



**SHL CONSOLIDATED BHD.**

Registration No. : 199401007886 (293565-W)

**(Incorporated in Malaysia)**

**INTERIM FINANCIAL REPORT**

**FOR**

**THIRD QUARTER ENDED**

**31 DECEMBER 2021**

# **SHL CONSOLIDATED BHD.**

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**(Incorporated in Malaysia)**

## **Interim Financial Report – 31 December 2021**

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**Financial Period Ended 31 December 2021**

*(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		Increase / (Decrease)	
	Current	Preceding	Current	Preceding		
	Year	Year	Year	Year		
	Quarter	Corresponding Quarter	To Date	Corresponding Period		
	31/12/2021	31/12/2020	31/12/2021	31/12/2020		
	RM'000	RM'000	RM'000	RM'000	RM'000	%
1. Revenue	47,244	31,387	114,629	62,789	51,840	82.6%
2. Cost of Sales	(30,362)	(18,233)	(71,607)	(37,755)	33,852	89.7%
3. <b>Gross Profit</b>	<b>16,882</b>	<b>13,154</b>	<b>43,022</b>	<b>25,034</b>	<b>17,988</b>	<b>71.9%</b>
4. Other Operating Income	1,969	2,218	5,158	6,896	(1,738)	-25.2%
5. Distribution Costs	(745)	(461)	(1,791)	(1,513)	278	18.4%
6. Administration Expenses	(2,627)	(2,722)	(5,058)	(8,118)	(3,060)	-37.7%
7. Finance Costs	-	-	(1)	-	1	NA
8. Profit / (Loss) from Associate	(23)	(24)	(78)	(125)	47	-37.6%
9. <b>Profit before Taxation</b>	<b>15,456</b>	<b>12,165</b>	<b>41,252</b>	<b>22,174</b>	<b>19,078</b>	<b>86.0%</b>
10. Taxation	(5,070)	(3,470)	(8,342)	(5,965)	2,377	39.8%
11. <b>Profit for the Period</b>	<b>10,386</b>	<b>8,695</b>	<b>32,910</b>	<b>16,209</b>	<b>16,701</b>	<b>103.0%</b>
12. <b>Other Comprehensive Income</b>	<b>29</b>	<b>1</b>	<b>29</b>	<b>4</b>	<b>25</b>	<b>NA</b>
13. <b>Total Comprehensive Income for the Period</b>	<b>10,415</b>	<b>8,696</b>	<b>32,939</b>	<b>16,213</b>	<b>16,726</b>	<b>103.2%</b>
<b>Profit Attributable to:</b>						
14. <b>Equity Holders of the Company</b>	<b>9,162</b>	<b>7,372</b>	<b>29,945</b>	<b>13,603</b>	<b>16,342</b>	<b>120.1%</b>
15. <b>Non-controlling Interests</b>	<b>1,224</b>	<b>1,323</b>	<b>2,965</b>	<b>2,606</b>	<b>359</b>	<b>13.8%</b>
	<b>10,386</b>	<b>8,695</b>	<b>32,910</b>	<b>16,209</b>	<b>16,701</b>	<b>103.0%</b>
<b>Total Comprehensive Income Attributable to:</b>						
16. <b>Equity Holders of the Company</b>	<b>9,191</b>	<b>7,373</b>	<b>29,974</b>	<b>13,607</b>	<b>16,367</b>	<b>120.3%</b>
17. <b>Non-controlling Interests</b>	<b>1,224</b>	<b>1,323</b>	<b>2,965</b>	<b>2,606</b>	<b>359</b>	<b>13.8%</b>
	<b>10,415</b>	<b>8,696</b>	<b>32,939</b>	<b>16,213</b>	<b>16,726</b>	<b>103.2%</b>
<b>Earnings Per Share Attributable to Equity Holders of the Company:</b>						
18. <b>Basic &amp; Fully Diluted (Sen)</b>	<b>3.78</b>	<b>3.04</b>	<b>12.37</b>	<b>5.62</b>	<b>6.75</b>	<b>120.1%</b>

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Report for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial report)*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2021**

	(UNAUDITED) 31/12/2021 RM'000	(AUDITED) 31/03/2021 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
1. Property, plant and equipment	210,738	212,716
2. Investment in associate	8,771	8,849
3. Investment properties	72,493	72,443
4. Investments	24	24
5. Inventories	2,759	2,757
6. Trust account	2,453	2,317
7. Deferred tax assets	5,373	7,021
	<b>302,611</b>	<b>306,127</b>
<b>8. Current assets</b>		
8.1 Inventories	295,588	338,625
8.2 Trade receivables	46,618	22,686
8.3 Contract assets	1,342	6,872
8.4 Other receivables	10,480	10,913
8.5 Current tax assets	976	6,363
8.6 Cash, deposits and short-term investments	310,665	319,017
	<b>665,669</b>	<b>704,476</b>
<b>9. TOTAL ASSETS</b>	<b>968,280</b>	<b>1,010,603</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
10. Share capital	247,726	247,726
11. Reserves	587,718	577,114
	835,444	824,840
12. Non-controlling Interests	56,335	78,120
<b>13. Total equity</b>	<b>891,779</b>	<b>902,960</b>
<b>14. Non-current liabilities</b>		
14.1 Deferred tax liabilities	25,724	27,023
14.2 Lease liabilities	35	43
14.3 Club establishment fund	10,676	10,675
	<b>36,435</b>	<b>37,741</b>
<b>15. Current liabilities</b>		
15.1 Trade payables	30,786	60,934
15.2 Contract liabilities	553	883
15.3 Other payables	8,546	7,816
15.4 Current tax liabilities	170	259
15.5 Lease liabilities	11	10
	<b>40,066</b>	<b>69,902</b>
<b>16. TOTAL LIABILITIES</b>	<b>76,501</b>	<b>107,643</b>
<b>17. TOTAL EQUITY AND LIABILITIES</b>	<b>968,280</b>	<b>1,010,603</b>
<b>18. Net assets per share (RM)</b>	<b>3.45</b>	<b>3.41</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Report for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial report)*

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**Financial Period Ended 31 December 2021**

*(The figures have not been audited)*

	Attributable to equity holders of the Company					Total	Non-controlling Interests	Total Equity	
	Non-distributable		Distributable						
	Share Capital	Revaluation Surplus	Merger Deficit	Capital Reserves	Retained Profits				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>1. 9 months ended</b>									
<b>31 December 2021</b>									
1.1	At 1 April 2021	247,726	101,488	(130,464)	6,663	599,427	824,840	78,120	902,960
1.2	Total comprehensive income for the period	-	29	-	-	29,945	29,974	2,965	32,939
1.3	Realisation of revaluation surplus	-	(2,003)	-	-	2,003	-	-	-
1.4	Dividends paid	-	-	-	-	(19,370)	(19,370)	-	(19,370)
1.5	Capital repayment to minority shareholders	-	-	-	-	-	-	(24,750)	(24,750)
1.6	<b>At 31 December 2021</b>	<b>247,726</b>	<b>99,514</b>	<b>(130,464)</b>	<b>6,663</b>	<b>612,005</b>	<b>835,444</b>	<b>56,335</b>	<b>891,779</b>
<b>2. 9 months ended</b>									
<b>31 December 2020</b>									
2.1	At 1 April 2020	247,726	103,770	(130,464)	6,663	602,745	830,440	79,297	909,737
2.2	Total comprehensive income for the period	-	4	-	-	13,603	13,607	2,606	16,213
2.3	Realisation of revaluation surplus	-	(1,242)	-	-	1,242	-	-	-
2.4	Dividends paid	-	-	-	-	(29,055)	(29,055)	(800)	(29,855)
2.5	<b>At 31 December 2020</b>	<b>247,726</b>	<b>102,532</b>	<b>(130,464)</b>	<b>6,663</b>	<b>588,535</b>	<b>814,992</b>	<b>81,103</b>	<b>896,095</b>

*(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Audited Financial Report for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial report)*

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**Financial Period Ended 31 December 2021**

	9 months ended 31/12/2021 RM'000	9 months ended 31/12/2020 RM'000
<b>1 Cash flows from operating activities</b>		
1.1 Profit before taxation	41,252	22,174
1.2 Adjustments for :-		
1.2.1 Depreciation	2,030	1,942
1.2.2 Fair value gain on short-term investments	(466)	(96)
1.2.3 Interest expenses	1	-
1.2.4 Interest income	(3,883)	(5,743)
1.2.5 Loss / (profit) from associate	78	125
1.3 Operating profit before working capital changes	39,012	18,402
1.4 (Increase) / decrease in inventories	43,037	(5,494)
1.5 (Increase) / decrease in receivables	(18,019)	(12,218)
1.6 Increase / (decrease) in payables	(29,748)	(2,414)
1.7 Cash generated from / (absorbed by) operations	34,282	(1,724)
1.8 Tax paid	(2,666)	(21,321)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>31,616</b>	<b>(23,045)</b>
<b>2 Cash flows from investing activities</b>		
2.1 Claim received from / (payment to) trust account	(136)	(142)
2.2 Purchase of property, plant and equipment	(52)	(390)
2.3 Reinvestment of short-term investments	(1,280)	(2,424)
2.4 Purchase of short-term investments	(60,950)	(43,500)
2.5 Purchase of land held for property development	(2)	(2)
2.6 Proceeds from disposal of short-term investments	12,200	65,600
2.7 Proceeds from redemption of short-term investments	1,703	2,677
2.8 Interest received	3,883	5,743
<b>2.9 Net cash from / (used in) investing activities</b>	<b>(44,634)</b>	<b>27,562</b>
<b>3 Cash flows from financing activities</b>		
3.1 Repayment of club members' deposits	1	(37)
3.2 Payment of lease liabilities	(7)	(6)
3.3 Capital repayment to minority shareholders	(24,750)	-
3.4 Interest paid	(1)	-
3.5 Dividends paid to owners of the Company	(19,370)	(29,055)
3.6 Dividends paid to non-controlling interests	-	(800)
<b>3.7 Net cash from / (used in) financing activities</b>	<b>(44,127)</b>	<b>(29,898)</b>
4 Net increase / (decrease) in cash and cash equivalents	(57,145)	(25,381)
<b>5 Cash and cash equivalents at 1 April 2021 / 2020</b>	<b>200,839</b>	<b>218,330</b>
<b>6 Cash and cash equivalents at 31 December 2021 / 2020</b>	<b>143,694</b>	<b>192,949</b>
7 Analysis of Cash and Cash Equivalents :-		
<b>8 Cash and deposits</b>	<b>143,694</b>	<b>192,949</b>

*(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Audited Financial Report for the year ended 31 March 2021 and the accompanying explanatory notes to the interim financial report)*

## NOTES TO THE INTERIM FINANCIAL REPORT

### 1. Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with Malaysian Financial Reporting Standard (“MFRS”) 134 *Interim Financial Reporting*, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the requirements of Companies Act 2016 (“CA 2016”) that became effective on 31 January 2017 in Malaysia. These financial statements also comply with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2021, which have been prepared in accordance with the MFRSs, International Financial Reporting Standards (IFRSs) and the CA 2016.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2021.

No early adoption is made by the Group on the following accounting pronouncements that are expected to have application to the Group’s operations. These accounting pronouncements have been issued by the Malaysian Accounting Standards Board (MASB), but yet to be effective:-

	<b>Effective for financial periods beginning on or after</b>
Amendments to MFRS 16 Covid-19 – Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3 Reference to the Conceptual Framework	1 January 2022
Annual Improvements to MFRS 9 Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities	1 January 2022
Amendments to MFRS 116 Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101 Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101 Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The Group is in the process of assessing the impact of these accounting pronouncements.

**2. Audit report for the preceding annual financial statements**

The audit report for the financial statements for the year ended 31 March 2021 was not qualified.

**3. Seasonal or cyclical factors**

The business operations of the Group are generally affected by the prevailing market condition of the Malaysian property development and construction sectors that have historically shown long term cyclical trend.

**4. Exceptional items**

There were no exceptional items during the current period under review.

**5. Changes in estimates**

There were no changes in the nature and amount of estimates reported in prior interim periods of the current financial year or in estimates reported in prior financial year that have a material effect in the current periods under review.

**6. Debt and equity securities**

There was no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current financial period-to-date.

**7. Dividends paid**

During the financial year ending 31 March 2022, a final dividend of 8 sen per share, amounting to a net dividend payable of approximately RM19.37 million in respect of the financial year ended 31 March 2021, was paid on 26 October 2021.

**8. Valuations of property, plant and equipment**

The valuations of land and buildings have been brought forward, without amendment from the previous annual financial statements.



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**9. Inventories**

	<b>As at</b>	<b>As at</b>
	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
<i>Non-current:</i>		
At cost:		
- Land held for property development	2,759	2,754
<i>Current:</i>		
At cost:		
- Completed development units	155,974	192,435
- Building materials	1,043	505
- Raw materials	371	345
- Goods for resale	157	158
- Work in progress	11	11
- Finished goods	5,218	6,738
- Spare parts	229	-
	<u>163,003</u>	<u>200,192</u>
Property development costs	132,585	132,468
	<u>295,588</u>	<u>332,660</u>
<b>Total inventories</b>	<b><u>298,347</u></b>	<b><u>335,414</u></b>

**10. Cash, deposits and short-term investments**

	<b>As at</b>	<b>As at</b>
	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
Cash and bank balances:		
- Housing development accounts	1,853	1,799
- Bank current accounts and petty cash	13,462	8,772
	<u>15,315</u>	<u>10,571</u>
Short-term deposits	128,379	182,378
<b>Cash and cash equivalents</b>	<b><u>143,694</u></b>	<b><u>192,949</u></b>
Short-term investments	166,971	128,120
<b>Total cash, deposits and short-term investments</b>	<b><u>310,665</u></b>	<b><u>321,069</u></b>

Housing Development Accounts are held and maintained pursuant to Section 7A of the Housing Development Act, 1966. These accounts are restricted from use in other operations.

Short-term investments are placements made in management funds that invest in Islamic deposits and other Shariah-compliant investment instruments permitted by the Shariah Advisory Council of the Securities Commission Malaysia and/or Shariah Adviser. The management funds aim to provide a higher level of liquidity while providing better return by predominantly investing its assets in Sukuk and short-term Islamic Money Market Instruments. The income is calculated daily and distributed at month end.

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**11. Material events subsequent to the end of the reporting period**

There were no material events subsequent to the end of current quarter to 17 February 2022, the latest practicable date that is not earlier than 7 days from the date of issue of this quarterly report.

**12. Segmental information**

The segmental analysis for the current year to date ended 31 December 2021 is tabulated below:

	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
<b>REVENUE</b>								
External sales	7,993	85,178	19,210	-	2,248	-	-	114,629
Inter-segment sales	3,227	-	6,276	4,797	288	-	(14,588)	-
<b>Total revenue</b>	<b>11,220</b>	<b>85,178</b>	<b>25,486</b>	<b>4,797</b>	<b>2,536</b>	<b>-</b>	<b>(14,588)</b>	<b>114,629</b>
<b>RESULTS</b>								
Operating profit	1,735	29,697	4,571	28	(1,398)	43	2,772	37,448
Interest income	362	1,753	769	137	563	299	-	3,883
Finance costs	-	(1)	-	-	-	-	-	(1)
Loss from associate	-	(78)	-	-	-	-	-	(78)
Profit before taxation	2,097	31,371	5,340	165	(835)	342	2,772	41,252
Taxation								(8,342)
Non-controlling interests								(2,965)
<b>Profit for the period</b>								<b>29,945</b>
<b>ASSETS</b>								
Segment assets	108,059	796,869	104,956	14,349	74,223	27,402	(172,698)	953,160
Investment in associate	-	8,771	-	-	-	-	-	8,771
Current and deferred tax assets	56	700	434	-	245	228	4,686	6,349
<b>Total assets</b>	<b>108,115</b>	<b>806,340</b>	<b>105,390</b>	<b>14,349</b>	<b>74,468</b>	<b>27,630</b>	<b>(168,012)</b>	<b>968,280</b>
<b>LIABILITIES</b>								
Segment liabilities	14,342	65,418	19,473	2,819	883	18	(52,346)	50,607
Current and deferred tax liabilities	6,934	21,082	22	203	1,396	4	(3,747)	25,894
<b>Total liabilities</b>	<b>21,276</b>	<b>86,500</b>	<b>19,495</b>	<b>3,022</b>	<b>2,279</b>	<b>22</b>	<b>(56,093)</b>	<b>76,501</b>
<b>OTHERS</b>								
Capital expenditure	24	30	-	-	-	-	-	54
<b>Non-cash expenses :</b>								
Depreciation	995	80	57	-	821	-	77	2,030

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The segmental analysis for the preceding year to date ended 31 December 2020 is tabulated below:

	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
<b>REVENUE</b>								
External sales	9,464	40,222	12,209	299	595	-	-	62,789
Inter-segment sales	1,617	-	21,749	5,275	489	-	(29,130)	-
<b>Total revenue</b>	<b>11,081</b>	<b>40,222</b>	<b>33,958</b>	<b>5,574</b>	<b>1,084</b>	<b>-</b>	<b>(29,130)</b>	<b>62,789</b>
<b>RESULTS</b>								
Operating profit	1,807	9,926	6,874	112	(1,519)	(10)	(634)	16,556
Interest income	402	3,403	834	164	735	205	-	5,743
Loss from associate	-	(125)	-	-	-	-	-	(125)
Profit before taxation	2,209	13,204	7,708	276	(784)	195	(634)	22,174
Taxation								(5,965)
Non-controlling interests								(2,606)
<b>Profit for the period</b>								<b>13,603</b>
<b>ASSETS</b>								
Segment assets	116,680	786,728	102,678	12,499	75,036	25,870	(140,543)	978,948
Investment in associate	-	8,872	-	-	-	-	-	8,872
Current and deferred tax assets	31	5,692	-	-	231	233	5,540	11,727
<b>Total assets</b>	<b>116,711</b>	<b>801,292</b>	<b>102,678</b>	<b>12,499</b>	<b>75,267</b>	<b>26,103</b>	<b>(135,003)</b>	<b>999,547</b>
<b>LIABILITIES</b>								
Segment liabilities	13,830	60,242	25,090	1,073	704	18	(26,047)	74,910
Current and deferred tax liabilities	6,942	16,843	871	217	2,643	-	1,026	28,542
<b>Total liabilities</b>	<b>20,772</b>	<b>77,085</b>	<b>25,961</b>	<b>1,290</b>	<b>3,347</b>	<b>18</b>	<b>(25,021)</b>	<b>103,452</b>
<b>OTHERS</b>								
Capital expenditure	216	61	11	-	104	-	-	392
<b>Non-cash expenses :</b>								
Depreciation	914	86	44	-	898	-	-	1,942

Segmental reporting by geographical locations has not been presented as all the activities of the Group's operations are carried out in Malaysia only.

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### **13. Changes in the composition of the Group**

There were no changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations.

### **14. Changes in contingent liabilities or contingent assets**

There were no contingent liabilities or contingent assets as at 31 December 2021.

### **15. Capital commitments**

No capital commitment was outstanding as at 31 December 2021.

### **16. Related party transactions**

The significant related party transactions for the current financial year-to-date under review are as follows:

- (a) Income from rental of premises of approximately RM0.10 million.
- (b) Procurement of engineering consultancy services of approximately RM2.92 million.
- (c) Rental expense of premises of approximately RM0.85 million.
- (d) Procurement of legal services of approximately RM0.34 million.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING  
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**1. Review of performance**

Financial review for current quarter and financial period to date

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To Date	Preceding Year Corresponding Period	Changes	
	31/12/2021	31/12/2020	RM'000	%	31/12/2021	31/12/2020	RM'000	%
Revenue	47,244	31,387	15,857	50.5%	114,629	62,789	51,840	82.6%
Gross Profit	16,882	13,154	3,728	28.3%	43,022	25,034	17,988	71.9%
Profit before Taxation	15,456	12,165	3,291	27.1%	41,252	22,174	19,078	86.0%
Profit for the Period	10,386	8,695	1,691	19.4%	32,910	16,209	16,701	103.0%
Profit Attributable to Equity Holders of the Company	9,162	7,372	1,790	24.3%	29,945	13,603	16,342	120.1%

**1.1 Current Year-To-date vs Preceding Year-To-date**

The Group revenue has increased significantly by 82.6% from RM62.79 million reported in the preceding year corresponding period to RM114.63 million for the period ended 31 December 2021, mainly due to higher revenue generated by our property development segment as a result of the various initiatives introduced by the government, such as the reintroduction of Home Ownership Campaign (HOC) to rejuvenate the property market.

The Group recorded a profit before taxation for the period ended 31 December 2021 of RM41.25 million, increased by RM19.08 million or 86.0% as compared to preceding year's profit before taxation of RM22.17 million. The increase in the Group's profit is mainly due to higher revenue generated by the property development segment.

The property development segment continues to be the key contributor registering a revenue of RM85.18 million for the nine months period ended 31 December 2021, representing about 74.3% of the consolidated revenue. The property development segment will remain focused on building landed properties and affordable value homes with readily available mortgage financing facilities from banks. Goodview Heights, an integrated mixed-development township in Sungai Long South, Selangor Darul Ehsan, Villa Sungai Long semi-detached houses and bungalows, Alam Budiman commercial shop house in Shah Alam and Sg Long Residence condominiums in Bandar Sungai Long, Selangor Darul Ehsan have contributed significantly to the financial performance of the Group.

Despite the current challenging and unpredictable Malaysian economic environment, the investment and services segment registered a revenue of RM7.99 million for the nine months period ended 31 December 2021, representing about 7.0% of the consolidated revenue.

The construction segment registered a revenue of RM19.21 million for the nine months period ended 31 December 2021, representing about 16.8% of the consolidated revenue.

Performance of the respective operating business segments for the current year-to-date as compared to the preceding year-to-date is analysed as follows:

- (i) Property Development – The increase in pre-tax profit was mainly due to higher revenue generated by the property development segment. The financial performance is in tandem with the government initiatives to rejuvenate the property market.
- (ii) Construction – The decrease in pre-tax profit was mainly due to reduction in profit margin recorded by the construction segment.
- (iii) There are no significant variations for other business segments.

### **1.2 Current Quarter vs Preceding Year Corresponding Quarter**

On a quarterly basis, the Group recorded a profit before taxation for the period ended 31 December 2021 of RM15.45 million, increased by RM3.29 million or 27.1% as compared to preceding year's profit before taxation of RM12.16 million. The increase of the Group's profit is mainly due to higher revenue generated by the property development segment.

Performance of the respective operating business segments for the current year-to-date as compared to the preceding year-to-date is analysed as follows:

- (i) Property development – The increase in pre-tax profit was mainly due to higher revenue generated by the property development segment.
- (ii) Construction – The decrease in pre-tax profit was mainly due to reduction in profit margin recorded by the construction segment.
- (iii) Investment and Services – The increase in pre-tax profit was mainly due to higher revenue from recreational and leisure business resulted from the relaxation of containment measures and increase consumer confidence amid strong vaccination progress.
- (iv) There are no significant variations for other business segments.

## **2. Variation of results against preceding quarter**

**Financial review for current quarter compared with immediate preceding quarter**

	<b>INDIVIDUAL QUARTER</b>			
	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>	<b>Changes</b>	
	<b>31/12/2021</b>	<b>30/09/2021</b>	<b>RM'000</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>		
<b>Revenue</b>	<b>47,244</b>	<b>33,776</b>	<b>13,468</b>	<b>39.9%</b>
<b>Gross Profit</b>	<b>16,882</b>	<b>13,382</b>	<b>3,500</b>	<b>26.2%</b>
<b>Profit before Taxation</b>	<b>15,456</b>	<b>13,123</b>	<b>2,333</b>	<b>17.8%</b>
<b>Profit for the Period</b>	<b>10,386</b>	<b>11,783</b>	<b>(1,397)</b>	<b>-11.9%</b>
<b>Profit Attributable to Equity Holders of the Company</b>	<b>9,162</b>	<b>11,043</b>	<b>(1,881)</b>	<b>-17.0%</b>

## **SHL CONSOLIDATED BHD.**

**Registration No. : 199401007886 (293565-W)**

**(Incorporated in Malaysia)**

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The Group revenue increased significantly by 39.9% from RM33.78 million reported in the immediate preceding quarter to RM47.24 million for the current quarter, mainly due to higher revenue generated by property development and construction segment.

The Group's profit before taxation of RM15.45 million for the current quarter increased by RM2.33 million compared to RM13.12 million achieved in the immediate preceding quarter. The increase is mainly due to higher revenue generated by the property development and construction segment.

### **3. Prospects for the next financial year**

The Malaysian economy registered a positive growth of 3.6% in the fourth quarter of 2021 (3Q 2021: -4.5%). Growth was supported mainly by an improvement in domestic demand as economic activity normalised following the easing of containment measures under the National Recovery Plan (NRP). The improvement also reflected recovery in the labour market as well as continued policy support. Looking ahead, growth was expected to gain further momentum in 2022, driven by the expansion in global demand and higher private sector expenditure amid improvements in the labour market and continued policy support. Risks to the growth outlook, however, remained tilted to the downside. Such risks may arise from a weaker-than-expected global growth, a worsening in supply chain disruptions, and the emergence of severe and vaccine-resistant Covid-19 variants of concern.

As at the date of issue of this quarterly financial report, the Covid-19 pandemic has a financial impact on the Group. Nevertheless, the Group is focusing on its efforts in the best possible way to mitigate its impact while protecting the business potential and branding from the medium to long term perspective. The Covid-19 pandemic is not expected to impact our ability to meet our commitments over the next twelve months due to our high level of liquidity, mainly in the form of cash and deposits.

In view of the lack of visibility on the end date of the Covid-19 pandemic, the Group is not able to estimate the full potential financial impact as at the date of issue of this quarterly financial report. As such, the Directors of the Group will continue to monitor the situations closely and respond proactively to mitigate the impact on the Group's financial performance and financial position. The Group will provide further updates on the financial impact and mitigating actions relating to the Covid-19 pandemic in its forthcoming quarterly financial reports.

The housing market in Malaysia has not been able to provide an adequate supply of affordable housing for the masses at affordable prices in relation to the demography of the nation. This undersupply of affordable homes at affordable prices is likely to worsen given the current trends in income and demographic factors. Going forward, a carefully-designed strategy of participation by the private sector for the housing market will ensure that the supply of houses is able to accommodate households of all income groups. Meeting the demand of affordable housing units will require the commitment of both the Government on policies and the private sector for efficiency planning towards the supply side of affordable homes.

Despite the current challenging and unpredictable Malaysian economic environment, SHL Consolidated Bhd will remain resilient and focused on building landed properties and affordable value homes at Bandar Sungai Long, Goodview Heights in Sungai Long South, Alam Budiman in Shah Alam and Rasa in Batang Kali, all property development projects located in Selangor Darul Ehsan, the primary social and economic centre of Malaysia.

Barring any unforeseen circumstances, the Board of Directors is cautiously optimistic 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. Notes to Condensed Consolidated Statement of Comprehensive Income**

Profit before tax is arrived at after charging / (crediting) the following items:

	<b>Current year quarter</b>	<b>Current year-to- date</b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
Interest income	(1,367)	(3,883)
Interest expense	-	1
Depreciation	618	2,030

**6. Taxation**

	<b>Current quarter ended</b>		<b>Year-to-date ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
Current	3,971	2,249	6,890	4,651
Under / (Over) provision in prior year	940	437	940	437
Deferred	159	784	512	877
	<b><u>5,070</u></b>	<b><u>3,470</u></b>	<b><u>8,342</u></b>	<b><u>5,965</u></b>
Effective tax rate	<b><u>32.8%</u></b>	<b><u>28.5%</u></b>	<b><u>20.2%</u></b>	<b><u>26.9%</u></b>

The effective tax rate of the Group for the current quarter was higher than the statutory rate due to the differential treatment between income tax authority and accounting standard on profit generated from property development project resulting higher taxable income in current quarter and non-deductibility of certain expenses.

**7. Status of corporate proposals announced**

There were no corporate proposals announced but not completed as at 17 February 2022.

**8. Lease liabilities**

<b><u>Secured</u></b>	<b>As at</b>	<b>As at</b>
	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
Short Term	11	10
Long Term	35	45
	<b><u>46</u></b>	<b><u>55</u></b>

The above lease liabilities are denominated in Ringgit Malaysia.



**9. Dividend**

No dividend was declared for the current quarter ended 31 December 2021 and preceding year corresponding quarter.

**10. Earnings per share (Basic and fully diluted)**

The calculation of basic earnings per share of the Group is based on the net profit attributable to ordinary shareholders and the number of ordinary shares outstanding during the financial year of 242,123,725.

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.

For and on behalf of the Board  
**SHL CONSOLIDATED BHD.**

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**Dato' Sri Ir. Yap Chong Lee**  
**Executive Director**  
23 February 2022