

SHL Consolidated Bhd.

and its Subsidiaries

(Incorporated in Malaysia)

Report and Financial Statements

31 March 2009

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SHL Consolidated Bhd.

(Incorporated in Malaysia)

Corporate Information

Board of Directors

Y.A.M. Tengku Abdul Samad Shah Ibni
Almarhum Sultan Salahuddin Abdul Aziz Shah
Dato' Yap Teiong Choon
Dato' Ir. Yap Chong Lee
Tan Sri Dato' Ir. Talha Bin Haji Mohamad Hashim
Chin Yu Tow @ Cheng Yu Thou
Norendra Ponniah
Wong Tiek Fong
Wong Yew Mei (Alternate Director to Wong Tiek Fong)

Secretaries

Chok Kwee Wah
Lim Chew Suan

Auditors

Khoo Wong & Chan (AF: 0736)
Chartered Accountants
8.06 – 8.08, 8th. Floor,
Plaza First Nationwide,
161, Jalan Tun H. S. Lee,
50000 Kuala Lumpur,
Malaysia.

Principal Bankers

United Overseas Bank (Malaysia) Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
CIMB Bank Berhad
EON Bank Berhad
HSBC Bank Malaysia Berhad
Bangkok Bank Berhad

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***Directors' Report for the year ended
31 March 2009**

Your Directors have pleasure in submitting the Directors' report and the audited financial statements of the Group and of the Company for the year ended 31 March 2009.

Principal activities

SHL Consolidated Bhd. is an investment holding company and it provides strategic, financial and corporate planning services. SHL Consolidated Bhd. and its subsidiaries are an integrated commercial and residential property development group which are also involved in granite quarrying and manufacturing of aggregates, general building construction, earthworks, infrastructure works, the ownership and operation of a golf resort, the manufacture of clay bricks, supply of finished brickworks of wall and other brick structures, the manufacture of aluminium framed doors and windows, the provision of soil and concrete laboratory testing services, the provision of professional construction management and geo-technical services, the marketing and distribution of building materials and rental of properties.

There has been no significant change in the nature of these principal activities during the financial year.

Financial results

	Group	Company
	RM'000	RM'000
Profit before taxation	30,843	13,642
Malaysian taxation	(8,946)	(3,472)
Profit for the year	<u>21,897</u>	<u>10,170</u>

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***Dividends**

The amounts of dividends paid and proposed since the end of the previous financial year were as follows:-

	RM'000
<i>Dividends paid:</i>	
Final dividend of 6 Sen gross per share less tax in respect of financial year ended 2008	<u>10,750</u>
<i>Dividend proposed:</i>	
Final dividend of 6 Sen gross per share less tax in respect of financial year ended 2009	<u>10,896</u>

Movements of reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year.

Share capital

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

Share options

There were no share options granted during the financial year or unissued shares under option at the end of the financial year, in respect of shares in the Company.

Directors

The Directors in office since the date of the last report are:-

Y.A.M. Tengku Abdul Samad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Dato' Yap Teiong Choon Dato' Ir. Yap Chong Lee Ir. Yusoff Bin Md Nasir	(Resigned on 26.5.2009)
Tan Sri Dato' Ir. Talha Bin Haji Mohamad Hashim Chin Yu Tow @ Cheng Yu Thou Norendra Ponniah Leong Chin Cheong	(Resigned on 26.5.2009)
Wong Tiek Fong Chin Choon Foo (Alternate Director to Leong Chin Cheong) Wong Yew Mei (Alternate Director to Wong Tiek Fong)	(Resigned on 26.5.2009)

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***Directors' interests**

According to the Register of Directors' Shareholdings, particulars of interests in the shares in the Company and its related corporations during the financial year of those Directors holding office at the end of the financial year are as follows:-

Company	Ordinary shares of RM1/- each			31 March 2009
	1 April 2008	Addition	Disposal	
Direct				
Y.A.M. Tengku Abdul Samad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	100,000	-	-	100,000
Dato' Yap Teiong Choon	5,283,869	-	-	5,283,869
Dato' Ir. Yap Chong Lee	3,040,319	-	-	3,040,319
Ir. Yusoff Bin Md Nasir	9,500	-	-	9,500
Tan Sri Dato' Ir. Talha Bin Haji Mohamad Hashim	25,000	-	-	25,000
Norendra Ponniah	60,000	-	-	60,000
Chin Yu Tow @ Cheng Yu Thou	35,500	-	-	35,500
Leong Chin Cheong	130,750	-	-	130,750
Wong Tiek Fong	73,800	-	-	73,800
Chin Choon Foo (Alternate Director to Leong Chin Cheong)	282,850	-	-	282,850
Wong Yew Mei (Alternate Director to Wong Tiek Fong)	236,150	-	-	236,150
Indirect				
Y.A.M. Tengku Abdul Samad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	15,646,037	-	-	15,646,037
Dato' Yap Teiong Choon	58,421,884	-	-	58,421,884
Dato' Ir. Yap Chong Lee	65,212,516	17,492,716	1,000	82,704,232

By virtue of their interests in the Company, the following Directors are also deemed to be interested in the shares of all the subsidiaries to the extent of the shares held by the Company, and there were no changes in these interests.

Y.A.M. Tengku Abdul Samad
Shah Ibni Almarhum Sultan
Salahuddin Abdul Aziz Shah
Dato' Yap Teiong Choon
Dato' Ir. Yap Chong Lee

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)*

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than those disclosed in the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Other statutory information

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain the action taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent or the values attributed to current assets of the Group and of the Company misleading; and
- (b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the Directors, would substantially affect the results of the operations of the Group and of the Company for the current financial year; and
- (b) no charge has arisen on the assets of the Group and of the Company which secures the liability of any other person nor has any contingent liability arisen in the Group and in the Company.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

SHL Consolidated Bhd.

and its Subsidiaries

(Incorporated in Malaysia)

Ultimate holding company

The Company is not a subsidiary of another corporation at the end of the financial year.

Auditors

Messrs. Khoo Wong & Chan have indicated their willingness to continue in office.

On behalf of the Board,

Dato' Yap Teiong Choon

Dato' Ir. Yap Chong Lee

Kuala Lumpur,
21 July 2009

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***Statement by Directors**

We, **Dato' Yap Teiong Choon** and **Dato' Ir. Yap Chong Lee** being the Directors of **SHL Consolidated Bhd.** do hereby state on behalf of the Board of Directors that in our opinion, the financial statements set out on pages 10 to 73 are drawn up in accordance with Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at *31 March 2009* and of their financial performance, changes in equity and cash flows for the year ended on that date.

On behalf of the Board,

Dato' Yap Teiong Choon

Dato' Ir. Yap Chong Lee

Kuala Lumpur,
21 July 2009

Statutory Declaration

I, **Wong Tiek Fong** I/C No. 620620-06-5161, being the Director primarily responsible for the accounting records and financial management of **SHL Consolidated Bhd.** do solemnly and sincerely declare that the financial statements set out on pages 10 to 73 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the *Statutory Declarations Act, 1960*.

Subscribed and solemnly declared by }
 Wong Tiek Fong }
 I/C No. 620620-06-5161 }
 at **Kuala Lumpur** in the }
Federal Territory }
 on 21 July 2009 }

Wong Tiek Fong

Before me,

Khoo Wong & Chan (AF: 0736)*Chartered Accountants*

8.06 – 8.08, 8th. Floor,
Plaza First Nationwide,
161, Jalan Tun H. S. Lee,
50000 Kuala Lumpur.

**Independent Auditors' Report
To The Members of SHL Consolidated Bhd.**

Report on the Financial Statements

We have audited the accompanying financial statements of **SHL Consolidated Bhd.**, which comprise the balance sheets as at 31 March 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 73.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2009 and of their financial performance, changes in equity and cash flows for the year then ended.

Continued

Khoo Wong & Chan (AF: 0736)

Chartered Accountants

8.06 – 8.08, 8th. Floor,
Plaza First Nationwide,
161, Jalan Tun H. S. Lee,
50000 Kuala Lumpur.

**Independent Auditors' Report
To The Members of SHL Consolidated Bhd.**

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the said Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the financials statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Khoo Wong & Chan
Chartered Accountants
(AF: 0736)

Chan Kee Hwa
Partner
1367/6/11(J/PH)
Chartered Accountant

Kuala Lumpur,
21 July 2009

SHL Consolidated Bhd.
and its Subsidiaries
(Incorporated in Malaysia)

Income Statements for the year ended 31 March 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	5	264,562	191,023	14,310	95,204
Cost of sales		(218,695)	(148,727)	-	-
Gross profit		45,867	42,296	14,310	95,204
Other operating income		3,866	49,790	-	-
Distribution costs		(3,399)	(3,128)	-	-
Administration expenses		(13,109)	(18,321)	(567)	(5,536)
Profit from operations		33,225	70,637	13,743	89,668
Finance costs		(2,373)	(3,141)	(101)	-
Loss from associate		(9)	(7)	-	-
Profit before taxation	6	30,843	67,489	13,642	89,668
Taxation	7	(8,946)	(7,160)	(3,472)	(24,646)
Profit for the year		21,897	60,329	10,170	65,022
Attributable to:					
• shareholders of the Company		21,897	60,867	10,170	65,022
• minority interests		-	(538)	-	-
		21,897	60,329	10,170	65,022
		Sen	Sen		
Earnings per share	8				
Basic and fully diluted		9.04	25.14		

The annexed notes form an integral part of the financial statements.

SHL Consolidated Bhd.
and its Subsidiaries
(Incorporated in Malaysia)

Balance Sheets as at 31 March 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	9	220,040	223,305	-	-
Prepaid lease payments	10	1,070	1,098	-	-
Investment in subsidiaries	11	-	-	432,989	432,989
Investment in associate	12	1,266	1,275	-	-
Investment properties	13	44,893	47,173	-	-
Land held for property development	14	44,760	44,623	-	-
Intangible assets	15	15,346	16,283	-	-
Investments	16	124	124	-	-
Trust account		1,256	1,562	-	-
Deferred tax assets	17	3,051	3,273	-	-
		331,806	338,716	432,989	432,989
Current assets					
Prepaid lease payments	10	28	28	-	-
Amounts due from subsidiaries	18	-	-	73,171	89,605
Property development costs	19	199,458	192,088	-	-
Inventories	20	65,019	93,236	-	-
Trade receivables	21	62,338	104,698	-	-
Current tax assets		3,342	3,998	211	540
Other receivables	22	7,342	7,006	20	20
Cash and deposits	23	27,887	23,696	566	267
		365,414	424,750	73,968	90,432
		697,220	763,466	506,957	523,421

The annexed notes form an integral part of the financial statements.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***Balance Sheets as at 31 March 2009**

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	24	242,124	242,124	242,124	242,124
Reserves	25	275,708	264,523	144,612	145,192
		517,832	506,647	386,736	387,316
Minority interests		-	-	-	-
TOTAL EQUITY		517,832	506,647	386,736	387,316
Non-current liabilities					
Deferred tax liabilities	17	16,056	16,193	-	-
Finance lease liabilities	26	1,008	388	-	-
Long-term borrowings	27	8,728	22,728	-	-
Club establishment fund	28	18,100	18,082	-	-
		43,892	57,391	-	-
Current liabilities					
Amounts due to subsidiaries	18	-	-	120,195	121,207
Trade payables	29	52,318	66,338	-	-
Other payables	30	4,018	35,420	26	14,898
Finance lease liabilities	26	510	377	-	-
Short-term borrowings	31	76,618	95,996	-	-
Current tax liabilities		2,032	1,297	-	-
		135,496	199,428	120,221	136,105
TOTAL LIABILITIES		179,388	256,819	120,221	136,105
TOTAL EQUITY AND LIABILITIES		697,220	763,466	506,957	523,421

The annexed notes form an integral part of the financial statements.

SHL Consolidated Bhd.
and its Subsidiaries
(Incorporated in Malaysia)

Statements of Changes in Equity for the year ended 31 March 2009

Group	Note	<u>Attributable to shareholders of the Company</u>				Total	Minority interests	Total equity
		<u>Share capital</u>	<u>Share premium</u>	<u>*Other reserves</u>	<u>Retained profits</u>			
2009		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2008		242,124	1,225	(69,403)	332,701	506,647	-	506,647
Effect of a change in imposition of tax rate:								
• transferred from deferred tax liabilities		-	-	38	-	38	-	38
Net income recognised directly in equity		-	-	38	-	38	-	38
Profit for the year		-	-	-	21,897	21,897	-	21,897
Dividends:								
• shareholders of the Company	32	-	-	-	(10,750)	(10,750)	-	(10,750)
At 31 March 2009		242,124	1,225	(69,365)	343,848	517,832	-	517,832
2008								
At 1 April 2007		242,124	1,225	(69,662)	282,439	456,126	87,307	543,433
Effect of a change in imposition of tax rate:								
• transferred from deferred tax liabilities		-	-	259	-	259	-	259
Net income recognised directly in equity		-	-	259	-	259	-	259
Profit/(loss) for the year		-	-	-	60,867	60,867	(538)	60,329
Dividends:								
• shareholders of the Company	32	-	-	-	(10,605)	(10,605)	-	(10,605)
• minority shareholders		-	-	-	-	-	(20,000)	(20,000)
Impact of acquisition on minority interests		-	-	-	-	-	(66,769)	(66,769)
At 31 March 2008		242,124	1,225	(69,403)	332,701	506,647	-	506,647

The annexed notes form an integral part of the financial statements.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***Statements of Changes in Equity for the year ended 31 March 2009*****Analysis of other reserves:**

Group 2009	<i>Non-distributable</i>			Total RM'000
	Revaluation surplus RM'000	Capital reserves RM'000	Merger deficit RM'000	
At 1 April 2008	50,021	11,040	(130,464)	(69,403)
Effect of a change in imposition of tax rate:				
• transferred from deferred tax liabilities	38	-	-	38
Net income recognised directly in equity	38	-	-	38
At 31 March 2009	50,059	11,040	(130,464)	(69,365)

2008

At 1 April 2007	49,762	11,040	(130,464)	(69,662)
Effect of a change in imposition of tax rate:				
• transferred from deferred tax liabilities	259	-	-	259
Net income recognised directly in equity	259	-	-	259
At 31 March 2008	50,021	11,040	(130,464)	(69,403)

The annexed notes form an integral part of the financial statements.

SHL Consolidated Bhd.
and its Subsidiaries
(Incorporated in Malaysia)

Statements of Changes in Equity for the year ended 31 March 2009

Company 2009	Note	Share capital RM'000	Share premium RM'000	*Other reserves RM'000	Retained profits RM'000	Total RM'000
At 1 April 2008		242,124	1,225	27,738	116,229	387,316
Profit for the year		-	-	-	10,170	10,170
Dividends	32	-	-	-	(10,750)	(10,750)
At 31 March 2009		242,124	1,225	27,738	115,649	386,736

2008

At 1 April 2007		242,124	1,225	27,738	61,812	332,899
Profit for the year		-	-	-	65,022	65,022
Dividends	32	-	-	-	(10,605)	(10,605)
At 31 March 2008		242,124	1,225	27,738	116,229	387,316

***Analysis of other reserves:**

Company 2009	Merger reserve RM'000	Capital reserve RM'000	Total RM'000
At 1 April 2008 and 31 March 2009	4,377	23,361	27,738

2008

At 1 April 2007 and 31 March 2008	4,377	23,361	27,738
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The annexed notes form an integral part of the financial statements.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***Cash Flow Statements for the year ended 31 March 2009**

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash flows from operating activities					
Profit before taxation		30,843	67,489	13,642	89,668
Adjustments for:					
Depreciation and amortisation		4,383	2,989	-	-
(Gain)/loss on disposal of property, plant and equipment and investments		(74)	1,264	-	-
Derecognition of property, plant and equipment		1,898	11	-	-
Gain on disposal of investment properties		(1,740)	-	-	-
Impairment loss on goodwill		-	3,944	-	-
Impairment loss of investment in subsidiaries		-	-	-	4,983
Negative goodwill		-	(46,769)	-	-
Interest expenses		2,490	3,132	101	-
Interest income		(1,192)	(513)	-	(8)
Dividend income		-	-	(14,310)	(95,196)
Loss from associate		9	7	-	-
Operating profit/(loss) before working capital changes		36,617	31,554	(567)	(553)
(Increase)/decrease in inventories and property development costs	33	23,662	6,341	-	-
(Increase)/decrease in receivables		42,024	(29,737)	16,434	(66,758)
Increase/(decrease) in payables		(38,817)	37,161	(9,279)	734
Cash generated from/(absorbed by) operations		63,486	45,319	6,588	(66,577)
Tax paid		(8,652)	(6,670)	(3,578)	(24,751)
Tax refunded		1,220	534	435	377
Interest paid		(3,544)	(3,501)	(101)	-
Net cash from/(used in) operating activities		52,510	35,682	3,344	(90,951)

The annexed notes form an integral part of the financial statements.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***Cash Flow Statements for the year ended 31 March 2009**

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash flows from investing activities					
Development costs	34	-	(917)	-	-
Claim received from trust account		306	-	-	-
Payment to trust account		-	(250)	-	-
Purchase of property, plant and equipment	35	(1,230)	(539)	-	-
Acquisition of subsidiary		-	(20,000)	-	-
Purchase of investment properties		(180)	(2)	-	-
Purchase of land held for property development		(137)	(357)	-	-
Proceeds from disposal of property, plant and equipment		85	360	-	-
Proceeds from disposal of investment properties		4,200	-	-	-
Proceeds from disposal of investments		-	1	-	-
Interest received		1,192	487	-	8
Dividends received		-	-	14,310	95,196
Net cash from/(used in) investing activities		4,236	(21,217)	14,310	95,204
Cash flows from financing activities					
Receipt of club members' deposits		18	49	-	-
Repayments to other corporations		(4,500)	(1,100)	-	-
Proceeds from term loans		-	18,000	-	-
Repayments of term loans		(23,003)	(14,227)	-	-
Payment of finance lease liabilities		(79)	(507)	-	-
Net changes in other borrowings		(5,732)	10,744	-	-
Interest received		-	26	-	-
Interest paid		(1,761)	(2,775)	-	-
Dividends paid to:					
• shareholders of the Company		(17,355)	(4,000)	(17,355)	(4,000)
• minority shareholders of subsidiary		-	(20,000)	-	-
Net cash from/(used in) financing activities		(52,412)	(13,790)	(17,355)	(4,000)
Net increase/(decrease) in cash and cash equivalents		4,334	675	299	253
Cash and cash equivalents at 1 April		23,520	22,845	267	14
Cash and cash equivalents at 31 March	36	27,854	23,520	566	267

The annexed notes form an integral part of the financial statements.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***Notes to the Financial Statements****31 March 2009**

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information**1.1 Principal activities**

The Company is an investment holding company and it provides strategic, financial and corporate planning services.

The Group are an integrated commercial and residential property developer and are also involved in granite quarrying and manufacturing of aggregates, general building construction, earthworks, infrastructure works, ownership and operation of a golf resort, the manufacture of clay bricks, supply of finished brickworks of wall and other brick structures, the manufacture of aluminium framed doors and windows, the provision of soil and concrete laboratory testing services, the provision of professional construction management and geo-technical services, the marketing and distribution of building materials and rental of properties.

1.2 Legal form and domicile

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad.

1.3 Registered office and principal place of business

The addresses of the registered office and principal place of business are as follows:-

Registered office

6th Floor, Wisma Sin Heap Lee,
346 Jalan Tun Razak,
50400 Kuala Lumpur.

Principal place of business

16th Floor, Wisma Sin Heap Lee,
346 Jalan Tun Razak,
50400 Kuala Lumpur.

1.4 Authorisation for issue

The financial statements were authorised for issue by the Directors on 21 July 2009.

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2. **Financial risk management policies**

The Group and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group and of the Company's businesses whilst managing their risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group and the Company's policies are to forbid speculative transactions.

The main areas of financial risks faced by the Group and by the Company and the policies in respect of the major areas of treasury activity are set out as follows:

2.1 **Foreign currency risk**

The Group and the Company are exposed to foreign currency risk as a result of their normal trading activities, where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Group and the Company's policies are to keep their foreign currency risk exposure to an acceptable level.

2.2 **Interest rate risk**

The Group and the Company place surplus funds in the form of short-term deposits with reputable financial institutions to earn interest income based on prevailing market rates. The Group and the Company manage their interest rate risk by placing such funds for the maturity periods of 12 months or less.

The Group and the Company's policies are to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between floating and fixed rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

2.3 **Market risk**

The Group and the Company's principal exposure to market risk arises mainly from the changes in equity prices. The Group and the Company manage the risk of unfavourable changes by cautious review of the investments before investing and continuous monitoring of their performance and risk profiles.

2.4 **Credit risk**

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. This is done through reference to published credit ratings by prime financial institutions. In the absence of published ratings, an internal credit review is conducted if the credit risk is material.

2.5 **Liquidity and cash flow risks**

The Group and the Company seek to achieve a balance between certainty of funding even in difficult times for the markets or the Group and the Company and a flexible, cost-effective borrowing structure. This is to ensure that at the minimum, all projected net borrowing needs are covered by committed facilities. Also, the objective for debt maturity is to ensure that the amount of debt maturing in any one year is within the Group and the Company's means to repay and refinance.

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3. Basis of preparation**3.1 Statement of compliance**

The financial statements comply with Financial Reporting Standards (FRSs) and the provisions of the Companies Act 1965 in Malaysia. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

3.2 Basis of measurement

The financial statements of the Group and of the Company have been prepared under the historical cost basis, unless otherwise indicated in the following significant accounting policies.

3.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (RM), which is the Group and the Company's functional currency. All financial information presented in RM had been rounded to the nearest thousand.

3.4 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are rarely apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

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3.4 Use of estimates and judgements (continued)Estimates and judgements

The following are the estimates and judgements made by management in the process of applying the Group and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(a) *Estimated useful lives of property, plant and equipment*

The Group reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment increase recorded depreciation and decrease property, plant and equipment or vice versa.

(b) *Classification between investment properties and property, plant and equipment*

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held for earning rentals or capital appreciation or both. Judgement is made on an individual property basis to determine whether the property qualifies as an investment property.

(c) *Fair value of investment properties*

Fair value of investment properties is determined by the Directors by comparing their current value with recent sale of similar properties in the vicinity with appropriate adjustments made to differences in location, floor area and other relevant factors before arriving at the fair value of the investment properties. The determination of appropriate adjustments to the recent sale value involves a degree of judgement before arriving at the respective investment property's fair value.

(d) *Impairment of intangible assets*

The Group tests intangible assets for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary.

This requires an estimation of the value in use of the cash-generating units ("CGU") to which intangible assets are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

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Estimates and judgements (continued)

(e) *Property development and construction contracts*

The Group recognises property development and contract revenue and costs in the income statement by using the percentage of completion method. The percentage of completion is determined by reference to surveys of work performed.

Significant judgement is required in determining the percentage of completion, the extent of property development and contract costs incurred, the estimated total property development and contract revenue and costs, as well as the recoverability of the development and contract projects. In making the judgement, the Group evaluates by relying on past experience and the work of specialists.

(f) *Legal proceedings*

The Group reviews outstanding legal proceedings to assess the need for provisions in the financial statements by considering the following factors:

- Nature of the litigation, claim or assessment;
- Legal processes and potential level of damages in the jurisdiction where the litigation, claim or assessment has been brought;
- Progress of the legal proceedings;
- Opinions or views of legal council and other advisers;
- Experience of similar cases; and
- Decision as to how the Group will respond to the litigation, claim or assessment.

Application of accounting principles to legal proceedings is inherently difficult, given the complex nature of the facts and law involved as it requires the Group to make determinations about various factual and legal matters beyond its control.

The Group recognises provision in the balance sheet for pending litigation when:

- An unfavourable outcome is probable; and
- A reliable estimate of the amount can be made.

In instances where the above criteria remain unmet, a contingent liability may be disclosed in notes to the financial statements.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***4. Significant accounting policies****4.1 New and revised FRSs, Amendment to FRS and IC Interpretations that are effective for the current financial year**

The following new and revised FRSs, Amendment to FRS and IC Interpretations are effective for the Group's financial year beginning on 1 April 2008:

(i)	FRS 107	Cash Flow Statements
(ii)	FRS 111	Construction Contracts
(iii)	FRS 112	Income Taxes
(iv)	FRS 118	Revenue
(v)	FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
(vi)	FRS 134	Interim Financial Reporting
(vii)	FRS 137	Provisions, Contingent Liabilities and Contingent Assets
(viii)	Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operations
(ix)	IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
(x)	IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
(xi)	IC Interpretation 5	Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
(xii)	IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
(xiii)	IC Interpretation 7	Applying the Restatement Approach under FRS 129 ₂₀₀₄ Financial Reporting in Hyperinflationary Economies
(xiv)	IC Interpretation 8	Scope of FRS 2

The adoption of the above revised FRS 107, FRS 111, FRS 112, FRS 118, FRS 134 and FRS 137 has no significant impact on the financial statements of the Group.

FRS 120, Amendment to FRS 121 and all IC Interpretations have no application to the Group's operations.

4.2 New and revised FRSs, Amendments to FRSs and IC Interpretations that are yet to be effective for current financial year

No early adoption is made by the Group on the following new and revised FRSs, Amendments to FRSs and IC Interpretations that have been issued by the MASB, but yet to be effective:

(i)	FRS 4	Insurance Contracts
(ii)	FRS 7	Financial Instruments: Disclosures
(iii)	FRS 8	Operating Segments
(iv)	FRS 123	Borrowing Costs
(v)	FRS 139	Financial Instruments : Recognition and Measurement

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***4.2 New and revised FRSs, Amendments to FRSs and IC Interpretations that are yet to be effective for current financial year (continued)**

(vi) Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
(vii) Amendments to FRS 2	Share-based Payment – Vesting Conditions and Cancellations
(viii) Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
(ix) IC Interpretation 9	Reassessment of Embedded Derivatives
(x) IC Interpretation 10	Interim Financial Reporting and Impairment
(xi) IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
(xii) IC Interpretation 13	Customer Loyalty Programmes
(xiii) IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

All the new and revised FRSs and IC Interpretations above are effective from 1 January 2010 with the exception of FRS 8, which is effective from 1 July 2009.

FRS 4, Amendments to FRS 1, Amendments to FRS 2, IC Interpretation 9, IC Interpretation 11, IC Interpretation 13 and IC Interpretation 14 are expected to have no application to the Group's operations.

Except the changes in disclosures relating to FRS 8, no significant impact on the financial statements of the Group is expected on the adoption of revised FRS 8, FRS 123, Amendments to FRS 127 and IC Interpretation 10.

FRS 8 requires the Group to disclose segment information based on the information reviewed by the Group's chief operating decision maker. The impact of this standard on the other segment disclosure is still to be determined.

FRS 123 removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Amendments to FRS 127 deal with situations where a parent reorganises its group by establishing a new entity as its parent. Under the new rules, the new parent measures the cost of its investment in the original parent at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the reorganisation date.

IC Interpretation 10 prohibits the reversal of an impairment loss recognised in an interim period during the financial year in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost.

The Group is exempted from disclosing the possible impact, if any, on the financial statements upon the initial application of FRS 7 and FRS 139.

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4.3 Group financial statements**(i) Subsidiaries**

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the Group financial statements from the date that control commences until the date that control ceases. Subsidiaries are consolidated using the purchase method of accounting, except for certain subsidiaries which are consolidated using the merger method.

Under the purchase method of accounting, the cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is disclosed as negative goodwill.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

Under the merger method of accounting, the results of the subsidiaries are included in the Group financial statements for the whole of the current and comparative periods as if these subsidiaries had been combined throughout these periods. On consolidation, the difference between the carrying amount of the investment over the nominal value of the shares acquired is recognised through reserves.

On derecognition or disposal of a subsidiary, the difference between net disposal proceeds, if any, and the Group's share of the subsidiary's net identifiable assets as of the date of disposal is recognised in the Group income statement.

(ii) Associates

Associates are those entities in which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not control over those policies. Associates are included in the Group financial statements by the equity method of accounting.

Equity accounting involves recognising in the income statement the Group's share of the results of associates for the year. The Group's investments in associates are carried in the balance sheet at an amount that reflects its share of the net assets of the associates and includes goodwill or negative goodwill on acquisition. Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

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4.3 Group financial statements (continued)**(iii) Balances and transactions eliminated on consolidation**

Intragroup balances are eliminated in preparing the Group financial statements except those with associates which are not eliminated on the basis of equity accounting.

Intragroup transactions and any unrealised gains arising from intragroup transactions are eliminated; unrealised losses are also eliminated unless there is evidence of impairment of the intragroup transacted assets. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in these entities, against the investment in associates. Unrealised losses are eliminated in the same way as unrealised gains, but to the extent that there is no evidence of impairment of the intragroup transacted assets.

4.4 Revenue recognition**(i) Investment income**

Dividend income from investments is included in the income statements when the right to receive is established.

(ii) Income from property development and construction contracts

The Group recognises property development and construction contracts revenues using the percentage of completion method as described in Notes 4.17 and 4.18 respectively.

(iii) Interest income and rental income

Interest income and rental income are recognised on an accrual basis.

(iv) Income from sales of goods and services

Sales of goods are recognised when a Group entity has delivered products to the customer; the customer has accepted the products and collectibility of the related receivables is reasonably assured.

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

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4.5 Employee benefits

(i) *Short-term benefits*

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) *Defined contribution plans*

As required by law, the Group and the Company make contributions to the state pension scheme, the Employees Provident Fund (“EPF”). Such contributions are recognised as an expense in the income statements as incurred.

4.6 Borrowings and borrowing costs

Borrowings are recorded at the amount of proceeds received net of transaction costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of those assets, until such time the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statements as an expense in the period in which they are incurred.

4.7 Income taxes

Income tax expense represents the sum of the current tax and deferred tax.

The current tax is the amount of income taxes payable in respect of the taxable profit for a period. Taxable profit differs from net profit as reported in the income statements because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group and the Company’s liabilities for current tax are calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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4.7 Income taxes (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the income statements, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also recognised in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle their current tax assets and liabilities on a net basis.

4.8 Financial instruments

Financial instruments are recognised in the balance sheets when the Group and the Company become a party to the contractual provisions of the instruments.

Financial instruments carried on the balance sheets include investments, cash and deposits, receivables, payables, borrowings and share capital. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

Financial instruments are presented as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument presented as liability are reported as expense or income. Distributions to holders of financial instruments presented as equity are charged directly to equity. Financial instruments are offset when the Group and the Company have legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.9 Impairments

The carrying amounts of assets, except assets presented as construction contracts, property development costs, inventories, deferred tax assets and financial assets, are reviewed for impairment when there is an indication that the assets might be impaired. For goodwill and intangible assets with indefinite useful life, the recoverable amount is estimated at each reporting date.

Impairment is measured by comparing the carrying amounts of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is impossible, for the cash-generating unit (CGU). For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

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4.9 Impairments (continued)

An impairment loss is charged to the income statements immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

In respect of goodwill, no reversal is made for impairment loss previously recognised. In respect of other assets, subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss. It is recognised to the extent of the carrying amount of the asset that would have determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statements immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statements, a reversal of that impairment loss is recognised as income in the income statements.

4.10 Revaluations

The Group adopts the policy to revalue land and/or buildings held as property, plant and equipment at least once in every 5 years or at such shorter period as may be considered to be appropriate based on the advice of external professional valuers and appraisers and/or Directors' valuation. Any surplus or deficit arising from the revaluation exercise is to be recognised in the Revaluation Surplus Reserve, except that a deficit is charged to the income statements to the extent that it is in excess of any surplus held in the former relating to previous revaluation of that same asset. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained profits.

4.11 Foreign currencies

The financial statements are stated in Ringgit Malaysia (RM).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the balance sheet date, non-monetary items are translated at balance sheet date using historical rates or rates prevailing when the fair value of the assets was determined. Monetary items are translated at the closing rate.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at closing rate are recognised in the income statements. Foreign currency translation differences for non-monetary items such as investment properties held at fair value through profit or loss, are recognised in income statements as part of the fair value gain or loss. Foreign currency translation differences for non-monetary items such as property, plant and equipment at valuation are recognised directly in equity or income statements, where appropriate, as part of the revaluation surpluses or deficits.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***4.11 Foreign currencies (continued)**

The exchange rate used for the main foreign currency in the Group and in the Company is as follows:-

	Period end rate	
	2009	2008
	RM	RM
United States (US\$1)	3.65	3.25

4.12 Property, plant and equipment

Property, plant and equipment are stated at cost and valuation less accumulated depreciation and impairment losses.

Depreciation is charged to the income statements on a straight line basis over the estimated useful lives of items of property, plant and equipment, except those leased under finance lease, where applicable. If there is no reasonable certainty that the ownership will be transferred to the Group by the end of the lease term, an item of property, plant and equipment is depreciated over the shorter of its useful life and the lease term.

No depreciation is provided for golf course and club house.

Plant and machinery directly related to production is depreciated on a unit of production method whereby the rate used is based on the production during the period bear to the total estimated production to be obtained from the relevant asset.

The principal annual rates adopted are as follows:-

Buildings	-	2%
Plant & machinery	-	5% to 20%
Motor vehicles	-	20%
Furniture, fittings & equipment	-	10% to 20%

On derecognition or disposal of an item of property, plant and equipment, the difference between net disposal proceeds, if any, and its carrying amount is charged or credited to the income statements.

Expenditure incurred to replace a component of an item of property, plant and equipment that is recognised separately, including major inspection and overhaul expenditure, is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the income statements as an expense as incurred.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)*

4.13 Investments

Investments in subsidiaries, associates and other non-current investments are stated at cost less accumulated impairment losses.

On derecognition or disposal of an investment, the difference between net disposal proceeds, if any, and its carrying amount is charged or credited to the income statements.

4.14 Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the income statements in the period which they arise.

Investment property is derecognised when either it has been disposed of or when investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the disposal or retirement of an investment property is recognised in the income statements in the period of disposal or retirement.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

For a transfer from investment property to owner-occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Group and by the Company as an owner-occupied property becomes an investment property, the Group and the Company account for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statements. When the Group and the Company complete the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statements.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)*

4.15 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses.

(i) Goodwill

Goodwill and negative goodwill on acquisition represents the difference between the acquisition cost and the fair value of the identifiable net assets of subsidiaries acquired attributable to the Group's ownership interest in these subsidiaries.

Goodwill on acquisition is stated at cost less accumulated impairment losses.

Negative goodwill on acquisition is recognised immediately in the Group income statement in which it arises.

(ii) Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects relating to the design and testing of new or improved products are recognised as intangible assets to the extent that such expenditure is expected to generate future economic benefits. Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Development costs that have been capitalised are amortised from the commencement of the commercial production of the product on a straight line basis over the period of their expected benefit of 25 years.

4.16 Exploration cost

Exploration cost is recognised as an expense as incurred. When a decision is taken that a quarry property is economically feasible and should be developed for commercial production, all further directly attributable exploration cost is recognised as tangible assets to the extent that such expenditure is expected to generate future economic benefits. Exploration cost is derecognised to the income statements when:

- it is determined that further exploration activities will yield no commercial quantities of reserves, or
- no further exploration drilling is planned; or
- the right to explore in the specific area has expired or is surrendered.

Capitalised exploration cost is stated at cost less accumulated impairment losses.

4.17 Property development activities*Property development revenue*

The Group recognises property development revenue using the percentage of completion method, determined primarily by reference to surveys of work performed. Where property development outcome is not reliably determined, property development revenue is recognised only to the extent of the recoverable costs. Revenue recognition commences when legal binding sale and purchase agreement is signed on property units.

Additional revenue due to variation in development work is recognised if it is probable that the customer will approve the variation and the amount can be reliably measured.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)*

4.17 Property development activities (continued)*Land held for property development*

Land held for property development is stated at cost less accumulated impairment losses. Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Such asset is transferred to property development costs when development activities have commenced and when it can be demonstrated that the development activities can be completed within the normal operating cycle.

Property development costs

Property development costs are stated at lower of cost and net realisable value. Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities including borrowing costs.

The property development costs on property units sold are recognised as an expense in the period in which they are incurred to match the attributable revenue recognised. If estimates of costs to complete property development (including costs to be incurred over the defects liability period) indicate loss, the expected loss is recognised as an expense immediately in the period in which they are identified.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion inclusive of expected loss and selling expenses.

Property development costs expected to be incurred on property development are based on estimates of total property development costs at completion. These estimates are reviewed and revised periodically throughout the lives of the property development and adjustments to costs resulting from such revisions are recorded in the accounting period in which the revisions are made.

Accrued and progress billings

The excess of revenue recognised in the income statements over the billings to purchasers is presented as an asset as accrued billings.

The excess of billings to purchasers over revenue recognised in the income statements is presented as a liability as progress billings.

Completed property units

Completed property units remain unsold are transferred to inventories.

The accounting policy in respect of inventories is set out in Note 4.19.

Transfer of land

Where a land presented as property, plant and equipment is stated at valuation, such land is transferred to land held for property development and/or property development costs at its carrying amount as surrogate cost.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***4.18 Construction contracts***Contract revenue*

The Group recognises contract revenue using the percentage of completion method, determined primarily by reference to surveys of work performed.

A prudent estimate of the profit attributable to work performed is recognised once the outcome of the contract work can be assessed with reasonable certainty. Where contract work outcome is not reliably determined, profit is not recognised but revenue is recognised to the extent of the recoverable costs. In all cases, anticipated losses are recognised in full.

Profits expected to be realised on contract work are based on estimates of total revenues and cost at completion. These estimates are reviewed and revised periodically throughout the lives of the contract works and adjustments to profits resulting from such revisions are recorded in the accounting period in which the revisions are made. If estimates of costs to complete contract work indicate losses, recognition is made for the full losses anticipated in the period in which they are identified.

Claim for additional contract revenue is recognised if it is probable that the claim will result in additional revenue and the amount can be reliably estimated.

Amount due from/to contract customers

Construction contract stated at costs plus attributable profits less anticipated losses and progress billings is presented as an asset as amount due from customers for contract works.

The excess of progress billings over costs plus attributable profits less anticipated losses is presented as a liability as amount due to customers for contract works.

Costs consist of direct materials, direct labour, direct overhead, sub-contract charges and attributable expenses.

4.19 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the following bases:-

Category	Basis
Completed property units	Specific identification or relative sale value
Raw materials, goods for resale and spare parts	FIFO (first-in-first-out)
Work in progress and finished goods	Weighted average

Cost of completed property units comprises direct cost of construction and proportionate land and development costs.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)*

4.19 Inventories (continued)

Cost comprises materials, direct labour cost and an appropriate proportion of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

4.20 Receivables and payables

Receivables are stated at cost less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Payables are stated at cost.

4.21 Leases**(i) Finance leases**

Leases in which the Group assumes substantially all the risks and rewards of ownership are presented as finance leases. An item of property, plant and equipment leased by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at the inception of the lease.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not, the incremental borrowing rate of the Group is used.

(ii) Operating leases

Leases under which all the risks and benefits of ownership are retained by the lessor are presented as operating leases. Payments made under operating leases are charged to the income statements on a straight line basis over the lease term.

Leasehold land held for own use is presented as an operating lease and the up-front payment represents prepaid lease payments. These up-front payments are expensed to the income statements to match the inflow of benefits accrued.

Leasehold buildings held for own use remain presented in property, plant and equipment as they are finance leases, where substantially all the risks and rewards incidental to their ownership is transferred to the Group and to the Company. The leasehold buildings are depreciated on a straight line basis over their lease terms.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***4.22 Provisions**

Provisions are recognised in the balance sheets when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made.

4.23 Share capital

Ordinary shares are presented as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

4.24 Cash flow statements

The Group and the Company report the cash flow from operating activities using indirect method.

Cash and cash equivalents consist of bank balances, deposits repayable on demand and highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value, against which the bank overdrafts are deducted.

5. Revenue

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Property development	207,432	133,561	-	-
Contract works	150	1,167	-	-
Sales of goods	48,583	47,712	-	-
Services rendered	6,036	6,375	-	-
Dividend income	-	-	14,310	95,196
Others	2,361	2,208	-	8
	264,562	191,023	14,310	95,204

Revenue of the Group represents sales of goods and services derived from the principal activities, net of discounts, allowances, sales and service taxes.

Revenue of the Company represents dividend and interest income.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***6. Profit before taxation**

This is arrived at:-

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<i>After charging all expenses including:</i>				
Directors' fee	180	162	180	162
Auditors' remuneration:-				
Audit fees:				
• current year	108	106	15	15
• adjustments for prior years	(3)	23	-	3
Other professional fees	51	43	2	1
Staff costs:				
Directors' emoluments:				
• salaries and bonus	1,950	1,875	-	-
• defined contribution plans	234	225	-	-
• others	153	220	12	10
Other employees' emoluments and benefits:				
• salaries and bonus	9,450	8,900	-	-
• defined contribution plans	944	909	-	-
• others	822	747	-	-
Hire of plant and equipment	1,208	389	-	-
Rent of land and buildings	1,031	1,035	160	160
Bank overdraft interest	9	2	-	-
Finance lease interest	60	55	-	-
Other interest	2,421	3,075	101	-
Depreciation	3,418	2,056	-	-
Amortisation of:				
• development costs	937	905	-	-
• prepaid lease payments	28	28	-	-
Bad debts written off	-	78	-	-
Contract costs	132	687	-	-
Property development expenses:				
• property development costs	136,563	94,233	-	-
• inventories	29,825	5,531	-	-
Direct operating expenses of investment properties which generated rental income	1,052	697	-	-
Loss on disposal of property, plant and equipment	-	1,261	-	-
Derecognition of property, plant and equipment	1,898	11	-	-
Impairment loss of investment in subsidiaries (included in administration expenses)	-	-	-	4,983
Impairment loss on goodwill (included in administration expenses)	-	3,944	-	-
Loss on disposal of investments	-	3	-	-

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***6. Profit before taxation (continued)**

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<i>And crediting all income including:</i>				
Gross dividends from subsidiaries	-	-	14,310	95,196
Rent of land and buildings from investment properties	2,357	2,197	-	-
Interest income	1,192	513	-	8
Gain on disposal of property, plant and equipment	74	-	-	-
Gain on disposal of investment properties	1,740	-	-	-
Unusual item: Negative goodwill (included in other operating income)	-	46,769	-	-

7. Taxation

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Malaysian:				
<i>Current tax expense/(income):</i>				
• current year	7,944	7,652	3,472	24,646
• adjustments for prior years	879	(23)	-	-
	8,823	7,629	3,472	24,646
<i>Deferred tax expense/(income):</i>				
Origination and reversal of temporary differences:				
• current year	87	(218)	-	-
• adjustments for prior years	50	17	-	-
Effect of a change in imposition of tax rate on opening deferred taxation	(14)	(268)	-	-
	123	(469)	-	-
	8,946	7,160	3,472	24,646

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)*7. **Taxation** (continued)

The tax reconciliation is as follows:-

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Taxation based on Malaysian application (statutory) tax rate of 25% (2008: 26%)	7,711	17,547	3,411	23,314
Disallowable expenses for tax purposes	59	1,345	61	1,332
Non-taxable income for tax purposes:				
• unusual item	-	(12,160)	-	-
• normal items	(155)	(69)	-	-
Taxes for prior years	929	(6)	-	-
Effect of graduated tax rates	-	(33)	-	-
Effect of a change in imposition of tax rate on opening deferred taxation	(14)	(268)	-	-
Unrecognised deferred tax assets	428	840	-	-
Benefit from previously unrecognised deferred tax assets	(36)	(69)	-	-
Others	24	33	-	-
Taxation as per income statements	<u>8,946</u>	<u>7,160</u>	<u>3,472</u>	<u>24,646</u>

In 2008, certain subsidiaries were small and medium scale companies and their tax rate was reduced from 26% to 20% on the first taxable income of up to RM500,000/-.

These subsidiaries are no longer qualified as small and medium scale companies based on the revised definition.

Benefit from previously unrecognised deferred tax assets on the following deductible temporary differences is used to reduce tax expenses as follows:-

	Group	
	2009	2008
	RM'000	RM'000
<i>Current tax expense:</i>		
Property, plant and equipment:		
• differences between net carrying amount and tax written down value	7	-
Unutilised tax losses	29	69
	<u>36</u>	<u>69</u>

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***8. Earnings per share**

The calculation of basic earnings per share of the Group is based on the net profit attributable to ordinary shareholders amounting to approximately RM21,897,000/- (2008: RM60,867,000/-) and the number of ordinary shares outstanding during the financial year of RM242,124,000/- (2008: RM242,124,000/-).

Diluted earnings per share

Fully diluted earnings per share is the same as basic earnings per share as it is considered that there are no dilutive potential ordinary shares.

9. Property, plant and equipment

Group 2009	*Land & buildings RM'000	Plant & machinery RM'000	Motor vehicles RM'000	Furniture, fittings & equipment RM'000	Total RM'000
<i>Cost/valuation:</i>					
At 1 April 2008	164,719	87,591	7,904	15,117	275,331
Additions	3	177	1,643	239	2,062
Disposals	-	-	(1,087)	(45)	(1,132)
Derecognition	-	(802)	-	(3,867)	(4,669)
At 31 March 2009	164,722	86,966	8,460	11,444	271,592
<i>Accumulated depreciation:</i>					
At 1 April 2008	963	31,935	7,298	11,830	52,026
Charge for the year	322	1,733	462	901	3,418
Disposals	-	-	(1,087)	(34)	(1,121)
Derecognition	-	(465)	-	(2,306)	(2,771)
At 31 March 2009	1,285	33,203	6,673	10,391	51,552
<i>Net carrying amount:</i>					
At 31 March 2009	163,437	53,763	1,787	1,053	220,040

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***9. Property, plant and equipment (continued)**

Group 2008	*Land & buildings RM'000	Plant & machinery RM'000	Motor vehicles RM'000	Furniture, fittings & equipment RM'000	Total RM'000
<i>Cost/valuation:</i>					
At 1 April 2007	164,637	88,799	8,285	15,237	276,958
Additions	82	625	125	131	963
Disposals	-	(1,823)	(506)	-	(2,329)
Derecognition	-	(10)	-	(251)	(261)
At 31 March 2008	164,719	87,591	7,904	15,117	275,331
<i>Accumulated depreciation:</i>					
At 1 April 2007	642	31,346	7,358	11,506	50,852
Charge for the year	321	927	320	564	2,132
Disposals	-	(328)	(380)	-	(708)
Derecognition	-	(10)	-	(240)	(250)
At 31 March 2008	963	31,935	7,298	11,830	52,026
<i>Net carrying amount:</i>					
At 31 March 2008	163,756	55,656	606	3,287	223,305

Analysis of land & buildings:*Freehold land & buildings**

Group	2009 RM'000	2008 RM'000
<i>Cost/valuation:</i>		
At 1 April	164,719	164,637
Additions	3	82
At 31 March	164,722	164,719
<i>Accumulated depreciation:</i>		
At 1 April	963	642
Charge for the year	322	321
At 31 March	1,285	963
<i>Net carrying amount:</i>		
At 31 March	163,437	163,756

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***9. Property, plant and equipment (continued)****Analysis of land & buildings:**Analysis of valuation of land & buildings:*

	Group	
	2009	2008
	RM'000	RM'000
Freehold land and buildings:		
• at cost	110	107
• at 2005 valuation	164,612	164,612
	164,722	164,719
	164,722	164,719

If the freehold land and buildings had not been revalued, they would have been included at the following amounts:-

	Group	
	2009	2008
	RM'000	RM'000
Freehold land and buildings:		
At cost	25,888	25,885
Accumulated depreciation	2,261	2,095
Net carrying amount	23,627	23,790
	23,627	23,790

The Group's freehold land and buildings were revalued by an independent professional valuer based on an open market basis on 31 March 2005.

The net carrying amounts of assets leased under finance lease arrangements are as follows:-

	Group	
	2009	2008
	RM'000	RM'000
Plant & machinery	559	764
Motor vehicles	1,691	413
	2,250	1,177
	2,250	1,177

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***10. Prepaid lease payments**

Group 2009	Long leasehold land RM'000	Short leasehold land RM'000	Total RM'000
<i>Net carrying amount:</i>			
At 1 April 2008	782	344	1,126
Amortisation for the year	(10)	(18)	(28)
At 31 March 2009	772	326	1,098
<i>Analysed between:</i>			
Current	10	18	28
Non-current	762	308	1,070
	772	326	1,098
2008			
<i>Net carrying amount:</i>			
At 1 April 2007	792	362	1,154
Amortisation for the year	(10)	(18)	(28)
At 31 March 2008	782	344	1,126
<i>Analysed between:</i>			
Current	10	18	28
Non-current	772	326	1,098
	782	344	1,126

Long leasehold land was revalued by an independent professional valuer based on an open market basis on 31 March 2005 and short leasehold land was revalued at RM525,000/- by Directors based on an existing use basis.

SHL Consolidated Bhd.
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11. **Investment in subsidiaries**

	Company	
	2009	2008
	RM'000	RM'000
<i>Unquoted shares</i>		
<i>At cost:</i>		
At 1 April and 31 March	437,972	437,972
<i>Accumulated impairment losses:</i>		
At 1 April	4,983	-
Charge for the year	-	4,983
At 31 March	4,983	4,983
<i>Net carrying amount:</i>		
At 31 March	432,989	432,989

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:-

Name of company	Issued equity capital RM	Effective holding		Principal activities
		2009 %	2008 %	
§ Sin Heap Lee Development Sdn. Bhd.	90,000,000	100	100	Property development
§ Sin Heap Lee Construction Sdn. Bhd.	90,000,000	100	100	Building construction works
§ Integrated Management Corporation Sdn. Bhd.	1,000,000	100	100	Provision of professional management services in commercial and industrial studies and planning, construction management and financial services
§ Sin Heap Lee Company Sdn. Berhad	3,900,000	100	100	Rental of properties, marketing agent of bricks and building materials
§ Sin Heap Lee Brickworks Sdn. Bhd.	30,000,000	100	100	Manufacturing of clay-bricks, supply of finished brickworks of wall and other brick structures

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)*11. **Investment in subsidiaries** (continued)

Name of company	Issued equity capital RM	Effective holding		Principal activities
		2009 %	2008 %	
SHL Ventures Sdn. Bhd.	2	100	100	Investment holding
SHL Realty Sdn. Bhd.	3,000,000	100	100	Property investment
SHL Corporate Services Sdn. Bhd.	3,000,000	100	100	Providing strategic, financial and corporate planning services
Goodstock (Tawau) Sdn. Bhd.	2,000,002	100	100	Property development
Wilayah Builders Sdn. Bhd.	9,000,000	100	100	Property development
Ho Sin & Son Enterprise Sdn. Bhd.	1,000,000	100	100	Property development
Mayang Kiara Sdn. Bhd.	50,000	100	100	Property development
H.S.C. Sdn. Berhad	1,000,000	100	100	Property development
SHL Home Builders Sdn. Bhd.	160,000	100	100	Building construction works
Sukma Pesona Sdn. Bhd.	500,000	100	100	Property development
SHL Infra Sdn. Bhd.	4,000,000	100	100	Earthworks and infrastructure works, renting out of plant and machineries and sales of premix

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)*11. **Investment in subsidiaries** (continued)

Name of company	Issued equity capital RM	Effective holding		Principal activities
		2009 %	2008 %	
Kajang Granite Quarry Sdn. Bhd.	5,000,000	100	100	Granite quarrying and manufacturing of aggregates
Mercantile Corporation (M) Sdn. Bhd.	872,400	100	100	Manufacturing of aluminium framed doors and windows, contracting for renovation and installation works
Soil-Mech Drillers Sdn. Bhd.	250,000	100	100	Provision of soil investigation services and property maintenance services
Senick Sdn. Bhd.	5	100	100	Granite quarrying and manufacturing of aggregates
Subsidiary of Sin Heap Lee Development Sdn. Bhd.				
SHL-M Sdn. Bhd.	45,000,000	100	100	Property development
Subsidiary of SHL-M Sdn. Bhd.				
* Sungai Long Golf Resort Berhad	5,000,000	100	100	Golf resort operator

Notes:

§ Subsidiaries which are consolidated using merger method of accounting.

* A wholly-owned subsidiary of SHL-M Sdn. Bhd.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***12. Investment in associate**

	Group	
	2009	2008
	RM'000	RM'000
Unquoted shares, at cost	1,305	1,305
Share of post-acquisition loss	(39)	(30)
	<u>1,266</u>	<u>1,275</u>
Share of net assets	<u>1,266</u>	<u>1,275</u>

There is no goodwill or negative goodwill in the associate's own financial statements and on the acquisition of the Group's interest in the associate.

Details of associate are as follows:-

Name of company (Incorporated in Malaysia)	Effective holding		Principal activities
	2009	2008	
	%	%	
OPT Ventures Sdn. Bhd.	30	30	Property development

The following amounts represent the Group's share of assets, liabilities and expenses of the associate:

	Group	
	2009	2008
	RM'000	RM'000
Assets	11,900	11,828
Liabilities	<u>(10,634)</u>	<u>(10,553)</u>
Net tangible assets	<u>1,266</u>	<u>1,275</u>
Revenue	-	-
Expenses	<u>(9)</u>	<u>(7)</u>
Loss for the year	<u>(9)</u>	<u>(7)</u>

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***13. Investment properties**

	Group	
	2009	2008
	RM'000	RM'000
At 1 April	47,173	47,171
Addition from subsequent expenditure	180	2
Disposal	(2,460)	-
At 31 March	44,893	47,173

The fair values of the investment properties are based on management's assessment by reference to the available market information and indices for similar properties in the same vicinity.

The fair values of the investment properties approximate the gross carrying amounts.

14. Land held for property development

Group	Land	Development	Total
2009	costs	costs	RM'000
	RM'000	RM'000	RM'000
<i>At cost:</i>			
At 1 April 2008	34,348	10,275	44,623
Additions	5	132	137
At 31 March 2009	34,353	10,407	44,760
 2008			
<i>At cost:</i>			
At 1 April 2007	34,188	10,078	44,266
Additions	9	348	357
Transfer to property development costs	151	(151)	-
At 31 March 2008	34,348	10,275	44,623

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)*15. **Intangible assets**

Group 2009	Goodwill RM'000	Development costs RM'000	Total RM'000
<i>Cost:</i>			
At 1 April 2008 and 31 March 2009	8,166	23,630	31,796
<i>Accumulated amortisation and impairment losses:</i>			
At 1 April 2008	8,166	7,347	15,513
Charge for the year	-	937	937
At 31 March 2009	8,166	8,284	16,450
<i>Net carrying amount:</i>			
At 31 March 2009	-	15,346	15,346
2008			
<i>Cost:</i>			
At 1 April 2007	8,166	22,637	30,803
Addition	-	993	993
At 31 March 2008	8,166	23,630	31,796
<i>Accumulated amortisation and impairment losses:</i>			
At 1 April 2007	4,222	6,442	10,664
Charge for the year	3,944	905	4,849
At 31 March 2008	8,166	7,347	15,513
<i>Net carrying amount:</i>			
At 31 March 2008	-	16,283	16,283

In 2008, the depreciation capitalised in development costs was RM76,000/-.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***15. Intangible assets (continued)**Impairment tests for goodwill

Goodwill has been allocated to the Group's CGUs, property development segment that operates in Malaysia. The recoverable amount of a CGU is based on fair value less costs to sell. The fair value less costs to sell is based on observable market price for similar assets or observable market price for assets of different nature, condition or location which is adjusted to reflect the different nature, condition or location of assets.

In 2008, the Group recognised an impairment loss on goodwill of RM3,944,000/- based on management's projection on the economic condition.

16. Investments

	Group	
	2009	2008
	RM'000	RM'000
<i>Quoted in Malaysia, at cost:</i>		
Shares	-	7
<i>Unquoted in Malaysia, at cost:</i>		
Shares	7	-
Club membership	117	117
	<u>124</u>	<u>124</u>
Market value of quoted shares	<u>-</u>	<u>2</u>

17. Deferred tax assets and liabilities

Deferred tax assets and liabilities shown in the balance sheets after appropriate offsetting are as follows:-

	Group	
	2009	2008
	RM'000	RM'000
Deferred tax assets	(3,051)	(3,273)
Deferred tax liabilities	16,056	16,193
	<u>13,005</u>	<u>12,920</u>

The deferred tax assets and liabilities are offset as:-

- the Group and the Company have a legally enforceable right to set off current tax assets against current tax liabilities; and
- they relate to taxes levied by the same authority on the Group and on the Company.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***17. Deferred tax assets and liabilities (continued)**

Deferred tax assets of the Group are recognised when the realisation of the related tax benefits through the future taxable profits is probable based on recent history of results of the Group.

The movements and components of deferred tax assets and liabilities before appropriate offsetting are as follows:-

Group	Property, plant and equipment	Development costs	Revaluation surplus on land and buildings	Unutilised tax losses	Unabsorbed capital allowances	Unabsorbed industrial building allowances	Investment properties	Property development costs	Land held for property development	Total
2009	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2008	14,526	3,664	6,884	(621)	(8,883)	(3,189)	2,772	(1,470)	(763)	12,920
Amount recognised in income statement	(677)	(209)	(141)	22	550	(17)	373	222	-	123
Amount recognised in equity	-	-	(38)	-	-	-	-	-	-	(38)
At 31 March 2009	13,849	3,455	6,705	(599)	(8,333)	(3,206)	3,145	(1,248)	(763)	13,005
2008										
At 1 April 2007	15,566	3,761	7,136	(627)	(9,686)	(2,881)	2,226	(1,084)	(763)	13,648
Amount recognised in income statement	(1,040)	(97)	7	6	803	(308)	546	(386)	-	(469)
Amount recognised in equity	-	-	(259)	-	-	-	-	-	-	(259)
At 31 March 2008	14,526	3,664	6,884	(621)	(8,883)	(3,189)	2,772	(1,470)	(763)	12,920

Unrecognised deductible temporary differences

The amounts of deductible temporary differences for which no deferred tax assets have been recognised in the balance sheet are as follows:-

	Group	
	2009	2008
	RM'000	RM'000
Unabsorbed capital allowances	7,851	7,570
Unutilised tax losses	8,200	6,936
	16,051	14,506

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***17. Deferred tax assets and liabilities (continued)**

The above deductible temporary differences have no expiry date. No deferred tax assets have been recognised in respect of these deductible temporary differences because it is improbable that future profit will be available against which the Group and the Company can utilise the benefits therefrom.

Subject to confirmation by Inland Revenue Board, the Group has unabsorbed reinvestment allowances carried forward amounting to approximately RM21,094,000/- (2008: RM21,094,000/-). The estimated potential tax benefit of the unabsorbed reinvestment allowances for which no credit has been taken in the net income of the current or prior years is RM5,273,500/- (2008: RM5,484,000/-). Such benefit will only be obtained if the Group derives future assessable income of a nature and of amounts sufficient for them to be utilised.

18. Amounts due from/(to) subsidiaries

The outstanding amounts are unsecured and interest-free with no fixed terms of repayment.

19. Property development costs

Group 2009	Land costs RM'000	Development costs RM'000	Total RM'000
<i>At cost:</i>			
At 1 April 2008	97,205	183,408	280,613
Additions	-	143,933	143,933
At 31 March 2009	97,205	327,341	424,546
<i>Cost recognised in income statements:</i>			
At 1 April 2008	10,222	78,303	88,525
Charge for the year	19,669	116,894	136,563
At 31 March 2009	29,891	195,197	225,088
<i>Net carrying amount:</i>			
At 31 March 2009	67,314	132,144	199,458

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***19. Property development costs (continued)**

Group 2008	Land costs RM'000	Development costs RM'000	Total RM'000
<i>At cost:</i>			
At 1 April 2007	120,963	146,921	267,884
Additions	-	100,300	100,300
Transfer to inventories	(1,751)	(17,101)	(18,852)
Derecognition on completion of project	(22,007)	(46,712)	(68,719)
At 31 March 2008	97,205	183,408	280,613
<i>Cost recognised in income statements:</i>			
At 1 April 2007	18,468	44,543	63,011
Charge for the year	13,761	80,472	94,233
Derecognition on completion of project	(22,007)	(46,712)	(68,719)
At 31 March 2008	10,222	78,303	88,525
<i>Net carrying amount:</i>			
At 31 March 2008	86,983	105,105	192,088

Included in the property development costs are:-

	Group	
	2009	2008
	RM'000	RM'000
Interest expenses capitalised	2,815	3,144

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***20. Inventories**

	Group	
	2009	2008
	RM'000	RM'000
<i>At cost:</i>		
Completed property units	58,976	88,541
Raw materials	101	164
Goods for resale	184	135
Work in progress	9	250
Finished goods	4,530	2,872
Spare parts	1,219	1,274
	65,019	93,236
	65,019	93,236

21. Trade receivables

	Group	
	2009	2008
	RM'000	RM'000
Amount due from customers for contract works	16,045	25,916
Amount due from associate	9,052	9,052
Trade debtors	37,241	69,730
	62,338	104,698
	62,338	104,698

The normal credit terms granted to customers range from 14 to 90 days (2008: 14 to 90 days). Other credit terms are assessed and approved on a case by case basis.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***21. Trade receivables (continued)**

The amount due from customers for contract works are as follows:-

	Group	
	2009	2008
	RM'000	RM'000
Costs	11,272	21,299
Attributable losses	-	-
	<u>11,272</u>	<u>21,299</u>
<u>Less: Progress billings</u>	<u>-</u>	<u>-</u>
Amount due from customers for contract works	<u>11,272</u>	<u>21,299</u>
Analysed as:-		
Amount due from customers for contract works	16,045	25,916
Amount due to customers for contract works (note 29)	<u>(4,773)</u>	<u>(4,617)</u>
	<u>11,272</u>	<u>21,299</u>

22. Other receivables

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Advances	220	190	-	-
Deposits	3,848	3,341	-	-
Prepayments	1,275	1,051	20	20
Others	1,999	2,424	-	-
	<u>7,342</u>	<u>7,006</u>	<u>20</u>	<u>20</u>

The advances are unsecured and interest-free with no fixed terms of repayments.

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23. **Cash and deposits**

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	4,566	200	-	-
Cash and bank balances	23,321	23,496	566	267
	<u>27,887</u>	<u>23,696</u>	<u>566</u>	<u>267</u>

Included in the cash and bank balances is a balance of RM6,295,000/- (2008: RM8,330,000/-) held under Housing Development Accounts pursuant to Section 7A of the Housing Development Act, 1966 and are restricted from use in other operations.

24. **Share capital**

	Number of ordinary shares of RM1/- each		Amount	
	2009	2008	2009	2008
	'000	'000	RM'000	RM'000
Authorised	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid	<u>242,124</u>	<u>242,124</u>	<u>242,124</u>	<u>242,124</u>

25. **Reserves**

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<i>Non-distributable:</i>				
Share premium	1,225	1,225	1,225	1,225
Revaluation surplus	50,059	50,021	-	-
Merger reserve	-	-	4,377	4,377
Capital reserve	11,040	11,040	23,361	23,361
Merger deficit	(130,464)	(130,464)	-	-
	<u>(68,140)</u>	<u>(68,178)</u>	<u>28,963</u>	<u>28,963</u>
<i>Distributable:</i>				
Retained profits	343,848	332,701	115,649	116,229
	<u>275,708</u>	<u>264,523</u>	<u>144,612</u>	<u>145,192</u>

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***25. Reserves (continued)****25.1 Share premium**

Share premium represents premium on shares issued by the Company.

25.2 Revaluation surplus

The revaluation surplus represents the surpluses arising from the revaluation of land and buildings of the subsidiaries net of related tax effects, if any.

25.3 Merger reserve

The premium on the shares issued by the Company was credited to merger reserve where relief is available under Section 60 of the Companies Act 1965. On consolidation, the merger reserve is dealt with as merger adjustment by elimination.

25.4 Capital reserve

Capital reserve of the Company represents gains arising from the disposal of investments in subsidiaries on Group restructuring.

Capital reserve of the Group represents share premium of the subsidiaries and reserve capitalised by a subsidiary for bonus issue of shares.

25.5 Merger deficit

Merger deficit represents the difference between the nominal value of shares issued by SHL Consolidated Bhd. to effect the merger and the nominal value of the shares acquired from the merged enterprises and is arrived at as follows:-

	RM'000
Nominal value of 176,263,799 ordinary shares of RM1/- each issued by SHL Consolidated Bhd.	176,264
Nominal value of 45,800,000 ordinary shares of RM1/- each acquired	<u>(45,800)</u>
Merger deficit	<u>130,464</u>

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***26. Finance lease liabilities**

	Group	
	2009	2008
	RM'000	RM'000
Minimum lease payments:		
• 1 year or less	581	419
• 5 years or less but over 1 year	1,167	433
	<u>1,748</u>	<u>852</u>
Future finance charge on finance leases	(230)	(87)
Present value of finance lease liabilities	<u>1,518</u>	<u>765</u>
Present value of finance lease liabilities:		
• 1 year or less	510	377
• 5 years or less but over 1 year	1,008	388
	<u>1,518</u>	<u>765</u>

The repayment periods of the finance lease liabilities range from 2 to 7 years (2008: 2 to 7 years) at the inception of the leases. Interest is levied at rates ranging from 4.40% to 6.98% (2008: 4.40% to 6.98%) per annum. The finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

27. Long-term borrowings

	Group	
	2009	2008
	RM'000	RM'000
Term loans:-		
<i>Payable after twelve months:</i>		
Unsecured:		
• licensed bank	8,728	18,228
• other corporation	-	4,500
	<u>8,728</u>	<u>22,728</u>

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)*27. **Long-term borrowings** (continued)

The details of the loan facilities are as follows:-

	Limit RM	Interest rate per annum		Repayment
		2009 (%)	2008 (%)	
<i>Unsecured:</i>				
Term loans from licensed bank	20,000,000	5.05 – 5.10	5.05 – 5.45	35 monthly instalments of RM555,556/- each and 1 final instalment of RM555,540/-, commencing in September 2005
	22,680,000	4.15 – 5.10	5.05 – 5.45	36 monthly instalments of RM630,000/- each commencing in October 2006
	10,000,000	3.69 – 4.85	4.56 – 4.75	Bullet repayment of RM10,000,000/- due in February 2009
	10,000,000	4.15 – 5.10	5.05 – 5.45	35 monthly instalments of RM277,778/- each and 1 final instalment of RM277,770/-, commencing in May 2009
	8,000,000	3.69 – 4.85	4.56 – 4.57	8 quarterly instalments of RM888,000/- and 1 final quarterly instalment of RM896,000/-, commencing in July 2008

28. **Club establishment fund**

Club establishment fund represents refundable deposits due to the members of the golf resort.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***29. Trade payables**

	Group	
	2009	2008
	RM'000	RM'000
Amount due to customers for contract works (note 21)	4,773	4,617
Trade creditors	47,545	61,721
	<u>52,318</u>	<u>66,338</u>

The normal credit terms granted to the Group range from 14 to 75 days (2008: 14 to 75 days).

30. Other payables

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Accrued expenses	1,303	1,044	17	17
Amounts due to Directors	-	25,200	-	8,266
Dividends payable	-	6,605	-	6,605
Others	2,715	2,571	9	10
	<u>4,018</u>	<u>35,420</u>	<u>26</u>	<u>14,898</u>

The amounts due to Directors are unsecured with no fixed terms of repayments. They bear interest at a rate of 3.10% (2008: inapplicable) per annum.

31. Short-term borrowings

	Group	
	2009	2008
	RM'000	RM'000
<i>Unsecured:-</i>		
Bank borrowings:		
• bank overdrafts	33	176
• bankers acceptance	9,998	10,820
• revolving credits	56,200	61,110
• term loan	10,387	23,890
	<u>76,618</u>	<u>95,996</u>

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***31. Short-term borrowings (continued)**

The bank borrowings bear interest at rates ranging from 2.58% to 9.25% (2008: 4.04% to 9.25%) per annum.

The contractual terms of unsecured term loans are disclosed in note 27 to the financial statements.

32. Dividends

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<i>Paid and payable:</i>				
Final dividend of 6 Sen gross per share less tax in respect of financial years 2008 and 2007 respectively	10,750	10,605	10,750	10,605
<i>Proposed:</i>				
Final dividend of 6 Sen gross per share less tax in respect of financial years 2009 and 2008 respectively	10,896	10,750	10,896	10,750

No recognition is made on the dividend proposed until it has been approved at the Annual General Meeting. The amount will be recognised as an appropriation of retained profits in the year in which it is approved.

33. Analysis of movement of inventories and property development costs

	Group	
	2009	2008
	RM'000	RM'000
Net movement	(23,662)	(6,341)
Interest capitalised	2,815	3,144
	<u>(20,847)</u>	<u>(3,197)</u>

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***34. Analysis of development costs**

	Group	
	2009	2008
	RM'000	RM'000
Cash payment	-	917
Depreciation capitalised	-	76
	<u>-</u>	<u>993</u>

35. Analysis of acquisition of property, plant and equipment

	Group	
	2009	2008
	RM'000	RM'000
Cash payment	1,230	539
Finance lease arrangement	832	424
	<u>2,062</u>	<u>963</u>

36. Analysis of cash and cash equivalents

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Cash and deposits	27,887	23,696	566	267
Bank overdrafts	(33)	(176)	-	-
	<u>27,854</u>	<u>23,520</u>	<u>566</u>	<u>267</u>

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***37. Financial instruments****37.1 Interest rate risk**

The maturity periods and effective weighted average interest rates of the financial instruments that are exposed to interest rate risks are as follows:

Group	Within	One to	More	Total	Effective
2009	one year	five years	than	RM'000	interest rate
	RM'000	RM'000	five years		during the
			RM'000	RM'000	year
					%
<i>Financial assets:</i>					
Cash and deposits	27,887	-	-	27,887	1.90 – 3.40
<i>Financial liabilities:</i>					
Finance lease liabilities	510	1,008	-	1,518	4.40 – 6.98
Amounts due to Directors	-	-	-	-	3.10
<i>Short-term borrowings:</i>					
• bank borrowings	76,618	-	-	76,618	2.58 – 9.25
Long-term borrowings	-	8,728	-	8,728	3.69 – 5.10
<hr/>					
2008					
<i>Financial assets:</i>					
Cash and deposits	23,696	-	-	23,696	2.60 – 3.20
<i>Financial liabilities:</i>					
Finance lease liabilities	377	388	-	765	4.40 – 6.98
<i>Short-term borrowings:</i>					
• bank borrowings	95,996	-	-	95,996	4.04 – 9.25
Long-term borrowings	-	18,228	-	18,228	4.56 – 5.45
<hr/>					
Company					
2009					
(2008: inapplicable)					
<i>Financial liabilities:</i>					
Amounts due to Directors	-	-	-	-	3.10
<hr/>					

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)*

37. Financial instruments (continued)**37.2 Credit risk**

The maximum credit risk associated with recognised financial assets is the carrying amount shown in the balance sheets.

Credit risk, or the risk of counterparty default, is controlled by the application of credit approvals, setting of counterparty limits and monitoring procedures. Credit risk is minimised given the Group and the Company's policies of selecting only counterparties with high credit worthiness.

The Group has no significant concentrations of credit risk with any single counterparty.

37.3 Fair values of financial instruments

The fair values of the financial instruments at the balance sheet date approximate their carrying amounts unless it is impracticable to determine these values with sufficient reliability.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

(i) Investments

The fair values of publicly traded investments are estimated based on quoted market prices. The management has not reduced the carrying amounts of non-current quoted investments to their fair values as they are held for long-term and the management is of the opinion that the assets' carrying amounts will be recovered.

It is impracticable to estimate the fair values of the non-current unquoted investments of the Group because of the lack of quoted market prices and inability to estimate their fair values without incurring excessive costs. However, the Group believes that the carrying amounts represent recoverable amounts.

(ii) Trade receivables and payables

The historical cost carrying amounts of these financial instruments which are subject to normal trade credit terms approximate fair values.

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***37.3 Fair values of financial instruments (continued)**

- (iii) Cash and deposits, other receivables and payables (excluding advances in other receivables)

The carrying amounts of these financial instruments approximate fair values due to the relatively short-term maturity of these instruments.

- (iv) Amounts due from/to subsidiaries and Directors, long-term loan from other corporation, club establishment fund and advances in other receivables

It is impracticable to determine their fair values with sufficient reliability since these amounts have no fixed terms of repayment.

- (v) Borrowings and finance lease liabilities

The carrying amounts of short-term borrowings and finance lease liabilities approximate fair values because of the short period to maturity of these instruments. The fair values of long-term borrowings and finance lease liabilities are estimated based on the current rates available for borrowings and finance lease liabilities with the same maturity profile.

- (vi) Contingent liabilities

The fair values of contingent liabilities are not recognised at balance sheet date as it is impracticable to make a reliable estimate due to the uncertainties of timing, costs and eventual outcome.

38. Contingent liabilities

	Company	
	2009	2008
	RM'000	RM'000
<i>Unsecured:</i>		
Corporate guarantees given to banks for credit facilities granted to subsidiaries	90,558	121,336

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***39. Segment reporting**

Segment information is presented in respect of Group's business. No segment reporting by geographical segments has been provided as the Group is primarily involved in business operations in Malaysia. Inter-segment pricing is determined according to the normal course of business and has been established under the terms that are no less favourable than those arranged with external customers. Segment revenue, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Group 2009	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								
Revenue from								
external customers	7,963	207,432	150	35,684	484	12,849	-	264,562
Inter segment revenue	11,816	-	149,010	20,709	9,364	-	(190,899)	-
Total revenue	19,779	207,432	149,160	56,393	9,848	12,849	(190,899)	264,562
Results								
Segment results	(2,107)	28,743	1,904	149	(1,149)	167	2,863	30,570
Unallocated income								2,134
Unallocated expenses								(671)
Operating profit								32,033
Interest income								1,192
Finance costs								(2,373)
Share of associate's loss								(9)
Taxation								(8,946)
Profit for the year								21,897
Assets								
Segment assets	107,053	420,473	99,382	43,729	106,569	13,292	(106,213)	684,285
Investment in associate	-	1,266	-	-	-	-	-	1,266
Unallocated assets								11,669
Total assets								697,220
Liabilities								
Segment liabilities	1,690	98,097	54,177	12,657	757	534	(111,602)	56,310
Unallocated liabilities								123,078
Total liabilities								179,388
Others								
Capital expenditure	249	1,673	140	-	-	-	-	2,062
Non-cash expenses:								
• depreciation and amortisation	1,431	430	229	-	2,265	28	-	4,383
• derecognition of property, plant and equipment	1,557	4	-	-	18	319	-	1,898

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39. Segment reporting (continued)

Group 2008	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								
Revenue from								
external customers	7,983	133,561	1,167	31,131	184	16,997	-	191,023
Inter segment revenue	8,861	-	109,493	6,780	6,204	-	(131,338)	-
Total revenue	16,844	133,561	110,660	37,911	6,388	16,997	(131,338)	191,023
Results								
Segment results	532	18,181	5,140	144	(1,128)	459	2,010	25,338
Unallocated income								49,278
Unallocated expenses								(4,492)
Operating profit								70,124
Interest income								513
Finance costs								(3,141)
Share of associate's loss								(7)
Taxation								(7,160)
Minority interests								538
Profit for the year								60,867
Assets								
Segment assets	109,954	461,835	105,995	45,927	106,732	13,733	(89,867)	754,309
Investment in associate	-	1,275	-	-	-	-	-	1,275
Unallocated assets								7,882
Total assets								763,466
Liabilities								
Segment liabilities	1,175	101,224	47,954	12,075	1,188	588	(94,316)	69,888
Unallocated liabilities								186,931
Total liabilities								256,819
Others								
Capital expenditure	628	7	145	125	1,051	-	-	1,956
Non-cash expenses:								
• depreciation and amortisation	1,086	277	230	-	1,446	26	-	3,065
• derecognition of property, plant and equipment	10	1	-	-	-	-	-	11
• impairment loss on goodwill	-	3,944	-	-	-	-	-	3,944

SHL Consolidated Bhd. and its Subsidiaries

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40. Related party transactions and balances

During the year, the Group and the Company undertook a number of transactions with certain related parties. The more significant transactions are described below:-

(a) Transactions with subsidiaries:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<i>Dividend income:</i>				
Sin Heap Lee Development Sdn. Bhd.	-	-	14,310	88,784
Kajang Granite Quarry Sdn. Bhd.	-	-	-	5,919
Sukma Pesona Sdn. Bhd.	-	-	-	493
	-	-	14,310	95,196

(b) Transactions with non-related corporations in which the Directors of the Company have significant influence in the financial and operating policy decisions:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<i>Expenses:</i>				
<i>Engineering consultancy services</i>				
Integrated Perunding Sdn. Bhd.	2,833	2,279	-	-
<i>Procurement of building materials</i>				
Unique Mix Sdn. Bhd.	9,575	8,818	-	-
<i>Short-term loans paid</i>				
Marusin Sdn. Bhd.	-	(1,100)	-	-

(c) Related party balances:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<i>Trade receivables:</i>				
Taipan Star Sdn. Bhd.	851	851	-	-
<i>Trade payables:</i>				
Unique Mix Sdn. Bhd.	607	1,726	-	-
Integrated Perunding Sdn. Bhd.	1,275	989	-	-
Marusin Sdn. Bhd.	-	3,468	-	-
<i>Long-term borrowings:</i>				
Integrated Perunding Sdn. Bhd.	-	4,500	-	-

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)*40. **Related party transactions and balances (continued)****(c) Related party balances:**

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<i>Amounts due from subsidiaries:</i>				
SHL Corporate Services Sdn. Bhd.	-	-	1,216	1,216
SHL Realty Sdn. Bhd.	-	-	9,097	10,108
Sin Heap Lee Brickworks Sdn. Bhd.	-	-	7,592	7,592
Sin Heap Lee Development Sdn. Bhd.	-	-	52,766	69,689
SHL-M Sdn. Bhd.	-	-	2,500	1,000
	-	-	73,171	89,605
<i>Amounts due to subsidiaries:</i>				
Goodstock (Tawau) Sdn. Bhd.	-	-	300	300
H.S.C. Sdn. Berhad	-	-	600	600
Integrated Management Corporation Sdn. Bhd.	-	-	603	604
Kajang Granite Quarry Sdn. Bhd.	-	-	4,373	4,373
SHL Home Builders Sdn. Bhd.	-	-	350	350
SHL Infra Sdn. Bhd.	-	-	400	400
SHL Ventures Sdn. Bhd.	-	-	324	324
Sin Heap Lee Company Sdn. Berhad	-	-	11,566	12,478
Sin Heap Lee Construction Sdn. Bhd.	-	-	100,244	100,343
Sukma Pesona Sdn. Bhd.	-	-	935	935
Wilayah Builders Sdn. Bhd.	-	-	500	500
	-	-	120,195	121,207
<i>Other payables:</i>				
Amounts due to Directors:				
Dato' Yap Teiong Choon	-	12,600	-	8,266
Dato' Ir. Yap Chong Lee	-	12,600	-	-
	-	25,200	-	8,266

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40. **Related party transactions and balances (continued)**

(d) **Directors' remunerations:**

The aggregate amounts of remunerations received by the Directors of the Company during the financial year were as follows:-

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Non-executive Directors	140	126	140	126
Executive Directors	40	36	40	36
Total Directors' fees	180	162	180	162
Non-executive Directors	115	113	9	7
Executive Directors	2,222	2,207	3	3
Total Directors' other emoluments	2,337	2,320	12	10
Total Directors' remunerations	2,517	2,482	192	172

Identity of related parties

The Company has related party relationship with its subsidiaries pursuant to the Companies Act 1965.

The relationships between the Group and the related parties are as follows:-

Related parties	Relationship	Period of business relationship
Taipan Star Sdn. Bhd.	A company in which Directors of the Company, Y.A.M. Tengku Abdul Samad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah, Dato' Yap Teiong Choon and Dato' Ir. Yap Chong Lee have an interest.	15 years
Glen Waverley Sdn. Bhd.	A company in which Directors of the Company, Y.A.M. Tengku Abdul Samad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah, Dato' Yap Teiong Choon and Dato' Ir. Yap Chong Lee have an interest.	26 years
Unique Mix Sdn. Bhd.	A company in which Directors of the Company, Dato' Yap Teiong Choon and Dato' Ir. Yap Chong Lee have an interest.	11 years

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***40. Related party transactions and balances (continued)**

Related parties	Relationship	Period of business relationship
Goodstock Land Sdn. Bhd.	A company in which Directors of the Company, Dato' Yap Teiong Choon and Dato' Ir. Yap Chong Lee have an interest.	26 years
Sin Heap Lee Land Sdn. Bhd.	A company in which Directors of the Company, Dato' Yap Teiong Choon and Dato' Ir. Yap Chong Lee have an interest.	20 years
Marusin Sdn. Bhd.	A company in which Directors of the Company, Dato' Yap Teiong Choon and Dato' Ir. Yap Chong Lee have an interest.	24 years
SHL Professional Services Sdn. Bhd.	A company in which Directors of the Company, Dato' Yap Teiong Choon and Dato' Ir. Yap Chong Lee have an interest.	11 years
Sin Heap Lee Mix Sdn. Bhd.	A company in which Directors of the Company, Dato' Yap Teiong Choon and Dato' Ir. Yap Chong Lee have an interest.	26 years
Sin Heap Lee Property Services Sdn. Bhd.	A company in which Directors of the Company, Dato' Yap Teiong Choon and Dato' Ir. Yap Chong Lee have an interest.	15 years
Sin Yan Properties Sdn. Bhd.	A company in which Directors of the Company, Dato' Yap Teiong Choon and Dato' Ir. Yap Chong Lee have an interest.	23 years
Integrated Perunding Sdn. Bhd.	A company in which a Director of the Company, Dato' Ir. Yap Chong Lee has an interest.	26 years
Sepakat Setia Perunding (Sendirian) Bhd.	A company in which Directors of the Company, Dato' Ir. Yap Chong Lee and Tan Sri Dato' Ir. Talha Bin Haji Mohamad Hashim have an interest.	26 years

SHL Consolidated Bhd.**and its Subsidiaries***(Incorporated in Malaysia)***41. Material litigations**

Apart from the below, the Group never 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.

The Group has instituted legal proceedings against the Director of Lands and Mines Selangor (State Authority) relating to the revision of quit rent rate. Both parties have different interpretations on the quit rent rate. The Group is seeking from the State Authority the following:-

- declaring the invalidity of quit rent totalling RM583,680/- per year which the State Authority has imposed retrospectively to 1 January 1994; and
- recovering the sum of RM190,024/- per year from 1 January 1994 to 31 December 2007 on the grounds that the quit rent payable should be RM69,141/- only.

The High Court had part heard of the case on 20 May 2009 and then fixed for continued hearing on 4 September 2009.

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

42. Subsequent event*Disposal of investment property*

On 11 June 2009, the Group announced a proposal to dispose of a freehold land and building, comprising a 10-storey education building together with a piece of adjoining vacant land located at Bandar Sungai Long, Cheras for a total consideration of RM34,535,000/-.

This disposal is conditional upon the approvals of relevant authorities.

43. Comparatives

The following significant comparatives have been restated to conform with the current year's presentation arising from a review of the Group disclosure requirements:

	Group	
	As restated	As previously reported
	RM'000	RM'000
<i>Cash flow statement items:</i>		
Operating activities:		
(Increase)/decrease in inventories and property development costs	6,341	9,381
Interest paid	3,501	6,541

