

# **SHL CONSOLIDATED BHD**

## **Notes to the interim financial report**

### **1. Basis of preparation**

The interim financial report is unaudited and has been prepared in compliance with MASB 26, Interim Financial Reporting.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2003.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 March 2003.

### **2. Audit report for the preceding annual financial statements**

The audit report for the financial statements for the year ended 31 March 2003 was not qualified.

### **3. Seasonal or cyclical factors**

The business operations of the Group are generally affected by the prevailing market condition of the Malaysian property development and construction sectors that have historically shown long term cyclical trend.

### **4. Unusual items affecting financial statements**

There were no unusual items during the current periods under review.

### **5. Changes in estimates**

There were no changes in the nature and amount of estimates reported in prior interim periods of the current financial year or in estimates reported in prior financial year that have a material effect in the current periods under review.

### **6. Debt and equity securities**

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current financial year-to-date.

### **7. Dividends paid**

There was no dividend paid during the financial period ended 30 September 2003.

### **8. Valuations of property, plant and equipment**

The valuations of land and buildings have been brought forward, without amendment from the previous annual financial statements.

### **9. Material events subsequent to the balance sheet date**

There were no material events subsequent to the end of current quarter to 14 November 2003, the latest practicable date that is not earlier than 7 days from the date of issue of this quarterly report.

**10. Segment information**

Segment information is presented in respect of the Group's business segments.

**6 months ended 30 September**

	<b>Revenue</b>		<b>Profit/(Loss) before Tax</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
	RM'000	RM'000	RM'000	RM'000
Investment & Corporate Services	6,346	5,117	(216)	(2,554)
Property Development	21,397	86,863	10,878	8,050
Construction	17,841	57,760	(1,439)	4,230
Trading	10,149	17,804	275	263
Manufacturing	4,085	3,290	(130)	(321)
Quarrying	22,698	16,382	701	696
	82,516	187,216	10,069	10,364
Inter-company transactions	(21,846)	(54,234)	(7,561)	639
	<u>60,670</u>	<u>132,982</u>	<u>2,508</u>	<u>11,003</u>

**11. Changes in the composition of the Group**

There were no changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations for the current quarter and financial year-to-date.

**12. Changes in contingent liabilities or contingent assets**

There were no contingent liabilities or contingent assets as at 30 September 2003.

**13. Capital commitments**

Capital expenditure contracted but not provided for: -

	<b>30 September</b>
	<b>2003</b>
	<u>RM'000</u>
Property development expenditure	<u>13,380</u>

**14. Related party transactions**

The significant related party transactions for the current financial year-to-date under review are as follows: -

- Income from construction works amounting to approximately RM5.56 million.
- Procurement of building materials for approximately RM2.01 million.
- Loan received for approximately RM7.94 million.