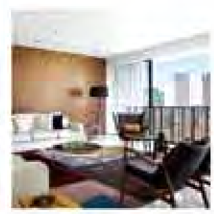
ANNUAL REPORT 2011





SDB Selangor Dredging Berhad (4624-U)

DRIVING EXCELLENCE, BUILDING LIFELONG RELATIONSHIPS

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

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

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

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

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the FIFTIETH ANNUAL GENERAL MEETING OF SELANGOR DREDGING BERHAD will be held at the Ballroom, Hotel Maya Kuala Lumpur, 138, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 25 August 2011 at 9.00 am for the following purposes:

1. To receive and consider the Financial Statements for the year ended 31 March 2011 and the Directors' and Auditors' Reports thereon. **(Resolution 1)**

2. To approve the payment of a First and Final Dividend of 5% (2010 : 4%) less tax at 25% for the year ended 31 March 2011. **(Resolution 2)**

3. To approve the payment of Directors' Fees amounting to RM204,000 (2010 : RM170,000) for the year ended 31 March 2011. **(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) Dato' Mohd Ismail Bin Che Rus **(Resolution 4)**

   (b) Mr Tee Keng Hoon **(Resolution 5)**

5. To re-appoint Messrs Mazars, the retiring Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

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

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

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

7. To 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
29 July 2011

NOTICE OF DIVIDEND PAYMENT

Subject to the approval of the shareholders at the Annual General Meeting, a First and Final Dividend of 5% less tax at 25% will be paid on 15 September 2011 to all shareholders whose names appear in the Record of Depositors and the Register of Members of the Company at the close of business on 5 September 2011.

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

(a) Shares transferred into the Depositor's Securities Account on or before 4.00 pm on 5 September 2011 in respect of transfers; and

(b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

Notes:

(i) A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

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

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

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

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

Explanatory Notes to Special Business:

Resolution 7

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

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

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

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

BOARD OF DIRECTORS

Chairman

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

Managing Director

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

Directors

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

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

Mr Tee Keng Hoon
(Independent Non-Executive)

SECRETARIES

Ms Yeow Poh Ching
(MAICSA 7013977)

Ms Seow Fei San
(MAICSA 7009732)

NOMINATION COMMITTEE

Chairman

Mr Eddy Chieng Ing Huong

Members

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

REMUNERATION COMMITTEE

Chairman

Mr Eddy Chieng Ing Huong

Members

Dato' Mohd Ismail Bin Che Rus
Mr Tee Keng Hoon

INVESTMENT COMMITTEE

Chairman

Mr Eddy Chieng Ing Huong

Members

Ms Teh Lip Kim
Mr Tee Keng Hoon

REGISTERED OFFICE

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

REGISTRARS

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

AUDITORS

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

PRINCIPAL BANKERS

Public Bank Berhad
Oversea-Chinese Banking Corporation Limited - Singapore

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

LIST OF PRINCIPAL OFFICES

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

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

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

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

SDB Selangor Dredging Berhad (4624-U)

SDB Properties Sdn Bhd (190055-A)
100%

- SDB Damansara Sdn Bhd (245857-U)
  100%
- Prestij Permai Sdn Bhd (498568-P)
  100%
- Hayat Abadi Sdn Bhd (498396-X)
  100%
- SDB SS2 Development Sdn Bhd (723454-V)
  100%
- SDB Ampang Sdn Bhd (778930-P)
  100%
- Crescent Consortium Sdn Bhd (794998-H)
  100%

SDB International Sdn Bhd (78891-P)
100%

- SDB Hotels Pty Ltd (118 986 191)
  100%
- SDB Asia Pte Ltd (200618870N)
  100%
- SDB UK Pte Ltd (201102729E)
  100%
- Chedstone Investment Holdings Pte Ltd (200707403H)
  50%
  - SDB Guernsey Limited (53103)
    100%
- Champsworth Development Pte Ltd (200711535D)
  50%
  - Tiara Land Pte Ltd (200704699H)
    100%

Seldredge Industries Sdn Berhad (78890-A)
100%

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

SDB Australia Pty Ltd (118 252 761)
100%

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

* Under members' voluntary winding up

EDDY CHIENG ING HUONG

Non-Independent and Non-Executive Director

Mr Eddy Chieng Ing Huong, age 54, 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 Executive Chairman of Esthetics International Group Berhad, Director of QL Resources Berhad and Non-Executive Director of Oroton Group Limited; listed on Australian Stock Exchange. He was previously the Non-Executive Director of Nationwide Express Courier Services Berhad, Ancom Berhad, Nylex (Malaysia) Berhad 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 35 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 44, 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 35 of the Financial Statements and she has no convictions of any offences within the past ten years.

DATO' MOHD ISMAIL BIN CHE RUS

Senior Independent
Non-Executive Director

Dato' Mohd Ismail Bin Che Rus, aged 68, Malaysian Malay, was appointed as a Senior Independent Non-Executive Director, Chairman of the Audit Committee and a member of the Nomination and Remuneration Committees on 10 September 2002. Dato' Mohd Ismail studied Training Management at Royal Institute of Public Administration, London, United Kingdom and Post Graduate Senior Management at the University of Manchester, United Kingdom.

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

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

TEH LIP PINK

Non-Independent
Non-Executive Director

Ms Teh Lip Pink, aged 59, 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 35 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 61, 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 37 years.

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.

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to report that the Financial Year ended 31 March 2011 marked another year of our progress as a quality lifestyle property company with four new launches during the year, comprising two launches each in Malaysia and Singapore.

Gilstead Two
Located in District 11, Bukit Timah, Singapore, these apartments come with space-efficient layout and convenient fittings.

From the positive response to the four new launches amidst improved global economic conditions, the Group was able to record a substantial increase in net profit to RM30.17 million from RM17.96 million the year before. This was achieved on a turnover of RM346.00 million compared with RM234.43 million in the previous financial year.

Group Operations

With the four new projects launched during the year, the Group has now successfully launched 10 projects with total gross development value (GDV) of RM2.38 billion.

Of the 10 projects, three are in Singapore. *Jia*, our first project in the city state, was completed and fully handed over to the buyers as of February 2011. Piling work has begun on the second project, *Gilstead Two*. The third project is *Okio*, which we launched in January 2011.

In Malaysia, the Group completed construction and handed over the landed homes in the *20trees* project in Taman Melawati, Kuala Lumpur in July 2010. The apartments in the same project were handed over three months later.

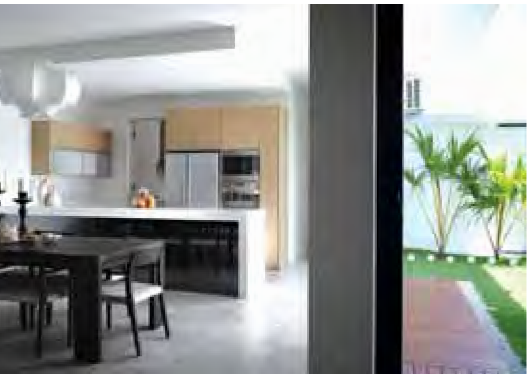
Work on the *20trees West* project in Taman Melawati, and *Five Stones* project in SS2, Petaling Jaya, are progressing well, and we expect to complete the projects as scheduled in August and September 2012 respectively. Work on the *Dedaun* project began in early May 2011.

During the year under review, the Group also acquired new land in Cheras South, Kuala Lumpur for future development. The Group also purchased a commercial property in London, which is currently leased out on a long term basis to HSBC Bank plc.

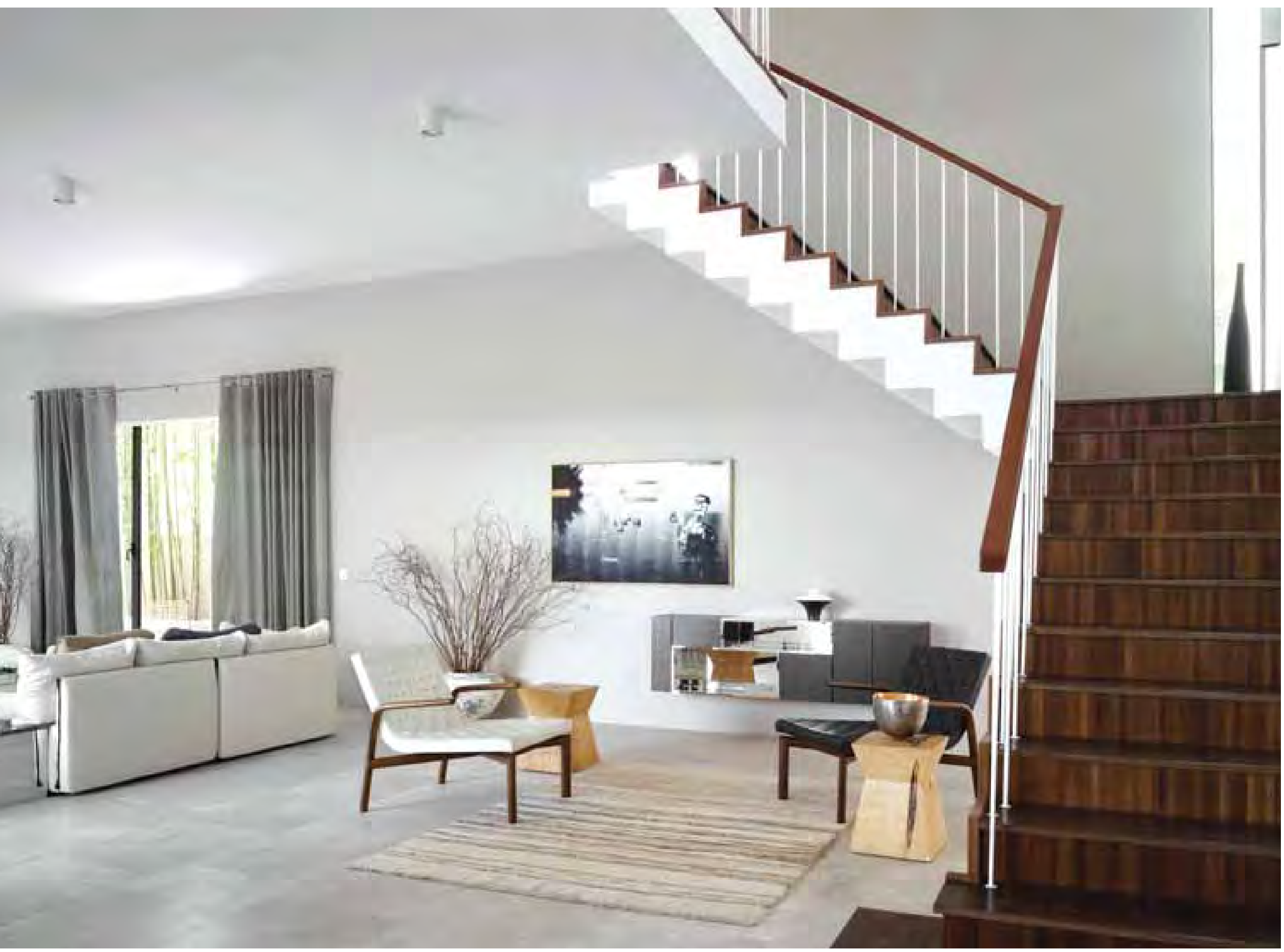
Occupancy at our five-star boutique urban resort, *Hotel Maya Kuala Lumpur*, rose 5% but more subdued in-bound leisure travel caused by a strong Ringgit and other macro events had a negative impact on its financial performance.

Sustained high occupancy in *Wisma Selangor Dredging* also contributed positively to our bottom-line.

Okio
Our latest mixed development on Balestier Road in Singapore, consisting of residences, office suites and retail outlets.



20trees was awarded a Highly Commended mention at the Asia Pacific Property Awards 2011. It is also a winner of the PAM Awards 2011 in the Multiple Residential (Low-Rise) Category.



Our Show Gallery featuring *Gilstead Two* in Singapore.

Dividend

In recognition of the continued support and loyalty of our shareholders, the Board of Directors has recommended a first and final dividend of 5% per share, less 25% tax, amounting to RM7,989,894 (FY 2010: 6,391,915).

This recommended dividend is subject to shareholders' approval at the forthcoming Annual General Meeting which will be held on 25 August 2011.

Awards

We are pleased to report that our *20trees* project in Taman Melawati has won two awards. In May 2011, it received a "Highly Commended" mention at the Asia Pacific Property Awards 2011 in Shanghai. The project was given this commendation in the "Development (Multi-Units) Malaysia" category. It also won the PAM Awards 2011 in the "Multiple Residential (Low-Rise)" category. (The PAM Awards by the Malaysian Institute of Architects is the premier award for architecture in Malaysia.)

Outlook

Economic growth in Malaysia and Singapore is expected to remain positive in the year ahead, albeit at a more moderate pace. However, we remain cautious, given ongoing uncertainty in Europe, as well as more subdued sentiments in regional property markets such as China, Hong Kong and Singapore, and will continue to prudently proceed with our plans to launch based on market conditions.

Against this backdrop, the Group is well positioned with a strong and growing track record as a quality lifestyle property company, and will continue with its strategy of focusing on niche and quality development projects in the year ahead.

Acknowledgement

On behalf of the Board of Directors, I would like to extend my sincere appreciation to the management and staff of the Group for their hard work, dedication and outstanding performance in the past year.

Please also allow me to offer my deepest appreciation to our shareholders, customers and business partners for their confidence in and continued support for the Group.

We look forward to another year of growth.

Eddy Chieng Ing Huong
Chairman

Wisma Selangor Dredging is SDB's prime office building, which has a unique courtyard with lush greenery, and it is just a stroll away from KLCC.

OVERALL, THE GROUP has improved on its financial performance thanks to our many new launches during the year, and in spite of several new challenges in Malaysia as well as in Singapore.

I am pleased to report that for the financial year ended 31 March 2011, the Group achieved a net profit of RM30.17 million compared with RM17.96 million in the previous financial year. The higher net profit was achieved on the back of a higher turnover of RM346.00 million compared with RM234.43 million the year before.

Results

The better performance by the Group can be attributed to the positive response to our four new launches during the year – two each in Malaysia and Singapore – as well as an increase in the fair value of our investment properties.

Selangor Dredging Berhad

During the year under review, turnover for the Company was relatively unchanged at RM19.29 million. The company registered a pre-tax profit of RM12.65 million, partly contributed by the fair value assessment of our building *Wisma Selangor Dredging* amounting to RM3.52 million.

Wisma Selangor Dredging (WSD)

One of our bigger tenants moved to another location during the financial year under review, causing occupancy rate at our main leasing property on Jalan Ampang, Kuala Lumpur to drop to 88.7% from about 95% the year before.

SDB Properties Sdn Bhd (SDBP) Group

SDBP Group (property development and hotel operations) registered a turnover of RM235.86 million and a pre-tax profit of RM28.50 million. The Group's property development arm contributed significantly to the improved result.

Dedaun
Located in a quiet and private enclave in the heart of Kuala Lumpur, the luxury residences come with an open plan layout that stretches up to 13 metres.

Property Development

Improved buyer sentiment after a challenging 2009 helped to lift the property market in Malaysia and Singapore. Our Group was able to benefit from the more buoyant condition as evident from the sale of units from the four projects that were launched during the year.

We began the year with the launching of the *Gilstead Two* project in Singapore. The project, which was launched in May 2010, is a 34-storey block of 108 two-bedroom units and two penthouses, and has a gross development value (GDV) of S$200 million (RM480 million). It is located off Dunearn Road, near Newton Circus, a prime area in the city state. Piling tests for *Gilstead Two* have commenced, and the project is expected to be completed in October 2014. At the time of writing, almost all the units have been sold.

In July 2010, we followed up the success of our *20trees* project with the launching of *20trees West.* Also located in the same locality in Taman Melawati, Kuala Lumpur, the *20trees West* project comprises 48 units of three-storey private bungalows on a 10.75-acre piece of freehold land. The project, with a GDV of RM170 million, is expected to be completed in August 2012.

The second new development that we launched in Malaysia this financial year was *Dedaun*. The low-rise development of 38 limited edition luxury residences, is located off busy Jalan Ampang, close to the KLCC, but tucked away in a secluded and quiet enclave. The project has been designed to reflect the lifestyle and aesthetics popular in the 1970s. The GDV of the project is RM160 million, and it is expected to be completed in December 2013.

In January 2011, we launched our third project in Singapore – *Okio* – on Balestier Road. The area where the project is located has been earmarked as a conservation site by the Singapore government in recognition of its cultural heritage. The project comprises a four-storey commercial block of 10 units and a 14-storey residential tower with 104 one and two-bedroom units. The GDV of the project is S$102 million (RM245 million). The project is expected to be completed in November 2015.

20trees West
Only 48 limited edition
bungalows in Taman Melawati.

Our Sales Gallery in Singapore, currently showcasing our latest development, *Okio*.

During the year under review, two projects that had been completed were handed over to home buyers. In July 2010, buyers of the landed homes in the *20trees* project took possession of their properties. Three months later, the apartments were handed over to the buyers. In February 2011, we handed over our very first project in Singapore – *Jia*. Some of the residents have already moved into their new homes at *20trees* as well as *Jia*.

Hotel

Various promotional packages targeting rooms, banquet and F&B (food and beverages) outlets, coupled with marketing efforts by Tourism Malaysia to draw visitors to the country, helped to make *Hotel Maya Kuala Lumpur* a place of choice for many travellers during their stay in the capital. For the financial year under review, the hotel achieved total revenue of RM21.87 million, compared with RM20.53 million the year before. Occupancy at the hotel also rose to 56.13% from 51% the year before. However, lower average selling price resulted in a net operating loss of RM877,000 for the year.

The hotel business faced key challenges during the year as a result of events around the world. At the start of the financial year, the H1N1 outbreak put a stop to leisure travel across Asia, while the volcanic eruption in Iceland grounded flights from Europe for weeks. Further political unrest in Thailand, between the red shirts and yellow shirts, temporarily shut down the airport in Bangkok, while the political turmoil that swept across the Middle East also had a negative impact on the travel sector. The triple disaster of an earthquake, tsunami and nuclear fallout in Fukushima, Japan led to cancellation of leisure travel among Japanese.

Acquisitions

The Group also made two significant acquisitions in 2011. The first, in March 2011, was a commercial property on Kensington High Street, London, that we purchased for £9.83 million (RM48.7 million). The property is on a 15-year lease to HSBC Bank. The lease expires in 2020.

A month later, the Group purchased a piece of freehold land in Cheras South for future development. The 8.9-acre piece of land was bought for RM31.0 million. We expect to develop residential units on the property.

PROSPECTS

Property development

The performance in the property sector in Malaysia continued to improve in 2010, as more new launches entered the market. Nevertheless, the Group remains cautious as average prices of luxury high-rise properties showed very marginal declines of 0.17% at the end of 2010. Average rentals also declined by about 2% during the same period. The Group expects the cautious sentiment to continue throughout 2011, and will take this factor into consideration when planning for new launches.

The Group proposes to launch at least two more new projects during the current financial year – one each in Singapore and Penang. These are over and above one we have already launched in Singapore – *Okio* on Balestier Road – in January 2011.

The Hijauan, a seven-storey high-end residential project designed for maximum privacy is scheduled to be launched in September 2011 on Cavenagh Road, a short walk from the shopping district of Orchard Road and close to the Istana. The new apartment block will be located close to three MRT stations, four schools, a university, and an art school.

The Group is also scheduled to launch a beachfront project in Batu Feringghi, Penang in November 2011. This project comprises 138 units of service suites in five low-rise blocks facing the sea.

We are also in the midst of developing concepts for two more parcels of land in Malaysia – one in Cheras South and another in Dengkil. We hope to launch these two projects in the first half of 2012.

At the time of writing, sales from *Okio* and *Gilstead Two* in Singapore, as well as from *Dedaun*, *20trees*, *Five Stones* and *20trees West* in Malaysia, amounted to RM1.353 billion, out of which RM618.6 million has been recognised. A total of RM734.7 million in unbilled sales will be reflected in the Group's results in the next few years.

The Group's development arm continued to win accolades with its innovative designs and unique concepts. The 20trees project brought home two awards. At the Asia Pacific Property Awards 2011 in Shanghai in May, it received the "Highly Commended" rating in the "Development (Multi-Units) Malaysia" category. It also won the PAM Awards 2011 in the "Multiple Residential (Low-Rise)" category. (The PAM Awards by the Malaysian Institute of Architects is the premier award for architecture in Malaysia.)

These accolades will spur the Group to be even more innovative with our designs and concepts, as well as strive to stay ahead of the race in this highly competitive but niche market. As in any business, consumers' tastes and wants change all the time. The Group will always keep a close watch on changing tastes and trends to be always on top of customers' wants and needs when launching new projects.

Hotel

Business at the Group's hotel continued to be affected by several major events around the world that put a damper on travel. Nevertheless, the hotel is meeting these challenges with more focused promotional efforts, both at home and abroad. We expect these efforts to help boost its performance in the next financial year.

LOOKING AHEAD

As the Group continues to grow and as we expand our portfolio of projects, new personnel have been engaged to head key departments particularly in the frontline areas. These appointments are necessary to strengthen and enhance operations in critical areas such as marketing and sales, customer services as well as media and investor relations.

This has been a tremendously successful year, and credit must go to each and every personnel in the SDB Group without whose efforts we would not have achieved this much. My thanks go out to them. I would also like to express my sincere appreciation to shareholders, customers and business partners for their support through the years.

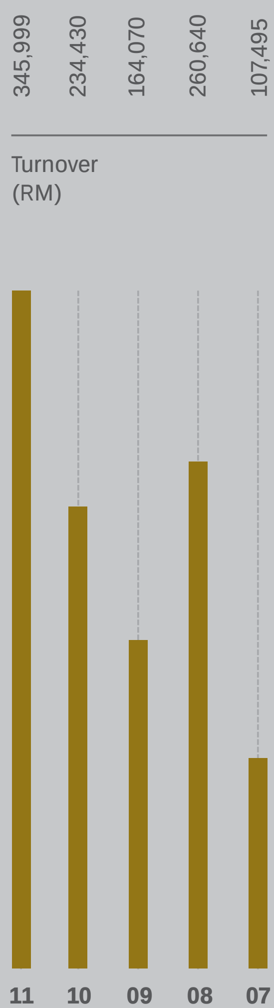
I am also pleased to announce that the improved performance of the Group this year has enabled the Board to recommend a dividend of 5% per share (less 25% tax) amounting to RM7,989,894 for the financial year ended 31 March 2011 (FY 2010: 4% / RM6,391,915). This recommendation will be tabled at the Annual General Meeting for shareholders' approval.

We look forward to another great year ahead.

Teh Lip Kim
Managing Director

YEAR ENDED 31 MARCH	2011 Group RM'000	2010 Group RM'000	2009 Group RM'000	2008 Group RM'000	2007 Group RM'000
PROFITABILITY					
Turnover	345,999	234,430	164,070	260,640	107,495
Profit/(Loss) before taxation	44,366	27,949	21,228	107,910	21,958
Provision for taxation	(14,198)	(9,986)	(3,987)	(10,786)	1,124
Profit/(Loss) after taxation	30,168	17,963	17,241	97,124	23,082
Minority interests	0	0	0	0	0
Earnings/(Loss) for the year	30,168	17,963	17,241	97,124	23,082
Profit available for appropriation	305,381	281,605	268,436	257,502	165,044
Dividend net of tax	6,392	4,794	6,307	4,666	4,666
KEY BALANCE SHEET DATA					
Total assets	1,161,591	1,043,745	1,014,946	995,667	695,371
Issued share capital	213,064	213,064	213,064	213,064	213,064
Shareholders' funds	568,068	504,477	495,484	481,223	387,243
Total bank borrowings	530,900	471,011	438,512	450,703	249,800
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)	7.08	4.22	4.05	22.79	5.42
Dividend after tax (sen)*	1.87	1.50	1.13	1.48	1.10
Net asset backing (sen)	133.31	118.39	116.28	112.93	90.87

* Dividend declared during the financial year.


345,999
234,430
164,070
260,640
107,495
Turnover
(RM)
11
10
09
08
07


44,366
27,949
21,228
107,910
21,958
Profit/(Loss)
before taxation
(RM)
11
10
09
08
07


7.08
4.22
4.05
22.79
5.42
Earnings/(Loss)
after tax
(Sen)
11
10
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08
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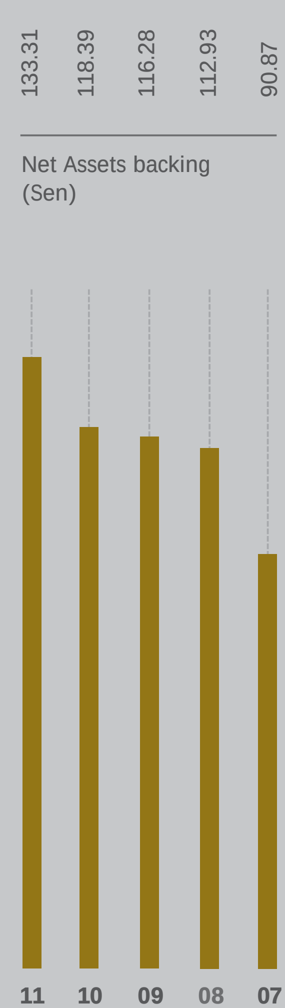
133.31
118.39
116.28
112.93
90.87
Net Assets backing
(Sen)
11
10
09
08
07

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 8 to 9 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 at the next Annual General Meeting subsequent to their appointment.

Directors' Training

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

During the financial year, a training titled "Real Property Gain Tax for the Year 2010" was organised on 25 August 2010. All the Directors together with the senior management participated in the session and deliberated on the challenges normally faced by the Group.

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.

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:

	2011 (RM)	2010 (RM)
Executive Director		
Salaries and other emoluments	1,346,208	819,028
Fees	62,294	58,124
Non-Executive Directors		
Fees	182,000	153,000

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

	2011	2010
Executive Director		
RM1,000,000 - RM1,500,000	1	-
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.

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 both websites of Company and Bursa Malaysia Securities Berhad.

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

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

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

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

Briefing to Analysts

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

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

E. ACCOUNTABILITY AND AUDIT

Financial Reporting

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

The Statement of Directors' Responsibility is also enclosed in page 35 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. Currently, the company does not maintain an internal audit department but has outsourced its internal audit fuction to ensure independent views be carried out on the adequacy and integrity of the group's system of internal controls. The Statement on Internal Control is presented on page 30 and the Board will ensure the continuous process of identifying, evaluating and managing the internal control systems within the Group for review by the Audit Committee.

The total costs incurred for the internal audit function of the Group for the financial year was RM76,037.00.

Dealings in Securities

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

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

Relationship with Auditors

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

F. CORPORATE SOCIAL RESPONSIBILITY

In line with our brand promise "Driving Excellence, Building Lifelong Relationships", we are committed to ensuring that all our activities are in harmony with the needs of the environment, the community, the workplace and the marketplace. In doing so, we are committed to ensuring environmental sustainability, we extend support to the community at large, we strive for continuous improvements for our employees and we are committed to protecting and enhancing value for our stakeholders.

Environment

Property development has long lasting impact on the environment. Taking that into consideration, the Group has made the commitment to not only ensure that our activities result in minimal impact on the natural surroundings but also seek opportunities to enhance the environment around our developments. We have managed to fulfil this commitment by setting aside generous amounts of space for landscape and recreational facilities and our properties have been designed to maximise utilisation of natural light and ventilation. Waste management as well as water and energy conservation methods are constantly being reviewed and, if necessary, improved.

Community

The Group is very mindful of the fact that we are very much a part of the community and thus we have a role to play in ensuring our collective well-being. Along this line, the Group has been consistently providing support to various organisations and charities for the underprivileged. Among others, we have put in place a project to help individuals with special needs learn to fend for themselves in adult life.

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

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

Workplace

Charity, as they say, begins at home. At the SDB Group, efforts are continuously being made to improve the well-being of employees. This, coupled with our passion for learning, has led us to focus on educational training and development programmes for our personnel.

Emphasis is placed on not only providing an environment conducive to better performance among employees but also employment terms that ensure competitive remuneration and incentives, as well as development schemes for all employees regardless of age or gender and based on the performance management system. To help improve quality of life for employees, various teambuilding exercises are organised on a quarterly basis for those who are interested.

The Group also believes that a healthy lifestyle makes excellent employees. It helps to promote healthy living by organizing health awareness programmes with emphasis on fitness and nutrition. There is a gymnasium for the use of employees who are keen to keep fit while yoga, badminton, bowling and futsal games are organised regulary.

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

Marketplace

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

Also in line with our brand promise, the Group always strives to provide high quality products and services to our stakeholders. As part of this commitment, the Group has adopted the internationally 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.

Introduction

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 and provide reasonable but not absolute assurance against material misstatement or loss. Furthermore, consideration is given to the cost of implementation as compared to the expected benefits to be derived from the implementation of the internal control system.

Key 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 is 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. Quality control and progress of the project is via frequent site visits by contract and project team, regular site meetings with the contractors and employment of fulltime staff on site.

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

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

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

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

- **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 plays 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.

  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.

- **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 2011 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.

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

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

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

2. Judgements and statements made are reasonable and prudent.

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

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

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

1. **Utilisation of Proceeds**
   No proceeds were raised by the Company for any corporate exercise during the financial year.

2. **Share Buybacks**
   The Company did not carry out any share buybacks for the financial year.

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

4. **Depository Receipt (DR) Programme**
   The Company did not sponsor any DR programme during the financial year.

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

6. **Non-Audit Fees**
   There was no non-audit fee paid to the external auditors for the financial year.

7. **Profit Estimate, Forecast, Projection or Unaudited Results**
   There was no profit forecast issued by Company and its subsidiary companies during the financial year.

8. **Profit Guarantee**
   During the financial year, there was no profit guarantee given by the Company.

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

10. **Revaluation Policy on Landed Properties**
    The revaluation policy on landed properties is as disclosed in the financial statement for the financial year ended 31 March 2011.

11. **Recurrent Related Party Transaction of a Revenue or Trading Nature**
    During the financial year, the Company and its subsidiaries had not entered into any recurrent related party transactions, which are of revenue or trading nature, which requires shareholders' mandate.

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

(A) MEMBERSHIP AND MEETINGS

The Audit Committee met on 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 re-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 activities of the Internal Auditors during the financial year ended 31 March 2011 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 2011; 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.

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;

(g) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:

(i) changes in or implementation of major accounting policy changes and practices;

(ii) significant and unusual events;

(iii) compliance with accounting standards and other legal requirements and the going concern assumptions; and

(iv) significant adjustments arising from the audit;

(h) any related party transaction and conflict of interest situation that may arise with the Company or Group including any transaction, procedure or course of conduct that raises questions management integrity;

(i) any letter of resignation from external auditors of the Company; and

(j) whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment.

4.1.2 to consider the appointment or termination of a person or persons as external auditors and their remuneration.

4.1.3 to consider the appointment or termination of a person or persons as internal auditors and their remuneration.

4.1.4 to promptly report to Bursa Malaysia Securities Berhad any matter reported by the Committee to the Board which has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

4.1.5 to carry out any other functions as may be agreed to by the Committee and the Board.

5.0 Meetings

5.1 Meetings shall be held not less than four times a year and shall normally be attended by the Head of Finance and Internal Auditors. The presence of the external auditors will be requested, if required. Other board members and employees attend only at the Committee's invitation.

5.2 At least twice a year, the Committee shall meet with the external auditors, the internal auditors or both without the executive board members present.

5.3 The quorum for each meeting shall be two. The majority of members present to form a quorum must be Independent Directors.

5.4 The Company Secretary shall be the Secretary of the Committee. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

for the year ended 31 March 2011

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 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Company are property leasing, investment holding and provision of management services. The principal activities of the subsidiary companies are set out in note 5 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Profit attributable to shareholders of the Company	30,168	10,374

DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final dividend of 4% less 25% income tax amounting to RM6,391,916 in respect of the financial year ended 31 March 2010.

The directors now propose a first and final dividend of 5% less 25% income tax amounting to RM7,989,893 in respect of the financial year.

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 49 and 50.

ISSUE OF SHARES AND DEBENTURES

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

DIRECTORS

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

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

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

In accordance with Article 80 of the Company's Articles of Association, Dato' Mohd Ismail Bin Che Rus 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 1.4.2010	Bought	Sold	At 31.3.2011
Teh Lip Kim				
- direct	54,634,196	9,023,900	-	63,658,096
- indirect	170,588,756	-	-	170,588,756
Teh Lip Pink				
- direct	425,000	-	-	425,000
- indirect	65,929,978	-	-	65,929,978

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

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 35 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 statements of financial position 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 allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent, or

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

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

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

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

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

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

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

(f) In the opinion of the directors:

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

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

AUDITORS

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

Signed on behalf of the directors in accordance with a directors' resolution dated 25 May 2011

EDDY CHIENG ING HUONG
Director

TEH LIP KIM
Director

Report on the Financial Statements

We have audited the financial statements of Selangor Dredging Berhad, which comprise the statements of financial position as at 31 March 2011 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 45 to 100.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements 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 2011 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 5 to the financial statements.

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

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

Other Reporting Responsibilities

The supplementary information set out on page 100 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

MAZARS	TANG KIN KHEONG
No. AF: 1954	No. 1501/9/11 (J/PH)
Chartered Accountants	Partner

Kuala Lumpur

STATEMENT OF FINANCIAL POSITION

31 March 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	2	**169,433**	138,563	**6,320**	6,665
Investment properties	3	**291,843**	291,617	**288,196**	287,914
Land held for property development	4	**25,696**	47,044	**-**	-
Investment in subsidiary companies	5	**-**	-	**60,654**	60,654
Investment in jointly controlled entities	6	**95,804**	103,538	**-**	-
Other investments	7	**3,611**	1,457	**3,611**	1,457
Amounts owing by subsidiary companies	8	**-**	-	**350,521**	383,757
Total non-current assets		**586,387**	582,219	**709,302**	740,447
Current assets					
Inventories	9	**53,290**	4,917	**706**	730
Property development costs	10	**279,388**	295,099	**-**	-
Gross amount due from customers	11	**28**	155	**-**	-
Trade receivables	12	**58,645**	37,326	**489**	339
Accrued billings	13	**64,797**	46,942	**-**	-
Other receivables, deposits and prepayments	14	**8,427**	5,405	**907**	1,781
Current tax assets		**-**	4,333	**-**	-
Short term investments	15	**11,629**	4,388	**-**	1
Deposits	16	**5,910**	6,410	**1,410**	3,410
Cash and bank balances	17	**93,090**	56,551	**1,340**	1,395
Total current assets		**575,204**	461,526	**4,852**	7,656
TOTAL ASSETS		**1,161,591**	1,043,745	**714,154**	748,103

STATEMENT OF FINANCIAL POSITION

31 March 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	18	**213,064**	213,064	**213,064**	213,064
Share premium *(Non-distributable)*		**477**	477	**477**	477
Revaluation reserve *(Non-distributable)*		**34,640**	1,728	**1,757**	1,708
Exchange translation reserve *(Non-distributable)*		**4,378**	(258)	**-**	-
Fair Value Reserve *(Non-distributable)*		**2,267**	-	**2,267**	-
Other reserve *(Distributable)*	19	**7,861**	7,861	**7,861**	7,861
Retained earning		**305,381**	281,605	**222,660**	251,744
Total equity		**568,068**	504,477	**448,086**	474,854
Non-current liabilities					
Bank borrowings	20	**401,900**	266,564	**203,000**	207,000
Deferred tax liabilities	21	**-**	-	**-**	-
Amount owing to subsidary company	9	**-**	-	**863**	863
Total non-current liabilities		**401,900**	266,564	**203,863**	207,863
Current liabilities					
Trade payables	22	**47,437**	49,869	**-**	-
Other payables and accruals	23	**12,393**	15,264	**4,922**	5,679
Bank borrowings	20	**129,000**	204,447	**56,500**	59,000
Current tax liabilities		**2,793**	3,124	**783**	707
Total current liabilities		**191,623**	272,704	**62,205**	65,386
Total liabilities		**593,523**	539,268	**266,068**	273,249
TOTAL EQUITY AND LIABILITIES		**1,161,591**	1,043,745	**714,154**	748,103

Notes to and forming part of the financial statements are set out on pages 53 to 100
Auditors' Report - Pages 43 to 44

INCOME STATEMENTS

for the year ended 31 March 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Revenue	24	**345,999**	234,430	**19,294**	19,295
Cost of sales	25	**(252,591)**	(167,647)	**(10,705)**	(9,718)
Gross profit		**93,408**	66,783	**8,589**	9,577
Other income		**3,705**	4,310	**602**	654
Selling and marketing expenses		**(11,166)**	(7,361)	**-**	-
Administrative and general expenses		**(21,604)**	(16,441)	**(2,034)**	(1,872)
Other expenses		**(8,228)**	(7,518)	**-**	-
Investment income	26	**4,799**	8,292	**17,654**	14,753
Share of profit / (loss) of jointly controlled entities	6	**1,714**	(3,268)	**-**	-
Finance costs	27	**(18,262)**	(16,848)	**(12,165)**	(11,876)
Profit before tax	28	**44,366**	27,949	**12,646**	11,236
Tax expense	29	**(14,198)**	(9,986)	**(2,272)**	(2,296)
Profit for the year		**30,168**	17,963	**10,374**	8,940
Basic earnings per share (sen)	30	**7.08**	4.22		
Dividend per share (net of tax) (sen)					
First and final dividend paid in respect of the year ended 31 March					
- 2010				**1.50**	-
- 2009				**-**	1.13

Notes to and forming part of the financial statements are set out on pages 53 to 100
Auditors' Report - Pages 43 to 44

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Profit for the year		**30,168**	17,963	**10,374**	8,940
Other comprehensive income					
Revaluation surplus on properties held as property, plant and equipment		**32,912**	-	**49**	-
Fair value adjustment on availablefor- sale		**566**	-	**566**	-
Exchange difference on translation of foreign operation		**4,636**	(4,176)	**-**	-
Other comprehensive income for the year, net of tax		**38,114**	(4,176)	**615**	-
Total comprehensive income		**68,282**	13,787	**10,989**	8,940

Notes to and forming part of the financial statements are set out on pages 53 to 100
Auditors' Report - Pages 43 to 44

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2011

	Note	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Fair value reserve RM'000	Exchange translation reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000
		← Non-distributable				→	← Distributable	→	
Group									
Balance at 1 April 2009	10	213,064	477	1,728	-	3,918	7,861	268,436	495,484
Total comprehensive income for the year		-	-	-	-	(4,176)	-	17,963	13,787
Dividend paid	31	-	-	-	-	-	-	(4,794)	(4,794)
Balance at 31 March 2010		213,064	477	1,728	-	(258)	7,861	281,605	504,477
Balance at 31 March 2010		213,064	477	1,728	-	(258)	7,861	281,605	504,477
Effects of adopting FRS 139		-	-	-	1,701	-	-	-	1,701
Balance at 1 April 2010		213,064	477	1,728	1,701	(258)	7,861	281,605	506,178
Total comprehensive income for the year		-	-	32,912	566	4,636	-	30,168	68,282
Dividend paid	31	-	-	-	-	-	-	(6,392)	(6,392)
Balance at 31 March 2011		213,064	477	34,640	2,267	4,378	7,861	305,381	568,068

Notes to and forming part of the financial statements are set out on pages 53 to 100
Auditors' Report - Pages 43 to 44

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2011

	Note	Share capital RM'000	← Non-distributable: Share premium RM'000	Revaluation reserve RM'000	Fair value reserve RM'000 →	← Distributable: Other reserve RM'000	Retained earnings RM'000 →	Total RM'000
Company								
Balance at 1 April 2009		213,064	477	1,708	-	7,861	247,598	470,708
Total comprehensive income for the year		-	-	-	-	-	8,940	8,940
Dividend paid	31	-	-	-	-	-	(4,794)	(4,794)
Balance at 31 March 2010		213,064	477	1,708	-	7,861	251,744	474,854
Effects of adopting FRS 139		-	-	-	1,701	-	(33,066)	(31,365)
Balance at 1 April 2010		213,064	477	1,708	1,701	7,861	218,678	443,489
Total comprehensive income for the year		-	-	49	566	-	10,374	10,989
Dividend paid	31	-	-	-	-	-	(6,392)	(6,392)
Balance at 31 March 2011		213,064	477	1,757	2,267	7,861	222,660	448,086

Notes to and forming part of the financial statements are set out on pages 53 to 100
Auditors' Report - Pages 43 to 44

CASH FLOW STATEMENTS

for the year ended 31 March 2011

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**44,366**	27,949	**12,646**	11,236
Adjustments for:				
Bad and doubtful debts	**2**	2	**-**	-
Depreciation	**6,216**	4,682	**1,049**	1,000
Gain on disposal of property, plant and equipment	**(37)**	(38)	**(2)**	(36)
Property, plant and equipment written off	**-**	1	**-**	1
Impairment in value of property, plant and equipment	**-**	444	**-**	-
Fair value adjustments of investment properties	**(3,809)**	(7,082)	**(3,523)**	(7,066)
Gain on disposal of investment properties	**(84)**	(225)	**-**	-
Surplus arising from liquidation of a subsidiary company	**(169)**	-	**(169)**	-
Share of loss of jointly controlled entities	**(1,714)**	3,268	**-**	-
Gain on disposal of investments	**(66)**	(354)	**(66)**	(354)
Diminution in value of investments	**-**	102	**-**	102
Diminution in value of investments no longer required	**-**	(350)	**-**	(350)
Unrealised (gain) loss on foreign exchange	**(2,076)**	1	**-**	-
Dividend income	**(304)**	(129)	**(131)**	(127)
Interest income	**(865)**	(762)	**(13,765)**	(6,958)
Interest expense	**18,262**	16,848	**12,165**	11,876
Operating profit before working capital changes	**59,722**	44,357	**8,204**	9,324
Changes in inventories	**4,189**	2,017	**24**	(5)
Changes in property development costs	**93,583**	663	**-**	-
Changes in gross amount due from customers	**127**	(3)	**-**	-
Changes in receivables	**(24,412)**	(21,626)	**156**	(72)
Changes in payables	**(5,143)**	(1,054)	**(719)**	35
Changes in accrued billings/progress billings	**(17,853)**	8,689	**-**	-
Cash generated from operations	**110,213**	33,043	**7,665**	9,282
Interest received	**498**	508	**-**	-
Tax paid	**(10,196)**	(6,414)	**(2,196)**	(1,979)
Net cash generated from operating activities	**100,515**	27,137	**5,469**	7,303
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital repayment from liquidation of a subsidiary company	**727**	721	**727**	721
Capital refund from/(Subscription of shares in) jointly controlled entities	**11,929**	(11,972)	**-**	-
Purchase of investment properties *(see note 34)*	**(519)**	(1,371)	**(519)**	(1,371)
Purchase of property, plant and equipment *(see note 33)*	**(4,378)**	(2,351)	**(658)**	(652)
Proceeds from disposal of property, plant and equipment	**492**	222	**5**	115
Proceeds from disposal of investment properties	**500**	3,553	**3,760**	-
Additions to land held for property development	**(102,406)**	(8,334)	**-**	-
Purchase of investments	**-**	(2)	**-**	(2)
Proceeds from the disposal of investments	**179**	3,865	**179**	3,865
Advances to subsidiary companies	**-**	-	**-**	(4,705)
Placement of fixed deposits and bank balance	**-**	35	**-**	-
Dividends received	**304**	103	**131**	101
Interest received	**374**	300	**13,775**	5,842
Net cash (used in)/generated from investing activities	**(92,798)**	(15,231)	**17,400**	3,914

CASH FLOW STATEMENTS

for the year ended 31 March 2011

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Net drawdown/(Repayment) of bank borrowings	**57,519**	31,518	**(6,500)**	(9,000)
Repayment of hire purchase liability	**-**	-	**-**	-
(Repayment to)/Advance from jointly controlled entities	**-**	(6,242)	**-**	-
Repayment from subsidiary companies	**-**	-	**170**	831
Dividend paid to shareholders of the Company	**(6,392)**	(4,794)	**(6,392)**	(4,794)
Interest paid	**(18,315)**	(16,799)	**(12,203)**	(11,821)
Net cash generated from/(used in) financing activities	**32,812**	3,683	**(24,925)**	(24,784)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**40,529**	15,589	**(2,056)**	(13,567)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	**65,744**	50,023	**3,396**	16,963
EFFECT OF EXCHANGE RATE CHANGES	**2,751**	132	**-**	-
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**109,024**	65,744	**1,340**	3,396
Represented by:				
Short term investments	**-**	4,388	**-**	1
Deposits	**2,410**	6,410	**1,410**	3,410
Cash and bank balances	**108,219**	56,551	**1,340**	1,395
	110,629	67,349	**2,750**	4,806
Less:				
Amount pledged as security for a bank guarantee facility				
- deposits	**(1,410)**	(1,410)	**(1,410)**	(1,410)
- bank balances	**(195)**	(195)	**-**	-
	109,024	65,744	**1,340**	3,396

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements comply with applicable approved Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB") and 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) The significant accounting policies adopted by the Group are consistent with those of the previous financial year except for the adoption of the following new/revised FRSs and Amendments to FRSs, effective from financial periods beginning on or after 1 January 2010:

1 July 2009	
FRS 8	Operating Segments
1 January 2010	
FRS 101	Presentation of Financial Statements (revised)
FRS 4	Insurance Contracts
FRS 7	Financial Instruments : Disclosures
FRS 123	Borrowing Costs (revised)
FRS 139	Financial Instruments : Recognition & Measurement
Amendment to FRS 2	Share-based Payment
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosures of Government Assistance
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 127	Consolidated and Separate Financial Statements
Amendment to FRS 128	Investments in Associates
Amendment to FRS 131	Interests in Joint Ventures
Amendment to FRS 132	Financial Instruments : Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 138	Intangible Assets
Amendment to FRS 139	Financial Instruments : Recognition & Measurement
Amendment to FRS 140	Investment Property
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting & Impairment
IC Interpretation 11	FRS 2 Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

1. SIGNIFICANT ACCOUNTING POLICIES (con'd)

(b) The significant accounting policies adopted by the Group are consistent with those of the previous financial year except for the adoption of the following new/revised FRSs and Amendments to FRSs, effective from financial periods beginning on or after 1 January 2010: (con'd)

Adoption of the above standards and the interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

FRS 7 *Financial Instruments: Disclosures*

Prior to 1 April 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 *Financial Instruments: Disclosure and Presentation*. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 March 2011.

FRS 8 *Operating Segments*

FRS 8, which replaces FRS 114 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance.

The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers, where applicable. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114.

FRS 101 *Presentation of Financial Statements (Revised)*

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

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. The Group and the Company have not presented this statement as it has no significant impact to the Group and the Company.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objective, policies and processes for managing capital. The Group's capital management are disclosed in note 43.

The revised FRS 101 was adopted retrospectively by the Group and the Company. Since the change only affects presentation aspects, there is no impact on earnings per share.

FRS 139 *Financial Instruments: Recognition and Measurement*

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 April 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 April 2010. Comparatives are not restated.

1. SIGNIFICANT ACCOUNTING POLICIES (con'd)

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

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

New FRSs, Amendments to FRSs and Interpretations		Effective for financial periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards (revised)	1 July 2010
FRS 3	Business Combinations (revised)	1 July 2010
FRS 124	Related Party Disclosures	1 January 2012
FRS 127	Consolidated and Separate Financial Statements (revised)	1 July 2010
Amendments to FRSs	Improvements to FRSs (2010)	1 January 2011
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1	Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2	Share-based payment	1 July 2010
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 138	Intangible Assets	1 July 2010
IC Interpretation 4	Determining Whether an Agreement contains a Lease	1 January 2011
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
Amendments to IC Interpretation 13	Customer Loyalty Programmes	1 January 2011
Amendments to IC Interpretation 14	Prepayment of Minimum Funding Requirement	1 July 2011

The initial application of the above standards (and its consequential amendments) and interpretations are not expected to have any material impact on the financial statements of the Group and the Company other than expected changes in accounting policies as discussed below:

FRS 3 – Business Combinations (revised)

The revised FRS 3 introduces the option to measure the minority interest in a business combination either at fair value or at minority interest's proportionate share of identifiable assets acquired. Goodwill on acquisition will be measured as the difference between the aggregate of fair value of consideration transferred, any minority interest in the acquiree and the fair value at the acquisition date of any previously held equity interest in the acquire (if acquired via "piecemeal acquisition"), and the net identifiable assets acquired. Any bargain purchase (ie. "negative goodwill") will be recognised directly in the income statement. Any consideration transferred is to be measured at fair value as of the acquisition date. All acquisition-related costs are expensed off in the income statement.

FRS 127 – Consolidated and Separate Financial Statements (revised)

The revised FRS 127 requires that total comprehensive income must be proportionately allocated to the minority interests, even if the minority interest are in deficits position. Changes in ownership interest which does not result in a loss of control is accounted for within equity instead of the income statement. Where the changes in ownership interest results in loss of control, any remaining interest in the former subsidiary remeasured at fair value and a gain or loss is recognised in the income statement.

The changes in the revised FRS 3 and FRS 127 will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with minority interests.

1. SIGNIFICANT ACCOUNTING POLICIES (con'd)

(d) Significant accounting judgements and estimates

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

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors, including expectations 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.

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

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

Classification between investment properties and owner-occupied properties

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

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

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

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

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

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

Revenue recognition of property development activities and construction contracts

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

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

(ii) *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the end of the reporting period 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 2011 were RM169,433,000 and RM6,320,000 (2010 : RM138,563,000 and RM6,665,000) respectively.

1. SIGNIFICANT ACCOUNTING POLICIES (con'd)

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

(ii) *Key sources of estimation uncertainty* (con'd)

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

Estimation of the fair value of investment properties

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

Allowance for doubtful debts

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

The carrying amount of the Group's and Company trade receivables as at 31 March 2011 were RM58,645,000 and RM489,000 (2010 : RM 37,326,000 and RM339,000) respectively.

The allowance for doubtful debts is made based on a review of all outstanding amounts as at the end of the reporting period. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collection history of each customer. If the financial condition of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional 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 Group and the Company did not have tax assets as at 31 March 2011 (2010 : RM4,333,000 and Nil).

The carrying amounts of the Group's and the Company's tax liabilities as at 31 March 2011 were RM2,793,000 and RM783,000 (2010 : RM3,124,000 and RM707,000) respectively.

(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 statements of financial position as goodwill, while the shortfall is immediately credited to the consolidated income statement.

1. SIGNIFICANT ACCOUNTING POLICIES (con'd)

(e) Basis of consolidation (con'd)

Goodwill arising on the acquisition of subsidiary companies is presented separately in the statements of financial position.

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

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

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

(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.

(h) 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.

Arising from the adoption of FRS 139, Financial Instruments: Recognition and Measurement, with effect from 1 April 2010, financial instruments are categorised and measured using accounting policies as mentioned below. Before 1 April 2010, different accounting policies were applied. Significant changes to the accounting policies are discussed in note 42 below.

Initial recognition and measurement

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (con'd)

(h) Financial instruments (con'd)

Financial instrument categories and subsequent measurement

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Management determines the classification of the financial assets as set out below upon initial recognition.

(i) Financial assets at fair value through profit or loss

This category includes financial assets held for trading, including derivatives (except for a derivative that is a designated and effective hedging instrument) and financial assets that are specifically designated into this category upon initial recognition. On initial recognition, these financial assets are measured at fair value. The subsequent measurement of financial assets in this category is at fair value with changes in fair value recognised as gains or losses in the income statements.

(ii) Loans and receivables

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

The subsequent measurement of financial assets in this category is at amortised cost using the effective interest method, less allowance for impairment losses. Any gains or losses arising from derecognition or impairment, and through the amortisation process of loans and receivables are recognised in the income statements.

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

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in income statements when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the end of the reporting period which are classified as current.

(iv) Available-for-sale financial assets

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

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

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

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment as stated in note 1(s).

1. SIGNIFICANT ACCOUNTING POLICIES (con'd)

(h) Financial instruments (con'd)

Financial liabilities

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

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

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

Derecognition of financial assets and liabilities

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

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in other comprehensive income is reclassified to income statements.

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

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

(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 it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (con'd)

(i) Property, plant and equipment (con'd)

(ii) *Depreciation*

Freehold land is not depreciated.

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

The principal annual rates used for this purpose are:

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

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

(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's incremental borrowing rate is used.

(ii) *Operating lease*

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

Operating lease income or operating lease rentals are credited or charged to the income statements 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 end of the reporting period. 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 statements.

1. SIGNIFICANT ACCOUNTING POLICIES (con'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 statements of financial position and is stated at cost plus incidental expenditure incurred to put the land in a condition ready for development.

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

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

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

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

The excess of revenue recognised in the income statement over billings to purchasers of properties is recognised as accrued billings under current assets.

The excess of billings to purchasers of properties over revenue recognised in the income statements 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 the contract costs if they can be separately identified and measured reliably and it is probable that the contract will be obtained.

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (con'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) 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 statements.

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

(p) 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 statements 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 statements 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 statements when the significant risks and rewards of ownership have been transferred to the buyer.

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

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

(q) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (con'd)

(q) Foreign currencies (con'd)

(ii) Transactions and balances in foreign currencies (con'd)

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

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

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

Exchange differences arising on the settlement of monetary items and the translation of monetary items are included in the income statements for the period.

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

(iii) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM (including goodwill and fair value adjustments arising from the acquisition of the foreign operations) are translated at the exchange rates ruling at the end of the reporting period.

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

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

(r) Impairment of non-financial assets

(i) Goodwill

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

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

An impairment loss is recognised in the income statements 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.

1. SIGNIFICANT ACCOUNTING POLICIES (con'd)

(r) Impairment of non-financial assets (con'd)

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

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

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

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

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.

(s) Impairment of financial assets

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

Assets carried at amortised cost

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

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

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

Available-for-sale financial assets

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (con'd)

(s) Impairment of financial assets (con'd)

Available-for-sale financial assets (con'd)

Impairment losses recognised in the income statements for an investment in an equity instrument is not reversed through the income statements.

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

(t) Employee benefits

(i) Short term employee benefits

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

(ii) Post-employment benefits

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

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

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

(u) Borrowing costs

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

Before 1 April 2010, all borrowing costs were recognised in income statements using the effective interest method in the period in which they are incurred.

Following the adoption of FRS 123, Borrowing Costs, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use of sale, are capitalised as part of the cost of those assets.

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

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

(v) Taxation

The tax expense in the income statements represents the aggregate amount of current tax and deferred tax included in the determination of income statements for the financial year.

On the statements of financial position, 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.

1. SIGNIFICANT ACCOUNTING POLICIES (con'd)

(v) Taxation (con'd)

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

(i) goodwill, or

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

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

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

(w) Cash equivalents

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

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

(x) Segment reporting

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

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

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

2. PROPERTY, PLANT AND EQUIPMENT

Group 2011	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 1.4.2010						
- *cost*	-	3,139	16,027	2,105	21,454	42,725
- *valuation*	125,000	8,142	-	-	-	133,142
	125,000	11,281	16,027	2,105	21,454	175,867
Additions - *cost*	-	-	33	133	4,212	4,378
Disposals - *cost*	-	-	(2,298)	(132)	-	(2,430)
Write offs - *cost*	-	-	-	-	-	-
Transfer	3,787	-	-	-	(3,787)	-
Adjustment on revaluation	(9,706)	(1,218)	-	-	-	(10,924)
Revaluation surplus	30,919	1,993	-	-	-	32,912
Foreign exchange adjustments	-	274	-	-	-	274
At 31.3.2011						
- *cost*	-	-	13,762	2,106	21,879	37,747
- *valuation*	150,000	12,330	-	-	-	162,330
	150,000	12,330	13,762	2,106	21,879	200,077
Accumulated depreciation						
At 1.4.2010						
- *cost*	-	104	15,243	914	13,823	30,084
- *valuation*	5,469	32	-	-	-	5,501
	5,469	136	15,243	914	13,823	35,585
Charge for the year						
- *cost*	-	-	178	312	4,301	4,791
- *valuation*	1,353	72	-	-	-	1,425
Disposals - *cost*	-	-	(1,851)	(124)	-	(1,975)
Write offs - *cost*	-	-	-	-	-	-
Transfer	2,884	-	-	-	(2,884)	-
Adjustment on revaluation	(9,706)	(209)	-	-	-	(9,915)
Foreign exchange adjustments	-	1	-	-	-	1
At 31.3.2011						
- *cost*	-	-	13,570	1,102	15,240	29,912
- *valuation*	-	-	-	-	-	-
	-	-	13,570	1,102	15,240	29,912
Accumulated impairment losses						
At 1.4.2010						
- *cost*	-	-	-	-	-	-
- *valuation*	-	1,719	-	-	-	1,719
	-	1,719	-	-	-	1,719
Adjustment on revaluation	-	(1,009)	-	-	-	(1,009)
Foreign exchange adjustments	-	22	-	-	-	22
At 31.3.2011						
- *cost*	-	732	-	-	-	732
- *valuation*	-	-	-	-	-	-
- *cost*	-	732	-	-	-	732
Carrying value at 31.3.2011						
- *cost*	-	-	192	1,004	6,639	7,835
- *2011 valuation*	150,000	11,598	-	-	-	161,598
	150,000	11,598	192	1,004	6,639	169,433
The carrying value of revalued assets stated under the historical cost convention At 31.3.2011	54,564	6,449	-	-	-	61,013

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

Group 2010	Freehold hotel property RM'000	Freehold land and building RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation, furniture, fittings and equipment RM'000	Total RM'000
At 1.4.2009						
- *cost*	-	3,124	18,512	1,878	19,946	43,460
- *valuation*	125,000	8,275	-	-	-	133,275
	125,000	11,399	18,512	1,878	19,946	176,735
Additions - *cost*	-	66	138	712	1,534	2,450
Disposals - *cost*	-	-	-	(487)	(5)	(492)
Write offs - *cost*	-	-	(2,623)	-	(17)	(2,640)
Foreign exchange adjustments	-	(184)	-	2	(4)	(186)
At 31.3.2010						
- *cost*	-	3,139	16,027	2,105	21,454	42,725
- *valuation*	125,000	8,142	-	-	-	133,142
	125,000	11,281	16,027	2,105	21,454	175,867
Accumulated depreciation						
At 1.4.2009						
- *cost*	-	52	17,681	897	11,107	29,737
- *valuation*	4,101	16	-	-	-	4,117
	4,101	68	17,681	897	11,107	33,854
Charge for the year						
- *cost*	-	55	184	320	2,739	3,298
- *valuation*	1,368	16	-	-	-	1,384
Disposals - *cost*	-	-	-	(303)	(5)	(308)
Write offs - *cost*	-	-	(2,622)	-	(17)	(2,639)
Foreign exchange adjustments	-	(3)	-	-	(1)	(4)
At 31.3.2010						
- *cost*	-	104	15,243	914	13,823	30,084
- *valuation*	5,469	32	-	-	-	5,501
	5,469	136	15,243	914	13,823	35,585
Accumulated impairment losses						
At 1.4.2009	-	1,301	-	-	-	1,301
Charge for the year	-	444	-	-	-	444
Foreign exchange adjustments	-	(26)	-	-	-	(26)
At 31.3.2010	-	1,719	-	-	-	1,719
Carrying value at 31.3.2010						
- *cost*	-	2,255	784	1,191	7,631	11,861
- *2009 valuation*	-	4,724	-	-	-	4,724
- *2008 valuation*	-	2,447	-	-	-	2,447
- *2006 valuation*	119,531	-	-	-	-	119,531
	119,531	9,426	784	1,191	7,631	138,563
The carrying value of revalued assets stated under the historical cost convention At 31.3.2010	54,564	7,181	-	-	-	61,745

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

Company 2011	**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 1.4.2010					
- cost	-	13,687	1,121	5,990	20,798
- valuation	3,418	-	-	-	3,418
	3,418	13,687	1,121	5,990	24,216
Additions - *cost*	-	33	6	619	658
Disposals - *cost*	-	-	(3)	-	(3)
Adjustment on revaluation	(987)	-	-	-	(987)
Revaluation surplus	49	-	-	-	49
At 31.3.2011					
- cost	-	13,720	1,124	6,609	21,453
- valuation	2,480	-	-	-	2,480
	2,480	13,720	1,124	6,609	23,933
Accumulated depreciation					
At 1.4.2010					
- cost	-	13,386	425	2,769	16,580
- valuation	33	-	-	-	33
	33	13,386	425	2,769	16,613
Charge for the year					
- cost	-	169	202	662	1,033
- valuation	16	-	-	-	16
Adjustment on revaluation	(49)	-	-	-	(49)
At 31.3.2011					
- cost	-	13,555	627	3,431	17,613
- valuation	-	-	-	-	-
	-	13,555	627	3,431	17,613
Accumulated impairment loss					
At 1.4.2010	938	-	-	-	938
Adjustment on revaluation	(938)	-	-	-	(938)
At 31.3.2011	-	-	-	-	-
Carrying value					
At 31.3.2011					
- cost	-	165	497	3,178	3,840
- 2011valuation	2,480	-	-	-	2,480
	2,480	165	497	3,178	6,320
The carrying value of revalued asset stated under the historical cost convention At 31.3.2011	1,533	-	-	-	1,533

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

Company 2011	**Freehold land and building RM'000**	**Plant and machinery RM'000**	**Motor vehicles RM'000**	**Renovation, furniture, fittings and equipment RM'000**	**Total RM'000**
At 1.4.2009					
- *cost*	-	16,172	1,122	5,789	23,083
- *valuation*	3,418	-	-	-	3,418
	3,418	16,172	1,122	5,789	26,501
Additions - *cost*	-	138	296	218	652
Disposals - *cost*	-	-	(297)	-	(297)
Write-offs - *cost*	-	(2,623)	-	(17)	(2,640)
At 31.3.2010					
- *cost*	-	13,687	1,121	5,990	20,798
- *valuation*	3,418	-	-	-	3,418
	3,418	13,687	1,121	5,990	24,216
Accumulated depreciation					
At 1.4.2009					
- *cost*	-	15,833	433	2,188	18,454
- *valuation*	16	-	-	-	16
	16	15,833	433	2,188	18,470
Charge for the year					
- *cost*	-	176	210	597	983
- *valuation*	17	-	-	-	17
Disposals - *cost*	-	-	(218)	-	(218)
Write-offs - *cost*	-	(2,623)	-	(16)	(2,639)
At 31.3.2010					
- *cost*	-	13,386	425	2,769	16,580
- *valuation*	33	-	-	-	33
	33	13,386	425	2,769	16,613
Accumulated impairment loss					
At 1.4.2009	938	-	-	-	938
Charge for the year	-	-	-	-	-
At 31.3.2010	938	-	-	-	938
Carrying value					
At 31.3.2010					
- *cost*	-	301	696	3,221	4,218
- *2008 valuation*	2,447	-	-	-	2,447
	2,447	301	696	3,221	6,665
The carrying value of revalued asset stated under the historical cost convention At 31.3.2010	1,533	-	-	-	1,533

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

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

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

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

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

The 2006 valuations were 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 20.

3. INVESTMENT PROPERTIES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
At 1 April	**291,617**	283,899	**287,914**	276,812
Fair value adjustments	**3,809**	7,082	**3,523**	7,066
Addition during the year	**519**	4,036	**519**	4,036
Disposal during the year	**(416)**	(3,328)	**(3,760)**	-
Foreign exchange adjustments	**74**	(72)	**-**	-
Transfer to land held for property development (see note 4)	**(3,760)**	-	**-**	-
At 31 March	**291,843**	291,617	**288,196**	287,914
Comprise:				
Freehold land and building				
- *Wisma Selangor Dredging*	**269,000**	265,000	**269,000**	265,000
- Office space in a 24-storey office building known as *Plaza 138*	**4,624**	4,748	**3,856**	3,614
- Shop offices at Teo Hong Road, Singapore	**2,879**	2,569	**-**	-
Freehold land				
- Karlton palm oil estate	**13,670**	13,670	**13,670**	13,670
- Agricultural land at Puchong	**1,670**	5,630	**1,670**	5,630
	291,843	291,617	**288,196**	287,914

The fair values of the investment properties of the Group and Company at 31 March 2011 are arrived at by reference to market evidence of transaction prices for similar properties and is performed by a registered independent valuer having an appropriate recognised professional qualification and recent experience in the location and category of property being valued.

The freehold land and building, Wisma Selangor Dredging has been pledged as security for the bank borrowings referred to in note 20.

4. LAND HELD FOR PROPERTY DEVELOPMENT

Group	Freehold land at cost RM'000	Development expenditure at cost RM'000	Total RM'000
At 1 April 2010	44,492	2,552	47,044
Additions	139	580	719
Transfer to property development costs (see note 10)	(25,506)	(321)	(25,827)
Transfer from investment properties (see note 3)	3,760	-	3,760
At 31 March 2011	22,885	2,811	25,696
At 1 April 2009	74,874	4,546	79,420
Additions	-	1,334	1,334
Transfer to property development costs (see note 10)	(30,382)	(3,328)	(33,710)
At 31 March 2010	44,492	2,552	47,044

5. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2011 RM'000	2010 RM'000
Unquoted shares at cost		
- ordinary shares	**23,596**	23,596
- non-cumulative redeemable preference shares	**38,000**	38,000
	61,596	61,596
Impairment losses	**(942)**	(942)
	60,654	60,654

5. INVESTMENT IN SUBSIDIARY COMPANIES (con'd)

The subsidiary companies are:

		Equity interest					
		Direct		Indirect		Country of	
		2011 %	2010 %	2011 %	2010 %	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 Customer Services Sdn Bhd ("SDBCS")	100	100	-	-	Malaysia	Provision of property support services
*	SDB Hotels Pty Ltd ("SDBH")	-	-	100	100	Australia	Investment holding
*	SDB Australia Pty Ltd ("SDBA")	100	100	-	-	Australia	Investment holding
+	SDB Asia Pte Ltd ("SDB Asia")	-	-	100	100	Singapore	Investment in property and property developer
+	SDB UK Pte Ltd ("SDB UK")	-	-	100	-	Singapore	Investment in property and property developer

* *Subsidiary companies not audited by Mazars*

\+ *Audited by an associate of Mazars*

6. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	Group 2011 RM'000	Group 2010 RM'000
Capital contribution, at cost	**99,476**	111,405
Group's share of post-acquisition reserves and retained profit less losses	**(5,736)**	(7,450)
Foreign exchange adjustments	**2,064**	(417)
	95,804	103,538

The jointly controlled entities are as follows:

		Equity interest Direct 2011 %	Direct 2010 %	Indirect 2011 %	Indirect 2010 %	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	50	Singapore	Investment in property and property developer
	SDB Guernsey Limited	-	-	50	-	Guernsey	Investment holding and property investment

* *Audited by a member firm of Mazars*

The Group's share of the assets and liabilities as at 31 March 2011 and revenue and results for the year ended 31 March 2011 of the jointly controlled entities are as follows:

	2011 RM'000	2010 RM'000
Assets and liabilities		
Total assets	**220,467**	199,218
Total liabilities	**124,663**	95,680
Results		
Revenue	**78,799**	803
Profit/(Loss) for the year	**1,714**	(3,268)

7. OTHER INVESTMENTS

	Group and Company RM
At 31 March 2011	
Classified as available-for-sale financial assets	
Shares quoted in Malaysia at market value	3,611
At 31 March 2010	
Shares quoted in Malaysia, at cost	1,934
Diminution in value	(477)
	1,457
Market value:	
- shares quoted in Malaysia	3,158

8. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

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

	Company	
	2011 RM'000	**2010 RM'000**
Interest bearing advances at cost of funds of a reference bank	**190,959**	229,293
Interest free advances	**151,308**	152,745
Interest receivable	**8,254**	1,719
	350,521	383,757

The effective interest rate at the end of the reporting period is 5.00% (2010 : 3.05% and 5.00%) per annum.

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

9. INVENTORIES

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
At cost				
Completed development properties	**52,031**	3,620	**-**	-
Consumable stores	**1,259**	1,297	**706**	730
	53,290	4,917	**706**	730

10. PROPERTY DEVELOPMENT COSTS

	Group 2011 RM'000	Group 2010 RM'000
Freehold land at cost	**199,602**	177,711
Development and construction costs	**273,759**	224,620
Costs recognised as an expense in income statement in previous years	**(178,262)**	(138,513)
At 1 April	**295,099**	263,818
Costs transferred from land held for property development *(see note 4)*		
- Freehold land	**25,506**	30,382
- Development costs	**321**	3,328
Costs incurred during the year		
- Development costs	**234,051**	142,556
	259,878	176,266
Cost recognised as an expense in income statement in current year	**(226,282)**	(143,219)
Transfer to inventories *(see note 9)*	**(52,031)**	-
Foreign exchange adjustments	**2,724**	(1,766)
At 31 March	**279,388**	295,099

Included in property development costs included above at a carrying amount of RM49,735,315 has been pledged to bank to secure the bank borrowings referred to in note 20 below.

11. GROSS AMOUNT DUE FROM CUSTOMERS

	Group 2011 RM'000	Group 2010 RM'000
Aggregate contract expenditure incurred to-date	**1,678**	310
Attributable profit recognised to-date	**330**	65
	2,008	375
Progress billings	**(1,980)**	(220)
	28	155

	Group 2011 RM'000	Group 2010 RM'000
Progress billings		
- received	**1,980**	220
- receivable	**-**	-
	1,980	220

12. TRADE RECEIVABLES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Progress billings receivables	**46,346**	25,522	**-**	-
Retention sums receivables	**10,479**	9,856	**-**	-
Rental receivables	**525**	366	**489**	339
Other trade receivables	**1,295**	1,582	**-**	-
Total trade receivables	**58,645**	37,326	**489**	339

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.

13. ACCRUED BILLINGS/ PROGRESS BILLING

	Group	
	2011	2010
	RM'000	RM'000
Revenue recognised in income statement to-date	**419,255**	371,662
Progress billings to-date	**(354,458)**	(324,720)
	64,797	46,942
Accrued billings	**70,862**	46,942
Progress billings	**(6,065)**	-
	64,797	46,942

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Other receivables	**4,541**	1,598	**54**	9
Surplus assets and capital receivable upon liquidation of a subsidiary company	**291**	849	**291**	849
Interest receivables	**33**	40	**17**	27
Deposits	**1,344**	1,276	**72**	135
Prepayments	**2,218**	1,642	**473**	761
	8,427	5,405	**907**	1,781

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (con'd)

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Teh Lip Ling, a close family member of Teh Lip Kim and Teh Lip Pink	**6**	6	**-**	-
Teh Lip Bin, a close family member of Teh Lip Kim and Teh Lip Pink	**6**	6	**-**	-
Teh Kien Toh Sdn Bhd, a company in which Teh Lip Kim and Teh Lip Pink have interests	**6**	6	**-**	-

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
- RM	**6,000**	3,741	**434**	1,020
- Australian Dollar ("AUD")	**18**	-	**-**	-
- Singapore Dollar ("SGD")	**191**	22	**-**	-
	6,209	3,763	**434**	1,020

15. SHORT TERM INVESTMENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Short term funds, at amortised cost	**11,629**	4,388	**-**	1

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

16. DEPOSITS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Ringgit denominated deposits with licensed bank in Malaysia	5,910	6,410	1,410	3,410

16. DEPOSITS (con'd)

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

	Group and Company	
	2011 RM'000	2010 RM'000
Stamp duty payable on a facility agreement	**1,410**	1,410

The effective interest rates of the deposits range from 2.25% to 2.95% (2010 : 1.8% to 3.75%) per annum. All the deposits have maturities of 12 months or less.

17. CASH AND BANK BALANCES

Cash and bank balances of the Group include an amount of RM27,898,000 (2010 : RM21,906,000) maintained in Housing Development Accounts. Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Development (Housing Development Account) Regulations 1991.

Funds maintained in the Housing Development Accounts earn interest range between 1.60% and 2.00% (2010 : 1.00% and 1.25%) per annum.

Cash and bank balances of the Group also include an amount of RM195,000 (2010 : RM195,000) pledged to secure bank guarantee facility granted to a subsidiary company.

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
- RM	**39,910**	49,812	**1,340**	1,395
- SGD	**52,699**	6,305	**-**	-
- AUD	**481**	434	**-**	-
	93,090	56,551	**1,340**	1,395

18. SHARE CAPITAL

	2011 RM'000	2010 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

19. OTHER RESERVE (Distributable)

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

20. BANK BORROWINGS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unsecured				
Revolving credits bear interest from 0.45% to 1.30% (2010 : 0.45% to 1.25%) per annum above the cost of funds of the respective lending banks. The effective interest rates range from 3.05% to 5.00% (2010 : 3.05% to 5.00%) per annum	**77,000**	84,750	**62,000**	66,000
Secured				
Bank term loan bearing interest at fixed rate of 5.00% per annum, repayable in full at the end of the 5 years from 27 August 2007	**170,000**	170,000	**170,000**	170,000
Bank term loan bearing interest at 1.00% per annum above 1 month or 3 months Singapore Dollar Interbank Offered Rates repayable in full at the end of the 3 years from 27 June 2007 and was subsequently extended to 27 June 2012	**35,991**	35,031	**-**	-
Bank term loan bearing interest at 1.25% above the lender banks' cost of fund per annum repayable by 16 quarterly instalments of RM1,875,000 commencing 39 months after the date of first draw down, or by redemption of properties to be developed, whichever is earlier	**14,070**	26,230	**-**	-
Bank term loan bearing interest at 1.30% per annum above 1, 2 ,3 or 6 months Singapore Dollar Swap Offer Rates repayable in full at the end of the 5 years from 17 September 2010	**81,339**	-	**-**	-
Revolving credits	**152,500**	155,000	**27,500**	30,000
	530,900	471,011	**259,500**	266,000

20. BANK BORROWINGS (con'd)

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Repayments due				
- not later than one year	**129,000**	204,447	**56,500**	59,000
- later than one year but not later than two years	**253,227**	25,667	**185,500**	9,000
- later than two years but not later than five years	**133,673**	228,866	**12,500**	193,000
- later than five years	**15,000**	12,031	**5,000**	5,000
	530,900	471,011	**259,500**	266,000
Repayments due within 12 months *(included under current liabilities)*	**(129,000)**	(204,447)	**(56,500)**	(59,000)
Repayments due after 12 months *(included under non-current liabilities)*	**401,900**	266,564	**203,000**	207,000

The currency exposure profile of bank borrowings is as follows:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
- RM	**413,570**	435,980	**259,500**	266,000
- SGD	**117,330**	35,031	**-**	-
	530,900	471,011	**259,500**	266,000

The bank borrowings are secured as follows:

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

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

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

(iv) various lands belonging to the Group as indicated in notes 4 and 10.

21. DEFERRED TAX LIABILITIES

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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unutilised tax losses	**34,489**	22,525	**-**	-
Unabsorbed capital allowances	**20,128**	20,156	**-**	-
Excess of capital allowances claimed over accumulated depreciation on property, plant and equipment	**(25)**	(9,606)	**-**	-
Excess of accumulated depreciation on property, plant and equipment over capital allowances claimed	**-**	77	**-**	77
Allowance for doubtful debt	**-**	10	**-**	-
	54,592	33,162	**-**	77

22. TRADE PAYABLES

	Group	
	2011 RM'000	2010 RM'000
Sub-contractors' claims	**7,869**	2,725
Retention sums	**14,615**	14,938
Accrued property development cost	**22,763**	30,787
Others	**2,190**	1,419
	47,437	49,869

The currency exposure profile of trade payable is as follows:

	Group	
	2011 RM'000	2010 RM'000
- RM	**43,635**	47,967
- SGD	**3,802**	1,902
	47,437	49,869

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.

23. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Unpaid consideration for acquisition of investment properties (see note 33)	-	105	-	105
Other payables, deposits and accruals	**8,008**	10,144	**772**	753
Interest payables	**272**	325	**93**	131
Tenants' deposits	**4,077**	4,564	**4,057**	4,564
Rental received in advance	-	126	-	126
Deposits received from house purchasers	**36**	-	-	-
	12,393	15,264	**4,922**	5,679

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

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
- RM	**11,179**	15,190	**4,922**	5,679
- AUD	**50**	43	-	-
- SGD	**1,164**	31	-	-
	12,393	15,264	**4,922**	5,679

24. REVENUE

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Property development revenue	**303,425**	193,398	-	-
Gross rental income	**19,668**	19,694	**19,294**	19,295
Sale of hotel rooms, food and beverages and other ancillary services	**21,870**	20,532	-	-
Construction revenue	**1,036**	806	-	-
	345,999	234,430	**19,294**	19,295

25. COST OF SALES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Cost of property development	**229,049**	144,948	-	-
Cost of letting of properties	**11,060**	10,051	**10,705**	9,718
Cost of hotel services rendered	**11,634**	11,114	-	-
Contract cost recognised as expense	**848**	1,534	-	-
	252,591	167,647	**10,705**	9,718

26. INVESTMENT INCOME

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Gross dividends income from shares quoted in Malaysia	**304**	129	**131**	127
Interest income from				
- subsidiary companies	**-**	-	**13,702**	6,851
- fixed deposits	**56**	132	**55**	94
- short term investments	**303**	106	**-**	-
- others	**8**	16	**8**	13
Gain on disposal of investment properties	**84**	225	**-**	-
Gain on disposal of other investments	**66**	354	**66**	354
Fair value adjustment on investment properties	**3,809**	7,082	**3,523**	7,066
Diminution in value of investments no longer required	**-**	350	**-**	350
	4,630	8,394	**17,485**	14,855
Diminution in value of other investments	**-**	(102)	**-**	(102)
Deficit arising from liquidation of a subsidiary company	**169**	-	**169**	-
	4,799	8,292	**17,654**	14,753

27. FINANCE COSTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest paid and payable on:				
Revolving credits	**8,790**	7,429	**3,665**	3,376
Term loans	**9,472**	9,419	**8,500**	8,500
	18,262	16,848	**12,165**	11,876

28. PROFIT FROM OPERATIONS

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Profit from operations is stated after charging:				
Auditors' remuneration				
- current year	**204**	113	**37**	30
- underprovision in prior year	**3**	-	**3**	-
Bad debts written off	**2**	2	**-**	-
Depreciation	**6,216**	4,682	**1,049**	1,000
Direct operating expenses on revenue generating investment properties	**9,653**	8,718	**9,653**	8,718
Directors' remuneration				
- fees	**306**	273	**204**	170
- other emoluments	**1,345**	818	**673**	438
Impairment in value of property, plant and equipment	**-**	444	**-**	-
Property, plant and equipment written off	**5**	1	**-**	1
Rental of equipment	**2**	3	**-**	-
Rental of premises	**14**	106	**-**	-
Loss on foreign exchange				
- realised	**-**	2	**-**	-
- unrealised	**-**	1	**-**	-
and crediting:				
Gain on disposal of property, plant and equipment	**37**	38	**2**	36
Gain on foreign exchange				
- realised	**3**	92	**-**	-
- unrealised	**2,076**	-	**-**	-
Interest income	**498**	508	**-**	-
Rental income	**313**	76	**4**	4

29. TAX EXPENSE

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Malaysian tax based on results for the year				
- current	**13,984**	9,852	**2,285**	2,292
	13,984	9,852	**2,285**	2,292
Under/(Over)estimated in prior years				
- current	**214**	134	**(13)**	4
	14,198	9,986	**2,272**	2,296

29. TAX EXPENSE (con'd)

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

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Accounting profit	**42,652**	31,217	**12,646**	11,236
Taxation at applicable statutory tax rates	**10,663**	7,804	**3,161**	2,809
Tax effects arising from:				
- non-taxable income				
• gain on fair value adjustments on investment properties	**(952)**	(1,767)	**(881)**	(1,767)
• others	**(129)**	(258)	**(591)**	(163)
- non-deductible expenses	**2,336**	1,770	**596**	1,488
Different in tax rates	**(669)**	99	**-**	-
Origination/(Reversal) of deferred tax assets not recognised	**2,735**	2,204	**-**	(75)
Under/(over)estimated in prior years	**214**	134	**(13)**	4
	14,198	9,986	**2,272**	2,296

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 RM47 million.

30. BASIC EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the Group's profit for the year of RM30,168,000 (2010 : RM17,963,000) by the number of shares in issue of 426,127,662 (2010 : 426,127,662) during the financial year.

31. DIVIDENDS

	2011 RM'000	**2010 RM'000**
First and final dividend of 3% less 25% income tax in respect of the year ended 31 March 2009	**-**	4,794
First and final dividend of 4% less 25% income tax in respect of the year ended 31 March 2010	**6,392**	-
	6,392	4,794

The directors now propose a first and final dividend of 5% less 25% income tax amounting to RM7,989,893 in respect of the financial year under review.

32. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Aggregate cost of property, plant and equipment acquired	**4,378**	2,450	**658**	652
Deposit paid in prior year	**-**	(99)	**-**	-
Cash paid during the year	**4,378**	2,351	**658**	652

33. PURCHASE OF INVESTMENT PROPERTIES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Aggregate cost of investment properties acquired	**519**	4,036	**519**	4,036
Deposit paid in prior year	**-**	(2,560)	**-**	(2,560)
Unpaid balances included under other payables and accruals *(see note 23)*	**-**	(105)	**-**	(105)
	519	1,371	**519**	1,371

34. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Employee costs (include executive directors' emoluments)	**18,534**	16,415	**4,336**	3,940

Included in the employee benefits expense are EPF contributions amounting to RM2,192,000 (2010 : RM1,386,000) for the Group and RM435,580 (2010 RM330,620) for the Company.

35. RELATED PARTY DISCLOSURES

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

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Transactions with subsidiary companies								
Interest received/receivable from SDBP	**-**	-	**6,030**	6,851	**-**	-	**582,400**	1,719
Rental received from SDBP	**-**	-	**662**	662	**-**	-	**-**	-
Rental received from SDBCS	**-**	-	**313**	313	**-**	-	**-**	-
Management fee paid to SDBCS	**-**	-	**66**	66	**-**	-	**-**	-
Project management fee paid/payable to SDBCS	**-**	-	**8**	16	**-**	-	**-**	-
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	**83**	43	**25**	22	**-**	-	**-**	-
Consultancy fee paid to Providence Capital Sdn Bhd, a company in which Eddy Chieng Ing Huong has interest	**180**	180	**180**	180	**-**	-	**-**	-
Sales of properties to:								
- Teh Lip Pink	**-**	5,613	**-**	-	**-**	-	**-**	-
- Providence Properties Sdn Bhd, a company in which Eddy Chieng Ing Huong has interest	**-**	10,661	**-**	-	**-**	-	**-**	-
Construction services rendered to								
- Close family members of the directors	**-**	59	**-**	-	**-**	58	**-**	-

35. RELATED PARTY DISCLOSURES (con'd)

(b) Key management personnel compensation

	Group		Company	
	2011	**2010**	**2011**	**2010**
Directors	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Short-term employee benefits				
- fees	**271**	273	**170**	170
- remuneration	**1,202**	730	**601**	391
Total short-term employee benefits	**1,473**	1,003	**771**	561
Post-employment benefits				
- EPF	**144**	88	**72**	47
Sub-total	**1,617**	1,091	**843**	608
Other key management personnel				
Short-term employee benefits				
- salary, bonus and allowances	**2,459**	2,168	**1,435**	1,637
Post-employment benefits				
- EPF	**290**	262	**182**	199
Sub-total	**2,749**	2,430	**1,617**	1,836
Total compensation	**4,366**	3,521	**2,460**	2,444

36. CAPITAL COMMITMENTS

There were no approved or contracted capital commitments.

37. OPERATING LEASES

The Group as lessor

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

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

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Not later than one year	**16,075**	13,281	**16,027**	13,778
Later than one year but not later than five years	**8,964**	8,739	**8,964**	8,870
	25,039	22,020	**24,991**	22,648

38. CONTINGENT LIABILITIES (Unsecured)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Corporate guarantees given to a bank for credit facility granted to subsidiary companies	-	-	15,000	20,000

39. SEGMENTAL ANALYSIS

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

(a) Primary reporting format - business segment

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

(i) Property investment - letting of commercial properties

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

(iii) Investment holding - investment holding

(iv) Property development - property development

(v) Others - provision of management and property support services

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

(b) Secondary reporting format - geographical segment

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

39. SEGMENTAL ANALYSIS (con'd)

2011	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	19,668	21,870	-	303,425	1,036	-	345,999
Inter-segment sales	975	-	-	-	243	(1,218)	-
Total revenue	20,643	21,870	-	303,425	1,279	(1,218)	345,999
RESULT							
Segment result	8,653	(995)	110	55,050	(1,043)	(243)	61,532
Unallocated corporate expenses							(5,417)
Unallocated profit from investing activities							4,799
Unallocated share of losses of jointly controlled entities							1,714
Unallocated finance costs							(18,262)
Profit before tax							44,366
Tax expense							(14,198)
Profit for the year							30,168
OTHER INFORMATION							
Segment assets	303,138	202,025	-	520,918	1,695	(4,667)	1,023,109
Investing assets	-	-	118,028	-	-	-	118,028
Unallocated corporate assets	-	-	-	-	20,454	-	20,454
Consolidated total assets							1,161,591
Segment liabilities	(4,950)	(2,031)	(58)	(169,746)	(56,869)	-	(233,654)
Current tax liabilities	-	-	-	-	(2,793)	-	(2,793)
Unallocated corporate liabilities	-	-	-	-	(357,076)	-	(357,076)
Consolidated total liabilities							(593,523)
Capital expenditure							4,897
Depreciation							6,216

39. SEGMENTAL ANALYSIS (con'd)

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

40. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

2011 Group	Loan and receivables RM'000	Available-for-sale RM'000	Total RM'000
Financial assets			
Other investments	-	3,611	3,611
Receivables excluding prepayment	129,679	-	129,679
Short term investment	11,629	-	11,629
Deposits, cash and bank balances	99,000	-	99,000
Total financial assets	240,308	3,611	243,919

2011 Group	At amortised cost RM'000	Total RM'000
Financial liabilities		
Payables	59,830	59,830
Borrowings	530,900	530,900
Total financial liabilities	590,730	590,730

2011 Company	Loan and receivables RM'000	Available-for-sale RM'000	Total RM'000
Financial assets			
Other investments	-	3,611	3,611
Receivables excluding prepayment	923	-	923
Amount owing by subsidiary companies	350,521	-	350,521
Deposits, cash and bank balances	2,750	-	2,750
Total financial assets	354,194	3,611	357,805

Comparative figures have not been presented for 31 March 2010 by virtue of the exemption given in paragraph 44AA of FRS 7.

2011 Company	At amortised cost RM'000	Total RM'000
Financial liabilities		
Payables	4,922	4,922
Amount owing to subsidiary company	863	863
Borrowings	259,500	259,500
Total financial liabilities	265,285	265,285

40. FINANCIAL INSTRUMENTS (con'd)

(b) Fair value of financial instruments

The fair value of a financial instrument is the amount which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

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

It was not practical to estimate the fair value of the Group and of the Company's investements in unquoted shares due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs.

The following summarises the methods used in determining the fair value of financial instruments:

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

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

(a) ***Foreign currency exchange risk***

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

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

Approximately 26% (2010: 9%) of the Group's sales are denominated in foreign currencies whilst almost 31% (2010: 10%) of costs are denominated in the respective functional currencies of the Group entities. The Group's trade receivable and trade payable balances at the reporting date have similar exposures.

The Group also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances (mainly in SGD) amount to RM53,181,000 (2010: RM6,934,000).

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the SGD and Pound Sterling ("GBP") exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group 2011 RM'000 *Profit net of tax*	**Company 2011 RM'000** *Profit net of tax*
SGD	- strengthened 1%	262	-
	- weakened 1%	(262)	-

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (con'd)

(b) ***Interest rate risk***

Financial assets

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

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.

A sensitivity analysis has been performed based on the outstanding floating rate bank borrowings of the Group as at 31 March 2011. If interest rate increase or decrease by 100 basis points with all other variable held constant, the Group profit after tax would decrease or increase by RM5,309,000, as a result of higher or lower interest expense on these borrowings.

(c) ***Market rate risk***

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

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

A sensitivity analysis has been performed based on the quoted market prices of the Group's equity investments in quoted shares as at 31 March 2011. If the quoted market prices increase or decrease by 5% with all other variables held constant, the Group's and the Company's profit after tax and other comprehensive income would increase or decrease RM181,000.

(d) ***Credit risk***

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

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

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

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

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (con'd)

(d) ***Credit risk*** **(con'd)**

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

	Group	
	2011	**2010**
	RM'000	**RM'000**
Neither pass due nor impaired	**32,534**	13,675
1 to 30 days past due	**23,140**	12,060
31 to 60 days past due	**923**	1,524
61 to 120 days past due	**426**	8,571
More than 120 days past due	**1,622**	1,496
	58,645	37,326

	Company	
	2011	**2010**
	RM'000	**RM'000**
1 to 30 days past due	**1**	82
31 to 60 days past due	**185**	227
61 to 120 days past due	**54**	28
More than 120 days past due	**249**	2
	489	339

(e) ***Liquidity and cash flow risks***

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

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

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

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

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (con'd)

(e) ***Liquidity and cash flow risks*** **(con'd)**

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

GROUP 2011	Less than 1 year RM'000	1 to 5 years RM'000	Total RM'000
Payables	59,830	-	59,830
Borrowings	133,990	416,641	550,631
	193,820	416,641	610,461

COMPANY 2011	Less than 1 year RM'000	1 to 5 years RM'000	Total RM'000
Payables	4,922	-	4,922
Amount owing to subsidiary company	-	863	863
Borrowings	58,900	212,769	271,669
	63,822	213,632	277,454

42. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW FRSs

The adoption of FRS 139 has resulted in several changes to accounting policies relating to recognition and measurement of financial instruments. Significant changes in accounting policies are as follows:

Other investment

Prior to 1 April 2010, other investments were stated at cost less any diminution in value of the investments. The diminution in value was charged to the income statement.

With the adoption of FRS 139, other investments are classified as available-for-sale financial assets. These investments are measured in accordance with the accounting policies set out in note 1(h)(iv) above.

The opening figures as at 1 April 2010 have been restated as follow:

	Group and Company		
	As previously stated RM'000	Effect of adopting FRS 139 RM'000	As Restated RM'000
Other investments	**1,457**	**1,701**	**3,158**
Fair value reserve	**-**	**1,701**	**1,701**

Inter-company loans

Prior to 1 April 2010, inter-company loans were recorded at cost.

With the adoption of FRS 139, inter-company loans are measured in accordance with the accounting policies set out in note 1(h)(ii) above.

As these changes in accounting policies have been applied prospectively, there is no impact on amounts reported for 2009 or prior periods in the Group consolidated financial statements and the Company's separate financial statements.

43. CAPITAL MANAGEMENT

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

The gearing ratios at 31 March 2011 and at 31 March 2011 were as follows:

	Group	
	2011 RM'000	2010 RM'000
Total borrowings (note 20)	530,900	471,011
Less : Cash and cash equivalents (note 15 to 17)	(110,629)	(67,349)
Net debt	420,271	403,662
Total equity	568,068	504,477
	988,339	908,139
Gearing ratio	43%	44%

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

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

44. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 25 May 2011 by the board of directors.

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

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

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

The breakdown of the retained profits of the Group as at 31 March 2011, into realised and unrealised profits/losses, pursuant to the directive, is as follows:

	Group RM'000	Company RM'000
Total retained earnings		
- Realised	133,894	48,925
- Unrealised	176,908	173,735
	310,802	222,660
Total share of retained profits from jointly controlled entities		
- Realised	(1,586)	-
	309,216	222,660
Less : Consolidation adjustments	(3,835)	-
Total retained earnings as per financial position	305,381	222,660

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

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

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

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 10 to 96 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 2011 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.

The information set out in Note 45 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements as issued by the Malaysian Institute of Accountants.

Signed on behalf of the directors in accordance with a directors' resolution dated 25 May 2011

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 10 to 96 are correct.

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

Subscribed and solemnly declared at	)	
Kuala Lumpur in the Federal Territory	)	
	)	
this 25 May 2011	)	
	)	
	)	
	)	
Before me:	)	LOONG CHING HONG

Arshad Abdullah
Commissioner for Oaths

ANALYSIS OF SHAREHOLDINGS

as at 30 June 2011

Financial year ended	:	31 March 2011
Class of stock	:	RM0.50 ordinary share
Voting rights	:	1 vote per share

ANALYSIS OF SHAREHOLDINGS AS AT 30 JUNE 2011

	Number of Holders	Holdings	Total Holdings	%
	237	less than 100	5,395	0.00
	2,233	100 - 1,000	2,049,830	0.48
	6,307	1,001 - 10,000	27,892,918	6.55
	1,418	10,001 - 100,000	40,293,945	9.45
	156	100,001 to less than 5% of issued shares	94,625,522	22.21
	4	5% and above of issued shares	261,260,052	61.31
Total	10,355		426,127,662	100.00

DIRECTORS' SHAREHOLDINGS AS AT 30 JUNE 2011

	No. of Shares			
Name of Directors	Direct Holding	Percentage %	Indirect Holding	Percentage %
1. Mr Eddy Chieng Ing Huong	-	-	-	-
2. Ms Teh Lip Kim	64,358,096	15.10	170,588,756	40.03
3. Dato' Mohd Ismail Bin Che Rus	-	-	-	-
4. Ms Teh Lip Pink	425,000	0.10	65,929,978	15.47
5. Mr Tee Keng Hoon	-	-	-	-

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 30 JUNE 2011

Name of Shareholders	Direct Shareholding	Percentage %	Deemed Interest	Percentage %
1. Teh Wan Sang & Sons Sdn Bhd	98,258,478	23.06	-	-
2. Teh Kien Toh Sdn Bhd	65,629,978	15.40	-	-
3. Ms Teh Lip Kim	64,358,096	15.10	169,755,756	39.84
4. Dr Teh Lip Bin	2,000,000	0.47	163,888,456	38.46
5. Ms Teh Lip Pink	425,000	0.10	65,629,978	15.40

LIST OF 30 LARGEST SHAREHOLDERS AS AT 30 JUNE 2011

Name of shareholders	Shares held	%
1. Teh Wan Sang & Sons Sdn Bhd	51,504,527	12.09
2. Teh Lip Kim	38,808,700	9.11
3. Teh Kien Toh Sdn Bhd	37,900,748	8.89
4. Teh Wan Sang & Sons Sdn Berhad	37,217,951	8.73
5. Citigroup Nominees (Asing) Sdn Bhd Exempt An for UBS AG Singapore (Foreign)	33,013,500	7.75
6. Teh Kien Toh Sdn Berhad	27,729,230	6.51
7. Teh Lip Kim	22,618,667	5.31
8. Wang, Kun-Lung	10,323,300	2.42
9. Teh Wan Sang & Sons Sdn Berhad	9,536,000	2.24
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. Ng Chin Siu & Sons Rubber Estates Sdn Bhd	3,836,800	0.90
13. Cimsec Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited (Client A/C-NR)	3,216,457	0.75
14. Teh Lip Kim	2,930,729	0.69
15. Pyrmont Holdings Sdn Bhd	2,616,500	0.61
16. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for MAAKL Progress Fund	2,315,000	0.54
17. Daya Sebati Sdn Bhd	2,224,100	0.52
18. Teh Lip Bin	2,000,000	0.47
19. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sow Gek Pong (MLK)	1,766,000	0.41
20. Rengo Malay Estate Sdn Bhd	1,717,700	0.40
21. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Chan Keong Hon Sdn Bhd (01-00600-000)	1,500,000	0.35
22. Cho Chun Hong	1,477,500	0.35
23. Cimsec Nominees (Asing) Sdn Bhd Exempt An for CIMB Securities (Singapore) Pte Ltd (Retail Clients)	1,368,366	0.32
24. Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	1,312,700	0.31
25. Ulysses Sdn Bhd	1,222,779	0.29
26. Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Small Cap Series	1,118,200	0.26
27. HLG Nominee (Tempatan) Sdn Bhd Hong Leong Fund Management Sdn Bhd for Hong Leong Assurance Bhd (Life)	1,040,000	0.24
28. Bidor Tahan Estates Sdn Bhd	1,000,000	0.23
29. Chinchoo Investment Sdn Berhad	1,000,000	0.23
30. Gemas Bahru Estates Sdn Bhd	1,000,000	0.23
	315,697,834	74.06

LIST OF MATERIAL PROPERTIES

Properties	Description	Land area/ (Built-up area) (Square feet)	Tenure (Expiry)	Age of building (Years)	Net book value as at 31.3.2011 (RM'000)	Date of last revaluation (Date of acquisition)
Wisma Selangor Dredging 142-A, 142-B, 142-C, 142-D Jalan Ampang 50450 Kuala Lumpur	4 blocks of office complex (Lettable area: 358,621 sq ft)	103,882	Freehold (N/A)	26	269,000	31 March 2011
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)	13	150,000	31 March 2011
63, Cavenagh Road Cavenagh Mansions Singapore 229618	Development land - Hijauan Project	19,813	Freehold (N/A)	-	S$42,380 (RM99,593)	(9 July 2010)
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 - Dedaun Project	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)

Properties	Description	Land area/ (Built-up area) (Square feet)	Tenure (Expiry)	Age of building (Years)	Net book value as at 31.3.2011 (RM'000)	Date of last revaluation (Date of acquisition)
GM719, Lot 49679 Tempat Batu 7½ Jalan Damansara Mukim Sungai Buluh Daerah Petaling Selangor Darul Ehsan	Development land - Five Stones Project	214,611	Freehold (N/A)	-	24,049	(3 April 2006)
Geran Mukim 721, Lot 49682 Geran Mukim 722, Lot 49683 Tempat Batu 7½ Jalan Damansara Bandar Petaling Jaya SGB Daerah Petaling Selangor Darul Ehsan	Development land - Commercial	133,742	Freehold (N/A)	-	18,900	(22 November 2007)
GM 20, Lot 564 and GM 272, Lot 565 Mukim Ulu Kelang Daerah Gombak	Development land - 20trees West Project	468,272	Freehold (N/A)	-	14,457	(24 September 2004)
Lot 11486 Mukim of Kajang District of Ulu Langat Selangor Darul Ehsan	Industrial land with 1,489,752 sq ft of land still planted with oil palm	2,571,155	Freehold (N/A)	-	13,670	31 March 2011

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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 Fiftieth Annual General Meeting of the Company to be held at the Ballroom, Hotel Maya Kuala Lumpur, 138, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 25 August 2011 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 2011		
2	Payment of First and Final Dividend		
3	Payment of Directors' Fees		
4	Re-election of Dato' Mohd Ismail Bin Che Rus as Director		
5	Re-election of Mr Tee Keng Hoon as Director		
6	Re-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 ______________ 2011.

____
Signature of Member(s)

____
Telephone No./Handphone No.

*Delete whichever is not applicable

Notes:

Proxy

(i) A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

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

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

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

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

(vi) Where a member of the Company wishes to submit the instrument appointing a proxy by fax, please fax the proxy form to the Share Registrars at Fax No.: 603-2282 1886. Please ensure that the original proxy form is deposited at the Share Registrars of the Company not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

General Meeting Record of Depositors

For purpose of determining who shall be entitled to attend this meeting in accordance with Articles 54(b) and 54(c) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 15 August 2011 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	:	Tricor Investor Services Sdn Bhd
Telephone number	:	603-2264 3883

Stamp

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

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

18th Floor, West Block
Wisma Selangor Dredging
142-C, Jalan Ampang
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