	**-**	-
Changes in gross amount due from customers	**(152)**	277	**-**	-
Changes in receivables	**(3,148)**	8,057	**28**	(350)
Changes in payables	**2,808**	13,343	**(93)**	249
Changes in accrued billings/progress billings	**31,321**	(48,128)	**-**	-
Cash generated from operations	**33,972**	53,985	**8,841**	7,047
Interest received	**1,094**	1,089	**-**	-
Tax paid	**(5,597)**	(8,214)	**(403)**	(2,240)
Net cash generated from operating activities	**29,469**	46,860	**8,438**	4,807

Cash Flow Statements
for the year ended 31 March 2009

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital repayment from liquidation of a subsidiary company	**5**	7,214	**5**	7,214
Subscription of shares in jointly controlled entities	**(46,262)**	(53,171)	**-**	-
Purchase of investment properties	**(442)**	(6,456)	**(442)**	(1,406)
Purchase of property, plant and equipment (see note 35)	**(5,139)**	(8,039)	**(2,627)**	(2,704)
Proceeds from disposal of property, plant and equipment	**62**	460	**62**	355
Additions to land held for property development	**(17,753)**	(125,076)	**-**	-
Purchase of investments	**(124,635)**	(216,621)	**(78,546)**	(192,058)
Proceeds from the disposal of investments	**125,044**	230,649	**78,967**	206,084
Advances to subsidiary companies	**-**	-	**(45,308)**	(125,668)
Placement of fixed deposits and bank balance	**12,465**	(13,300)	**-**	(1,020)
Dividends received	**874**	1,555	**786**	3,393
Interest received	**795**	594	**23,586**	295
Net cash used in investing activities	**(54,986)**	(182,191)	**(23,517)**	(105,515)
CASH FLOWS FROM FINANCING ACTIVITIES				
(Repayment)/Drawdown of bank borrowings	**(13,550)**	200,574	**(9,800)**	170,000
Repayment of hire purchase liability	**(20)**	(116)	**-**	-
Advance from jointly controlled entities	**6,242**	-	**-**	-
Advances from/(Repayment to) subsidiary companies	**-**	-	**32**	(134)
Dividend paid to shareholders of the Company	**(6,307)**	(4,666)	**(6,307)**	(4,666)
Interest paid	**(19,557)**	(16,363)	**(13,543)**	(10,081)
Net cash (used in)/generated from financing activities	**(33,192)**	179,429	**(29,618)**	155,119
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(58,709)**	44,098	**(44,697)**	54,411
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	**108,583**	64,378	**61,660**	7,249
EFFECT OF EXCHANGE RATE CHANGES	**149**	107	**-**	-
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**50,023**	108,583	**16,963**	61,660
Represented by:				
Short term investments	**238**	-	**1**	-
Deposits	**21,530**	85,080	**17,610**	62,150
Cash and bank balances	**29,895**	37,608	**762**	920
	51,663	122,688	**18,373**	63,070
Less:				
Amount pledged as security for a bank guarantee facility				
- deposits	**(1,410)**	(14,065)	**(1,410)**	(1,410)
- bank balances	**(230)**	(40)	**-**	-
	50,023	108,583	**16,963**	61,660

Notes to and forming part of the financial statements are set out on pages 51 to 100
Auditors' Report - Pages 42 to 43

Notes to the Financial Statements
for the year ended 31 March 2009

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) Changes in accounting policies

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous financial year except for the adoption of the following new and revised FRSs effective on or after 1 July 2007:

Amendment to FRS 121: The Effect of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
FRS 107 Cash Flow Statements
FRS 111 Construction Contracts
FRS 112 Income Taxes
FRS 118 Revenue
FRS 134 Interim Financial Reporting
FRS 137 Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above FRSs does not have any significant financial impact on the Group and the Company except for the amendment to FRS 121. The principal effects of the changes in accounting policies resulting from the adoption of the amendment to FRS 121 are as discussed below:

Amendment to FRS 121: The Effect of Changes in Foreign Exchange Rates - Net investment in a Foreign Operation

This amendment results in exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation to be recognised in equity irrespective of the currency in which the monetary item is denominated and if whether the monetary item results from a transaction with the Company or any of its subsidiary companies. Previously, exchange differences arising from such transactions between the Company and its subsidiary companies would be accounted for in the income statement or in equity depending on the currency of the monetary item.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) New FRSs and interpretation that are not yet effective

The Group and the Company has not adopted the following FRSs and interpretations that have been issued and relevant to their operations as they are only effective for the financial periods beginning on or after:

1 July 2009

FRS 8	Operating Segments

1 January 2010

FRS 7	Financial Instruments : Disclosures
FRS 139	Financial Instruments : Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of exemptions given in the respective FRSs. Other than the implications as discussed below, the initial application of the other standards (and its consequential amendments) and interpretations above is not expected to have any material impact on the financial statements of the Group and of the Company.

FRS 8, Operating Segment

FRS 8, which replaces FRS 114, Segment Reporting, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business and geographical segments (see note 43). The adoption of FRS 8 will not have significant impact on the financial statements of the Group other than expanded disclosure requirements.

IC Interpretation 10, Interim Financial Reporting and Impairment

IC Interpretation 10 prohibits the reversal of an impairment loss recognised in an interim period during a financial year in respect of an investment in an equity instrument or a financial asset carried at cost. IC Interpretation 10 is applicable prospectively from the date the Group first applied the measurement criteria of FRS 136 and FRS 139 respectively. The adoption of IC Interpretation 10 will not have any significant impact on the Group.

(d) Significant accounting judgements and estimates

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

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) 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 (l) and (m) below.

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

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) 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 2009 were RM141,580,000 and RM7,093,000 (2008 : RM140,013,000 and RM8,059,000) 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 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 trade receivables as at 31 March 2009 was RM14,074,000 (2008 : RM12,121,000).

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 2009 were RM5,867,000 and Nil (2008: RM3,493,000 and RM747,000), respectively.

The carrying amounts of the Group's and the Company's tax liabilities as at 31 March 2009 were RM1,112,000 and RM416,000 (2008: RM388,000 and Nil) respectively.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) 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.

(f) Subsidiary companies

A subsidiary company is an entity controlled by the Company. Control exists when the Company 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 Company 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.

(g) 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.

Notes to the Financial Statements
for the year ended 31 March 2009

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) 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.

(i) 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 its 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.

(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.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) 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 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.

(k) 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.

Notes to the Financial Statements
for the year ended 31 March 2009

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) 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 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. 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 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 the 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.

(m) 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 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).

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) 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.

(o) 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.

(p) 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.

(q) 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.

(r) Income recognition

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

(ii) Revenue from services rendered in respect of sale of hotel rooms, food and beverages and other ancillary services is recognised in 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.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Income recognition (cont'd)

(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.

(s) Foreign currencies

(i) Functional currency

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

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

(ii) Transactions and balances in foreign currencies

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

Monetary items denominated in foreign currencies at the 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.

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

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Impairment of assets

(i) Goodwill

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

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

An impairment loss is recognised in 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.

(u) 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.

Notes to the Financial Statements
for the year ended 31 March 2009

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Employee benefits (cont'd)

(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.

(v) 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.

(w) 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.

(x) 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 fixed deposits and bank balances pledged to secure banking facilities.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(y) 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 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 because it is not probable that an outflow of economic benefits will be required to settle the obligations.

(z) 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.

(aa) 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 estimated 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.

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.

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 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*	-	3,234	18,377	1,947	18,363	41,921
- *valuation*	125,000	3,418	-	-	-	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

Notes to the Financial Statements
for the year ended 31 March 2009

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 depreciation						
At 1.4.2008						
- *cost*	-	10	17,484	600	8,560	26,654
- *valuation*	2,734	-	-	-	-	2,734
	2,734	10	17,484	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
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	6,421	-	-	-	62,044

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

Group 2008	**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 1.4.2007						
- *cost*	-	-	21,466	1,860	16,297	39,623
- *valuation*	125,000	900	-	-	-	125,900
	125,000	900	21,466	1,860	16,297	165,523
Additions - *cost*	-	4,712	59	1,054	2,214	8,039
Disposals - *cost*	-	-	-	(969)	(16)	(985)
Write-offs - *cost*	-	-	(3,148)	-	(133)	(3,281)
Revaluation surplus	-	1,010	-	-	-	1,010
Foreign exchange adjustments	-	30	-	2	1	33
At 31.3.2008						
- *cost*	-	3,234	18,377	1,947	18,363	41,921
- *valuation*	125,000	3,418	-	-	-	128,418
	125,000	6,652	18,377	1,947	18,363	170,339
Accumulated depreciation						
At 1.4.2007						
- *cost*	-	-	20,415	939	6,402	27,756
- *valuation*	1,367	12	-	-	-	1,379
	1,367	12	20,415	939	6,402	29,135
Charge for the year						
- *cost*	-	10	217	369	2,296	2,892
- *valuation*	1,367	6	-	-	-	1,373
Disposals - *cost*	-	-	-	(708)	(7)	(715)
Write-offs - *cost*	-	-	(3,148)	-	(131)	(3,279)
Adjustment for revaluation	-	(18)	-	-	-	(18)
At 31.3.2008						
- *cost*	-	10	17,484	600	8,560	26,654
- *valuation*	2,734	-	-	-	-	2,734
	2,734	10	17,484	600	8,560	29,388

Notes to the Financial Statements
for the year ended 31 March 2009

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

Group 2008	**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 1.4.2007	-	-	-	-	-	-
Charge for the year	-	938	-	-	-	938
At 31.3.2008	-	938	-	-	-	938
Carrying value at 31.3.2008						
- *cost*	-	3,224	893	1,347	9,803	15,267
- 2008 *valuation*	122,266	2,480	-	-	-	124,746
	122,266	5,704	893	1,347	9,803	140,013
The carrying value of revalued assets stated under the historical cost convention At 31.3.2008	56,683	1,594	-	-	-	58,277

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

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**
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	938	-	-	-	938
Charge for the year	-	-	-	-	-
At 31.3.2009	938	-	-	-	938
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

Notes to the Financial Statements
for the year ended 31 March 2009

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

Company 2008	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 1.4.2007					
- *cost*	-	19,169	1,164	5,555	25,888
- *valuation*	900	-	-	-	900
	900	19,169	1,164	5,555	26,788
Additions - *cost*	1,508	59	730	407	2,704
Disposals - *cost*	-	-	(692)	(11)	(703)
Write-offs - *cost*	-	(3,148)	-	(108)	(3,256)
Revaluation surplus	1,010	-	-	-	1,010
At 31.3.2008					
- *cost*	-	16,080	1,202	5,843	23,125
- *valuation*	3,418	-	-	-	3,418
	3,418	16,080	1,202	5,843	26,543
Accumulated depreciation					
At 1.4.2007					
- *cost*	-	18,577	557	1,181	20,315
- *valuation*	12	-	-	-	12
	12	18,577	557	1,181	20,327
Charge for the year					
- *cost*	-	216	228	574	1,018
- *valuation*	6	-	-	-	6
Disposals - *cost*	-	-	(529)	(2)	(531)
Write-offs - *cost*	-	(3,148)	-	(108)	(3,256)
Adjustment for revaluation	(18)	-	-	-	(18)
At 31.3.2008					
- *cost*	-	15,645	256	1,645	17,546
- *valuation*	-	-	-	-	-
	-	15,645	256	1,645	17,546

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

Company 2008	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 1.4.2007	-	-	-	-	-
Charge for the year	938	-	-	-	938
At 31.3.2008	938	-	-	-	938
Carrying value at 31.3.2008					
- *cost*	-	435	946	4,198	5,579
- 2008 *valuation*	2,480	-	-	-	2,480
	2,480	435	946	4,198	8,059
The carrying value of revalued assets stated under the historical cost convention At 31.3.2008	1,594	-	-	-	1,594

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 2009

4. INVESTMENT PROPERTIES

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
At 1 April	**264,308**	195,760	**254,120**	191,540
Gain on fair value adjustments	**22,841**	62,044	**22,250**	61,174
Addition during the year - cost	**442**	6,456	**442**	1,406
Foreign exchange adjustments	**181**	48	**-**	-
Transfer to property, plant and equipment (see note 3)	**(3,873)**	-	**-**	-
At 31 March	**283,899**	264,308	**276,812**	254,120

Comprise:

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Freehold land and building				
- *Wisma Selangor Dredging*	**254,084**	231,000	**254,084**	231,000
- Office space in a 24-storey office building known as Plaza 138	**7,874**	8,010	**3,428**	2,920
- Shop offices at Teo Hong Road, Singapore	**2,641**	5,098	**-**	-
Freehold land				
- Karlton palm oil estate	**13,670**	14,570	**13,670**	14,570
- Agricultural land at Puchong	**5,630**	5,630	**5,630**	5,630
	283,899	264,308	**276,812**	254,120

During the year, the Group's investment properties of RM3,872,000 was transferred to property, plant and equipment - freehold land and building, as the property is currently owner occupied.

The fair values of the investment properties of the Group and Company at 31 March 2009 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 at Teo Hong Road has been pledged as security for the bank borrowings referred to in note 21.

5. LAND HELD FOR PROPERTY DEVELOPMENT

Group	Group: Freehold land at cost RM'000	Group: Development expenditure at cost RM'000	Group: Total RM'000
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
At 1 April 2007	90,775	5,959	96,734
Additions	100,883	11,449	112,332
Transfer to property development costs *(see note 11)*	(67,280)	(7,206)	(74,486)
Foreign exchange adjustments	-	515	515
At 31 March 2008	124,378	10,717	135,095

6. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2009 RM'000	Company 2008 RM'000
Unquoted shares at cost		
- ordinary shares	**23,596**	23,596
- redeemable preference shares	**38,000**	38,000
	61,596	61,596
Impairment losses	**(942)**	(942)
	60,654	60,654

The redeemable preference shares were changed from cumulative to non-cumulative preference shares on 2 March 2009.

Notes to the Financial Statements
for the year ended 31 March 2009

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The subsidiary companies are:

	Equity interest					
	Direct		Indirect		Country of	
	2009	2008	2009	2008	incorporation	Principal activities
	%	%	%	%		
SDB Properties Sdn Bhd ("SDBP")	**100**	100	**-**	-	Malaysia	Property development and the operation of a boutique urban resort hotel known as Hotel Maya Kuala Lumpur
Prestij Permai Sdn Bhd ("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 Moores Rowland*

7. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	Group 2009 RM'000	Group 2008 RM'000
Capital contribution, at cost	**99,433**	53,171
Group's share of post-acquisition reserves and retained profit less losses	**(4,182)**	(334)
Foreign exchange adjustments	**2,605**	603
	97,856	53,440

The jointly controlled entities are as follows:

	Equity interest Direct 2009 %	Direct 2008 %	Indirect 2009 %	Indirect 2008 %	Country of incorporation	Principal activities
* 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**	-	Singapore	Investment in property and property developer

** Jointly controlled entities not audited by Moores Rowland*

The Group's share of the assets and liabilities as at 31 March 2009 and revenue and results for the year ended 31 March 2009 of the jointly controlled entities are as follows:

	2009 RM'000	2008 RM'000
Assets and liabilities		
Total assets	**205,598**	131,204
Total liabilities	**107,742**	77,764
Results		
Revenue	**65**	15
Loss for the year	**3,848**	334

Notes to the Financial Statements
for the year ended 31 March 2009

8. OTHER INVESTMENTS

(a) Investments directly held by the Company

	Group and Company 2009 RM'000	2008 RM'000
At cost		
Shares quoted in Malaysia	**2,047**	2,301
Diminution in value	**(798)**	(798)
Carrying amount of investments directly held by the Company	**1,249**	1,503
Market value		
Shares quoted in Malaysia	**1,987**	3,172

(b) Discretionary fund managed by external investment management company

The discretionary fund has a principal sum of RM3,000,000 (2008 : RM3,000,000) which is managed in accordance with the terms of an investment management agreement.

	Group and Company 2009 RM'000	2008 RM'000
At market value		
Quoted investments in Malaysia	**280**	1,008
At cost		
Quoted investments *		
- Malaysia	**573**	834
- outside Malaysia	**66**	33
Quoted unit trust in Malaysia *	**957**	1,000
Receivables	**-**	-
Deposits with a licensed bank	**1,516**	1,074
Bank balance	**81**	50
	3,473	3,999
Less:		
Fees payable	**-**	(6)
Other payables	**(4)**	(18)
Carrying amount of discretionary fund	**3,469**	3,975
** Market value*		
Quoted investments		
- Malaysia	**914**	1,994
- outside Malaysia	**69**	33
Quoted unit trust in Malaysia	**957**	1,351
Total carrying amount of other investments	**4,718**	5,478

9. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

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

	Company	
	2009	**2008**
	RM'000	**RM'000**
Bearing interest at cost of funds (2008 : 0.5% above the cost of funds) of a reference bank	**229,851**	217,211
Interest free	**147,482**	114,814
Interest receivable	**566**	14,749
	377,899	346,774

The effective interest rate at the balance sheet date range between 3.12% and 5.00% (2008 : 4.60% and 5.50%) per annum.

The amounts owing to the subsidiary companies represent unsecured interest free advances which are payable on demand.

10. INVENTORIES

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At cost				
Completed development properties	**5,576**	6,947	**-**	-
Consumable stores	**1,358**	1,182	**725**	738
	6,934	8,129	**725**	738

Notes to the Financial Statements
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11. PROPERTY DEVELOPMENT COSTS

	Group 2009 RM'000	Group 2008 RM'000
Freehold land at cost	**127,870**	69,600
Development and construction costs	**258,984**	112,280
Costs recognised as an expense in income statement in previous years	**(232,973)**	(81,832)
At 1 April	**153,881**	100,048
Costs transferred from land held for property development *(see note 5)*		
- Freehold land at cost	**76,579**	67,280
- Development costs	**10,459**	7,206
Costs incurred during the year		
- Development costs	**115,422**	142,115
	202,460	216,601
Cost recognised as an expense in income statement in current year	**(92,999)**	(156,408)
Transferred to inventories	**-**	(6,360)
Foreign exchange adjustments	**476**	-
At 31 March	**263,818**	153,881

12. GROSS AMOUNT DUE FROM CUSTOMERS

	Group 2009 RM'000	Group 2008 RM'000
Aggregate contract expenditure incurred to-date	**164**	-
Attributable profit recognised to-date	**37**	-
	201	-
Progress billings	**(49)**	-
	152	-
Progress billings		
- received	**49**	-
- receivable	**-**	-
	49	-

13. TRADE RECEIVABLES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Progress billings receivables	**4,788**	10,059	**-**	-
Retention sums receivables	**7,438**	302	**-**	-
Rental receivables	**360**	153	**344**	138
Other trade receivables	**1,498**	1,608	**-**	-
Total gross trade receivables	**14,084**	12,122	**344**	138
Allowance for doubtful debts	**(10)**	(1)	**-**	-
	14,074	12,121	**344**	138

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	
	2009 RM'000	2008 RM'000
Revenue recognised in income statement to-date	**178,872**	328,935
Progress billings to-date	**(123,241)**	(241,979)
	55,631	86,956
Accrued billings	**56,251**	86,956
Progress billings	**(620)**	-
	55,631	86,956

Notes to the Financial Statements
for the year ended 31 March 2009

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Gross other receivables	**1,012**	485	**4**	-
Surplus assets and capital receivable upon liquidation of a subsidiary company	**1,570**	1,779	**1,570**	1,779
Interest receivables	**86**	104	**64**	52
Deposits				
- purchase of land held for property development	**-**	4,914	**-**	-
- purchase of property, plant and equipment *(see note 35)*	**2,659**	-	**2,560**	-
- others	**1,960**	1,503	**72**	474
Prepayments	**1,427**	1,280	**752**	640
	8,714	10,065	**5,022**	2,945

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

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:

- RM	**8,637**	9,972	**5,022**	2,945
- Australian Dollar ("AUD")	**14**	61	**-**	-
- Singapore Dollar ("SGD")	**63**	32	**-**	-
	8,714	10,065	**5,022**	2,945

16. SHORT TERM INVESTMENTS

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unit trust quoted in Malaysia, at cost	**238**	-	**1**	-
Market value	**238**	-	**1**	-

17. DEPOSITS

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits with licensed banks:				
- in Malaysia	**14,769**	21,675	**12,910**	7,150
- outside Malaysia	**6,261**	4,805	**-**	-
Deposits with other financial institution in Malaysia	**500**	58,600	**4,700**	55,000
	21,530	85,080	**17,610**	62,150

The currency exposure profile of deposits is as follows:

- RM	**19,969**	80,275	**17,610**	62,150
- SGD	**-**	4,805	**-**	-
- AUD	**1,561**	-	**-**	-
	21,530	85,080	**17,610**	62,150

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

Stamp duty payable on a facility agreement	**1,410**	1,410	**1,410**	1,410
Bank guarantee given to suppliers	**-**	12,655	**-**	-
	1,410	14,065	**1,410**	1,410

The effective interest rates of the deposits range from 1.87% to 3.75% (2008 : 2.26% to 4.49%) per annum. All the deposits have maturities of 12 months or less.

18. CASH AND BANK BALANCES

Cash and bank balances of the Group include an amount of RM5,290,000 (2008 : RM26,044,000) 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 at 2.0% (2008 : 2.0%) per annum.

Cash and bank balances of the Group also include an amount of RM230,000 (2008 : RM39,700) 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	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
- RM	**18,535**	34,827	**762**	920
- AUD	**580**	639	**-**	-
- SGD	**10,780**	2,142	**-**	-
	29,895	37,608	**762**	920

19. SHARE CAPITAL

	2009	**2008**
	RM'000	**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.

21. BANK BORROWINGS

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Unsecured				
Bank term loans repayable in full at the end of 3 years for bank loan I & II from 28 November 2005 and 20 October 2005 respectively with an option to convert RM25 million of each term loan into revolving credits at the end of the term and bearing interest at fixed rate of:				
- 4.3% per annum (Bank loan I)	**-**	30,000	**-**	30,000
- 4.1% per annum (Bank loan II)	**-**	29,800	**-**	29,800
Revolving credits	**92,500**	46,250	**70,000**	20,000
Secured				
Bank term loans bearing interest at fixed rate of 4.3% per annum, repayable in full at the end of the 3 years from 30 November 2005 with an option to convert the total amount into revolving credit at the end of the term (Bank loan III)	**-**	30,000	**-**	-
Bank term loan bearing interest at fixed rate of 5% per annum, repayable in full at the end of the 5 years from 27 August 2007 (Bank loan IV)	**170,000**	170,000	**170,000**	170,000
Bank term loan bearing interest at 1.0% per annum above 1 month or 3 months Singapore Dollar Interbank Offered Rates, repayable in full at the end of the 3 years from 27 June 2007 (Bank loan V)	**36,012**	34,653	**-**	-
Revolving credits	**140,000**	110,000	**35,000**	35,000
	438,512	450,703	**275,000**	284,800
Repayments due				
- not later than one year	**132,750**	133,550	**59,000**	59,800
- later than one year but not later than two years	**65,429**	12,750	**9,000**	9,000
- later than two years but not later than five years	**230,333**	285,403	**197,000**	197,000
- later than five years	**10,000**	19,000	**10,000**	19,000
	438,512	450,703	**275,000**	284,800
Repayments due within 12 months *(included under current liabilities)*	**(132,750)**	(133,550)	**(59,000)**	(59,800)
Repayments due after 12 months *(included under non-current liabilities)*	**305,762**	317,153	**216,000**	225,000

Notes to the Financial Statements
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21. BANK BORROWINGS (cont'd)

The currency exposure profile of bank borrowings is as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
- RM	**402,500**	416,050	**275,000**	284,800
- SGD	**36,012**	34,653	**-**	-
	438,512	450,703	**275,000**	284,800

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; and

(iii) pledge over the hotel property and properties at Teo Hong Road of the Group.

The revolving credits bear interest from 0.75% to 1.00% (2008 : 0.75% to 0.90%) per annum above the cost of funds of the respective lending banks. The effective interest rates range from 3.12% to 5.00% (2008 : 4.10% to 5.00%) per annum.

22. DEFERRED TAX LIABILITIES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At 1 April	**1**	-	**-**	-
Transfer to income statement	**(1)**	1	**-**	-
At 31 March	**-**	1	**-**	-

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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unutilised tax losses	**15,016**	1,162	**-**	-
Unabsorbed capital allowances	**17,721**	18,343	**-**	-
Excess of capital allowances claimed over accumulated depreciation on property, plant and equipment	**(8,403)**	(8,009)	**-**	-
Excess of accumulated depreciation on property, plant and equipment over capital allowances claimed	**281**	-	**281**	224
Allowance for doubtful debt	**10**	-	**-**	-
	24,625	11,496	**281**	224

23. TRADE PAYABLES

	Group	
	2009	**2008**
	RM'000	**RM'000**
Sub-contractors' claims	**5,488**	3,267
Retention sums	**14,707**	12,256
Accrued property development cost	**33,578**	33,474
Others	**2,958**	1,165
	56,731	50,162

The currency exposure profile of trade payable is as follows:

	Group	
	2009	**2008**
	RM'000	**RM'000**
- RM	**55,653**	50,106
- SGD	**1,078**	56
	56,731	50,162

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.

24. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unpaid balance for acquisition of land held for development	**7,000**	-	**-**	-
Sundry payables, deposits and accruals	**3,871**	6,204	**744**	1,005
Interest payables	**276**	449	**76**	356
Tenants' deposits	**4,572**	4,248	**4,572**	4,234
Cost of hotel refurbishment payable	**408**	1,727	**-**	-
Rental received in advance	**92**	262	**92**	262
Deposits received from house purchasers	**26**	281	**-**	-
	16,245	13,171	**5,484**	5,857

Notes to the Financial Statements
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24. OTHER PAYABLES AND ACCRUALS (cont'd)

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

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
- RM	**16,085**	13,083	**5,484**	5,857
- AUD	**26**	31	**-**	-
- SGD	**134**	57	**-**	-
	16,245	13,171	**5,484**	5,857

25. AMOUNT OWING TO JOINTLY CONTROLLED ENTITIES

The amount owing to the jointly controlled entities represents unsecured interest free advances which are payable on demand.

26. HIRE PURCHASE LIABILITY

	Group	
	2009	**2008**
	RM'000	**RM'000**
Total future instalments payable	**-**	20
Unexpired term charges	**-**	-
Total outstanding principal	**-**	20
Future instalments payable		
- not later than one year	**-**	20
- later than one year but not later than five years	**-**	-
Total future instalments payable	**-**	20
Outstanding principal		
- not later than one year *(included under current liabilities)*	**-**	20
- later than one year but not later than five years *(included under non-current liabilities)*	**-**	-
Total outstanding principal	**-**	20

The effective interest rate of the hire purchase liability in 2008 was 6.23% per annum.

27. REVENUE

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Property development revenue	**119,305**	220,218	**-**	-
Gross rental income	**19,506**	18,217	**19,096**	17,765
Sale of hotel rooms, food and beverages and other ancillary services	**23,422**	21,931	**-**	-
Construction revenue	**1,837**	274	**-**	-
	164,070	260,640	**19,096**	17,765

28. COST OF SALES

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Cost of property development	**95,318**	160,486	**-**	-
Cost of letting of properties	**10,855**	10,746	**10,485**	10,408
Cost of hotel services rendered	**11,961**	10,931	**-**	-
Contract cost recognised as expense	**1,492**	71	**-**	-
	119,626	182,234	**10,485**	10,408

29. PROFIT FROM OPERATIONS

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Profit from operations is stated after charging:				
Auditors' remuneration	**115**	139	**30**	30
Bad debts written off	**58**	38	**52**	-
Allowance for doubtful debts	**10**	-	**-**	-
Depreciation	**4,528**	4,265	**977**	1,024
Direct operating expenses on revenue generating investment properties	**9,508**	9,384	**9,508**	9,384
Directors' remuneration				
- fees	**272**	275	**170**	170
- other emoluments	**716**	1,021	**383**	546
Impairment in value of property, plant and equipment	**360**	806	**-**	806
Inventories written off	**-**	2	**-**	2
Property, plant and equipment written off	**8**	2	**5**	-
Rental of equipment	**4**	4	**-**	-
Rental of premises	**161**	49	**-**	-
Loss on foreign exchange				
- realised	**17**	8	**-**	-
- unrealised	**33**	-	**-**	-

Notes to the Financial Statements
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29. PROFIT FROM OPERATIONS (cont'd)

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
and crediting:				
Allowance for doubtful debt no longer required	**1**	-	**-**	-
Compensation received	**-**	1,049	**-**	-
Gain on disposal of property, plant and equipment	**12**	190	**11**	183
Gain on foreign exchange				
- realised	**36**	610	**-**	-
- unrealised	**-**	3	**-**	-
Interest income	**1,094**	1,088	**-**	-
Rental income	**119**	4	**4**	4

30. PROFIT FROM INVESTING ACTIVITIES

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Gross dividends income from				
- subsidiary companies	**-**	-	**-**	1,900
- shares quoted in Malaysia	**916**	2,127	**828**	2,064
Interest income from				
- subsidiary companies	**-**	-	**8,755**	6,740
- fixed deposits	**691**	540	**617**	281
- short term investments	**44**	-	**-**	-
- others	**42**	55	**43**	55
Surplus arising from liquidation of a subsidiary company *(see note 37)*	**-**	423	**-**	423
Gain on disposal of other investments	**-**	539	**-**	538
Gain on fair value adjustment on investment properties	**22,841**	62,044	**22,250**	61,174
	24,534	65,728	**32,493**	73,175
Diminution in value of other investments	**(43)**	(42)	**(43)**	(42)
Deficit arising from liquidation of a subsidiary company *(see note 37)*	**(204)**	-	**(204)**	-
Loss on disposal of other investments	**(308)**	-	**(296)**	-
	23,979	65,686	**31,950**	73,133

31. FINANCE COSTS

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Interest paid and payable on:				
Revolving credits	**7,920**	7,100	**3,200**	2,482
Term loans	**11,463**	8,885	**10,063**	7,591
Hire purchase liability	**1**	5	**-**	-
	19,384	15,990	**13,263**	10,073

32. TAX EXPENSE

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Malaysian tax based on results for the year				
- current	**4,531**	11,135	**2,237**	2,542
- deferred	**(1)**	1	**-**	-
	4,530	11,136	**-**	2,542
Overestimated in prior years				
- current	**(543)**	(350)	**(629)**	(5)
	3,987	10,786	**1,608**	2,537

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rates to the profit before tax as a result of the following differences:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Accounting profit	**25,076**	108,244	**26,557**	68,547

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32. TAX EXPENSE (cont'd)

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Taxation at applicable statutory tax rates	**6,269**	28,360	**6,639**	17,822
Tax effects arising from:				
- non-taxable income				
* gain on fair value adjustments on investment properties	**(5,710)**	(16,131)	**(5,562)**	(15,905)
* others	**(475)**	(1,108)	**(279)**	(806)
- non-deductible expenses	**2,426**	2,867	**1,499**	1,439
Effect of reduction in future tax rate	**(11)**	1	**-**	2
Origination/(Reversal) of deferred tax assets not recognised	**2,031**	(2,853)	**(60)**	(10)
Overestimated in prior years	**(543)**	(350)	**(629)**	(5)
	3,987	10,786	**1,608**	2,537

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.

33. BASIC EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the Group's profit for the year of RM17,241,000 (2008 : RM97,124,000) by the number of shares in issue of 426,127,662 (2008 : 426,127,662) during the financial year.

34. DIVIDENDS

	2009 RM'000	2008 RM'000
First and final dividend of 3% less 27% income tax in respect of the year ended 31 March 2007	**-**	4,666
First and final dividend of 4% less 26% income tax in respect of the year ended 31 March 2008	**6,307**	-
	6,307	4,666

The directors now propose a first and final dividend of 3% less 25% income tax amounting to RM4,793,936 in respect of the financial year under review.

35. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Aggregate cost of property, plant and equipment acquired	**2,480**	8,039	**67**	2,704
Deposit paid	**2,659**	-	**2,560**	-
Cash paid during the year	**5,139**	8,039	**2,627**	2,704

36. ACQUISITION OF SHARES IN SUBSIDIARY COMPANIES

In the previous financial year, the Group acquired 100% equity interest in SDB Ampang Sdn Bhd and Crescent Consortium Sdn Bhd.

Details of the acquisitions are as follows:

Name of subsidiary companies acquired	**Purchase consideration RM'000**	**Group's effective interest %**	**Effective acquisition date**
2008			
SDB Ampang Sdn Bhd	*	100%	26 July 2007
Crescent Consortium Sdn Bhd	*	100%	16 November 2007

During the financial year, the Group subscribed for additional ordinary shares of 99,998 and 249,998 of RM1.00 each in Crescent Consortium Sdn Bhd and SDB Ampang Sdn Bhd for a total consideration of RM99,998 and RM249,998 respectively.

Details of the assets, liabilities and net cash outflow arising from the acquisition of the subsidiary companies in 2008 were as follows:

	Group 2008 RM'000
Cash and bank balances	*
Net asset acquired	*
Total purchase consideration	*
Less: Cash and cash equivalents acquired	*
Net cash inflow on acquisition during the year	-

** represent RM4*

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36. ACQUISITION OF SHARES IN SUBSIDIARY COMPANIES (cont'd)

The revenue and loss for the year in which the acquisition took place and their post acquisition contribution included in the consolidated income statements were as follows:

	Group 2008 RM'000
Revenue	
During the financial year	-
Pre-acquisition	-
Post-acquisition	-
Loss for the year	(990)
Pre-acquisition	-
	(990)

The net assets of the acquired subsidiary companies included in the 31 March 2008 consolidated balance sheet were as follows:

	Group 2008 RM'000
Non-current assets	30,972
Current assets	17,800
Non-current liabilities	(49,713)
Current liabilities	(49)
Group's share of net liabilities	(990)

37. SURPLUS/(DEFICIT) FROM LIQUIDATION OF A SUBSIDIARY COMPANY

The surplus/(deficit) is in respect of Oriental Metal (M) Sdn Bhd, a subsidiary company which was placed under liquidation since 2005.

38. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Employee costs (include executive directors' emoluments)	**15,325**	15,786	**3,842**	4,113

Included in the employee benefits expense are EPF contributions amounting to RM1,386,000 (2008 : RM2,281,000) for the Group and RM330,620 (2008 : RM348,000) for the Company.

39. RELATED PARTY DISCLOSURES

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

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Transactions with subsidiary companies								
Interest received/receivable from SDBP	**-**	-	**8,755**	6,740	**-**	-	**566**	6,740
Rental received from SDBP	**-**	-	**662**	631	**-**	-	**-**	-
Rental received from SDBCS	**-**	-	**308**	287	**-**	-	**-**	-
Management fee paid to SDBCS	**-**	-	**66**	66	**-**	-	**-**	-
Project management fee paid/payable to SDBCS	**-**	-	**16**	321	**-**	-	**6**	321
Transactions with directors, close members of their families and companies in which they and/or close members of their families have interests were as follows:								
Rental paid to Dr Teh Lip Bin, a close family member of Teh Lip Kim and Teh Lip Pink	**29**	29	**-**	-	**-**	-	**-**	-
Rental paid to Teh Lip Ling, a close family member of Teh Lip Kim and Teh Lip Pink	**29**	29	**-**	-	**-**	-	**-**	-
Rental paid to Teh Kien Toh Sdn Bhd, a company in which Teh Lip Kim and Teh Lip Pink have interests	**29**	29	**-**	-	**-**	-	**-**	-
Medical fees paid to Klinik Ian Ong, a clinic belonging to a close family member of Teh Lip Kim and Teh Lip Pink	**85**	60	**22**	19	**-**	-	**-**	-

Notes to the Financial Statements
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39. 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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Consultancy fee paid to Providence Capital Sdn Bhd, a company in which Eddy Chieng Ing Huong has interest	**180**	168	**180**	168	**-**	-	**-**	-
Liquidated ascertain damages payable to:								
- Teh Lip Kim	**-**	37	**-**	-	**-**	37	**-**	-
- Teh Lip Pink	**-**	33	**-**	-	**-**	33	**-**	-
- Close family members of the directors	**-**	82	**-**	-	**-**	82	**-**	-
Sales of properties to:								
- Teh Lip Kim	**6,413**	-	**-**	-	**-**	-	**-**	-
- Close family members of the directors	**11,375**	-	**-**	-	**-**	-	**-**	-
Construction services rendered to:								
- Klinik Ian Ong	**8**	-	**-**	-	**8**	-	**-**	-
- Teh Lip Kim	**247**	-	**-**	-	**-**	-	**-**	-
- Close family members of the directors	**586**	-	**-**	-	**56**	-	**-**	-

(b) Key management personnel compensation

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Directors				
Short-term employee benefits				
- fees	**272**	275	**170**	170
- remuneration	**639**	865	**342**	488
Total short-term employee benefits	**911**	1,140	**512**	658
Post-employment benefits				
- EPF	**77**	156	**41**	58
Sub-total	**988**	1,296	**553**	716

39. RELATED PARTY DISCLOSURES (cont'd)

(b) Key management personnel compensation (cont'd)

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Other key management personnel				
Short-term employee benefits				
- salary, bonus and allowances	**2,268**	2,634	**1,307**	1,072
- estimated monetary value of benefits-in-kind	**4**	41	**-**	25
Total short-term employee benefits	**2,272**	2,675	**1,307**	1,097
Post-employment benefits				
- EPF	**261**	283	**157**	129
Sub-total	**2,533**	2,958	**1,464**	1,226
Total compensation	**3,521**	4,254	**2,017**	1,942

40. COMMITMENTS

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Contractual commitment to purchase development land in Seksyen 1, Bandar Batu Feringgi, Penang	**-**	19,654	**-**	-
Commitments for acquisition of property, plant and equipment				
- contracted	**1,075**	3,635	**968**	3,528
- approved but not contracted	**90**	22	**-**	-
	1,165	23,311	**968**	3,528

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41. 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	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Not later than one year	**14,566**	12,152	**15,134**	12,754
Later than one year but not later than five years	**8,645**	7,138	**8,827**	7,477
	23,211	19,290	**23,961**	20,231

42. CONTINGENT LIABILITIES (Unsecured)

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Corporate guarantees given to a bank for credit facility granted to a subsidiary company	**-**	-	**50,000**	50,000

43. SEGMENTAL ANALYSIS

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

43. 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
OTHER INFORMATION							
Segment assets	296,732	130,823	-	439,180	2,527	-	869,262
Investing assets	-	-	132,535	-	-	-	132,535
Current tax assets	-	-	-	-	5,867	-	5,867
Unallocated corporate assets	-	-	-	-	7,282	-	7,282
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	-	-	-	-	(2,480)	-	2,480
Depreciation	145	2,875	-	-	1,508	-	4,528
Other non-cash (income)/expenses	(676)	(1)	4,066	455	(21,826)	-	(17,982)
2008							
REVENUE							
External sales	18,172	21,931	-	220,263	274	-	260,640
Inter-segment sales	917	-	-	-	684	(1,601)	-
Total revenue	19,089	21,931	-	220,263	958	(1,601)	260,640
RESULT							
Segment result	6,637	306	1,193	54,753	(261)	(1,601)	61,027
Unallocated corporate expenses							(2,479)
Profit from operations							58,548
Profit from investing activities							65,686
Share of losses of jointly controlled entities							(334)
Finance costs							(15,990)
Profit before tax							107,910
Tax expense							(10,786)
Profit for the year							97,124

Notes to the Financial Statements
for the year ended 31 March 2009

43. SEGMENTAL ANALYSIS (cont'd)

2008	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
OTHER INFORMATION							
Segment assets	271,767	131,225	-	430,498	1,558	-	835,048
Investing assets	-	-	131,139	-	-	-	131,139
Current tax assets	-	-	-	-	3,493	-	3,493
Unallocated corporate assets	-	-	-	-	25,987	-	25,987
Consolidated total assets							995,667
Segment liabilities	(5,962)	(2,423)	(36)	(54,660)	(60,069)	-	(123,150)
Current and deferred tax liabilities	-	-	-	-	(388)	-	(388)
Unallocated corporate liabilities	-	-	-	-	(390,906)	-	(390,906)
Consolidated total liabilities							(514,444)
Capital expenditure	2,964	-	-	3,204	1,871	-	8,039
Depreciation	334	2,543	-	12	1,376	-	4,265
Other non-cash (income)/expenses	620	-	(1,272)	19	(60,240)	-	(60,873)

(a) Primary reporting format - business segment

The Group's operations comprise the following business segments:

(i) Property investment - letting of commercial properties

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

(iii) Investment holding - investment holding

(iv) Property development - property development

(v) 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.

44. 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	
2009	**Carrying amount RM'000**	**Fair Value RM'000**	**Carrying amount RM'000**	**Fair Value RM'000**
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 IV	170,000	170,001	170,000	170,001
2008				
Other investments				
Shares quoted in Malaysia	3,378	6,207	3,378	6,207
Unit trust	1,000	1,351	1,000	1,351
	4,378	7,558	4,378	7,558
Amounts owing by subsidiary companies	-	-	346,774	*

Notes to the Financial Statements
for the year ended 31 March 2009

44. FINANCIAL INSTRUMENTS (cont'd)

(b) Fair value (cont'd)

	Group		Company	
2008	**Carrying amount RM'000**	**Fair Value RM'000**	**Carrying amount RM'000**	**Fair Value RM'000**
Bank borrowings				
Bank term loan I	30,000	29,874	30,000	29,874
Bank term loan II	29,800	29,644	29,800	29,644
Bank term loan III	30,000	29,915	-	-
Bank term loan IV	170,000	161,906	170,000	161,906
	259,800	251,339	229,800	221,424

** It is not practical to estimate the fair values of the amounts owing by 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.*

45. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 26 May 2009 by the board of directors.

Statement by Directors

In the opinion of the directors, the financial statements set out on pages 44 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 2009 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 26 May 2009

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 44 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 26 May 2009	)	
	)	
	)	
	)	
Before me:	)	LOONG CHING HONG

Robert Lim Hock Kee
Commissioner for Oaths

Analysis of Shareholdings
as at 30 June 2009

Financial year ended : 31 March 2009
Class of stock : RM0.50 ordinary share
Voting rights : 1 vote per share

ANALYSIS OF SHAREHOLDINGS AS AT 30 JUNE 2009

	Number of Holders	Holdings	Total Holdings	%
	176	less than 100	4,385	0.00
	2,513	100 - 1,000	2,345,802	0.55
	7,442	1,001 - 10,000	33,270,971	7.81
	1,687	10,001 - 100,000	47,653,364	11.18
	157	100,001 to less than 5% of issued shares	113,349,217	26.60
	7	5% and above of issued shares	229,503,923	53.86
Total	**11,982**		**426,127,662**	**100.00**

DIRECTORS' SHAREHOLDINGS AS AT 30 JUNE 2009

	No. of Shares			
Name of Directors	Direct Holding	Percentage %	Indirect Holding	Percentage %
1. Mr Eddy Chieng Ing Huong	-	-	-	-
2. Ms Teh Lip Kim	52,904,196	12.42	170,488,756	40.01
3. Dato' Mohd Ismail Bin Che Rus	-	-	-	-
4. Ms Teh Lip Pink	425,000	0.10	65,797,978	15.44
5. Mr Tee Keng Hoon	-	-	-	-

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 30 JUNE 2009

Name of Shareholders	Direct Shareholdings	Percentage %	Deemed Interest	Percentage %
1. Teh Wan Sang & Sons Sdn Bhd	97,339,978	22.84	-	-
2. Teh Kien Toh Sdn Bhd	65,629,978	15.40	-	-
3. Ms Teh Lip Kim	52,904,196	12.42	169,755,756	39.84
4. Dr Teh Lip Bin	2,000,000	0.47	162,969,956	38.24
5. Ms Teh Lip Pink	425,000	0.10	65,629,978	15.40

Analysis of Shareholdings
as at 30 June 2009

LIST OF 30 LARGEST SHAREHOLDERS AS AT 30 JUNE 2009

	Name of shareholders	Shares held	%
1.	Teh Wan Sang & Sons Sdn Bhd	51,504,527	12.10
2.	Teh Kien Toh Sdn Bhd	37,900,748	8.90
3.	Teh Wan Sang & Sons Sdn Berhad	37,217,951	8.73
4.	Teh Kien Toh Sdn Berhad	27,729,230	6.51
5.	Teh Lip Kim	27,354,800	6.42
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.	Cimsec Nominees (Asing) Sdn Bhd Exempt An for CIMB-GK Securities Pte Ltd (Retail Clients)	6,587,866	1.54
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.	Citigroup Nominees (Asing) Sdn Bhd UBS AG Singapore For Renowned Navigator Ltd	4,961,500	1.16
13.	Ng Chin Siu & Sons Rubber Estates Sdn Bhd	3,836,800	0.90
14.	Citigroup Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited (Client A/C-NR)	3,795,023	0.89
15.	Wang, Kun-Lung	3,500,000	0.82
16.	Teh Lip Kim	2,930,729	0.69
17.	Permodalan Negeri Selangor Berhad	2,896,000	0.68
18.	Pyrmont Holdings Sdn Bhd	2,616,500	0.61
19.	Daya Sebati Sdn Bhd	2,191,400	0.51
20.	Teh Lip Bin	2,000,000	0.47
21.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sow Gek Pong (MLK)	1,766,000	0.41
22.	Hauw Soei Foan	1,700,000	0.40
23.	HSBC Nominees (Asing) Sdn Bhd TNTC for The Establishment Investment Trust PLC	1,500,000	0.35
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 DFA Emerging Markets Funds	1,312,700	0.31
27.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ulysses Sdn Bhd (KLC)	1,222,779	0.29
28.	Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Market 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
		300,447,300	**70.51**

List of Material Properties

Properties	Description	Land area/ (Built-up area) (Square feet)	Tenure (Expiry)	Age of building (Years)	Net book value as at 31.3.2009 (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: 355,710 sq ft)	103,882	Freehold (N/A)	24	254,084	31 December 2008
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)	11	122,656	27 February 2006
65 Wilkie Road Singapore 228068	Development land - Jia Project	17,112	Freehold (N/A)	-	52,201	(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 7 $^{1}/_{2}$ 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 31.3.2009 (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	(7 July 2003)
Geran Mukim 721, Lot 49682 Geran Mukim 722, Lot 49683 Tempat Batu 7$^1/_2$ 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 December 2008

Appendix A

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

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

LETTER OF NOMINATION

Date: 21 May 2009

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

Dear Sirs

RE: NOTICE OF NOMINATION OF MESSRS MAZARS

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

Yours faithfully

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

SDB Selangor Dredging Berhad (4624-U)

Proxy Form

No of shares held	

CDS Account No.
_ _ _ – _ _ _ – _ _ _ _ _ _ _ _ _

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-Eighth Annual General Meeting of the Company to be held at the Ballroom, Hotel Maya Kuala Lumpur, 138, Jalan Ampang, 50450 Kuala Lumpur on Friday, 21 August 2009 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 2009		
2	Payment of First and Final Dividend		
3	Payment of Directors' Fees		
4	Re-election of Mr Tee Keng Hong as Director		
5	Re-election of Ms Teh Lip Pink as Director		
6	Appointment of Messrs Mazars as Auditors		
7	Authority pursuant to Section 132D of the Companies Act, 1965		

(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 __________ 2009.

____

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, PFA Registration 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 13 August 2009 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 Karen Tan
Organisation	:	PFA Registration Services Sdn Bhd
Telephone number	:	603-2264 3883

Stamp

Selangor Dredging Berhad
c/o PFA Registration 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

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

www.sdb.com.my