

**SHL CONSOLIDATED BHD**  
**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**Financial Period Ended 30 September 2010**

|   | INDIVIDUAL QUARTER |               | CUMULATIVE QUARTER |               |
|---|--------------------|---------------|--------------------|---------------|
|   | CURRENT            | PRECEDING     | CURRENT            | PRECEDING     |
|   | YEAR               | YEAR          | YEAR               | YEAR          |
|   | QUARTER            | CORRESPONDING | TO DATE            | CORRESPONDING |
|   | 30-09-10           | 30-09-09      | 30-09-10           | 30-09-09      |
|   | RM'000             | RM'000        | RM'000             | RM'000        |
| 1. Revenue  | 50,538             | 62,068        | 117,604            | 124,388       |
| 2. Cost of sales  | (39,258)           | (48,954)      | (89,213)           | (101,290)     |
| 3. <b>Gross Profit</b>  | <b>11,280</b>      | <b>13,114</b> | <b>28,391</b>      | <b>23,098</b> |
| 4. Other Income   | 1,364              | 747           | 2,558              | 4,027         |
| 5. Distribution Costs   | (689)              | (399)         | (1,494)            | (1,462)       |
| 6. Administration Expenses  | (2,266)            | (3,424)       | (4,980)            | (6,528)       |
| 7. Impairment Loss  | 1                  | -             | (5,115)            | -             |
| 8. <b>Profit from Operations</b>  | <b>9,690</b>       | <b>10,038</b> | <b>19,360</b>      | <b>19,135</b> |
| 9. Finance Costs  | (37)               | (250)         | (105)              | (489)         |
| 10. Profit / (Loss) from Associate                                      | -                  | (4)           | -                  | (4)           |
| 11. <b>Profit before Taxation</b>                                       | <b>9,653</b>       | <b>9,784</b>  | <b>19,255</b>      | <b>18,642</b> |
| 12. Taxation  | (2,563)            | (2,743)       | (4,946)            | (4,600)       |
| 13. <b>Profit for the Year</b>  | <b>7,090</b>       | <b>7,041</b>  | <b>14,309</b>      | <b>14,042</b> |
| <b>Attributable to:</b>   |                    |               |                    |               |
| 14. Equity holders of the parent  | 6,979              | 7,041         | 14,097             | 14,042        |
| 15. Minority Interest   | 111                | -             | 212                | -             |
|   | <b>7,090</b>       | <b>7,041</b>  | <b>14,309</b>      | <b>14,042</b> |
| <b>Earnings per share attributable to equity holders of the parent:</b> |                    |               |                    |               |
| 16. Basic & Fully Diluted (Sen)   | <b>2.88</b>        | <b>2.91</b>   | <b>5.82</b>        | <b>5.80</b>   |

*(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2010)*

**SHL CONSOLIDATED BHD**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**As at 30 September 2010**

|  | As At<br>30-09-2010<br>RM'000 | As At<br>31-03-2010<br>RM'000 |
|--|-------------------------------|-------------------------------|
| <b>ASSETS</b>  |                               |                               |
| <b>Non-current assets</b>                                  |                               |                               |
| 1. Property, plant and equipment                           | 220,754                       | 220,574                       |
| 2. Investment in associate                                 | 1,257                         | 1,257                         |
| 3. Investment properties                                   | 66,384                        | 16,147                        |
| 4. Land held for property development                      | 3,243                         | 4,446                         |
| 5. Intangible assets                                       | -                             | 5,115                         |
| 6. Investments   | 80                            | 124                           |
| 7. Trust account   | 1,381                         | 1,247                         |
| 8. Deferred tax assets                                     | 2,330                         | 2,784                         |
| 9. Prepaid lease payments                                  | 1,043                         | 1,042                         |
|  | <b>296,472</b>                | <b>252,736</b>                |
| <b>10. Current assets</b>                                  |                               |                               |
| 10.1 Property development costs                            | 126,600                       | 158,678                       |
| 10.2 Inventories   | 11,869                        | 36,860                        |
| 10.3 Trade and other receivables                           | 40,481                        | 54,909                        |
| 10.4 Current Tax Assets                                    | 2,588                         | 2,938                         |
| 10.5 Cash and deposits                                     | 164,870                       | 116,733                       |
|  | <b>346,408</b>                | <b>370,118</b>                |
| <b>11. TOTAL ASSETS</b>                                    | <b>642,880</b>                | <b>622,854</b>                |
| <b>EQUITY AND LIABILITIES</b>                              |                               |                               |
| <b>Equity attributable to equity holders of the parent</b> |                               |                               |
| 12. Share capital  | 242,124                       | 242,124                       |
| 13. Reserves   | 305,387                       | 291,290                       |
|  | 547,511                       | 533,414                       |
| 14. Minority Interest                                      | 17,399                        | -                             |
| <b>15. Total equity</b>                                    | <b>564,910</b>                | <b>533,414</b>                |
| <b>16. Non-current liabilities</b>                         |                               |                               |
| 16.1 Borrowings  | 1,539                         | 1,546                         |
| 16.2 Deferred tax liabilities                              | 13,213                        | 12,300                        |
| 16.3 Club establishment fund                               | 16,376                        | 17,109                        |
|  | <b>31,128</b>                 | <b>30,955</b>                 |
| <b>17. Current liabilities</b>                             |                               |                               |
| 17.1 Trade and other payables                              | 40,327                        | 53,928                        |
| 17.2 Borrowings  | 1,446                         | 781                           |
| 17.3 Taxation  | 5,069                         | 3,776                         |
|  | <b>46,842</b>                 | <b>58,485</b>                 |
| <b>18. TOTAL LIABILITIES</b>                               | <b>77,970</b>                 | <b>89,440</b>                 |
| <b>19. TOTAL EQUITY AND LIABILITIES</b>                    | <b>642,880</b>                | <b>622,854</b>                |
| <b>20. Net assets per share (RM)</b>                       | <b>2.26</b>                   | <b>2.20</b>                   |

*(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 March 2010)*

**SHL CONSOLIDATED BHD**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**Financial Period Ended 30 September 2010**

|   | Share<br>Capital | Share<br>Premium | Non-distributable<br>Revaluation<br>Surplus | Merger<br>Deficit | Capital<br>Reserve | Distributable<br>Retained<br>Profits | Total          | Minority<br>Interest | Total<br>Equity |
|---|------------------|------------------|---|-------------------|--------------------|--------------------------------------|----------------|----------------------|-----------------|
| <b>6 months ended 30 September 2010</b>                         | <b>RM'000</b>    | <b>RM'000</b>    | <b>RM'000</b>                               | <b>RM'000</b>     | <b>RM'000</b>      | <b>RM'000</b>                        | <b>RM'000</b>  | <b>RM'000</b>        | <b>RM'000</b>   |
| 1.1 At 1 April 2010   | 242,124          | 1,225            | 50,745                                      | (130,464)         | 11,040             | 358,744                              | 533,414        | -                    | 533,414         |
| 1.2 Impact of acquisition of subsidiary<br>on Minority Interest | -                | -                | -   | -                 | -                  | -                                    | -              | 17,187               | 17,187          |
| 1.3 Net profit for the period                                   | -                | -                | -   | -                 | -                  | 14,097                               | 14,097         | 212                  | 14,309          |
| <b>At 30 September 2010</b>                                     | <b>242,124</b>   | <b>1,225</b>     | <b>50,745</b>                               | <b>(130,464)</b>  | <b>11,040</b>      | <b>372,841</b>                       | <b>547,511</b> | <b>17,399</b>        | <b>564,910</b>  |
| <b>6 months ended 30 September 2009</b>                         |                  |                  |   |                   |                    |                                      |                |                      |                 |
| 2.1 At 1 April 2009   | 242,124          | 1,225            | 50,059                                      | (130,464)         | 11,040             | 343,848                              | 517,832        | -                    | 517,832         |
| 2.2 Net profit for the period                                   | -                | -                | -   | -                 | -                  | 14,042                               | 14,042         | -                    | 14,042          |
| <b>At 30 September 2009</b>                                     | <b>242,124</b>   | <b>1,225</b>     | <b>50,059</b>                               | <b>(130,464)</b>  | <b>11,040</b>      | <b>357,890</b>                       | <b>531,874</b> | <b>-</b>             | <b>531,874</b>  |

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2010)*

**SHL CONSOLIDATED BHD**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**Financial Period Ended 30 September 2010**

|  | <b>6 months<br/>ended<br/>30-09-2010<br/>RM'000</b> | <b>6 months<br/>ended<br/>30-09-2009<br/>RM'000</b> |
|--|---|---|
| <b>1. Net cash inflow / (outflow) from operating activities</b>  | <u>78,670</u>                                       | <u>71,610</u>                                       |
| <b>2. Net cash inflow / (outflow) from investing activities</b>  | <u>(29,831)</u>                                     | <u>5,253</u>  |
| <b>3. Net cash inflow / (outflow) from financing activities</b>  | <u>(702)</u>  | <u>(41,010)</u>                                     |
| <b>4. Net increase / (decrease) in cash and cash equivalents</b> | 48,137  | 35,853  |
| <b>5. Cash and cash equivalents at 1 April 2010 / 2009</b>       | <u>116,733</u>                                      | <u>27,854</u>                                       |
| <b>6. Cash and cash equivalents at 30 September 2010 / 2009</b>  | <u><b>164,870</b></u>                               | <u><b>63,707</b></u>                                |

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

|                   |                       |                      |
|-------------------|-----------------------|----------------------|
| Cash and deposits | 164,870               | 63,742               |
| Bank overdrafts   | -                     | (35)                 |
|                   | <u><b>164,870</b></u> | <u><b>63,707</b></u> |

*(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2010)*

# 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 2010.

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 2010.

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

The audit report for the financial statements for the year ended 31 March 2010 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**

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 September 2010.

### 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 22 November 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 30 September 2010 is tabulated below:

|  | Investment<br>and services<br>RM'000 | Property<br>development<br>RM'000 | Construction<br>RM'000 | Trading<br>RM'000 | Manufacturing<br>RM'000 | Quarrying<br>RM'000 | Eliminations<br>RM'000 | Consolidated<br>RM'000 |
|--|--------------------------------------|-----------------------------------|------------------------|-------------------|-------------------------|---------------------|------------------------|------------------------|
| <b>REVENUE</b>                           |                                      |                                   |                        |                   |                         |                     |                        |                        |
| External sales                           | 3,048                                | 112,582                           | 105                    | 907               | 125                     | 837                 | -                      | 117,604                |
| Inter-segment sales                      | 87,699                               | 587                               | 28,989                 | 8,119             | 1,919                   | -                   | (127,313)              | -                      |
| <b>Total revenue</b>                     | <b>90,747</b>                        | <b>113,169</b>                    | <b>29,094</b>          | <b>9,026</b>      | <b>2,044</b>            | <b>837</b>          | <b>(127,313)</b>       | <b>117,604</b>         |
| <b>RESULTS</b>                           |                                      |                                   |                        |                   |                         |                     |                        |                        |
| Segment results                          | 81,082                               | 19,125                            | (42)                   | (228)             | (5,288)                 | 752                 | (77,826)               | 17,575                 |
| Interest income                          |                                      |                                   |                        |                   |                         |                     |                        | 1,785                  |
| Finance costs                            |                                      |                                   |                        |                   |                         |                     |                        | (105)                  |
| Share of result of<br>associated company |                                      |                                   |                        |                   |                         |                     |                        | -                      |
| Taxation                                 |                                      |                                   |                        |                   |                         |                     |                        | (4,946)                |
| <b>Profit for the year</b>               |                                      |                                   |                        |                   |                         |                     |                        | <b>14,309</b>          |

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 period under review, SHL Consolidated Bhd has on 20 April 2010 announced that it has entered into a sale and purchase agreement with Dato' Yap Teiong Choon and Dato' Ir. Yap Chong Lee to purchase Nine Hundred Thousand (900,000) ordinary shares of RM1.00 each in the issued and paid-up capital of Goodstock Land Sdn Bhd ("GSL") representing 60% of the total share capital of GSL for a total cash consideration of RM25.56 million only. The aforesaid acquisition is completed on 11 May 2010 resulting in GSL becoming a subsidiary of SHL Consolidated 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 30 September 2010.

**13. Capital commitments**

No capital commitment was outstanding as at 30 September 2010.

**14. Related party transactions**

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

- a) Income from rental of premises for approximately RM0.07 million.
- b) Procurement of engineering consultancy services for approximately RM0.71 million.
- c) Rental of premises for approximately RM0.52 million.
- d) Procurement of building materials for approximately RM1.18 million.
- e) Procurement of insurance for approximately RM0.19 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 RM9.65 million for the current quarter under review. In comparison to the preceding year's corresponding period, this represents a marginal decrease of 1%.

For the current financial year to date, the Group achieved a profit before taxation of RM19.26 million on the back of revenue totaling RM117.60 million.

### 2. Variation of results against preceding quarter

The Group's profit before taxation of RM9.65 million for the current quarter increased marginally by 1% compared to RM9.60 million achieved in the immediate 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 |              | Year-to-date ended |              |
|---|-----------------------|--------------|--------------------|--------------|
|   | 30 September          |              | 30 September       |              |
|   | 2010                  | 2009         | 2010               | 2009         |
|   | RM'000                | RM'000       | RM'000             | RM'000       |
| Current                                     | 2,329                 | 2,544        | 5,639              | 4,766        |
| Under / (Over) provision<br>in prior period | (5)                   | -            | 26                 | 228          |
| Deferred                                    | 239                   | 199          | (719)              | (394)        |
|   | <b>2,563</b>          | <b>2,743</b> | <b>4,946</b>       | <b>4,600</b> |



**6. Unquoted investments and/or properties**

Sin Heap Lee Company Sdn. Berhad, a wholly-owned subsidiary of SHL Consolidated Bhd, has disposed 9 units of shop lot in Rawang, Selangor during the current financial period at a sale price of RM2.00 million and registered a loss of RM0.08 million.

Other than the above transaction, 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.

**8. Status of corporate proposals announced**

There were no corporate proposals announced but not completed as at 22 November 2010.

**9. Borrowings**

The borrowings as at 30 September 2010 are as follows: -

|            | <b>Secured</b>      |
|------------|---------------------|
|            | RM'000              |
| Short Term | 1,446               |
| Long Term  | 1,539               |
|            | <b><u>2,985</u></b> |

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 22 November 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.

An indirect subsidiary, SHL-M Sdn Bhd (“SHL-M”) 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, Selangor. 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 per year only.

The High Court has adjourned the above case for hearing to 30 November 2010.

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

**12. Dividend**

No dividend was declared for the second quarter ended 30 September 2010.

**13. Earnings per share ( Basic and fully diluted )**

Earnings per share of the Group is calculated by dividing profit for the year 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.**

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**Dato' Yap Teiong Choon**  
**Executive Director**  
29 November 2010