

SHL CONSOLIDATED BHD
CONDENSED CONSOLIDATED INCOME STATEMENTS
Financial Period Ended 30 September 2006

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-09-06 RM'000	30-09-05 RM'000	30-09-06 RM'000	30-09-05 RM'000
1. Revenue	39,935	64,752	87,591	112,674
2. Cost of sales	(33,711)	(57,108)	(69,182)	(88,082)
3. Gross Profit	6,224	7,644	18,409	24,592
4. Other Income	1,017	1,823	1,371	2,652
5. Distribution Costs	(412)	(292)	(1,116)	(795)
6. Administration Expenses	(3,497)	(2,884)	(6,268)	(6,442)
7. Profit from Operations	3,332	6,291	12,396	20,007
8. Finance Costs	(582)	(259)	(973)	(636)
9. Profit / (Loss) from Associate	(3)	-	(5)	2
10. Profit before Taxation	2,747	6,032	11,418	19,373
11. Taxation	19	(1,919)	(2,498)	(5,641)
12. Profit for the Period	2,766	4,113	8,920	13,732
Attributable to:				
13. Equity holders of the parent	3,347	4,031	9,409	14,011
14. Minority Interests	(581)	82	(489)	(279)
	2,766	4,113	8,920	13,732
Earnings per share attributable to equity holders of the parent:				
15. Basic (Sen), for profit for the period	1.38	1.66	3.89	5.79
16. Fully Diluted (Sen), for profit for the period	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2006)

SHL CONSOLIDATED BHD
CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 September 2006

	As At 30-09-2006	As At 31-03-2006
	RM'000	RM'000
ASSETS		
Non-current assets		
1. Property, plant and equipment	236,837	238,132
2. Investment in associate	1,285	1,289
3. Investment properties	47,171	47,164
4. Land held for property development	44,262	43,798
5. Intangible assets	22,643	22,479
6. Investments	129	128
7. Trust account	1,483	1,483
8. Deferred tax assets	2,123	1,988
	355,933	356,461
9. Current assets		
9.1 Property development costs	174,262	218,609
9.2 Inventories	91,078	32,554
9.3 Trade and other receivables	90,757	87,027
9.4 Current Tax Assets	4,485	4,561
9.5 Cash and deposits	30,471	27,278
	391,053	370,029
TOTAL ASSETS	746,986	726,490
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
10. Share capital	242,124	242,124
11. Reserves	212,343	202,934
	454,467	445,058
12. Minority interests	85,625	86,114
Total equity	540,092	531,172
13. Non-current liabilities		
13.1 Borrowings	35,327	38,521
13.2 Deferred tax liabilities	26,516	27,595
13.3 Club establishment fund	17,897	17,897
	79,740	84,013
14. Current liabilities		
14.1 Trade and other payables	71,351	68,300
14.2 Borrowings	55,784	42,260
14.3 Taxation	19	745
	127,154	111,305
Total liabilities	206,894	195,318
TOTAL EQUITY AND LIABILITIES	746,986	726,490
15. Net assets per share (RM)	1.88	1.84

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 March 2006)

SHL CONSOLIDATED BHD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 30 September 2006

	← Attributable to Equity Holders of the Parent →								
	← Non-distributable →					Distributable	Total	Minority	Total
	Share Capital	Share Premium	Revaluation Surplus	Merger Deficit	Capital Reserve	Retained Profits		Interest	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
1. 6 months ended 30-09-2006									
1.1 At 1 April 2006	242,124	1,225	57,669	(130,464)	11,040	263,464	445,058	86,114	531,172
1.2 Effects of adoption of FRS 140	-	-	(16,119)	-	-	16,119	-	-	-
As restated	242,124	1,225	41,550	(130,464)	11,040	279,583	445,058	86,114	531,172
1.3 Transfer within reserves on realisation upon disposal of assets	-	-	-	-	-	-	-	-	-
1.4 Net profit for the period	-	-	-	-	-	9,409	9,409	(489)	8,920
1.5 Revaluation surplus/(deficits)	-	-	-	-	-	-	-	-	-
1.6 Dividends	-	-	-	-	-	-	-	-	-
At 30 September 2006	242,124	1,225	41,550	(130,464)	11,040	288,992	454,467	85,625	540,092
2. 6 months ended 30-09-2005									
2.1 At 1 April 2005	242,124	1,225	72,648	(130,464)	11,040	238,396	434,969	92,472	527,441
2.2 Prior Year Adjustment(s)	-	-	-	-	-	-	-	-	-
As restated	242,124	1,225	72,648	(130,464)	11,040	238,396	434,969	92,472	527,441
2.3 Transfer within reserves on realisation upon disposal of assets	-	-	(14,192)	-	-	14,444	252	-	252
2.4 Net profit for the period	-	-	-	-	-	14,011	14,011	(279)	13,732
2.5 Revaluation surplus/(deficits)	-	-	-	-	-	-	-	-	-
2.6 Dividends	-	-	-	-	-	-	-	-	-
At 30 September 2005	242,124	1,225	58,456	(130,464)	11,040	266,851	449,232	92,193	541,425

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st March 2006)

SHL CONSOLIDATED BHD

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 September 2006

	6 months ended 30-09-2006 RM000	6 months ended 30-09-2005 RM000
1. Net cash inflow / (outflow) from operating activities	(5,807)	(5,508)
2. Net cash inflow / (outflow) from investing activities	(671)	(1,104)
3. Net cash inflow / (outflow) from financing activities	9,255	(3,315)
4. Net increase / (decrease) in cash and cash equivalents	2,777	(9,927)
5. Cash and cash equivalents at 1 April 2006 / 2005	27,242	48,080
6. Cash and cash equivalents at 30 September 2006 / 2005	30,019	38,153

Cash and cash equivalents at the end of the financial period comprise the following:

	RM000	RM000
Cash and deposits	30,471	39,089
Bank overdrafts	(452)	(936)
	30,019	38,153

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2006)

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 Financial Reporting Standard 134, 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 2006.

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 2006.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2006 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2006:

FRS 3	Business combinations
FRS 101	Presentation of financial statements
FRS 102	Inventories
FRS 108	Accounting policies, changes in estimates and errors
FRS 110	Events after the balance sheet date
FRS 116	Property, plant and equipment
FRS 121	The effects of changes in foreign exchange rates
FRS 127	Consolidated and separate financial statements
FRS 128	Investments in associates
FRS 132	Financial instruments: disclosure and presentation
FRS 133	Earnings per share
FRS 136	Impairment of assets
FRS 138	Intangible assets
FRS 140	Investment property

The adoption of FRS 3, 102, 108, 110, 116, 121, 127, 128, 132, 133, 136 and 138 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are stated below:

FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

FRS 140: Investment Property

The adoption of this new FRS has resulted in a change in accounting policy for investment properties. Investment properties are now stated at fair value, representing open-market value determined by external valuers. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the period in which they arise. Prior to 1 April 2006, investment properties were stated at valuation. Revaluations were carried out at least once every five years and any revaluation increase is taken to equity as a revaluation surplus. The investment properties were last revalued in 2005. In accordance with the transitional provisions of FRS 140, this change in accounting policy is applied prospectively and the comparatives as at 31 March 2006 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 April 2006:

	As at 1 April 2006 RM'000
Decrease in revaluation reserve	(16,119)
Increase in retained profits	16,119

3. Audit report for the preceding annual financial statements

The audit report for the financial statements for the year ended 31 March 2006 was not qualified.

4. 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.

5. Exceptional items

There were no exceptional item during the current periods under review.

6. 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.

7. 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.

8. Dividends paid

There was no dividend paid during the financial period ended 30 September 2006.

9. Valuations of property, plant and equipment

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

10. Material events subsequent to the balance sheet date

There were no material events subsequent to the end of current quarter to 20 November 2006, the latest practicable date that is not earlier than 7 days from the date of issue of this quarterly report.

11. Segment information

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

	6 months ended 30 September			
	Revenue		Profit/(Loss) before Tax	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Investment & Services	6,986	30,254	(229)	1,685
Property Development	47,691	69,134	8,773	13,757
Construction	50,849	42,072	2,697	1,342
Trading	17,062	11,954	273	204
Manufacturing	2,225	6,284	(309)	329
Quarrying	20,961	18,916	776	769
	<u>145,774</u>	<u>178,614</u>	<u>11,981</u>	<u>18,086</u>
Inter-company	<u>(58,183)</u>	<u>(65,940)</u>	<u>(563)</u>	<u>1,287</u>
	<u>87,591</u>	<u>112,674</u>	<u>11,418</u>	<u>19,373</u>

12. 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.

13. Changes in contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets as at 30 September 2006.

14. Capital commitments

No capital commitment was outstanding as at 30 September 2006.

15. Related party transactions

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

- (a) Income from provision of management services amounting to approximately RM0.50 million.
- (b) Procurement of building materials for approximately RM4.17 million.

SHL CONSOLIDATED BHD

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 RM2.75 million for the current quarter under review. In comparison to the preceding year's corresponding period, this represents a decrease of 54%. This is mainly attributable to lower contribution from the property development sector as there were no new launches in the current quarter under review.

2. Variation of results against preceding quarter

The Group's profit before taxation for the current quarter decreased by 68% compared to RM8.67 million achieved in the immediate preceding quarter. This is mainly due to the decrease in operating profit from the property development and construction sectors.

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		Year-to-date ended	
	30 September		30 September	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Current	1,533	1,819	3,712	5,797
Under / (Over) provision in prior period	-	126	-	126
Deferred	(1,552)	(26)	(1,214)	(282)
	<u>(19)</u>	<u>1,919</u>	<u>2,498</u>	<u>5,641</u>

The Group's effective tax rate for the current quarter is lower than the statutory tax rate. This is mainly due to over provision of deferred taxation arising from the effect of change in 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

(a) There were no purchases or disposals of quoted securities for the current quarter and financial year-to-date.

(b) Investments in quoted securities as at 30 September 2006: -

	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 20 November 2006.

9. Borrowings

The borrowings as at 30 September 2006 are as follows: -

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short Term	455	55,329	55,784
Long Term	536	34,791	35,327
	<u>991</u>	<u>90,120</u>	<u>91,111</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 20 November 2006, the latest practicable date that is not earlier than 7 days from the date of issue of this quarterly report.

11. Material litigation

The Group is not engaged in any material litigation as at 20 November 2006, the latest practicable date that is not earlier than 7 days from the date of issue of this quarterly report.

12. Dividend

The Company's shareholders had approved at its 12th Annual General Meeting held on 26 September 2006 the declaration of a First and Final Dividend of 6% less 28% tax for the financial year ended 31 March 2006 (financial year ended 31 March 2005 : 7% comprising 5% less 28% tax and 2% tax exempt). A depositor is qualified for entitlement to the said dividend only in respect of shares transferred into the Depositor's Securities Account before 4.00 p.m. on 18 October 2006 in respect of ordinary transfers; and shares bought on Bursa Malaysia Securities Berhad ("BMSB") on a cum entitlement basis according to the Rules of the BMSB. The aforesaid dividend amounting to RM10,459,745 was paid on 31 October 2006.

13. Earnings per share

(a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing profit for the period attributable to ordinary equity holders of the parent 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
27 November 2006