

SHL CONSOLIDATED BHD
CONDENSED CONSOLIDATED INCOME STATEMENTS
Financial Period Ended 31 December 2009

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	31-12-09	31-12-08	31-12-09	31-12-08
	RM'000	RM'000	RM'000	RM'000
1. Revenue	63,385	77,494	187,773	215,701
2. Cost of sales	(53,951)	(64,025)	(155,241)	(180,936)
3. Gross Profit	9,434	13,469	32,532	34,765
4. Other Income	736	826	4,763	3,806
5. Distribution Costs	(752)	(543)	(2,214)	(2,152)
6. Administration Expenses	(2,208)	(3,298)	(8,736)	(8,957)
7. Profit from Operations	7,210	10,454	26,345	27,462
8. Finance Costs	(137)	351	(626)	(758)
9. Profit / (Loss) from Associate	(1)	-	(5)	(4)
10. Profit before Taxation	7,072	10,805	25,714	26,700
11. Taxation	(1,767)	(3,346)	(6,367)	(7,698)
12. Profit for the Period	5,305	7,459	19,347	19,002
Attributable to:				
13. Equity holders of the parent	5,305	7,459	19,347	19,002
Earnings per share attributable to equity holders of the parent:				
14. Basic & Fully Diluted (Sen)	2.19	3.08	7.99	7.85

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2009)

SHL CONSOLIDATED BHD
CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 December 2009

	As At 31-12-2009 RM'000	As At 31-03-2009 RM'000
ASSETS		
Non-current assets		
1. Property, plant and equipment	221,820	220,040
2. Investment in associate	1,261	1,266
3. Investment properties	14,081	44,893
4. Land held for property development	4,426	44,760
5. Intangible assets	11,510	15,346
6. Investments	125	125
7. Trust account	1,429	1,255
8. Deferred tax assets	2,965	3,051
9. Prepaid lease payments	1,061	1,071
	258,678	331,807
10. Current assets		
10.1 Property development costs	168,108	199,458
10.2 Inventories	46,574	65,019
10.3 Trade and other receivables	34,785	69,679
10.4 Current Tax Assets	2,962	3,370
10.5 Cash and deposits	107,815	27,887
	360,244	365,413
11. TOTAL ASSETS	618,922	697,220
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
12. Share capital	242,124	242,124
13. Reserves	284,159	275,708
14. Total equity	526,283	517,832
15. Non-current liabilities		
15.1 Borrowings	1,658	9,736
15.2 Deferred tax liabilities	16,103	16,056
15.3 Club establishment fund	18,112	18,100
	35,873	43,892
16. Current liabilities		
16.1 Trade and other payables	29,249	56,336
16.2 Borrowings	25,600	77,128
16.3 Taxation	1,917	2,032
	56,766	135,496
17. TOTAL LIABILITIES	92,639	179,388
18. TOTAL EQUITY AND LIABILITIES	618,922	697,220
19. Net assets per share (RM)	2.17	2.14

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 March 2009)

SHL CONSOLIDATED BHD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Financial Period Ended 31 December 2009

	← Non-distributable →					Distributable	Total
	Share Capital	Share Premium	Revaluation Surplus	Merger Deficit	Capital Reserve	Retained Profits	Equity
<i>9 months ended 31 December 2009</i>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
1.1 At 1 April 2009	242,124	1,225	50,059	(130,464)	11,040	343,848	517,832
1.2 Net profit for the period	-	-	-	-	-	19,347	19,347
1.3 Dividends	-	-	-	-	-	(10,896)	(10,896)
At 31 December 2009	242,124	1,225	50,059	(130,464)	11,040	352,299	526,283
<i>9 months ended 31 December 2008</i>							
2.1 At 1 April 2008	242,124	1,225	50,021	(130,464)	11,040	332,701	506,647
2.2 Net profit for the period	-	-	-	-	-	19,002	19,002
2.3 Dividends	-	-	-	-	-	(10,750)	(10,750)
At 31 December 2008	242,124	1,225	50,021	(130,464)	11,040	340,953	514,899

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2009)

SHL CONSOLIDATED BHD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
Financial Period Ended 31 December 2009

	9 months ended 31-12-2009	9 months ended 31-12-2008
	RM'000	RM'000
1. Net cash inflow / (outflow) from operating activities	<u>119,615</u>	<u>38,683</u>
2. Net cash inflow / (outflow) from investing activities	<u>32,363</u>	<u>3,934</u>
3. Net cash inflow / (outflow) from financing activities	<u>(72,054)</u>	<u>(28,673)</u>
4. Net increase / (decrease) in cash and cash equivalents	79,924	13,944
5. Cash and cash equivalents at 1 April 2009 / 2008	<u>27,854</u>	<u>23,519</u>
6. Cash and cash equivalents at 31 December 2009 / 2008	<u>107,778</u>	<u>37,463</u>

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

Cash and deposits	107,815	37,495
Bank overdrafts	<u>(37)</u>	<u>(32)</u>
	<u>107,778</u>	<u>37,463</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2009)

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 2009.

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 2009.

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

The audit report for the financial statements for the year ended 31 March 2009 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 items during the current periods under review.

5. **Changes in estimates**

The FRS 138: Intangible Assets requires the review of the amortisation period and the amortisation method for an intangible asset at least at each financial year end. The Company revised the amortisation period and the amortisation method of intangible assets with effect from 1 April 2009. The revisions were accounted for as change in accounting estimates and as a result, the amortisation charges for the current quarter and the current financial period ended 31 December 2009 have been increased by RM1.05 million and RM3.13 million respectively.

Other than the above, there were no other changes in estimates 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**

Dividend paid during the financial period ended 31 December 2009 amounted to RM10,895,568.

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 February 2010, the latest practicable date that is not earlier than 7 days from the date of issue of this quarterly report.

10. Segmental information

The segmental analysis for the period ended 31 December 2009 is tabulated below:

	Investment and services RM'000	Property development RM'000	Construction RM'000	Trading RM'000	Manufacturing RM'000	Quarrying RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE								
External sales	5,767	179,582	351	806	206	1,061	-	187,773
Inter-segment sales	17,371	-	65,205	22,594	5,071	-	(110,241)	-
Total revenue	23,138	179,582	65,556	23,400	5,277	1,061	(110,241)	187,773
RESULTS								
Segment results	13,665	21,638	1,960	2,498	(4,197)	876	(11,079)	25,361
Interest income								984
Finance costs								(626)
Share of result of associated company								(5)
Taxation								(6,367)
Profit for the period								19,347

Segmental reporting by geographical locations has not been presented as all the activities of the Group's operations are carried out in Malaysia only.

11. Changes in the composition of the Group

During the current financial period, the Group has announced and made an application to the Registrar of Companies for the striking-off of the following wholly-owned subsidiaries which have been dormant, pursuant to Section 308 of the Companies Act, 1965:-

- a) SHL Ventures Sdn Bhd;
- b) SHL Home Builders Sdn Bhd;
- c) H.S.C. Sdn Berhad; and
- d) Mercantile Corporation (M) Sdn Bhd

Other than the above transaction, 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.

12. Changes in contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets as at 31 December 2009.

13. Capital commitments

No capital commitment was outstanding as at 31 December 2009.

14. 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 for approximately RM0.50 million.
- b) Procurement of engineering consultancy services for approximately RM2.74 million.
- c) Rental of premises for approximately RM0.74 million.
- d) Procurement of building materials for approximately RM4.48 million.
- e) Procurement of insurance for approximately RM0.34 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 RM7.07 million for the current quarter under review. In comparison to the preceding year's corresponding period, this represents a decrease of 35%. The decrease in the Group's profit is mainly due to decrease in operating profit in the property development sector.

For the current financial year to date, the Group achieved a profit before taxation of RM25.71 million on the back of revenue totaling RM187.77 million.

2. Variation of results against preceding quarter

The Group's profit before taxation of RM7.07 million for the current quarter decreased by 28% compared to RM9.78 million achieved in the immediate preceding quarter. This is mainly due to the decrease in operating profit in 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	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Current	1,239	2,825	6,005	7,992
Under / (Over) provision in prior period	-	247	228	901
Deferred	528	274	134	(1,195)
	1,767	3,346	6,367	7,698

6. Unquoted investments and/or properties

During the current financial period, the Group has disposed few properties as follows:-

- a) Sin Heap Lee Company Sdn. Berhad, a wholly-owned subsidiary of SHL Consolidated Bhd, has disposed three units of shop office in Damansara Utama, Petaling Jaya at a sale price of RM6.20 million and registered a gain of RM2.54 million.
- b) SHL Realty Sdn. Bhd., a wholly-owned subsidiary of SHL Consolidated Bhd, has disposed of a 10-storey education building together with a piece of adjoining vacant land in Bandar Sungai Long at a sale price of RM34.54 million. The disposal did not result in any gain or loss.

Other than the above transaction, there was no sale of unquoted investments and/or any other properties during 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.

8. Status of corporate proposals announced

There were no corporate proposals announced but not completed as at 17 February 2010.

9. Borrowings

The borrowings as at 31 December 2009 are as follows: -

	Secured	Unsecured	Total
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Short Term	907	24,693	25,600
Long Term	1,658	-	1,658
	<u>2,565</u>	<u>24,693</u>	<u>27,258</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 February 2010, the latest practicable date that is not earlier than 7 days from the date of issue of this quarterly report.

11. Material litigation

Apart from the following legal matter, the Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, and the Directors are unaware of any proceedings, pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially or adversely affect the position or business of the Group.

SHL-M Sdn Bhd (“SHL-M”), a wholly-owned subsidiary of SHL Consolidated Bhd, has instituted legal proceedings against the Director of Lands and Mines Selangor (“State Authority”) relating to the revision of quit rent rate payable for the golf course land in Bandar Sungai Long. Both parties have different interpretations on the quit rent rate. SHL-M is seeking from the State Authority the following:

- declaring the invalidity of quit rent totalling RM0.58 million per year which the State Authority has imposed retrospectively to 1 January 1994; and
- recovering the sum of RM0.19 million per year from 1 January 1994 to 31 December 2007 on the grounds that the quit rent payable should be RM0.07 million only.

The High Court has fixed the above case for hearing on 22 and 23 March 2010.

The Directors are of the opinion that it is impossible to assess the possible financial outcome of the proceedings.

12. Dividend

The Company’s shareholders has approved at its 15th Annual General Meeting held on 28 September 2009 the declaration of a First and Final Dividend of 6% less 25% tax for the financial year ended 31 March 2009 (financial year ended 31 March 2008 : 6% less 26% 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 15 October 2009 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 RM10,895,568 was paid on 30 October 2009.

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 SHL Consolidated Bhd 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
24 February 2010