



**SHL CONSOLIDATED BHD**

Company No.: 293565-W

**(Incorporated in Malaysia)**

**INTERIM FINANCIAL REPORT**

**FOR**

**4TH QUARTER ENDED**

**31 MARCH 2011**

# **SHL CONSOLIDATED BHD.**

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

## **Interim Financial Report – 31 March 2011**

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**Financial Year Ended 31 March 2011**

*(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	31-03-11	31-03-10	31-03-11	31-03-10
	RM'000	RM'000	RM'000	RM'000
1. Revenue	35,625	64,358	190,069	252,131
2. Cost of Sales	(25,747)	(44,218)	(142,290)	(199,459)
3. Gross Profit	9,878	20,140	47,779	52,672
4. Other Income	1,905	3,151	5,816	7,914
5. Distribution Costs	(526)	(719)	(2,505)	(2,933)
6. Administration Expenses	(1,397)	(13,077)	(8,323)	(11,582)
7. Impairment Loss	-	-	(5,115)	(10,231)
8. Profit from Operations	9,860	9,495	37,652	35,840
9. Finance Costs	(21)	(66)	(157)	(692)
10. Profit / (Loss) from Associate	(3)	(4)	(7)	(9)
11. Profit before Taxation	9,836	9,425	37,488	35,139
12. Taxation	(2,300)	(1,702)	(9,505)	(8,069)
13. Profit for the Year	7,536	7,723	27,983	27,070
Other Comprehensive				
14. Income	-	-	-	-
Total Comprehensive				
15. Income for the Year	7,536	7,723	27,983	27,070
Profit Attributable to:				
16. Owners of the Parent	7,399	7,723	27,515	27,070
17. Minority Interests	137	-	468	-
	7,536	7,723	27,983	27,070
Total Comprehensive Income Attributable to:				
18. Owners of the Parent	7,399	7,723	27,515	27,070
19. Minority Interests	137	-	468	-
	7,536	7,723	27,983	27,070
Earnings Per Share Attributable to Owners of the Parent:				
20. Basic & Fully Diluted (Sen)	3.06	3.19	11.36	11.18

*(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)*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 March 2011**

	(UNAUDITED) As At 31-03-2011 RM'000	(AUDITED) As At 31-03-2010 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
1. Property, plant and equipment	219,617	220,574
2. Investment in associate	1,249	1,257
3. Investment properties	66,702	16,147
4. Land held for property development	3,245	4,446
5. Intangible assets	-	5,115
6. Investments	80	124
7. Trust account	1,308	1,247
8. Deferred tax assets	2,238	2,784
9. Prepaid lease payments	1,015	1,042
	<b>295,454</b>	<b>252,736</b>
<b>10. Current assets</b>		
10.1 Property development costs	107,093	158,678
10.2 Inventories	13,030	36,860
10.3 Trade and other receivables	44,964	54,909
10.4 Current tax assets	1,117	2,938
10.5 Cash and deposits	174,780	116,733
	<b>340,984</b>	<b>370,118</b>
<b>11. TOTAL ASSETS</b>	<b>636,438</b>	<b>622,854</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
12. Share capital	242,124	242,124
13. Reserves	306,094	291,290
	548,218	533,414
14. Minority Interest	17,655	-
<b>15. Total equity</b>	<b>565,873</b>	<b>533,414</b>
<b>16. Non-current liabilities</b>		
16.1 Borrowings	1,269	1,546
16.2 Deferred tax liabilities	13,185	12,300
16.3 Club establishment fund	16,327	17,109
	<b>30,781</b>	<b>30,955</b>
<b>17. Current liabilities</b>		
17.1 Trade and other payables	38,734	53,928
17.2 Borrowings	861	781
17.3 Taxation	189	3,776
	<b>39,784</b>	<b>58,485</b>
<b>18. TOTAL LIABILITIES</b>	<b>70,565</b>	<b>89,440</b>
<b>19. TOTAL EQUITY AND LIABILITIES</b>	<b>636,438</b>	<b>622,854</b>
<b>20. Net assets per share (RM)</b>	<b>2.26</b>	<b>2.20</b>

*(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 explanatory notes attached to the interim financial report)*

**SHL CONSOLIDATED BHD.** (Company No.: 293565-W)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Financial Year Ended 31 March 2011

*(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
<b>12 months ended 31 March 2011</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 Total comprehensive income for the year	-	-	-	-	-	27,515	27,515	468	27,983
1.3 Impact of acquisition of subsidiary on Minority Interest	-	-	-	-	-	-	-	17,187	17,187
1.4 Dividends	-	-	-	-	-	(12,711)	(12,711)	-	(12,711)
<b>At 31 March 2011</b>	<b>242,124</b>	<b>1,225</b>	<b>50,745</b>	<b>(130,464)</b>	<b>11,040</b>	<b>373,548</b>	<b>548,218</b>	<b>17,655</b>	<b>565,873</b>
<b>12 months ended 31 March 2010</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 Total comprehensive income for the year	-	-	-	-	-	27,070	27,070	-	27,070
2.3 Revaluation surplus/(deficits)	-	-	(60)	-	-	-	(60)	-	(120)
2.4 Dividends	-	-	-	-	-	(10,896)	(10,896)	-	(10,896)
<b>At 31 March 2010</b>	<b>242,124</b>	<b>1,225</b>	<b>49,999</b>	<b>(130,464)</b>	<b>11,040</b>	<b>360,022</b>	<b>533,946</b>	<b>-</b>	<b>533,886</b>

*(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 Year Ended 31 March 2011**

*(The figures have not been audited)*

	<b>12 months ended 31-03-2011 RM'000</b>	<b>12 months ended 31-03-2010 RM'000</b>
<b>1. Net cash inflow / (outflow) from operating activities</b>	<u>100,449</u>	<u>155,026</u>
<b>2. Net cash inflow / (outflow) from investing activities</b>	<u>(28,250)</u>	<u>32,739</u>
<b>3. Net cash inflow / (outflow) from financing activities</b>	<u>(14,152)</u>	<u>(98,883)</u>
<b>4. Net increase / (decrease) in cash and cash equivalents</b>	58,047	88,882
<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 31 March 2011 / 2010</b>	<u><b>174,780</b></u>	<u><b>116,736</b></u>
Cash and cash equivalents at the end of the financial year comprise the following:		
Cash and deposits	<u><b>174,780</b></u>	<u><b>116,736</b></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 year 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**

Dividends paid during the financial year ended 31 March 2011 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 17 May 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 March 2011 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
<b>REVENUE</b>								
External sales	6,126	180,380	38	1,340	397	1,788	-	190,069
Inter-segment sales	91,548	1,180	55,865	16,542	3,078	-	(168,213)	-
<b>Total revenue</b>	<b>97,674</b>	<b>181,560</b>	<b>55,903</b>	<b>17,882</b>	<b>3,475</b>	<b>1,788</b>	<b>(168,213)</b>	<b>190,069</b>
<b>RESULTS</b>								
Segment results	53,351	30,846	2,811	(142)	(4,491)	1,580	(50,422)	33,533
Interest income								4,119
Finance costs								(157)
Share of result of associated company								(7)
Taxation								(9,505)
<b>Profit for the year</b>								<b>27,983</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 year 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 March 2011.

**13. Capital commitments**

No capital commitment was outstanding as at 31 March 2011.

**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 RM0.15 million.
- b) Procurement of engineering consultancy services for approximately RM1.44 million.
- c) Rental of premises for approximately RM1.35 million.
- d) Procurement of building materials for approximately RM2.09 million.
- e) Procurement of insurance for approximately RM0.36 million.

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**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 RM9.84 million for the current quarter under review. In comparison to the preceding year's corresponding period, this represents an increase of 4%.

For the current financial year to date, the Group achieved a profit before taxation of RM37.49 million on the back of revenue totaling RM190.07 million.

**2. Variation of results against preceding quarter**

The Group's profit before taxation of RM9.84 million for the current quarter increased by 17% compared to RM8.40 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 March		31 March	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Current	2,327	5,008	10,132	11,013
Under / (Over) provision in prior year	1	(193)	28	35
Deferred	(28)	(3,113)	(655)	(2,979)
	<b>2,300</b>	<b>1,702</b>	<b>9,505</b>	<b>8,069</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 year 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 17 May 2011.

**9. Borrowings**

The borrowings as at 31 March 2011 are as follows: -

	<b>Secured</b>
	<u>RM'000</u>
Short Term	861
Long Term	<u>1,269</u>
	<b><u>2,130</u></b>

The above borrowings are denominated in Ringgit Malaysia.

**10. Realised and Unrealised Profits/Losses**

The realised and unrealised profits/losses as at 31 March 2011 are as follows: -

	<b>Current</b>
	<b>year</b>
	<u>RM'000</u>
Total retained profits of Company and its subsidiaries:	
- Realised	376,706
- Unrealised	<u>23,252</u>
	399,958
Total share of accumulated losses from associated company:	
- Realised	<u>(55)</u>
	399,903
Less: Consolidation adjustments	(26,355)
	<u>373,548</u>
<b>Total group retained profits as per consolidated accounts</b>	<b><u>373,548</u></b>

**11. Off balance sheet financial instruments**

The Group did not enter into any contracts involving off balance sheet financial instruments as at 17 May 2011, the latest practicable date that is not earlier than 7 days from the date of issue of this quarterly report.

## **12. 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.

- a) 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 Selangor State Government has lodged an appeal on 14 March 2011 against the above decision vide Court of Appeal CA No. B-01-196-2011. The appeal for stay is fixed for case management on 13 June 2011.

- b) On 13 January 2006, SHL-M has filed a suit against the Selangor State Government for the recovery of a piece of land held under Lot 26668, Bandar Sungai Long, Mukim Cheras, Daerah Hulu Langat, Selangor. The High Court of Malaya at Shah Alam has fixed the case management on 31 May 2011.

## **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.**

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**Dato' Yap Teiong Choon**  
**Executive Director**  
24 May 2011