

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 RM0.8 million for the current quarter under review and RM2.5 million for the 6 months financial period ended 30 September 2003. In comparison to the preceding year's corresponding period, this represents a decrease of 82% and 77% respectively. The weak performance in the current quarter under review is mainly attributable to the decrease in revenue and operating profit in the construction and property development sectors. The aforesaid financial results is significantly due to our Company's adoption of the "Siap & Sedia" marketing strategy, that is, to launch our housing products only when the same are fully completed with Certificate of Fitness.

2. Variation of results against preceding quarter

The Group profit before taxation for the current quarter decreased by 49% compared to RM1.7 million achieved in the immediate preceding quarter. This is due to the decrease in operating profit in the construction and property development sectors.

3. Current year prospects

With the recent announcement of the Government's economic stimulus package of RM8.1 billion and barring any unforeseen circumstances, the Board of Directors is positive that the Group's performance for the current financial year will be satisfactory.

4. Profit forecast or profit guarantee

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

5. Tax expense

	Current quarter ended		Year-to-date ended	
	30 September	30 September	30 September	30 September
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Current	356	1,677	791	3,794
Under / (Over) provision in prior period	88	0	88	0
Deferred	55	(424)	482	(109)
	<u>499</u>	<u>1,253</u>	<u>1,361</u>	<u>3,685</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 30 September 2003: -

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

8. Status of corporate proposals announced

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 from the Foreign Investment Committee.

9. Borrowings

The borrowings as at 30 September 2003 are as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term	378	44,714	45,092
Long Term	7,076	5,000	12,076
	<u>7,454</u>	<u>49,714</u>	<u>57,168</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 14 November 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

There were no changes in the status of the pending material litigation that had been announced previously since the last annual balance sheet date.

12. Dividend

The Company's shareholders had approved at its Ninth Annual General Meeting held on 25 September 2003 the declaration of a First and Final Dividend of 5 sen per share less 28% tax (financial year ended 31 March 2002 : 3 sen per share less 28% tax) for the financial year ended 31 March 2003. A depositor is qualified for entitlement to the said dividend only in respect of shares transferred into the Depositor's Securities Account before 4.00 p.m. on 16 October 2003 in respect of ordinary transfers; and shares bought on the Kuala Lumpur Stock Exchange ("KLSE") on a cum entitlement basis according to the Rules of the KLSE. The aforesaid dividend amounting to RM8,716,454 was paid on 31 October 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 RM449,000 and the number of ordinary shares of RM1 each issued of 242,123,725.

- b) Diluted earnings per share**
Not applicable.

For and on behalf of the Board
SHL Consolidated Bhd

Dato' Yap Teiong Choon
Executive Director

21 November 2003