

SHL CONSOLIDATED BHD

Additional information required by the Listing Requirements of the Kuala Lumpur Stock Exchange (KLSE)

1. Review of performance

The Group recorded a profit before taxation of RM4.7 million for the current quarter under review and RM11.0 million for the 6 months financial period ended 30 September 2002. In comparison to the preceding year's corresponding period, this represents an increase of 113% and 16% respectively. This is mainly due to an increase in the revenue generated by the property development sector.

2. Variation of results against preceding quarter

The Group profit before taxation for the current quarter was RM4.7 million, a decrease of 25% compared to RM6.3 million achieved in the immediate preceding quarter. The decrease is attributable to higher finance costs charged out to the Income Statement.

3. Current year prospects

Barring unforeseen circumstances, the Board of Directors is positive that the Group's performance for the second half of the financial year will be satisfactory.

4. Profit forecast or profit guarantee

Not applicable as no profit forecast or profit guarantee was published.

5. Tax expense

	Current quarter ended 30 September		6 months ended 30 September	
	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000
Current	1,677	792	3,794	3,011
Under / (Over) provision in prior period	0	162	0	162
Deferred	(424)	(121)	(109)	(100)
	<u>1,253</u>	<u>833</u>	<u>3,685</u>	<u>3,073</u>

The Group's effective tax rate for the current quarter is lower than the statutory tax rate due to reversal of deferred tax. The effective tax rate for the financial year-to-date is higher than the statutory tax rate due to tax losses of certain subsidiary companies that cannot be set-off against the profits of other subsidiaries as group tax relief is not available.

6. Unquoted investments and/or properties

There was no sale of unquoted investments and/or properties for the current quarter and financial year-to-date other than the normal sale of land and houses as housing developers.

7. Quoted investments

a) There were no purchases or disposals of quoted securities for the current quarter and financial year-to-date.

b) Investments in quoted securities as at 30 September 2002: -

	RM'000
(i) At cost	11
(ii) At book value	11
(iii) At market value	3

8. Status of corporate proposals announced

The following are the corporate proposals that have been announced but not completed as at 21 November 2002: -

- (i) On 7 June 2002, Sin Heap Lee Development Sdn Bhd, a wholly-owned subsidiary of the Company, entered into three separate sale and purchase agreements for the purchase of three land based companies, namely SAS Estate Sdn Bhd, Excel Noble Construction Sdn Bhd and Permaddun Sdn Bhd for a cash consideration of RM10.90 million each or a total cash consideration of RM32.70 million. The proposed acquisition is subject to the approval being obtained from the Foreign Investment Committee.
- (ii) The Board of Directors had on 27 June 2002 announced to the KLSE that the Company is proposing to undertake a proposed bonus issue of up to 48,733,495 new ordinary shares to the shareholders of the Company on the basis of one (1) new ordinary share for every four (4) existing ordinary shares held on an entitlement date to be determined, to be credited as fully paid up.

On 28 September 2002, the Company had obtained approval from the shareholders for the proposed bonus issue at an EGM.

On 22 October 2002, Malaysian International Merchant Bankers Berhad ("MIMB"), on behalf of the Company had submitted to the Securities Commission for their consideration and approval of the proposed bonus issue of up to 48,707,245 new ordinary shares. (Since the announcement made by the Company on 27 June 2002, there have been staff resignations in the Group resulting in a reduction in the number of outstanding Employees' Share Option Scheme ("ESOS") options. Accordingly, the maximum number of shares to be issued will decrease from 48,733,495 shares to 48,707,245 shares based on the issued and paid up share capital of the Company as at 7 October 2002 and the outstanding ESOS options). The ESOS has expired on 20 November 2002.

9. Borrowing and debt securities

The borrowings as at 30 September 2002 are as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term	800	30,202	31,002
Long Term	7,357	5,000	12,357

The above borrowings are denominated in Ringgit Malaysia.

10. Off balance sheet financial instruments

The Group did not enter into any contracts involving off balance sheet financial instruments as at 21 November 2002, the latest practicable date that is not earlier than 7 days from the date of issue of this quarterly report.

11. Changes in material litigation

On 23 November 2001, the High Court of Malaya at Kuala Lumpur has vide suit no. S1-22-761-93 granted judgement (“the Judgement”) in favour of Yip Shou Shan as the plaintiff against Sin Heap Lee – Marubeni Sdn Bhd, a subsidiary of the Company, as the defendant (“the Defendant”) in the sum of RM4,516,248 with interest payable thereon for trespass and/or nuisance. By an Order dated 26 July 2002 (“the Order”), the Court of Appeal dismissed the Defendant’s appeal (vide Civil Appeal No. W-02-73-02) against the Judgement. On 29 July 2002, the Defendant filed a Notice of Motion vide 08-56-2002 to the Federal Court for leave to appeal against the Judgement and the Order. On 8 August 2002, the Defendant had obtained an order from the Court of Appeal for stay of execution of the Judgement and the Order until the disposal of the Notice of Motion for leave to appeal to the Federal Court.

As the matter is still pending before the Federal Court, the Board of Directors is of the opinion that it is not possible at this stage to assess the possible financial outcome of this matter.

12. Dividend

The Company’s shareholders had approved at its Eighth Annual General Meeting held on 28 September 2002 the declaration of a First and Final Dividend of 3 sen per share less 28% tax (financial year ended 31 March 2001 : 6 sen per share less 28% tax) for the financial year ended 31 March 2002. A depositor is qualified for entitlement to the said dividend only in respect of shares transferred into the Depositor’s Securities Account before 12.30 p.m. on 16 October 2002 in respect of ordinary transfers; and shares bought on the KLSE on a cum entitlement basis according to the Rules of the KLSE. The aforesaid dividend was paid on 31 October 2002.

13. Earnings per share

a) Basic earnings per share

The calculation of basic earnings per share for the financial year-to-date is based on the net profit attributable to ordinary shareholders of RM4,926,000 and the weighted average number of ordinary shares issued of 190,230,000.

Weighted average number of ordinary shares

	<u>‘000</u>
Issued ordinary shares at 1 April 2002	188,643
Effect of Employees’ Share Option Scheme	<u>1,587</u>
Weighted average number of ordinary shares	<u><u>190,230</u></u>

