

**SHL CONSOLIDATED BHD**  
**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**Financial Period Ended 31 December 2006**

|   | INDIVIDUAL QUARTER   |                                      | CUMULATIVE QUARTER   |                                     |
|---|----------------------|--------------------------------------|----------------------|-------------------------------------|
|   | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
|   | 31-12-06             | 31-12-05                             | 31-12-06             | 31-12-05                            |
|   | RM'000               | RM'000                               | RM'000               | RM'000                              |
| 1. Revenue  | 27,864               | 35,960                               | 115,455              | 148,634                             |
| 2. Cost of sales  | (22,291)             | (27,892)                             | (91,473)             | (115,974)                           |
| 3. <b>Gross Profit</b>  | <b>5,573</b>         | <b>8,068</b>                         | <b>23,982</b>        | <b>32,660</b>                       |
| 4. Other Income   | 467                  | 618                                  | 1,838                | 3,270                               |
| 5. Distribution Costs   | (1,232)              | (576)                                | (2,348)              | (1,371)                             |
| 6. Administration Expenses  | (1,836)              | (1,928)                              | (8,104)              | (8,370)                             |
| 7. <b>Profit from Operations</b>  | <b>2,972</b>         | <b>6,182</b>                         | <b>15,368</b>        | <b>26,189</b>                       |
| 8. Finance Costs  | (719)                | (379)                                | (1,692)              | (1,015)                             |
| 9. Profit / (Loss) from Associate                                       | (1)                  | -                                    | (6)                  | 2                                   |
| 10. <b>Profit before Taxation</b>                                       | <b>2,252</b>         | <b>5,803</b>                         | <b>13,670</b>        | <b>25,176</b>                       |
| 11. Taxation  | (454)                | (2,184)                              | (2,952)              | (7,825)                             |
| 12. <b>Profit for the Period</b>  | <b>1,798</b>         | <b>3,619</b>                         | <b>10,718</b>        | <b>17,351</b>                       |
| Attributable to:  |                      |                                      |                      |                                     |
| 13. Equity holders of the parent  | 2,094                | 3,967                                | 11,503               | 17,978                              |
| 14. Minority Interests  | (296)                | (348)                                | (785)                | (627)                               |
|   | <b>1,798</b>         | <b>3,619</b>                         | <b>10,718</b>        | <b>17,351</b>                       |
| <b>Earnings per share attributable to equity holders of the parent:</b> |                      |                                      |                      |                                     |
| 15. Basic (Sen), for profit for the period                              | 0.86                 | 1.64                                 | 4.75                 | 7.43                                |
| 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 31 December 2006**

|  | <b>As At<br/>31-12-2006<br/>RM'000</b> | <b>As At<br/>31-03-2006<br/>RM'000</b> |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| <b>Non-current assets</b>                                  |  |  |
| 1. Property, plant and equipment                           | 227,865                                | 238,132                                |
| 2. Investment in associate                                 | 1,284                                  | 1,289                                  |
| 3. Investment properties                                   | 47,171                                 | 47,164                                 |
| 4. Land held for property development                      | 44,262                                 | 43,798                                 |
| 5. Intangible assets                                       | 21,799                                 | 22,479                                 |
| 6. Investments   | 129                                    | 128                                    |
| 7. Trust account   | 1,483                                  | 1,483                                  |
| 8. Deferred tax assets                                     | 1,806                                  | 1,988                                  |
|  | <b>345,799</b>                         | <b>356,461</b>                         |
| <b>9. Current assets</b>                                   |  |  |
| 9.1 Property development costs                             | 201,698                                | 218,609                                |
| 9.2 Inventories  | 88,700                                 | 32,554                                 |
| 9.3 Trade and other receivables                            | 65,955                                 | 87,027                                 |
| 9.4 Current Tax Assets                                     | 5,815                                  | 4,561                                  |
| 9.5 Cash and deposits                                      | 21,631                                 | 27,278                                 |
|  | <b>383,799</b>                         | <b>370,029</b>                         |
| <b>TOTAL ASSETS</b>  | <b>729,598</b>                         | <b>726,490</b>                         |
| <b>EQUITY AND LIABILITIES</b>                              |  |  |
| <b>Equity attributable to equity holders of the parent</b> |  |  |
| 10. Share capital  | 242,124                                | 242,124                                |
| 11. Reserves   | 203,977                                | 202,934                                |
|  | 446,101                                | 445,058                                |
| 12. Minority interests                                     | 85,329                                 | 86,114                                 |
| <b>Total equity</b>  | <b>531,430</b>                         | <b>531,172</b>                         |
| <b>13. Non-current liabilities</b>                         |  |  |
| 13.1 Borrowings  | 28,752                                 | 38,521                                 |
| 13.2 Deferred tax liabilities                              | 24,318                                 | 27,595                                 |
| 13.3 Club establishment fund                               | 17,897                                 | 17,897                                 |
|  | <b>70,967</b>                          | <b>84,013</b>                          |
| <b>14. Current liabilities</b>                             |  |  |
| 14.1 Trade and other payables                              | 58,685                                 | 68,300                                 |
| 14.2 Borrowings  | 67,019                                 | 42,260                                 |
| 14.3 Taxation  | 1,497                                  | 745                                    |
|  | <b>127,201</b>                         | <b>111,305</b>                         |
| <b>Total liabilities</b>                                   | <b>198,168</b>                         | <b>195,318</b>                         |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        | <b>729,598</b>                         | <b>726,490</b>                         |
| <b>15. Net assets per share (RM)</b>                       | <b>1.84</b>                            | <b>1.84</b>                            |

*(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 31 December 2006**

|  | ← Attributable to Equity Holders of the Parent → |                  |                        |                   |                    | Distributable<br>Retained<br>Profits | Total          | Minority<br>Interest | Total<br>Equity |
|--|--|------------------|------------------------|-------------------|--------------------|--------------------------------------|----------------|----------------------|-----------------|
|  | ← Non-distributable →                            |                  |                        |                   |                    |                                      |                |                      |                 |
|  | Share<br>Capital                                 | Share<br>Premium | Revaluation<br>Surplus | Merger<br>Deficit | Capital<br>Reserve |                                      |                |                      |                 |
| RM'000   | RM'000   | RM'000           | RM'000                 | RM'000            | RM'000             | RM'000                               | RM'000         | RM'000               |                 |
| <b>1. 9 months ended 31-12-2006</b>                                    |  |                  |                        |                   |                    |                                      |                |                      |                 |
| 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<br>realisation upon disposal of assets | -  | -                | -                      | -                 | -                  | -                                    | -              | -                    | -               |
| 1.4 Net profit for the period  | -  | -                | -                      | -                 | -                  | 11,503                               | 11,503         | (785)                | 10,718          |
| 1.5 Revaluation surplus/(deficits)                                     | -  | -                | -                      | -                 | -                  | -                                    | -              | -                    | -               |
| 1.6 Dividends  | -  | -                | -                      | -                 | -                  | (10,460)                             | (10,460)       | -                    | (10,460)        |
| <b>At 31 December 2006</b>   | <b>242,124</b>                                   | <b>1,225</b>     | <b>41,550</b>          | <b>(130,464)</b>  | <b>11,040</b>      | <b>280,626</b>                       | <b>446,101</b> | <b>85,329</b>        | <b>531,430</b>  |
| <b>2. 9 months ended 31-12-2005</b>                                    |  |                  |                        |                   |                    |                                      |                |                      |                 |
| 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<br>realisation upon disposal of assets | -  | -                | (15,366)               | -                 | -                  | 14,191                               | (1,175)        | (951)                | (2,126)         |
| 2.4 Net profit for the period  | -  | -                | -                      | -                 | -                  | 17,978                               | 17,978         | (627)                | 17,351          |
| 2.5 Revaluation surplus/(deficits)                                     | -  | -                | -                      | -                 | -                  | -                                    | -              | -                    | -               |
| 2.6 Dividends  | -  | -                | -                      | -                 | -                  | (13,559)                             | (13,559)       | (6,000)              | (19,559)        |
| <b>At 31 December 2005</b>   | <b>242,124</b>                                   | <b>1,225</b>     | <b>57,282</b>          | <b>(130,464)</b>  | <b>11,040</b>      | <b>257,006</b>                       | <b>438,213</b> | <b>84,894</b>        | <b>523,107</b>  |

*(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 31 December 2006

|   | 9 months<br>ended<br>31-12-2006<br>RM000 | 9 months<br>ended<br>31-12-2005<br>RM000 |
|---|--|--|
| 1. Net cash inflow / (outflow) from operating activities  | (17,556)                                 | (6,346)                                  |
| 2. Net cash inflow / (outflow) from investing activities  | 8,157                                    | (2,199)                                  |
| 3. Net cash inflow / (outflow) from financing activities  | 3,715                                    | (14,021)                                 |
| 4. Net increase / (decrease) in cash and cash equivalents | (5,684)                                  | (22,566)                                 |
| 5. Cash and cash equivalents at 1 April 2006 / 2005       | 27,242                                   | 48,080                                   |
| 6. Cash and cash equivalents at 31 December 2006 / 2005   | <b>21,558</b>                            | <b>25,514</b>                            |

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

|                   | RM000         | RM000         |
|-------------------|---------------|---------------|
| Cash and deposits | 21,631        | 26,076        |
| Bank overdrafts   | (73)          | (562)         |
|                   | <b>21,558</b> | <b>25,514</b> |

*(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

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### 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:

|                                 | <b>As at<br/>1 April 2006<br/>RM'000</b> |
|---------------------------------|--|
| 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**

Dividend paid during the financial period ended 31 December 2006 amounted to RM10,459,745.

**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 19 February 2007, 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.

|                       | 9 months ended 31 December |                |                          |               |
|-----------------------|----------------------------|----------------|--------------------------|---------------|
|                       | Revenue                    |                | Profit/(Loss) before Tax |               |
|                       | 2006                       | 2005           | 2006                     | 2005          |
|                       | RM'000                     | RM'000         | RM'000                   | RM'000        |
| Investment & Services | 10,494                     | 33,728         | (183)                    | 1,424         |
| Property Development  | 56,356                     | 91,931         | 10,030                   | 17,803        |
| Construction          | 71,755                     | 57,560         | 3,138                    | 3,158         |
| Trading               | 23,920                     | 16,573         | 376                      | 358           |
| Manufacturing         | 5,529                      | 7,512          | (1,348)                  | 163           |
| Quarrying             | 31,680                     | 29,013         | 1,046                    | 1,166         |
|                       | <u>199,734</u>             | <u>236,317</u> | <u>13,059</u>            | <u>24,072</u> |
| Inter-company         | (84,279)                   | (87,683)       | 611                      | 1,104         |
|                       | <u>115,455</u>             | <u>148,634</u> | <u>13,670</u>            | <u>25,176</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 31 December 2006.

**14. Capital commitments**

No capital commitment was outstanding as at 31 December 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 approximately RM0.77 million.
- (b) Procurement of building materials for approximately RM5.62 million.
- (c) Procurement of engineering consultancy services for approximately RM1.64 million.

# SHL CONSOLIDATED BHD

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

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### 1. Review of performance

The Group recorded a profit before taxation of RM2.25 million for the current quarter under review. In comparison to the preceding year's corresponding period, this represents a decrease of 61%. 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 18% compared to RM2.75 million achieved in the immediate preceding quarter. This is mainly due to the decrease in operating profit from the property development sector.

### 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 |              |
|---|-----------------------|--------------|--------------------|--------------|
|   | 31 December           |              | 31 December        |              |
|   | 2006                  | 2005         | 2006               | 2005         |
|   | RM'000                | RM'000       | RM'000             | RM'000       |
| Current                                     | 2,548                 | 2,290        | 6,260              | 8,087        |
| Under / (Over) provision<br>in prior period | (213)                 | 27           | (213)              | 153          |
| Deferred                                    | (1,881)               | (133)        | (3,095)            | (415)        |
|   | <u>454</u>            | <u>2,184</u> | <u>2,952</u>       | <u>7,825</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 31 December 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 19 February 2007.

**9. Borrowings**

The borrowings as at 31 December 2006 are as follows: -

|            | <b>Secured</b> | <b>Unsecured</b> | <b>Total</b>  |
|------------|----------------|------------------|---------------|
|            | RM'000         | RM'000           | RM'000        |
| Short Term | 391            | 66,628           | 67,019        |
| Long Term  | 578            | 28,174           | 28,752        |
|            | <u>969</u>     | <u>94,802</u>    | <u>95,771</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 19 February 2007, 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 19 February 2007, 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.**

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**Dato' Yap Teiong Choon**  
**Executive Director**  
26 February 2007