

SHL CONSOLIDATED BHD

Additional information required by the Listing Requirements of the Malaysia Securities Exchange Bhd (MSEB)

1. Review of performance

The Group recorded a profit before taxation of RM4.5 million for the current quarter under review and RM7.0 million for the 9 months financial period ended 31 December 2003. In comparison to the preceding year's corresponding period, this represents an increase of 272% and decrease of 42% respectively. The better performance in the current quarter under review is mainly attributable to the good response from buyers on the launch of our Group's Shop Apartments at Taman Universiti Indah, Seri Kembangan.

2. Variation of results against preceding quarter

The Group profit before taxation for the current quarter increased by 437% compared to RM0.8 million achieved in the immediate preceding quarter. This is due to the increase 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	
	31 December		31 December	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Current	770	477	1,561	4,271
Under / (Over) provision in prior period	5	0	93	0
Deferred	(87)	139	395	30
	<u>688</u>	<u>616</u>	<u>2,049</u>	<u>4,301</u>

The Group's effective tax rate for the current quarter is lower than the statutory tax rate due to prior year adjustment for deferred taxation of RM1.2 million to retained profits.

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 December 2003](#): -

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

8. Status of corporate proposals announced

The Company had on 27 June 2002 announced that Sin Heap Lee Development Sdn Bhd (“SHL Development”), a wholly-owned subsidiary of SHL, had entered into 3 separate sale and purchase agreements (“S&Ps”) for the purchase of 3 land based companies, namely SAS Estate Sdn Bhd, Excel Noble Construction Sdn Bhd and Permaddun Sdn Bhd for a purchase consideration of RM10.90 million each or a total purchase consideration of RM32.70 million for the 3 land based companies (“Proposed Acquisition”).

On 15 January 2004, the Company announced that SHL Development and the vendors of the 3 land based companies had mutually agreed not to proceed with the Proposed Acquisition and had thereafter entered into a new joint-venture agreement with the 3 respective land based companies for the joint-development of the land alienated by the Pegawai Daerah, Petaling, Selangor Darul Ehsan to the 3 land based companies (hereinafter refer to the “Joint-Venture”). Under the joint-venture agreement, each of the land based companies shall be entitled to receive RM11.15 million (or a total RM33.45 million for the 3 land based companies) as full consideration for the assignment of all rights pertaining to the land to SHL Development including the right to develop, market and collect the entire proceeds of the sale of all units being developed on the land thereto. Pursuant to the deeds of revocation for the original S&Ps, all purchase consideration paid to the vendors of each of the land-based companies under the respective S&Ps shall be treated as deposit paid under the new joint-venture agreement.

The Joint-Venture is not subject to any approval.

9. Borrowings

The borrowings as at [31 December 2003](#) are as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term	326	51,286	51,612
Long Term	20,392	5,000	25,392
	<u>20,718</u>	<u>56,286</u>	<u>77,004</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 [18 February 2004](#), 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 Malaysia Securities Exchange Bhd ("MSEB") on a cum entitlement basis according to the Rules of the MSEB. 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 RM4,215,000 and the total number of issued ordinary shares of RM1.00 each 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

25 February 2004