

SHL CONSOLIDATED BHD

CONDENSED CONSOLIDATED INCOME STATEMENTS

Financial Period Ended 30 June 2004

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER <u>30/6/2004</u> RM'000	PRECEDING YEAR CORRESPONDING QUARTER <u>30/6/2003</u> RM'000	CURRENT YEAR TO DATE <u>30/6/2004</u> RM'000	PRECEDING YEAR CORRESPONDING PERIOD <u>30/6/2003</u> RM'000
1. Revenue	71,823	28,712	71,823	28,712
2. Profit from Operations	15,257	2,123	15,257	2,123
3. Finance Costs	(223)	(458)	(223)	(458)
4. Profit / (Loss) from Associate	(1)	1	(1)	1
5. Profit before Taxation	15,033	1,666	15,033	1,666
6. Taxation	(4,352)	(862)	(4,352)	(862)
7. Profit after Taxation	10,681	804	10,681	804
8. Minority Interests	(135)	(420)	(135)	(420)
9. Pre-acquisition profit	-	-	-	-
10. Net Profit for the Period	10,546	384	10,546	384
11. Earnings per share				
- Basic (Sen)	4.36	0.16	4.36	0.16
- Fully Diluted (Sen)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2004)

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CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2004

	As At 30/6/2004 RM'000	As At 31/03/2004 RM'000
1. Property, plant and equipment	273,298	273,930
2. Investment in associate	1,292	1,292
3. Investment properties	69,877	69,845
4. Land held for property development	8,657	4,466
5. Intangible assets	23,258	23,403
6. Investments	153	152
7. Trust account	1,101	1,101
8. Deferred tax assets	4,658	4,435
9. Current assets		
9.1 Property development costs	119,876	121,333
9.2 Inventories	39,310	41,706
9.3 Trade and other receivables	73,270	65,584
9.4 Current Tax Assets	1,931	2,943
9.5 Cash and deposits	66,102	54,563
	300,489	286,129
10. Current liabilities		
10.1 Trade and other payables	52,724	53,772
10.2 Borrowings	57,793	52,549
10.3 Taxation	2,916	20
	113,433	106,341
11. Net current assets	187,056	179,788
	569,350	558,412
Represented by :		
12. Share capital	242,124	242,124
13. Reserves	167,761	157,215
14. Shareholders' equity	409,885	399,339
15. Minority interests	92,449	92,313
16. Long term liabilities		
16.1 Borrowings	25,540	25,349
16.2 Deferred tax liabilities	23,714	23,651
16.3 Club establishment fund	17,762	17,760
	569,350	558,412
17. Net tangible assets per share (RM)	1.60	1.55

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 March 2004)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the three months ended 30 June 2004

	Non- Distributable RM'000	Distributable Retained Profits RM'000	Total RM'000
1. 3 months ended 30/6/2004			
1.1 At 1 April 2004	195,730	203,609	399,339
1.2 Prior Year Adjustment(s)	-	-	-
1.3 Net profit for the period	-	10,546	10,546
1.4 Dividends	-	-	-
	195,730	214,155	409,885
At 30 June 2004			
2. 3 months ended 30/6/2003			
2.1 At 1 April 2003	206,929	196,040	402,969
2.2 Net profit for the period	-	384	384
2.3 Dividends	-	(4,277)	(4,277)
	206,929	192,147	399,076
At 30 June 2003			

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2004)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the three months ended 30 June 2004

	3 months ended 30/6/2004	3 months ended 30/6/2003
	RM'000	RM'000
1. Net cash inflow / (outflow) from operating activities	10,713	9,036
2. Net cash inflow / (outflow) from investing activities	(4,545)	(2,668)
3. Net cash inflow / (outflow) from financing activities	5,852	(2,273)
4. Net increase / (decrease) in cash and cash equivalents	12,020	4,095
5. Cash and cash equivalents at 1 April 2004 / 2003	53,256	53,778
6. Cash and cash equivalents at 30 June 2004 / 2003	65,276	57,873

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2004)

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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 2004.

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 2004.

2. Audit report for the preceding annual financial statements

The audit report for the financial statements for the year ended 31 March 2004 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. Exceptional items

There were no exceptional item 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 June 2004.

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 [17 August 2004](#), 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.

	3 months ended 30 June			
	Revenue		Profit/(Loss) before Tax	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Investment & Corporate Services	2,644	3,549	(228)	141
Property Development	43,914	8,625	14,186	9,237
Construction	22,764	6,370	1,374	(844)
Trading	10,789	4,644	123	172
Manufacturing	2,414	1,737	185	(17)
Quarrying	16,822	10,232	208	360
	99,347	35,157	15,848	9,049
Inter-company transactions	(27,524)	(6,445)	(815)	(7,383)
	<u>71,823</u>	<u>28,712</u>	<u>15,033</u>	<u>1,666</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.

12. Changes in contingent liabilities or contingent assets

The corporate guarantees given to banks for credit facilities granted to subsidiaries increased by RM5.46 million to RM59.36 million as at 30 June 2004.

13. Capital commitments

Capital expenditure contracted but not provided for as at 30 June 2004 was RM29.49 million.

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 RM2.76 million.
- Procurement of building materials for approximately RM1.89 million.

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Additional information required by the Listing Requirements of Bursa Malaysia Securities Berhad (BMSB)

1. Review of performance

The Group recorded a profit before taxation of **RM15.0 million** for the current quarter under review. In comparison to the preceding year's corresponding period, this represents **an increase of 802%**. The better performance in the current quarter under review is mainly attributable to sale of properties of higher margin.

2. Variation of results against preceding quarter

The Group profit before taxation for the current quarter **decreased by 18.9%** compared to **RM18.5 million** achieved in the immediate preceding quarter. This is mainly attributable to an exceptional item recognised in the preceding quarter.

3. Current year prospects

Barring any unforeseen circumstances, the Board of Directors is positive that the Group's performance for the current financial year will be satisfactory.

4. Profit forecast or profit guarantee

Not applicable as no profit forecast or profit guarantee was published.

5. Tax expense

	Current quarter ended 30 June		Year-to-date ended 30 June	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Current	4,512	435	4,512	435
Under / (Over) provision in prior period	-	-	-	-
Deferred	(160)	427	(160)	427
	<u>4,352</u>	<u>862</u>	<u>4,352</u>	<u>862</u>

The Group's effective tax rate for the current quarter approximates the statutory tax rate.

6. Unquoted investments and/or properties

There was no sale of unquoted investments and/or any other properties for the current quarter and financial year-to-date other than the normal sale of land and houses as housing developers.

7. Quoted investments

- There were no purchases or disposals of quoted securities for the current quarter and financial year-to-date.
- Investments in quoted securities as at **30 June 2004**: -

	RM'000
(i) At cost	11
(ii) At book value	11
(iii) At market value	3

8. Status of corporate proposals announced

There were no corporate proposals announced but not completed as at [17 August 2004](#).

9. Borrowings

The borrowings as at [30 June 2004](#) are as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term	319	57,474	57,793
Long Term	392	25,148	25,540
	<u>711</u>	<u>82,622</u>	<u>83,333</u>

The above borrowings are denominated in Ringgit Malaysia.

10. Off balance sheet financial instruments

The Group did not enter into any contracts involving off balance sheet financial instruments as at [17 August 2004](#), the latest practicable date that is not earlier than 7 days from the date of issue of this quarterly report.

11. Changes in material litigation

There were no changes in the status of the pending material litigation that had been announced previously since the last annual balance sheet date.

12. Dividend

No dividend was declared for the first quarter ended [30 June 2004](#).

13. Earnings per share

a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the net profit for the financial period by the number of ordinary shares in issue during the said financial period.

b) Diluted earnings per share

Not applicable.

For and on behalf of the Board
SHL Consolidated Bhd

Dato' Yap Teiong Choon
Executive Director

24 August 2004