



SHL CONSOLIDATED BHD

Company No.: 293565-W

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

FOR

3RD QUARTER ENDED

31 DECEMBER 2010

SHL CONSOLIDATED BHD.

Company No.: 293565-W
(Incorporated in Malaysia)

Interim Financial Report – 31 December 2010

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Financial Period Ended 31 December 2010

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-12-10 RM'000	31-12-09 RM'000	31-12-10 RM'000	31-12-09 RM'000
1. Revenue	36,840	63,385	154,444	187,773
2. Cost of Sales	(27,330)	(53,951)	(116,543)	(155,241)
3. Gross Profit	9,510	9,434	37,901	32,532
4. Other Income	1,353	736	3,911	4,763
5. Distribution Costs	(485)	(752)	(1,979)	(2,214)
6. Administration Expenses	(1,946)	(2,208)	(6,926)	(8,736)
7. Impairment Loss	-	-	(5,115)	-
8. Profit from Operations	8,432	7,210	27,792	26,345
9. Finance Costs	(31)	(137)	(136)	(626)
10. Profit / (Loss) from Associate	(4)	(1)	(4)	(5)
11. Profit before Taxation	8,397	7,072	27,652	25,714
12. Taxation	(2,259)	(1,767)	(7,205)	(6,367)
13. Profit for the Period	6,138	5,305	20,447	19,347
14. Other Comprehensive Income	-	-	-	-
15. Total Comprehensive Income for the Period	6,138	5,305	20,447	19,347
Profit Attributable to:				
16. Owners of the Parent	6,019	5,305	20,116	19,347
17. Minority Interests	119	-	331	-
	6,138	5,305	20,447	19,347
Total Comprehensive Income Attributable to:				
18. Owners of the Parent	6,019	5,305	20,116	19,347
19. Minority Interests	119	-	331	-
	6,138	5,305	20,447	19,347
Earnings Per Share Attributable to Owners of the Parent:				
20. Basic & Fully Diluted (Sen)	2.49	2.19	8.31	7.99

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Report for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial report)

SHL CONSOLIDATED BHD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2010

	(UNAUDITED) As At 31-12-2010 RM'000	(AUDITED) As At 31-03-2010 RM'000
ASSETS		
Non-current assets		
1. Property, plant and equipment	220,259	220,574
2. Investment in associate	1,253	1,257
3. Investment properties	66,697	16,147
4. Land held for property development	3,244	4,446
5. Intangible assets	-	5,115
6. Investments	80	124
7. Trust account	1,428	1,247
8. Deferred tax assets	2,238	2,784
9. Prepaid lease payments	1,034	1,042
	296,233	252,736
10. Current assets		
10.1 Property development costs	117,981	158,678
10.2 Inventories	11,523	36,860
10.3 Trade and other receivables	33,011	54,909
10.4 Current tax assets	2,012	2,938
10.5 Cash and deposits	173,134	116,733
	337,661	370,118
11. TOTAL ASSETS	633,894	622,854
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
12. Share capital	242,124	242,124
13. Reserves	298,695	291,290
	540,819	533,414
14. Minority Interest	17,518	-
15. Total equity	558,337	533,414
16. Non-current liabilities		
16.1 Borrowings	1,482	1,546
16.2 Deferred tax liabilities	13,213	12,300
16.3 Club establishment fund	16,327	17,109
	31,022	30,955
17. Current liabilities		
17.1 Trade and other payables	41,661	53,928
17.2 Borrowings	862	781
17.3 Taxation	2,012	3,776
	44,535	58,485
18. TOTAL LIABILITIES	75,557	89,440
19. TOTAL EQUITY AND LIABILITIES	633,894	622,854
20. Net assets per share (RM)	2.23	2.20

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Report for the year ended 31 March 2010 and the accompanying

SHL CONSOLIDATED BHD. (Company No.: 293565-W)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Financial Period Ended 31 December 2010

(The figures have not been audited)

	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
9 months ended 31 December 2010									
1.1 At 1 April 2010	242,124	1,225	50,745	(130,464)	11,040	358,744	533,414	-	533,414
1.2 Total comprehensive income for the period	-	-	-	-	-	20,116	20,116	331	20,447
1.3 Impact of acquisition of subsidiary on Minority Interest	-	-	-	-	-	-	-	17,187	17,187
1.4 Dividends	-	-	-	-	-	(12,711)	(12,711)	-	(12,711)
At 31 December 2010	242,124	1,225	50,745	(130,464)	11,040	366,149	540,819	17,518	558,337
9 months ended 31 December 2009									
2.1 At 1 April 2009	242,124	1,225	50,059	(130,464)	11,040	343,848	517,832	-	517,832
2.2 Total comprehensive income for the period	-	-	-	-	-	19,347	19,347	-	19,347
2.3 Dividends	-	-	-	-	-	(10,896)	(10,896)	-	(10,896)
At 31 December 2009	242,124	1,225	50,059	(130,464)	11,040	352,299	526,283	-	526,283

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Report for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial report)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
Financial Period Ended 31 December 2010

(The figures have not been audited)

	9 months ended 31-12-2010 RM'000	9 months ended 31-12-2009 RM'000
1. Net cash inflow / (outflow) from operating activities	<u>99,849</u>	<u>71,610</u>
2. Net cash inflow / (outflow) from investing activities	<u>(29,415)</u>	<u>5,253</u>
3. Net cash inflow / (outflow) from financing activities	<u>(14,033)</u>	<u>(41,010)</u>
4. Net increase / (decrease) in cash and cash equivalents	56,401	35,853
5. Cash and cash equivalents at 1 April 2010 / 2009	<u>116,733</u>	<u>27,854</u>
6. Cash and cash equivalents at 31 December 2010 / 2009	<u>173,134</u>	<u>63,707</u>

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

Cash and deposits	173,134	63,742
Bank overdrafts	<u>-</u>	<u>(35)</u>
	<u>173,134</u>	<u>63,707</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Audited Financial Report for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial report)

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 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 save for the adoption of Financial Reporting Standards (FRSs) and other interpretations that are effective for financial statements commencing 1 January 2010. The FRSs, which are effective commencing 1 January 2010 and have impact on the financial statements and applied by the Group are:

a) FRS 101 : Presentation of Financial Statements (Revised)

FRS 101 introduces changes in the presentation of financial statements. The Standard separates owner and non-owner changes in equity, component of non-owner changes in equity are not permitted to be presented in the statement of changes in equity. A new statement known as the “statement of comprehensive income” is introduced whereby all non-owner changes in equity are required to be presented in either one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The Group has elected to present the statement of comprehensive income in one statement of comprehensive income. Certain comparative figures have been re-presented to conform to the current period’s presentation. Apart from the new presentation as described, there is no other impact on the financial statements arising from the adoption of this Standard.

b) FRS 139 : Financial Instruments : Recognition and Measurement

FRS 139 requires the recognition, measurement and disclosure of financial assets and financial liabilities. The new accounting standard moves measurement from a cost base to fair value base for certain categories of financial assets and financial liabilities. The changes in accounting policy are to be accounted for prospectively in accordance with the transitional provision of FRS 139. The adoption of this standard does not have significant impact on the financial position and result of the Group.

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

Dividend paid during the financial period ended 31 December 2010 amounted to RM12,711,487.

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 end of the reporting period

There were no material events subsequent to the end of current quarter to 15 February 2011, 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 2010 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	4,646	146,912	38	1,197	259	1,392	-	154,444
Inter-segment sales	89,656	759	43,007	12,865	2,462	-	(148,749)	-
Total revenue	94,302	147,671	43,045	14,062	2,721	1,392	(148,749)	154,444
RESULTS								
Segment results	80,744	25,896	(159)	(249)	(5,132)	1,266	(77,455)	24,911
Interest income								2,881
Finance costs								(136)
Share of result of associated company								(4)
Taxation								(7,205)
Profit for the year								20,447

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 31 December 2010.

13. Capital commitments

No capital commitment was outstanding as at 31 December 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 RM0.11 million.
- b) Procurement of engineering consultancy services for approximately RM0.89 million.
- c) Rental of premises for approximately RM0.53 million.
- d) Procurement of building materials for approximately RM1.73 million.
- e) Procurement of insurance for approximately RM0.29 million.

**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 RM8.40 million for the current quarter under review. In comparison to the preceding year's corresponding period, this represents an increase of 19%.

For the current financial year to date, the Group achieved a profit before taxation of RM27.65 million on the back of revenue totaling RM154.44 million.

2. Variation of results against preceding quarter

The Group's profit before taxation of RM8.40 million for the current quarter decreased by 13% compared to RM9.65 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	
	31 December		31 December	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Current	<u>2,166</u>	<u>1,239</u>	<u>7,805</u>	<u>6,005</u>
Under / (Over) provision in prior period	1	-	27	228
Deferred	<u>92</u>	<u>528</u>	<u>(627)</u>	<u>134</u>
	<u>2,259</u>	<u>1,767</u>	<u>7,205</u>	<u>6,367</u>

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.

On 10 February 2011, an Order is entered at the High Court of Malaya at Shah Alam, directing the Director of Lands and Mines Selangor to refund to an indirect subsidiary, SHL-M Sdn Bhd the sum of RM3,190,147.54 being the excess quit rent paid from years 1994 to year 2010 for the golf course land in Bandar Sungai Long, Selangor.

The said Order is pending approval and sealed by the High Court.

13. Dividend

The Company's shareholders has approved at its 16th Annual General Meeting held on 2 September 2010 the declaration of a First and Final Dividend of 7% less 25% tax for the financial year ended 31 March 2010 (financial year ended 31 March 2009 : 6% less 25% 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 September 2010 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 RM12,711,487 was paid on 12 October 2010.

14. 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.

Dato' Yap Teiong Choon
Executive Director
22 February 2011