

SHL CONSOLIDATED BHD
CONDENSED CONSOLIDATED INCOME STATEMENTS
Financial Period Ended 31 December 2007

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		Increase / (Decrease)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD		
	31-12-07	31-12-06	31-12-07	31-12-06		
	RM'000	RM'000	RM'000	RM'000		
		A	B	A - B	%	
1. Revenue	20,017	27,864	129,993	115,455	14,538	13%
2. Cost of sales	(14,989)	(22,291)	(103,289)	(91,473)	11,816	13%
3. Gross Profit	5,028	5,573	26,704	23,982	2,722	11%
4. Other Income	47,733	467	49,656	1,838	47,818	2602%
5. Distribution Costs	(694)	(1,232)	(2,141)	(2,348)	(207)	-9%
6. Administration Expenses	(3,364)	(1,836)	(10,327)	(8,104)	2,223	27%
7. Profit from Operations	48,703	2,972	63,892	15,368	48,524	316%
8. Finance Costs	(188)	(719)	(820)	(1,692)	(872)	-52%
9. Profit / (Loss) from Associate	(1)	(1)	(5)	(6)	(1)	-17%
10. Profit before Taxation	48,514	2,252	63,067	13,670	49,397	361%
11. Taxation	(1,028)	(454)	(5,369)	(2,952)	2,417	82%
12. Profit for the Period	47,486	1,798	57,698	10,718	46,980	438%
Attributable to:						
13. Equity holders of the parent	47,486	2,094	58,238	11,503	46,735	406%
14. Minority Interests	-	(296)	(540)	(785)	(245)	-31%
	47,486	1,798	57,698	10,718	46,980	438%
Earnings per share attributable to equity holders of the parent:						
15. Basic & Fully Diluted (Sen)	19.61	0.86	24.05	4.75	19.30	406%

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2007)

SHL CONSOLIDATED BHD
CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 December 2007

	As At 31-12-2007 RM'000	As At 31-3-2007 RM'000
ASSETS		
Non-current assets		
1. Property, plant and equipment	225,602	226,106
2. Investment in associate	1,278	1,282
3. Investment properties	47,173	47,171
4. Land held for property development	44,612	44,266
5. Intangible assets	19,700	20,139
6. Investments	125	128
7. Trust account	1,495	1,312
8. Deferred tax assets	2,949	3,135
9. Prepaid lease payments	1,149	1,154
	344,083	344,693
10. Current assets		
10.1 Property development costs	214,870	204,873
10.2 Inventories	77,340	83,648
10.3 Trade and other receivables	87,559	81,967
10.4 Current Tax Assets	4,853	4,695
10.5 Cash and deposits	24,238	22,871
	408,860	398,054
11. TOTAL ASSETS	752,943	742,747
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
12. Share capital	242,124	242,124
13. Reserves	261,635	214,002
	503,759	456,126
14. Minority interests	-	87,307
Total equity	503,759	543,433
15. Non-current liabilities		
15.1 Borrowings	36,110	29,059
15.2 Deferred tax liabilities	16,784	16,783
15.3 Club establishment fund	18,076	18,033
	70,970	63,875
16. Current liabilities		
16.1 Trade and other payables	88,525	57,992
16.2 Borrowings	87,576	76,946
16.3 Taxation	2,113	501
	178,214	135,439
17. TOTAL LIABILITIES	249,184	199,314
18. TOTAL EQUITY AND LIABILITIES	752,943	742,747
19. Net assets per share (RM)	2.08	1.88

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 March 2007)

SHL CONSOLIDATED BHD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period ended 31 December 2007

	← Attributable to Equity Holders of the Parent →					Distributable Retained Profits	Total	Minority Interest	Total Equity
	← Non-distributable →								
	Share Capital	Share Premium	Revaluation Surplus	Merger Deficit	Capital Reserve				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
1. 9 months ended 31 December 2007									
1.1 At 1 April 2007	242,124	1,225	49,762	(130,464)	11,040	282,439	456,126	87,307	543,433
1.2 Prior Year Adjustment(s)	-	-	-	-	-	-	-	-	-
As restated	242,124	1,225	49,762	(130,464)	11,040	282,439	456,126	87,307	543,433
1.3 Net profit for the period	-	-	-	-	-	58,238	58,238	(540)	57,698
1.4 Acquisition of Minority Interest	-	-	-	-	-	-	-	(86,767)	(86,767)
1.5 Dividends	-	-	-	-	-	(10,605)	(10,605)	-	(10,605)
At 31 December 2007	242,124	1,225	49,762	(130,464)	11,040	330,072	503,759	-	503,759
2. 9 months ended 31 December 2006									
2.1 At 1 April 2006	242,124	1,225	41,550	(130,464)	11,040	279,583	445,058	86,114	531,172
2.2 Prior Year Adjustment(s)	-	-	-	-	-	-	-	-	-
As restated	242,124	1,225	41,550	(130,464)	11,040	279,583	445,058	86,114	531,172
2.3 Transfer within reserves on realisation upon disposal of assets	-	-	-	-	-	-	-	-	-
2.4 Net profit for the period	-	-	-	-	-	11,503	11,503	(785)	10,718
2.5 Dividends	-	-	-	-	-	(10,460)	(10,460)	-	(10,460)
At 31 December 2006	242,124	1,225	41,550	(130,464)	11,040	280,626	446,101	85,329	531,430

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st March 2007)

SHL CONSOLIDATED BHD

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the financial period ended 31 December 2007

	9 months ended 31-12-2007 RM000	9 months ended 31-12-2006 RM000
1. Net cash inflow / (outflow) from operating activities	4,327	(17,556)
2. Net cash inflow / (outflow) from investing activities	(9,755)	8,157
3. Net cash inflow / (outflow) from financing activities	6,793	3,715
4. Net increase / (decrease) in cash and cash equivalents	1,365	(5,684)
5. Cash and cash equivalents at 1 April 2007 / 2006	22,845	27,242
6. Cash and cash equivalents at 31 December 2007 / 2006	24,210	21,558

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

	RM000	RM000
Cash and deposits	24,238	21,631
Bank overdrafts	(28)	(73)
	24,210	21,558

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2007)

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 2007.

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 2007.

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 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2007:

FRS 117	Leases
FRS 124	Related Party Disclosures

The Group has not adopted FRS 139 Financial Instruments: Recognition and Measurement as there is a deferral in its effective date.

The adoption of the above mentioned FRSs 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 117: Leases

Prior to 1 January 2007, leasehold land was classified as property, plant and equipment at cost less amortisation and impairment loss. The adoption FRS 117 has resulted in the reclassification of leasehold land from property, plant and equipment to prepaid lease payments in the current financial period as well as the comparative figures.

FRS 124: Related Party Disclosures

The adoption of this revised FRS 124 has no significant financial impact on the Group as the standard affects the identification of related parties and requires additional disclosures on related party.

3. Audit report for the preceding annual financial statements

The audit report for the financial statements for the year ended [31 March 2007](#) 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 other exceptional items during the current periods under review except for the negative goodwill of RM46.76 million arising from the acquisition of 40% equity interest in SHL-M Sdn Bhd (formerly known as Sin Heap Lee Marubeni Sdn Bhd) from Marubeni Corporation of Japan by Sin Heap Lee Development Sdn Bhd, a wholly-owned subsidiary of SHL Consolidated Bhd.

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 2007](#) amounted to [RM10,605,019](#).

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 February 2008](#), 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	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Investment & Services	10,342	10,494	(130)	(183)
Property Development	83,921	56,356	60,504	10,030
Construction	63,741	71,755	1,180	3,138
Trading	27,209	23,920	364	376
Manufacturing	3,944	5,529	283	(1,348)
Quarrying	13,348	31,680	474	1,046
	<u>202,505</u>	<u>199,734</u>	<u>62,675</u>	<u>13,059</u>
Inter-company	(72,512)	(84,279)	392	611
	<u><u>129,993</u></u>	<u><u>115,455</u></u>	<u><u>63,067</u></u>	<u><u>13,670</u></u>

12. Changes in the composition of the Group

There were no other 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 financial quarter under review except for the acquisition of 40% equity interest in SHL-M Sdn Bhd (formerly known as Sin Heap Lee Marubeni Sdn Bhd) from Marubeni Corporation of Japan by Sin Heap Lee Development Sdn Bhd, a wholly-owned subsidiary of SHL Consolidated Bhd. Following from the acquisition, SHL-M Sdn Bhd is now a wholly-owned subsidiary of Sin Heap Lee Development Sdn Bhd.

13. Changes in contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets as at [31 December 2007](#).

14. Capital commitments

No capital commitment was outstanding as at [31 December 2007](#).

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 [RM0.70](#) million.
- (b) Procurement of building materials for approximately [RM6.03](#) million.
- (c) Procurement of engineering consultancy services for approximately [RM2.47](#) million.
- (d) Procurement of property management services for approximately [RM0.30](#) million.
- (e) Procurement of insurance for approximately [RM0.26](#) million.
- (f) Rental of premises for approximately [RM0.60](#) 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 **RM48.51 million** for the current quarter under review. In comparison to the preceding year's corresponding period, this represents **an increase of 2054%**. The increase in the Group's profit is mainly due to the realisation of negative goodwill arising from the Group's acquisition of 40% stake in SHL-M Sdn Bhd during the current quarter under review.

2. Variation of results against preceding quarter

The Group's profit before taxation for the current quarter **increased by 412%** compared to **RM9.48 million** achieved in the immediate preceding quarter. This is mainly due to the realisation of negative goodwill arising from the Group's acquisition of 40% stake in SHL-M Sdn Bhd.

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	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Current	1,037	2,548	5,208	6,260
Under / (Over) provision in prior period	(24)	(213)	(24)	(213)
Deferred	15	(1,881)	185	(3,095)
	<u>1,028</u>	<u>454</u>	<u>5,369</u>	<u>2,952</u>

The Group's effective tax rate for the current quarter is lower than the statutory tax rate as the gain arising from the negative goodwill on the acquisition of SHL-M Sdn Bhd is not taxable.

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 2007](#): -

	RM'000
(i) At cost	11
(ii) At book value	11
(iii) At market value	2

8. Status of corporate proposals announced

There were no corporate proposals announced but not completed as at [20 February 2008](#).

9. Borrowings

The borrowings as at [31 December 2007](#) are as follows: -

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short Term	507	87,069	87,576
Long Term	495	35,615	36,110
	<u>1,002</u>	<u>122,684</u>	<u>123,686</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 February 2008](#), 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 February 2008](#), 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 13th Annual General Meeting held on 3 September 2007 the declaration of a First and Final Dividend of 6% less 27% tax for the financial year ended 31 March 2007 (financial year ended 31 March 2006 : 6% comprising less 28% tax). 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 12 September 2007 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 RM10,605,019 was paid on 10 October 2007.

13. Earnings per share (Basic and fully diluted)

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.

For and on behalf of the Board
SHL CONSOLIDATED BHD.

Dato' Yap Teiong Choon
Executive Director
27 February 2008