



SHL CONSOLIDATED BHD.

Company No.: 293565-W

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

FOR

2ND QUARTER ENDED

30 SEPTEMBER 2017

SHL CONSOLIDATED BHD.

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

Interim Financial Report – 30 September 2017

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Financial Period Ended 30 September 2017

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		Increase / (Decrease)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD		
	30-09-17	30-09-16	30-09-17	30-09-16		
	RM'000	RM'000	RM'000	RM'000	RM'000	%
			A	B	A - B	
1. Revenue	50,142	54,018	100,908	114,761	(13,853)	-12.1%
2. Cost of Sales	(27,807)	(31,584)	(56,515)	(66,422)	(9,907)	-14.9%
3. Gross Profit	22,335	22,434	44,393	48,339	(3,946)	-8.2%
4. Other Operating Income	3,563	2,296	6,478	5,217	1,261	24.2%
5. Distribution Costs	(1,199)	(633)	(3,195)	(2,296)	899	39.2%
6. Administration Expenses	(3,537)	(2,576)	(6,309)	(5,458)	851	15.6%
7. Profit from Operations	21,162	21,521	41,367	45,802	(4,435)	-9.7%
8. Finance Costs	(14)	(10)	(29)	(22)	7	31.8%
9. Profit from Associate	90	592	253	631	(378)	-59.9%
10. Profit before Taxation	21,238	22,103	41,591	46,411	(4,820)	-10.4%
11. Taxation	(3,311)	(4,532)	(6,078)	(9,814)	(3,736)	-38.1%
12. Profit for the Period	17,927	17,571	35,513	36,597	(1,084)	-3.0%
13. Other Comprehensive Income	-	-	-	-	-	-
14. Total Comprehensive Income for the Period	17,927	17,571	35,513	36,597	(1,084)	-3.0%
Profit Attributable to:						
15. Equity Holders of the Company	17,751	17,433	35,195	36,354	(1,159)	-3.2%
16. Non-controlling Interests	176	138	318	243	75	30.9%
	17,927	17,571	35,513	36,597	(1,084)	-3.0%
Total Comprehensive Income Attributable to:						
17. Equity Holders of the Company	17,751	17,433	35,195	36,354	(1,159)	-3.2%
18. Non-controlling Interests	176	138	318	243	75	30.9%
	17,927	17,571	35,513	36,597	(1,084)	-3.0%
Earnings Per Share Attributable to Equity Holders of the Company:						
19. Basic & Fully Diluted (Sen)	7.33	7.20	14.54	15.01	(0.47)	-3.1%

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Report for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial report)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	(UNAUDITED) As At 30-09-2017 RM'000	(AUDITED) As At 31-03-2017 RM'000
ASSETS		
Non-current assets		
1. Property, plant and equipment	199,440	214,471
2. Prepaid lease payments	680	685
3. Investment in associate	15,690	15,437
4. Investment properties	69,880	69,880
5. Land held for property development	2,742	2,740
6. Investments	24	24
7. Trust account	2,257	2,399
8. Deferred tax assets	4,164	1,611
9. Trade receivables	547	2,322
	295,424	309,569
10. Current assets		
10.1 Prepaid lease payments	10	10
10.2 Property development costs	196,475	191,961
10.3 Inventories	13,771	15,210
10.4 Trade and other receivables	43,078	87,896
10.5 Current tax assets	804	2,057
10.6 Cash and deposits	384,435	290,420
	638,573	587,554
11. TOTAL ASSETS	933,997	897,123
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
12. Share capital	242,124	242,124
13. Reserves	528,904	508,106
	771,028	750,230
14. Non-controlling Interests	61,300	18,610
15. Total equity	832,328	768,840
16. Non-current liabilities		
16.1 Deferred tax liabilities	21,669	21,983
16.2 Finance lease liabilities	381	604
16.3 Club establishment fund	11,005	11,022
	33,055	33,609
17. Current liabilities		
17.1 Trade and other payables	61,440	91,376
17.2 Current tax liabilities	6,717	2,793
17.3 Finance lease liabilities	457	505
	68,614	94,674
18. TOTAL LIABILITIES	101,669	128,283
19. TOTAL EQUITY AND LIABILITIES	933,997	897,123
20. Net assets per share (RM)	3.18	3.10

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Report for the year ended 31 March 2017 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 Period Ended 30 September 2017

(The figures have not been audited)

	Attributable to equity holders of the Company						Total	Non-controlling Interests	Total Equity
	Non-distributable			Distributable					
	Share Capital	Share Premium	Revaluation Surplus	Merger Deficit	Capital Reserve	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	A RM'000	B RM'000	A + B RM'000	
1. 6 months ended									
30 September 2017									
1.1 At 1 April 2017	242,124	1,225	96,330	(130,464)	11,040	529,975	750,230	18,610	768,840
1.2 Total comprehensive income for the period	-	-	130	-	-	35,195	35,325	318	35,643
1.3 Realisation of revaluation reserve	-	-	(506)	-	-	506	-	-	-
1.4 Dividends paid	-	-	-	-	-	(14,527)	(14,527)	-	(14,527)
1.5 Non-controlling interests arising from business combinations	-	-	-	-	-	-	-	42,372	42,372
1.6 At 30 September 2017	242,124	1,225	95,954	(130,464)	11,040	551,149	771,028	61,300	832,328
2. 6 months ended									
30 September 2016									
2.1 At 1 April 2016	242,124	1,225	96,871	(130,464)	11,040	492,963	713,759	18,102	731,861
2.2 Total comprehensive income for the period	-	-	-	-	-	36,354	36,354	243	36,597
2.3 Realisation of revaluation reserve	-	-	(302)	-	-	406	104	-	104
2.4 Dividends paid	-	-	-	-	-	(16,948)	(16,948)	-	(16,948)
2.5 At 30 September 2016	242,124	1,225	96,569	(130,464)	11,040	512,775	733,269	18,345	751,614

(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 2017 and the accompanying explanatory notes attached to the interim financial report)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
Financial Period Ended 30 September 2017

	6 months ended 30-09-2017 RM'000	6 months ended 30-09-2016 RM'000
1 Cash flows from operating activities		
1.1 Profit before taxation	41,591	46,411
1.2 Adjustments for :-		
1.2.1 Depreciation and amortisation	2,929	2,816
1.2.2 Interest expenses	26	22
1.2.3 Interest income	(6,203)	(5,094)
1.2.4 Loss / (profit) from associate	(253)	(631)
1.3 Operating profit before working capital changes	38,090	43,524
1.4 (Increase)/decrease in inventories and property development costs	12,010	(9,972)
1.5 (Increase)/decrease in receivables	46,593	12,380
1.6 Increase/(decrease) in payables	(29,936)	(39,801)
1.7 Cash generated from operations	66,757	6,131
1.8 Tax paid	(3,640)	(8,119)
1.9 Net cash inflow / (outflow) from operating activities	63,117	(1,988)
2 Cash flows from investing activities		
2.1 Receipt/(Deposit) from/(to) trust account	143	(117)
2.2 Purchase of property, plant and equipment	(2,978)	(1,299)
2.3 Purchase of land held for property development	(1)	(137)
2.4 Interest received	6,203	5,094
2.5 Net cash inflow / (outflow) from investing activities	3,367	3,541
3 Cash flows from financing activities		
3.1 Proceeds from shares issued to non-controlling interest	42,372	-
3.2 Receipt / (Refund) of members' deposit	(17)	(43)
3.3 Payment of finance lease liabilities	(271)	(192)
3.4 Interest paid	(26)	(22)
3.5 Dividends paid to shareholders of the Company	(14,527)	(16,948)
3.6 Net cash inflow / (outflow) from financing activities	27,531	(17,205)
4 Net increase / (decrease) in cash and cash equivalents	94,015	(15,652)
5 Cash and cash equivalents at 1 April 2017 / 2016	290,420	305,810
6 Cash and cash equivalents at 30 September 2017 / 2016	384,435	290,158
7 Analysis of Cash and Cash Equivalents :-		
8 Cash & deposits	384,435	290,158

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Audited Financial Report for the year ended 31 March 2017 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, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the requirements of Companies Act 2016 (“CA 2016”) that became effective 31 January 2017 in Malaysia.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2017.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the audited financial statements for the year ended 31 March 2017, except for the adoption of the following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations Committee (IC) interpretations.

	Effective for financial periods beginning on or after
Amendments to FRS 107 : Disclosure Initiative	1 January 2017
Amendments to FRS 112 : Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to FRSs 2014 – 2016 Cycle (Amendments to FRS 12 : Disclosure of Interests in Other Entities)	1 January 2017

The Group has yet to adopt the following FRSs, amendments to FRSs that have been issued but not yet effective :-

	Effective for financial periods beginning on or after
Amendments to FRS 2 : Classification and Measurement of Share-based Payment Transactions	1 January 2018
FRS 9 : Financial Instruments	1 January 2018
FRS 15 : Revenue from Contracts with Customers	1 January 2018
MFRS 16 : Leases	1 January 2019
Amendments to FRS 10 and FRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The adoption of the above revised standards and amendments to existing standards did not have any significant impact on the financial statements of the Group.

Malaysian Financial Reporting Standards (MFRSs)

To converge with International Financial Reporting Standards (“IFRSs”) in 2012, the Malaysian Accounting Standards Board (“MASB”) had on 19 November 2011, issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRSs”), which are mandatory for financial periods beginning on or after 1 January 2012, with the exception of transitioning entities.

Transitioning entities include:

(a) Entities that are within the scope of :

- MFRS 141 Agriculture; and
- IC Interpretation 15 Agreements for Construction of Real Estate

(b) The parent, significant investor and venture of entities as stated in (a) above.

On 2 September 2014, MASB announced that transitioning entities are required to apply the Malaysian Financial Reporting Standards Framework for annual periods beginning on or after 1 January 2017. MASB has also issued the following MFRSs:

- MFRS 15 *Revenue from Contracts with Customers*.
- *Agriculture: Bearer Plants* (Amendments to MFRS 116 and MFRS 141).

On 8 September 2015, MASB confirmed that the effective date of MFRS 15 Revenue from Contracts with Customers will be deferred to annual periods beginning on or after 1 January 2018, following the press release by International Accounting Standards Board (IASB) confirming a one-year deferral of IFRS 15 Revenue from Contracts with Customers.

The Group and the Company will adopt the MFRS 15 *Revenue from Contracts with Customers* effective 1 April 2018.

Companies Act 2016 (CA 2016)

The Minister of Domestic Trade, Co-operatives and Consumerism has appointed 31 January 2017 as the date on which the Companies Act 2016 comes into operation, except for Section 241 and Division 8 of Part III.

Pursuant to the circular issued by Malaysian Institute of Accountants on 2 February 2017, the Companies Commission of Malaysia had clarified that the CA 2016 should be complied with for the preparation of financial statements, the directors’ report and the auditors’ report thereon commencing from the financial year/period ended 31 January 2017.

Following the requirements of the CA 2016, the amount standing in the share premium and merger reserve account will be recognised as part of the Company’s share capital pursuant to the transitional provision set out in Section 618(2) of the CA 2016 or utilised for the purposes as set out in Section 618(3) of the CA 2016, within 24 months from the commencement of the CA 2016.

As at 30 September 2017, no adjustment is made to the share premium and merger reserve accounts as the Group and the Company has yet to decide on the transitional treatments.

2. Audit report for the preceding annual financial statements

The audit report for the financial statements for the year ended 31 March 2017 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 period 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.

The CA 2016, which came into operation on 31 January 2017, abolished the concept of:

- Authorized share capital
- Par value of share capital
- Share premium and merger reserve accounts

The ordinary shares of RM1 each have no par value upon enactment of the CA 2016.

7. Dividends paid

During the financial year ending 31 March 2018:

- (i) a second interim single-tier dividend of 6 sen per share, amounting to a net dividend of approximately RM14.53 million in respect of the financial year ended 31 March 2017, was paid on 5 July 2017.
- (ii) The final single-tier dividend of 6 sen per share, amounting to a net dividend payable of approximately RM14.53 million in respect of the financial year ended 31 March 2017, was paid on 5 October 2017.

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 23 November 2017, the latest practicable date that is not earlier than 7 days from the date of issue of this quarterly report.

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10. Segmental information

The segmental analysis for the current year to date ended 30 September 2017 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	5,490	94,758	-	-	161	499	-	100,908
Inter-segment sales	1,390	-	32,039	18,228	2,015	-	(53,672)	-
Total revenue	6,880	94,758	32,039	18,228	2,176	499	(53,672)	100,908
RESULTS								
Segment results	505	33,310	2,557	11	(1,716)	497	-	35,164
Interest income								6,203
Finance costs								(29)
Profit/(Loss) from associate								253
Profit before tax								41,591
Taxation								(6,078)
Profit for the year								35,513

The segmental analysis for the preceding year to date ended 30 September 2016 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	5,523	107,860	-	-	146	1,232	-	114,761
Inter-segment sales	1,172	-	53,337	18,570	4,709	-	(77,788)	-
Total revenue	6,695	107,860	53,337	18,570	4,855	1,232	(77,788)	114,761
RESULTS								
Segment results	1,433	37,518	84	(20)	464	1,229	-	40,708
Interest income								5,094
Finance costs								(22)
Profit/(Loss) from associate								631
Profit before tax								46,411
Taxation								(9,814)
Profit for the period								36,597

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

SHL Consolidated Bhd. ('SHL') has on 3 May 2017 entered into a Joint Venture Agreement ('the JV Agreement') with Marubeni Corporation ('Marubeni') to:

- Carry on the business of undertaking the development of a land held under Geran 331496, Lot 27762 Seksyen 5, Bandar Cheras, Daerah Ulu Langat, Selangor Darul Ehsan comprising a land area of approximately 9.557 acres ('the Land') into 568 units of condominium in Bandar Sungai Long; and
- Engage in all such activities as may be incidental thereto.

Pursuant to the JV Agreement:

- (a) Sin Heap Lee Development Sdn. Bhd. ('SHL Development'), a wholly-owned subsidiary of SHL and MC Chance Malaysia Sdn. Bhd. ('MCCM'), a wholly owned subsidiary of Marubeni has on 4 May 2017 incorporated a new company namely SHL-M Ventures Sdn. Bhd. ('SHL-M Ventures') as a joint venture company to carry out the joint venture activities of developing the Land. The principal activity of SHL-M Ventures is property development.
- (b) SHL Development has subscribed for Eighty Six Million Twenty Eight Thousand (86,028,000) ordinary shares and MCCM has subscribed for Forty Two Million Three Hundred Seventy Two Thousand (42,372,000) ordinary shares at an issue price of Ringgit Malaysia One (RM1.00) for each ordinary share in SHL-M Ventures, representing 67% and 33% respectively of the issued and paid-up share capital of SHL-M Ventures as at 30 September 2017.

12. Changes in contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets as at 30 September 2017.

13. Capital commitments

No capital commitment was outstanding as at 30 September 2017.

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 of approximately RM0.06 million.
- (b) Procurement of engineering consultancy services of approximately RM5.10 million.
- (c) Rental expense of premises of approximately RM0.51 million.
- (d) Procurement of project delivery services and construction management services of approximately RM1.19 million.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (BMSB)**

1. Review of performance

Financial review for current quarter and financial period to date

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT	PRECEDING	Changes		CURRENT	PRECEDING	Changes	
	YEAR	YEAR			YEAR	YEAR		
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING	PERIOD			
30-09-17	30-09-16	30-09-17	30-09-16					
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
			A - B		A	B	A - B	
Revenue	50,142	54,018	(3,876)	-7.2%	100,908	114,761	(13,853)	-12.1%
Gross Profit	22,335	22,434	(99)	-0.4%	44,393	48,339	(3,946)	-8.2%
Profit from Operations	21,162	21,521	(359)	-1.7%	41,367	45,802	(4,435)	-9.7%
Profit before Taxation	21,238	22,103	(865)	-3.9%	41,591	46,411	(4,820)	-10.4%
Profit for the Period	17,927	17,571	356	2.0%	35,513	36,597	(1,084)	-3.0%
Profit Attributable to Equity								
Holders of the Company	17,751	17,433	318	1.8%	35,195	36,354	(1,159)	-3.2%

1.1 Current Year-To-date vs Preceding Year-To-date

The property development segment continues to be the key contributor registering a revenue of RM94.76 million for the six-months period ended 30 September 2017, representing about 93.9% of the consolidated revenue. The property segment will remain focused on building landed properties and affordable value homes with readily available mortgage financing facilities from banks. Goodview Heights in Sungai Long South, Selangor Darul Ehsan has contributed significantly to the financial performance of the Group.

Revenue decreased by 12.1% from RM114.76 million reported in the preceding year corresponding period to RM100.91 million for the period ended 30 September 2017, mainly due to substantial handovers of sold units at Alam Budiman in Shah Alam, Selangor Darul Ehsan in the preceding year corresponding period.

The Group registered higher gross profit margin in the current financial period under review from 42.1% to 44.0% mainly due to better margins recorded by the property development segment at completion stage.

Performance of the respective operating business segments for the current year-to-date as compared to the preceding year-to-date is analysed as follows:

- (i) Property development – The decrease in pre-tax profit was mainly due to lower revenue realised by our property development segment.
- (ii) Construction – The increase in pre-tax profit was mainly due to better margins recorded by the construction segment.
- (iii) Manufacturing – The decrease in pre-tax profit was mainly due to decrease in the sales of our clay bricks.
- (iv) There are no significant variations for other business segments.

1.2 Current Quarter vs Preceding Year Corresponding Quarter

On a quarterly basis, the Group recorded a profit before taxation for the period ended 30 September 2017 of RM21.24 million, decreased by RM0.86 million or 3.9% as compared to preceding year's profit before taxation of RM22.10 million. The decrease of the Group's profit is mainly due to lower revenue generated by our property development business.

Performance of the respective operating business segments for the current year-to-date as compared to the preceding year-to-date is analysed as follows:

- (i) Property development – The decrease in pre-tax profit was mainly due to lower revenue generated by our property development business.
- (ii) Construction – The increase in pre-tax profit was mainly due to better margins recorded by the construction segment.
- (iii) Manufacturing – The decrease in pre-tax profit was mainly due to decrease in the sales of our clay bricks.
- (iv) There are no significant variations for other business segments.

2. Variation of results against preceding quarter

Financial review for current quarter compared with immediate preceding quarter

	INDIVIDUAL QUARTER			
	CURRENT	IMMEDIATE	Changes	
	QUARTER	PRECEDING		
	30-09-17	QUARTER		
	30-06-17	RM'000	%	
	RM'000	RM'000	A - B	
Revenue	50,142	50,766	(624)	-1.2%
Gross Profit	22,335	22,058	277	1.3%
Profit from Operations	21,162	20,205	957	4.7%
Profit before Taxation	21,238	20,353	885	4.3%
Profit for the Period	17,927	17,586	341	1.9%
Profit Attributable to Equity				
 Holders of the Company	17,751	17,444	307	1.8%

The Group's profit before taxation of RM21.24 million for the current quarter increased by RM0.89 million compared to RM20.35 million achieved in the immediate preceding quarter. The higher profit registered for the current quarter is mainly due to higher profit margin realised by our property development business.

3. Prospects for the next financial year

The Malaysian economy is projected to grow at a slower pace of 4.3% to 4.8% in 2017, driven mainly by a combination of weaker domestic demand, unstable oil prices and depreciating ringgit.

SHL Consolidated Bhd has on 3 May 2017 entered into a joint venture agreement with Marubeni Corporation, Japan, to develop 568 units of condominium in Bandar Sungai Long, Selangor Darul Ehsan, with the potential of engaging in development projects in the ASEAN region. This relationship will enhance the acceleration of supply of houses, generate revenue growth and efficiency, improvement of delivery system, recycling of human resource, exchange of information and comprehensive evaluation of the domestic and international property market. Therefore, this will enhance the Group's growth prospects going forward when projects undertaken by the Group's joint-ventures are expected to begin contributing to earnings.

The newly completed Mass Rapid Transit (MRT) lines along suburban areas are expected to increase the demand for the landed residential properties located in these areas. However, the continued effect of Bank Negara Malaysia's tightening lending rules and the current weak economic environment has resulted in a softening of demand for both residential and commercial properties.

Barring any unforeseen circumstances, the Board of Directors is cautiously optimistic 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. Notes to Condensed Consolidated Statement of Comprehensive Income

Profit before tax is arrived at after charging / (crediting) the following items:

	Current year quarter <u>RM'000</u>	Current year-to- date <u>RM'000</u>
Interest income	(3,372)	(6,203)
Interest expense	12	26
Depreciation and amortisation	1,468	2,929

6. Tax expense

	Current quarter ended 30 September		Year-to-date ended 30 September	
	2017	2016	2017	2016
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current	4,196	2,903	7,176	6,546
Under / (Over) provision in prior year	-	1,277	-	2,303
Deferred	<u>(885)</u>	<u>352</u>	<u>(1,098)</u>	<u>965</u>
	<u>3,311</u>	<u>4,532</u>	<u>6,078</u>	<u>9,814</u>
Effective tax rate	<u>16%</u>	<u>21%</u>	<u>15%</u>	<u>21%</u>

The effective tax rate of the Group for the current quarter and year-to-date were lower than the statutory rate as certain income was not taxable.

7. Status of corporate proposals announced

There were no corporate proposals announced but not completed as at 23 November 2017.

8. Finance lease liabilities

The Group finance lease liabilities as at 30 September 2017 are as follows: -

	Secured
	<u>RM'000</u>
Short Term	457
Long Term	<u>381</u>
	<u>838</u>

The above finance lease liabilities are denominated in Ringgit Malaysia.

9. Realised and Unrealised Profits/Losses

The realised and unrealised profits/losses as at 30 September 2017 are as follows: -

	As at 30 September 2017 RM'000	As at 31 March 2017 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	557,100	544,274
- Unrealised	162,167	175,500
	719,267	719,774
Total share of accumulated profits from associate company:		
- Realised	12,897	12,644
- Unrealised	1,488	1,488
	14,385	14,132
Less: Consolidation adjustments	(182,503)	(203,931)
Total group retained profits as per consolidated accounts	551,149	529,975

The determination of realised and unrealised profits is compiled based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

10. Dividend

No dividend was declared for the current quarter ended 30 September 2017 (previous year's quarter ended 30 September 2016 : 6 sen per share).

11. 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' Sri Ir. Yap Chong Lee
Executive Director
29 November 2017