



SHL CONSOLIDATED BHD.

Registration No. : 199401007886 (293565-W)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

FOR

FOURTH QUARTER ENDED

31 MARCH 2023

SHL CONSOLIDATED BHD.

Registration No. : 199401007886 (293565-W)
(Incorporated in Malaysia)

Interim Financial Report – 31 March 2023

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Financial Year Ended 31 March 2023

(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 | | |
| | 31/3/2023 | 31/3/2022 | 31/3/2023 | 31/3/2022 | RM'000 | % |
| | RM'000 | RM'000 | RM'000 | RM'000 | | |
| 1. Revenue | 73,723 | 83,205 | 208,609 | 197,834 | 10,775 | 5.4% |
| 2. Cost of Sales | (43,070) | (50,392) | (129,052) | (121,999) | 7,053 | 5.8% |
| 3. Gross Profit | 30,653 | 32,813 | 79,557 | 75,835 | 3,722 | 4.9% |
| 4. Other Operating Income | 3,593 | 1,960 | 10,317 | 7,118 | 3,199 | 44.9% |
| 5. Distribution Costs | (1,985) | (710) | (7,158) | (2,501) | 4,657 | 186.2% |
| 6. Administration Expenses | (4,498) | (6,767) | (12,553) | (11,825) | 728 | 6.2% |
| 7. Finance Costs | (1) | (1) | (2) | (2) | - | - |
| 8. Profit / (Loss) from Associate | (8) | 9 | (24) | (69) | 45 | -65.2% |
| 9. Profit before Taxation | 27,754 | 27,304 | 70,137 | 68,556 | 1,581 | 2.3% |
| 10. Taxation | (5,177) | (6,538) | (13,807) | (14,880) | (1,073) | -7.2% |
| 11. Profit for the Period | 22,577 | 20,766 | 56,330 | 53,676 | 2,654 | 4.9% |
| 12. Other Comprehensive Income | 15 | - | 61 | 29 | 32 | 110.3% |
| 13. Total Comprehensive Income for the Period | 22,592 | 20,766 | 56,391 | 53,705 | 2,686 | 5.0% |
| Profit Attributable to: | | | | | | |
| 14. Equity Holders of the Company | 21,740 | 18,628 | 54,208 | 48,573 | 5,635 | 11.6% |
| 15. Non-controlling Interests | 837 | 2,138 | 2,122 | 5,103 | (2,981) | -58.4% |
| | 22,577 | 20,766 | 56,330 | 53,676 | 2,654 | 4.9% |
| Total Comprehensive Income Attributable to: | | | | | | |
| 16. Equity Holders of the Company | 21,755 | 18,628 | 54,269 | 48,602 | 5,667 | 11.7% |
| 17. Non-controlling Interests | 837 | 2,138 | 2,122 | 5,103 | (2,981) | -58.4% |
| | 22,592 | 20,766 | 56,391 | 53,705 | 2,686 | 5.0% |
| Earnings Per Share Attributable to Equity Holders of the Company: | | | | | | |
| 18. Basic & Fully Diluted (Sen) | 8.98 | 7.69 | 22.39 | 20.06 | 2.33 | 11.6% |

(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 March 2023

| | (UNAUDITED) 31/3/2023 RM'000 | (AUDITED) 31/3/2022 RM'000 |
|---|------------------------------------|----------------------------------|
| ASSETS | | |
| Non-current assets | | |
| 1. Property, plant and equipment | 206,206 | 205,988 |
| 2. Investment in associate | 8,756 | 8,780 |
| 3. Investment properties | 72,493 | 72,493 |
| 4. Investments | 24 | 24 |
| 5. Inventories | 2,765 | 2,760 |
| 6. Trust account | 2,705 | 2,536 |
| 7. Deferred tax assets | 3,445 | 4,595 |
| | 296,394 | 297,176 |
| 8. Current assets | | |
| 8.1 Inventories | 280,374 | 282,842 |
| 8.2 Trade receivables | 50,023 | 73,874 |
| 8.3 Contract assets | 27,656 | 11,227 |
| 8.4 Other receivables | 12,560 | 10,710 |
| 8.5 Current tax assets | 4,260 | 5,370 |
| 8.6 Cash, deposits and short-term investments | 339,635 | 312,571 |
| | 714,508 | 696,594 |
| 9. TOTAL ASSETS | 1,010,902 | 993,770 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| 10. Share capital | 247,726 | 247,726 |
| 11. Reserves | 639,325 | 606,839 |
| | 887,051 | 854,565 |
| 12. Non-controlling Interests | 36,833 | 55,879 |
| 13. Total equity | 923,884 | 910,444 |
| 14. Non-current liabilities | | |
| 14.1 Deferred tax liabilities | 27,079 | 26,281 |
| 14.2 Lease liabilities | 21 | 32 |
| 14.3 Club establishment fund | 9,579 | 10,643 |
| | 36,679 | 36,956 |
| 15. Current liabilities | | |
| 15.1 Trade payables | 40,902 | 38,223 |
| 15.2 Contract liabilities | 662 | 694 |
| 15.3 Other payables | 8,234 | 7,218 |
| 15.4 Current tax liabilities | 529 | 224 |
| 15.5 Lease liabilities | 12 | 11 |
| | 50,339 | 46,370 |
| 16. TOTAL LIABILITIES | 87,018 | 83,326 |
| 17. TOTAL EQUITY AND LIABILITIES | 1,010,902 | 993,770 |
| 18. Net assets per share (RM) | 3.66 | 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)

SHL CONSOLIDATED BHD.
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Financial Year Ended 31 March 2023

(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. 12 months ended | | | | | | | | |
| 31 March 2023 | | | | | | | | |
| 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 | - | 61 | - | - | 54,208 | 54,269 | 2,122 | 56,391 |
| 1.3 Realisation of revaluation surplus | - | (1,566) | - | - | 1,574 | 8 | - | 8 |
| 1.4 Dividends paid | - | - | - | - | (21,791) | (21,791) | (4,668) | (26,459) |
| 1.5 Capital repayment to minority shareholders | - | - | - | - | - | - | (16,500) | (16,500) |
| 1.6 Transfer within reserves | - | (96,587) | 130,464 | (6,663) | (27,214) | - | - | - |
| 1.7 At 31 March 2023 | 247,726 | - | - | - | 639,325 | 887,051 | 36,833 | 923,884 |
| 2. 12 months ended | | | | | | | | |
| 31 March 2022 | | | | | | | | |
| 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 | - | - | 48,573 | 48,602 | 5,103 | 53,705 |
| 2.3 Realisation of revaluation surplus | - | (3,398) | - | - | 3,398 | - | - | - |
| 2.4 Dividends paid | - | - | - | - | (19,370) | (19,370) | (2,682) | (22,052) |
| 2.5 Capital repayment to minority shareholders | - | - | - | - | - | - | (24,750) | (24,750) |
| 2.6 At 31 March 2022 | 247,726 | 98,119 | (130,464) | 6,663 | 632,028 | 854,072 | 55,791 | 909,863 |

(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 Year Ended 31 March 2023

| | 12 months ended 31/3/2023 RM'000 | 12 months ended 31/3/2022 RM'000 |
|---|---|---|
| 1 Cash flows from operating activities | | |
| 1.1 Profit before taxation | 70,137 | 68,556 |
| 1.2 Adjustments for :- | | |
| 1.2.1 Depreciation | 689 | 2,421 |
| 1.2.2 Fair value gain on short-term investments | (2,509) | (1,150) |
| 1.2.3 Interest expenses | 2 | 2 |
| 1.2.4 Interest income | (3,107) | (4,704) |
| 1.2.5 Impairment loss on property, plant and equipment | - | 4,783 |
| 1.2.6 Loss / (profit) from associate | 24 | 69 |
| 1.3 Operating profit before working capital changes | 65,236 | 69,977 |
| 1.4 (Increase) / decrease in inventories | 2,468 | 55,041 |
| 1.5 (Increase) / decrease in receivables | 5,569 | (55,100) |
| 1.6 Increase / (decrease) in payables | 3,663 | (23,090) |
| 1.7 Cash generated from / (absorbed by) operations | 76,936 | 46,828 |
| 1.8 Tax paid | (10,372) | (11,988) |
| 1.9 Net cash from / (used in) operating activities | 66,564 | 34,840 |
| 2 Cash flows from investing activities | | |
| 2.1 Claim received from / (payment to) trust account | (169) | (219) |
| 2.2 Purchase of property, plant and equipment | (907) | (93) |
| 2.3 Reinvestment of short-term investments | (170) | (1,356) |
| 2.4 Purchase of short-term investments | - | (60,950) |
| 2.5 Purchase of land held for property development | (5) | (3) |
| 2.6 Proceeds from disposal of short-term investments | 158,676 | 20,240 |
| 2.7 Proceeds from redemption of short-term investments | 2,943 | 2,453 |
| 2.8 Interest received | 3,107 | 4,704 |
| 2.9 Net cash from / (used in) investing activities | 163,475 | (35,224) |
| 3 Cash flows from financing activities | | |
| 3.1 Repayment of club members' deposits | (1,064) | (32) |
| 3.2 Payment of lease liabilities | (10) | (10) |
| 3.3 Capital repayment to minority shareholders | (16,500) | (24,750) |
| 3.4 Interest paid | (2) | (2) |
| 3.5 Dividends paid to owners of the Company | (21,791) | (19,370) |
| 3.6 Dividends paid to non-controlling interests | (4,668) | (2,682) |
| 3.6 Net cash from / (used in) financing activities | (44,035) | (46,846) |
| 4 Net increase / (decrease) in cash and cash equivalents | 186,004 | (47,230) |
| 5 Cash and cash equivalents at 1 April 2022 / 2021 | 153,631 | 200,839 |
| 6 Cash and cash equivalents at 31 December 2022 / 2021 | 339,635 | 153,609 |
| 7 Analysis of Cash and Cash Equivalents :- | | |
| 8 Cash and deposits | 339,635 | 153,609 |

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

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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.

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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.

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9. Inventories

| | As at | As at |
|--------------------------------------|-----------------------|-----------------------|
| | 31/3/2023 | 31/3/2022 |
| | <u>RM'000</u> | <u>RM'000</u> |
| <i>Non-current:</i> | | |
| At cost: | | |
| - Land held for property development | 2,765 | 2,760 |
| <i>Current:</i> | | |
| At cost: | | |
| - Completed development units | 98,340 | 155,295 |
| - Building materials | - | 1,857 |
| - Raw materials | 412 | 353 |
| - Goods for resale | 148 | 148 |
| - Work in progress | 11 | 11 |
| - Finished goods | 1,656 | 4,670 |
| - Spare parts | 224 | 204 |
| | 100,791 | 162,538 |
| Property development costs | 179,583 | 121,046 |
| | 280,374 | 283,584 |
| Total inventories | <u>283,139</u> | <u>286,344</u> |

10. Cash, deposits and short-term investments

| | As at | As at |
|--|-----------------------|-----------------------|
| | 31/3/2023 | 31/3/2022 |
| | <u>RM'000</u> | <u>RM'000</u> |
| Cash and bank balances: | | |
| - Housing development accounts | 946 | 2,110 |
| - Bank current accounts and petty cash | 21,050 | 17,918 |
| | 21,996 | 20,028 |
| Short-term deposits | 317,639 | 133,581 |
| Cash and cash equivalents | <u>339,635</u> | <u>153,609</u> |
| Short-term investments | - | 158,941 |
| Total cash, deposits and short-term investments | <u>339,635</u> | <u>312,550</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 24 May 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 March 2023 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 | 12,539 | 142,471 | 51,791 | - | 1,808 | - | - | 208,609 |
| Inter-segment sales | 4,376 | - | 15,004 | 20,810 | 5,628 | - | (45,818) | - |
| Total revenue | 16,915 | 142,471 | 66,795 | 20,810 | 7,436 | - | (45,818) | 208,609 |
| RESULTS | | | | | | | | |
| Operating profit | 3,474 | 57,855 | 1,640 | 10 | 1,300 | 285 | 2,492 | 67,056 |
| Interest income | 354 | 583 | 850 | 232 | 752 | 336 | - | 3,107 |
| Finance costs | - | (2) | - | - | - | - | - | (2) |
| Loss from associate | - | (24) | - | - | - | - | - | (24) |
| Profit before taxation | 3,828 | 58,412 | 2,490 | 242 | 2,052 | 621 | 2,492 | 70,137 |
| Taxation | | | | | | | | (13,807) |
| Non-controlling interests | | | | | | | | (2,122) |
| Profit for the period | | | | | | | | 54,208 |
| ASSETS | | | | | | | | |
| Segment assets | 110,831 | 768,988 | 102,938 | 16,265 | 72,850 | 27,291 | (104,722) | 994,441 |
| Investment in associate | - | 8,756 | - | - | - | - | - | 8,756 |
| Current and deferred tax assets | 6 | 3,444 | 459 | - | 186 | 180 | 3,430 | 7,705 |
| Total assets | 110,837 | 781,188 | 103,397 | 16,265 | 73,036 | 27,471 | (101,292) | 1,010,902 |
| LIABILITIES | | | | | | | | |
| Segment liabilities | 13,082 | 44,840 | 14,855 | 4,533 | 877 | 12 | (18,789) | 59,410 |
| Current and deferred tax liabilities | 6,446 | 18,598 | 16 | 204 | 1,574 | 1 | 769 | 27,608 |
| Total liabilities | 19,528 | 63,438 | 14,871 | 4,737 | 2,451 | 13 | (18,020) | 87,018 |
| OTHERS | | | | | | | | |
| Capital expenditure | 824 | 7 | 81 | - | - | - | - | 912 |
| Non-cash expenses : | | | | | | | | |
| Depreciation | 344 | 79 | 70 | - | 170 | - | 26 | 689 |

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The segmental analysis for the preceding year to date ended 31 March 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 | 10,996 | 155,839 | 28,190 | - | 2,809 | - | - | 197,834 |
| Inter-segment sales | 4,265 | - | 10,619 | 8,371 | 1,102 | - | (24,357) | - |
| Total revenue | 15,261 | 155,839 | 38,809 | 8,371 | 3,911 | - | (24,357) | 197,834 |
| RESULTS | | | | | | | | |
| Operating profit | 1,430 | 58,114 | 5,799 | 15 | (4,771) | 134 | 3,202 | 63,923 |
| Interest income | 461 | 2,253 | 826 | 183 | 649 | 332 | - | 4,704 |
| Finance costs | - | (2) | - | - | - | - | - | (2) |
| Loss from associate | - | (69) | - | - | - | - | - | (69) |
| Profit before taxation | 1,891 | 60,296 | 6,625 | 198 | (4,122) | 466 | 3,202 | 68,556 |
| Taxation | | | | | | | | (14,880) |
| Non-controlling interests | | | | | | | | (5,103) |
| Profit for the period | | | | | | | | 48,573 |
| ASSETS | | | | | | | | |
| Segment assets | 107,011 | 768,147 | 103,927 | 14,652 | 70,752 | 27,488 | (116,902) | 975,075 |
| Investment in associate | - | 8,780 | - | - | - | - | - | 8,780 |
| Current and deferred tax assets | 25 | 4,544 | 278 | - | 253 | 251 | 4,314 | 9,665 |
| Total assets | 107,036 | 781,471 | 104,205 | 14,652 | 71,005 | 27,739 | (112,588) | 993,520 |
| LIABILITIES | | | | | | | | |
| Segment liabilities | 13,852 | 40,628 | 17,334 | 3,115 | 712 | 12 | (18,424) | 57,229 |
| Current and deferred tax liabilities | 6,614 | 17,338 | 22 | 188 | 1,426 | 2 | 838 | 26,428 |
| Total liabilities | 20,466 | 57,966 | 17,356 | 3,303 | 2,138 | 14 | (17,586) | 83,657 |
| OTHERS | | | | | | | | |
| Capital expenditure | 63 | 33 | - | - | - | - | - | 96 |
| Non-cash expenses : | | | | | | | | |
| Depreciation | 1,276 | 103 | 76 | - | 864 | - | 102 | 2,421 |
| Impairment loss on property, plant and equipment | 1,190 | - | - | - | 3,593 | - | - | 4,783 |
| Total non-cash expenses | 2,466 | 103 | 76 | - | 4,457 | - | 102 | 7,204 |

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

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 March 2023.

15. Capital commitments

No capital commitment was outstanding as at 31 March 2023.

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 RM0.13 million.
- (b) Procurement of engineering consultancy services of approximately RM3.71 million.
- (c) Rental expense of premises of approximately RM1.11 million.
- (d) Procurement of legal services of approximately RM0.88 million.
- (e) Procurement of tax consultancy services of approximately RM0.11 million.

17. Comparative Figures for Distribution Costs and Administrative Expenses

The Group has applied the accounting practice of recognising distribution costs and administrative expenses in the Condensed Consolidated Statement of Comprehensive Income of the Group for the financial year ended 31 March 2023 for all business segments of the Group.

The above accounting practice of recognising distribution costs and administrative expenses in the Condensed Consolidated Statement of Comprehensive Income of the Group for the financial year ended 31 March 2022 has been applied for all business segments of the Group except for its property development business segment whereby distribution costs and administrative expenses of the property development business segment incurred for the aforesaid financial year are recognized as property development cost under the asset classification of inventories.

The following table illustrates the comparative figures for distribution costs and administrative expenses to be recognised in the Condensed Consolidated Statement of Comprehensive Income of the Group for the financial year ended 31 March 2022 should the above accounting practice be applied for all business segments of the Group including that of the property development business segment.

| | Financial Year Ended 31 March 2023 <u>RM'000</u> | Financial Year Ended 31 March 2022 <u>RM'000</u> |
|-------------------------|---|---|
| Distribution Costs | 7,158 | 5,381 |
| Administrative Expenses | 12,553 | 14,770 |

18. Transfer within reserves in the Condensed Consolidated Statement of Changes in Equity

Merger Deficit represents the difference between the nominal value of shares issued by SHL Consolidated Bhd to effect the merger and the nominal value of the shares acquired from the merged subsidiaries of SHL Consolidated Bhd. The Group has put into effect the transferring of the reserves in the Revaluation Surplus account, Capital Reserves account and Retained Profits totaling RM130,464,000 to the Merger Deficit account.

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

1. Review of performance

| | INDIVIDUAL QUARTER | | | | CUMULATIVE QUARTER | | | |
|---|--------------------|---------------|---------|---------------|--------------------|-----------|---------|-------|
| | Current | Preceding | Changes | | Current | Preceding | Changes | |
| | Year | Year | | | Year | Year | | |
| | Quarter | Corresponding | To Date | Corresponding | | | | |
| 31/3/2023 | Quarter | 31/3/2023 | Period | | | | | |
| | RM'000 | RM'000 | RM'000 | % | RM'000 | RM'000 | RM'000 | % |
| Revenue | 73,723 | 83,205 | (9,482) | -11.4% | 208,609 | 197,834 | 10,775 | 5.4% |
| Gross Profit | 30,653 | 32,813 | (2,160) | -6.6% | 79,557 | 75,835 | 3,722 | 4.9% |
| Profit before Taxation | 27,754 | 27,304 | 450 | 1.6% | 70,137 | 68,556 | 1,581 | 2.3% |
| Profit for the Period | 22,577 | 20,766 | 1,811 | 8.7% | 56,330 | 53,676 | 2,654 | 4.9% |
| Profit Attributable to Equity Holders of the Company | 21,740 | 18,628 | 3,112 | 16.7% | 54,208 | 48,573 | 5,635 | 11.6% |

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

The Group revenue has increased by 5.4% from RM197.83 million reported in the preceding year corresponding period to RM208.61 million for the year ended 31 March 2023, 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 year ended 31 March 2023 of RM70.14 million, increased by RM1.58 million or 2.3% as compared to preceding year's profit before taxation of RM68.56 million. 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 RM142.47 million for the twelve months year ended 31 March 2023, representing about 68.30 % 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 RM12.54 million for the twelve months year ended 31 March 2023, representing about 6.01% of the consolidated revenue.

The construction segment registered a revenue of RM51.79 million for the twelve months year ended 31 March 2023, representing about 24.83% of the consolidated revenue.

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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 | | | |
|---|--------------------|-----------------------------------|---------|-------|
| | Current Quarter | Immediate Preceding Quarter | Changes | |
| | 31/3/2023 | 31/12/2022 | RM'000 | % |
| Revenue | 73,723 | 58,370 | 15,353 | 26.3% |
| Gross Profit | 30,653 | 19,601 | 11,052 | 56.4% |
| Profit before Taxation | 27,754 | 15,236 | 12,518 | 82.2% |
| Profit for the Period | 22,577 | 12,412 | 10,165 | 81.9% |
| Profit Attributable to Equity Holders of the Company | 21,740 | 11,579 | 10,161 | 87.8% |

The Group revenue increased by 26.3% from RM58.37 million reported in the immediate preceding quarter to RM73.72 million for the current quarter, mainly due to higher revenue generated by property development segment.

The Group's profit before taxation of RM27.75 million for the current quarter increased by RM12.52 million compared to RM15.24 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 7.0% in the fourth quarter of 2022 (3Q 2022: 14.2%). 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 <u>RM'000</u> | Current year-to- date <u>RM'000</u> |
|------------------|---|--|
| Interest income | (1,589) | (3,107) |
| Interest expense | 1 | 2 |
| Depreciation | 217 | 689 |

6. Taxation

| | Current quarter ended | | Year-to-date ended | |
|---|-----------------------|---------------------|----------------------|----------------------|
| | 31 March | | 31 March | |
| | 2023 | 2022 | 2023 | 2022 |
| | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| Current | 5,287 | 5,719 | 11,351 | 12,609 |
| Under / (Over) provision in prior year | (3) | 103 | 314 | 1,043 |
| Deferred | <u>(107)</u> | <u>716</u> | <u>2,142</u> | <u>1,228</u> |
| | <u>5,177</u> | <u>6,538</u> | <u>13,807</u> | <u>14,880</u> |
| Effective tax rate | <u>18.7%</u> | <u>23.9%</u> | <u>19.7%</u> | <u>21.7%</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 30 May 2023.

8. Lease liabilities

| <u>Secured</u> | As at | As at |
|----------------|------------------|------------------|
| | 31/3/2023 | 31/3/2022 |
| | <u>RM'000</u> | <u>RM'000</u> |
| Short Term | 12 | 11 |
| Long Term | <u>21</u> | <u>32</u> |
| | <u>33</u> | <u>43</u> |

The above lease liabilities are denominated in Ringgit Malaysia.

9. Dividend

No dividend was declared for the current quarter ended 31 March 2023 and preceding year corresponding quarter.

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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
30 May 2023