



SHL CONSOLIDATED BHD.

Registration No. : 199401007886 (293565-W)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

FOR

THIRD QUARTER ENDED

31 DECEMBER 2022

SHL CONSOLIDATED BHD.

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Interim Financial Report – 31 December 2022

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Financial Period Ended 31 December 2022

(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		
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	RM'000	%
	RM'000	RM'000	RM'000	RM'000		
1. Revenue	58,370	47,244	134,886	114,629	20,257	17.7%
2. Cost of Sales	(38,769)	(30,362)	(85,982)	(71,607)	14,375	20.1%
3. Gross Profit	19,601	16,882	48,904	43,022	5,882	13.7%
4. Other Operating Income	2,745	1,969	6,724	5,158	1,566	30.4%
5. Distribution Costs	(2,700)	(745)	(5,173)	(1,791)	3,382	188.8%
6. Administration Expenses	(4,412)	(2,627)	(8,055)	(5,058)	2,997	59.3%
7. Finance Costs	-	-	(1)	(1)	-	NA
8. Profit / (Loss) from Associate	2	(23)	(16)	(78)	62	-79.5%
9. Profit before Taxation	15,236	15,456	42,383	41,252	1,131	2.7%
10. Taxation	(2,824)	(5,070)	(8,630)	(8,342)	288	3.5%
11. Profit for the Period	12,412	10,386	33,753	32,910	843	2.6%
12. Other Comprehensive Income	32	29	46	29	17	NA
13. Total Comprehensive Income for the Period	12,444	10,415	33,799	32,939	860	2.6%
Profit Attributable to:						
14. Equity Holders of the Company	11,579	9,162	32,468	29,945	2,523	8.4%
15. Non-controlling Interests	833	1,224	1,285	2,965	(1,680)	-56.7%
	12,412	10,386	33,753	32,910	843	2.6%
Total Comprehensive Income Attributable to:						
16. Equity Holders of the Company	11,611	9,191	32,514	29,974	2,540	8.5%
17. Non-controlling Interests	833	1,224	1,285	2,965	(1,680)	-56.7%
	12,444	10,415	33,799	32,939	860	2.6%
Earnings Per Share Attributable to Equity Holders of the Company:						
18. Basic & Fully Diluted (Sen)	4.78	3.78	13.41	12.37	1.04	8.4%

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Report for the year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial report)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	(UNAUDITED) 31/12/2022	(AUDITED) 31/3/2022
	RM'000	RM'000
ASSETS		
Non-current assets		
1. Property, plant and equipment	206,358	205,988
2. Investment in associate	8,764	8,780
3. Investment properties	72,493	72,493
4. Investments	24	24
5. Inventories	2,764	2,760
6. Trust account	2,616	2,536
7. Deferred tax assets	3,519	4,595
	296,538	297,176
8. Current assets		
8.1 Inventories	284,605	282,842
8.2 Trade receivables	24,048	73,874
8.3 Contract assets	22,149	11,227
8.4 Other receivables	11,755	10,710
8.5 Current tax assets	4,309	5,370
8.6 Cash, deposits and short-term investments	351,862	312,571
	698,728	696,594
9. TOTAL ASSETS	995,266	993,770
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
10. Share capital	247,726	247,726
11. Reserves	617,562	606,839
	865,288	854,565
12. Non-controlling Interests	40,664	55,879
13. Total equity	905,952	910,444
14. Non-current liabilities		
14.1 Deferred tax liabilities	27,408	26,281
14.2 Lease liabilities	24	32
14.3 Club establishment fund	10,423	10,643
	37,855	36,956
15. Current liabilities		
15.1 Trade payables	41,668	38,223
15.2 Contract liabilities	663	694
15.3 Other payables	7,961	7,218
15.4 Current tax liabilities	1,156	224
15.5 Lease liabilities	11	11
	51,459	46,370
16. TOTAL LIABILITIES	89,314	83,326
17. TOTAL EQUITY AND LIABILITIES	995,266	993,770
18. Net assets per share (RM)	3.57	3.53

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Report for the year ended 31 March 2022 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 2022

(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	
1. 9 months ended								
31 December 2022								
1.1 At 1 April 2022	247,726	98,092	(130,464)	6,663	632,548	854,565	55,879	910,444
1.2 Total comprehensive income for the period	-	46	-	-	32,468	32,514	1,285	33,799
1.3 Realisation of revaluation surplus	-	(683)	-	-	683	-	-	-
1.4 Dividends paid	-	-	-	-	(21,791)	(21,791)	-	(21,791)
1.5 Capital repayment to minority shareholders	-	-	-	-	-	-	(16,500)	(16,500)
1.6 At 31 December 2022	247,726	97,455	(130,464)	6,663	643,908	865,288	40,664	905,952
2. 9 months ended								
31 December 2021								
2.1 At 1 April 2021	247,726	101,488	(130,464)	6,663	599,427	824,840	78,120	902,960
2.2 Total comprehensive income for the period	-	29	-	-	29,945	29,974	2,965	32,939
2.3 Realisation of revaluation surplus	-	(2,003)	-	-	2,003	-	-	-
2.4 Dividends paid	-	-	-	-	(19,370)	(19,370)	-	(19,370)
2.5 Capital repayment to minority shareholders	-	-	-	-	-	-	(24,750)	(24,750)
2.6 At 31 December 2021	247,726	99,514	(130,464)	6,663	612,005	835,444	56,335	891,779

(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 2022 and the accompanying explanatory notes attached to the interim financial report)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
Financial Period Ended 31 December 2022

	9 months ended 31/12/2022	9 months ended 31/12/2021
	RM'000	RM'000
1 Cash flows from operating activities		
1.1 Profit before taxation	42,383	41,252
1.2 Adjustments for :-		
1.2.1 Depreciation	472	2,030
1.2.2 Fair value gain on short-term investments	(2,492)	(466)
1.2.3 Interest expenses	1	1
1.2.4 Interest income	(1,518)	(3,883)
1.2.5 Loss / (profit) from associate	16	78
1.3 Operating profit before working capital changes	38,862	39,012
1.4 (Increase) / decrease in inventories	(1,763)	43,037
1.5 (Increase) / decrease in receivables	26,326	(18,019)
1.6 Increase / (decrease) in payables	15,717	(29,748)
1.7 Cash generated from / (absorbed by) operations	79,142	34,282
1.8 Tax paid	(4,415)	(2,666)
1.9 Net cash from / (used in) operating activities	74,727	31,616
2 Cash flows from investing activities		
2.1 Claim received from / (payment to) trust account	(80)	(136)
2.2 Purchase of property, plant and equipment	(842)	(52)
2.3 Reinvestment of short-term investments	(163)	(1,280)
2.4 Purchase of short-term investments	-	(60,950)
2.5 Purchase of land held for property development	(4)	(2)
2.6 Proceeds from disposal of short-term investments	118,710	12,200
2.7 Proceeds from redemption of short-term investments	2,667	1,703
2.8 Interest received	1,518	3,883
2.9 Net cash from / (used in) investing activities	121,806	(44,634)
3 Cash flows from financing activities		
3.1 Repayment of club members' deposits	(220)	1
3.2 Payment of lease liabilities	(8)	(7)
3.3 Capital repayment to minority shareholders	(16,500)	(24,750)
3.4 Interest paid	(1)	(1)
3.5 Dividends paid to owners of the Company	(21,791)	(19,370)
3.6 Net cash from / (used in) financing activities	(38,520)	(44,127)
4 Net increase / (decrease) in cash and cash equivalents	158,013	(57,145)
5 Cash and cash equivalents at 1 April 2022 / 2021	153,631	200,839
6 Cash and cash equivalents at 31 December 2022 / 2021	311,644	143,694
7 Analysis of Cash and Cash Equivalents :-		
8 Cash and deposits	311,644	143,694

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 2022, 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 2022.

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:-

	Effective for financial periods beginning on or after
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 2022 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 2023, a final dividend of 9 sen per share, amounting to a net dividend payable of approximately RM21.79 million in respect of the financial year ended 31 March 2022, was paid on 26 October 2022.

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.

9. Inventories

	As at	As at
	31/12/2022	31/12/2021
	<u>RM'000</u>	<u>RM'000</u>
<i>Non-current:</i>		
At cost:		
- Land held for property development	2,764	2,759
<i>Current:</i>		
At cost:		
- Completed development units	124,160	155,974
- Building materials	-	1,043
- Raw materials	390	371
- Goods for resale	145	157
- Work in progress	11	11
- Finished goods	2,272	5,218
- Spare parts	203	229
	127,181	163,003
Property development costs	157,424	132,585
	284,605	295,588
Total inventories	<u>287,369</u>	<u>298,347</u>

10. Cash, deposits and short-term investments

	As at	As at
	31/12/2022	31/12/2021
	<u>RM'000</u>	<u>RM'000</u>
Cash and bank balances:		
- Housing development accounts	2,475	1,853
- Bank current accounts and petty cash	25,197	13,462
	27,672	15,315
Short-term deposits	283,972	128,379
Cash and cash equivalents	<u>311,644</u>	<u>143,694</u>
Short-term investments	40,218	166,971
Total cash, deposits and short-term investments	<u>351,862</u>	<u>310,665</u>

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 23 February 2023, 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 2022 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
REVENUE								
External sales	8,957	84,839	39,485	-	1,605	-	-	134,886
Inter-segment sales	3,354	-	7,318	15,004	4,272	-	(29,948)	-
Total revenue	12,311	84,839	46,803	15,004	5,877	-	(29,948)	134,886
RESULTS								
Operating profit	2,356	32,754	1,741	88	1,283	271	2,389	40,882
Interest income	324	402	295	82	317	98	-	1,518
Finance costs	-	(1)	-	-	-	-	-	(1)
Loss from associate	-	(16)	-	-	-	-	-	(16)
Profit before taxation	2,680	33,139	2,036	170	1,600	369	2,389	42,383
Taxation								(8,630)
Non-controlling interests								(1,285)
Profit for the period								32,468
ASSETS								
Segment assets	110,331	768,431	107,065	16,200	72,627	27,831	(123,811)	978,674
Investment in associate	-	8,764	-	-	-	-	-	8,764
Current and deferred tax assets	11	22	546	-	183	244	6,822	7,828
Total assets	110,342	777,217	107,611	16,200	72,810	28,075	(116,989)	995,266
LIABILITIES								
Segment liabilities	14,380	43,119	13,243	4,515	1,002	6	(15,515)	60,750
Current and deferred tax liabilities	6,622	19,339	25	209	1,598	-	771	28,564
Total liabilities	21,002	62,458	13,268	4,724	2,600	6	(14,744)	89,314
OTHERS								
Capital expenditure	566	5	81	-	-	-	-	652
Non-cash expenses :								
Depreciation	201	63	54	-	128	-	26	472

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The segmental analysis for the preceding 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
REVENUE								
External sales	7,993	85,178	19,210	-	2,248	-	-	114,629
Inter-segment sales	3,227	-	6,276	4,797	288	-	(14,588)	-
Total revenue	11,220	85,178	25,486	4,797	2,536	-	(14,588)	114,629
RESULTS								
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)
Profit for the period								29,945
ASSETS								
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
Total assets	108,115	806,340	105,390	14,349	74,468	27,630	(168,012)	968,280
LIABILITIES								
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
Total liabilities	21,276	86,500	19,495	3,022	2,279	22	(56,093)	76,501
OTHERS								
Capital expenditure	24	30	-	-	-	-	-	54
Non-cash expenses :								
Depreciation	995	80	57	-	821	-	77	2,030

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 2022.

15. Capital commitments

No capital commitment was outstanding as at 31 December 2022.

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 RM0.99 million.
- (b) Procurement of engineering consultancy services of approximately RM2.49 million.
- (c) Rental expense of premises of approximately RM0.66 million.
- (d) Procurement of legal services of approximately RM0.76 million.

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

1. Review of performance

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To Date	Preceding Year Corresponding Period	Changes	
	31/12/2022	31/12/2021	RM'000	%	31/12/2022	31/12/2021	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	58,370	47,244	11,126	23.6%	134,886	114,629	20,257	17.7%
Gross Profit	19,601	16,882	2,719	16.1%	48,904	43,022	5,882	13.7%
Profit before Taxation	15,236	15,456	(220)	-1.4%	42,383	41,252	1,131	2.7%
Profit for the Period	12,412	10,386	2,026	19.5%	33,753	32,910	843	2.6%
Profit Attributable to Equity Holders of the Company	11,579	9,162	2,417	26.4%	32,468	29,945	2,523	8.4%

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

The Group revenue has increased by 17.7% from RM114.63 million reported in the preceding year corresponding period to RM134.89 million for the period ended 31 December 2022, mainly due to higher revenue generated by our property development segment and higher progress billing generated by the construction segment.

The Group recorded a profit before taxation for the period ended 31 December 2022 of RM42.38 million, increased by RM1.13 million or 2.7% as compared to preceding year's profit before taxation of RM41.25million. The increase in the Group's profit is mainly due to higher revenue generated by the property development segment, partially offset by the decrease in profit contribution by the construction segment as the new projects has yet to reach optimal construction phase.

The property development segment continues to be the key contributor registering a revenue of RM84.84 million for the nine months period ended 31 December 2022, representing about 62.90% 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, Kiara Sg Long and Sg Long Residence condominiums in Bandar Sungai Long, Selangor Darul Ehsan and Taman Rasa Utama in Batang Kali, 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 RM8.96 million for the six months period ended 31 December 2022, representing about 6.64% of the consolidated revenue.

The construction segment registered a revenue of RM39.49 million for the six months period ended 31 December 2022, representing about 29.27% 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 margin 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 new projects having yet to reach optimal construction phase.
- (iii) There are no significant variations for other business segments.

2. Variation of results against preceding quarter

	INDIVIDUAL QUARTER		Changes	
	Current Quarter	Immediate Preceding Quarter		
	31/12/2022	30/09/2022	RM'000	%
	RM'000	RM'000		
Revenue	58,370	40,555	17,815	43.9%
Gross Profit	19,601	15,478	4,123	26.6%
Profit before Taxation	15,236	13,968	1,268	9.1%
Profit for the Period	12,412	11,034	1,378	12.5%
Profit Attributable to Equity Holders of the Company	11,579	10,942	637	5.8%

The Group revenue increased by 43.9% from RM40.56 million reported in the immediate preceding quarter to RM58.37 million for the current quarter, mainly due to higher revenue generated by property development segment.

The Group's profit before taxation of RM15.24 million for the current quarter increased by RM1.27 million compared to RM13.97 million achieved in the immediate preceding quarter. The increase is mainly due to higher revenue generated by the property development segment.

3. Prospects for the next financial year

The Malaysian economy grew by 14.2% in the third quarter of 2022 (2Q 2022: 8.9%). Growth was supported mainly by higher domestic demand as economic activity continued to normalise with the easing of containment measures. The improvement also reflects the recovery in the labour market and continued policy support. Looking ahead, while external demand is expected to moderate, weighed by headwinds to global growth, economic growth will be supported by firm domestic demand. Additionally, growth would continue to benefit from the easing of restrictions and reopening of international borders. Furthermore, investment activities are also projected to improve, supported by the realisation of multi-year projects.

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.

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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:

	Current year quarter RM'000	Current year-to- date RM'000
Interest income	(348)	(1,518)
Interest expense	-	1
Depreciation	155	472

6. Taxation

	Current quarter ended		Year-to-date ended	
	31 December		31 December	
	2022	2021	2022	2021
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current	3,461	3,971	6,064	6,890
Under / (Over) provision in prior year	317	940	317	940
Deferred	<u>(954)</u>	<u>159</u>	<u>2,249</u>	<u>512</u>
	<u>2,824</u>	<u>5,070</u>	<u>8,630</u>	<u>8,342</u>
Effective tax rate	<u>18.5%</u>	<u>32.8%</u>	<u>20.4%</u>	<u>20.2%</u>

The effective tax rate of the Group for the current quarter was lower than the statutory rate due to non-taxability of certain income.

7. Status of corporate proposals announced

There were no corporate proposals announced but not completed as at 23 February 2023.

8. Lease liabilities

<u>Secured</u>	As at	As at
	31/12/2022	31/12/2021
	<u>RM'000</u>	<u>RM'000</u>
Short Term	11	11
Long Term	<u>24</u>	<u>35</u>
	<u>35</u>	<u>46</u>

The above lease liabilities are denominated in Ringgit Malaysia.

9. Dividend

No dividend was declared for the current quarter ended 31 December 2022 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.

Dato' Sri Ir. Yap Chong Lee
Executive Director
23 February 2023