

# 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 RM13.2 million for the current quarter under review and RM25.5 million for the 12 months financial year ended 31 March 2003. In comparison to the preceding year's corresponding period, this represents an increase of 443% and 64% respectively. The better performance in the current quarter under review and the 12 months financial year ended 31 March 2003 is mainly attributable to the increase in revenue and operating profit in the property development sector due to the successful launch of the Group's condominium projects in Bandar Sungai Long, Cheras.

### 2. Variation of results against preceding quarter

The Group profit before taxation for the current quarter was RM13.2 million, an increase of 990% compared to RM1.2 million achieved in the immediate preceding quarter. The successful launch of the Group's condominium projects in Bandar Sungai Long, Cheras has attributed to the significant improved results.

### 3. Next year prospects

With the recent announcement of the Government economic stimulus package, the Board of Directors is positive that the Group's performance for the next 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 31 March		12 months ended 31 March	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Current	2,555	471	6,825	5,227
Under / (Over) provision in prior period	996	(1)	996	160
Deferred	846	(405)	877	(792)
	<u>4,397</u>	<u>65</u>	<u>8,698</u>	<u>4,595</u>

The Group's effective tax rate for the current quarter and 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 31 March 2003: -
- |                       | RM'000 |
|-----------------------|--------|
| (i) At cost           | 11     |
| (ii) At book value    | 11     |
| (iii) At market value | 3      |

## 8. Status of corporate proposals announced

- (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 Kuala Lumpur Stock Exchange ("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 Extraordinary General Meeting.

On 22 October 2002, Malaysian International Merchant Bankers Berhad ("MIMB"), on behalf of the Company had submitted to the Securities Commission ("SC") 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.

On 23 December 2002, MIMB on behalf of the Company, had announced that the SC has approved the proposed bonus issue.

On 27 January 2003, the KLSE has approved in-principle the listing of up to a maximum of 48,707,245 new ordinary shares of RM1.00 each to be issued pursuant to the proposed bonus issue. Subsequently, on 30 January 2003, the KLSE has approved and granted the listing and quotation of the additional 48,424,745 new ordinary shares of RM1.00 each issued pursuant to the aforesaid proposed bonus issue with effect from 9.00 a.m., Friday, 7 February 2003.

**9. Borrowing and debt securities**

The borrowings as at 31 March 2003 are as follows: -

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Short Term	533	33,144	33,677
Long Term	<u>7,425</u>	<u>5,000</u>	<u>12,425</u>
	<u>7,958</u>	<u>38,144</u>	<u>46,102</u>

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 May 2003, 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 amounting to RM4,164,350 was paid on 31 October 2002.

Subject to the approval by shareholders at the forthcoming Annual General Meeting, the Board of Directors recommend a First and Final Dividend of 5 sen per share less 28% tax in respect of the financial year ended 31 March 2003.

**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 RM11,845,000 and the weighted average number of ordinary shares issued of 240,248,085.

*Weighted average number of ordinary shares*

	<u>'000</u>
Issued ordinary shares at 1 April 2002	188,643
Effect of Employees' Share Option Scheme	3,180
Bonus issue	<u>48,425</u>
Weighted average number of ordinary shares	<u><u>240,248</u></u>

**b) Diluted earnings per share**

Not applicable.

For and on behalf of the Board

**SHL Consolidated Bhd**

Dato' Yap Teiong Choon  
**Executive Director**

28 May 2003