



## **SIN HENG CHAN (MALAYA) BERHAD**

(Reg. No. 196201000185 (4690-V))  
(Incorporated in Malaysia)

### **INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 December, 2020**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 DEC 2020 RM'000	PRECEDING YEAR QUARTER 31 DEC 2019 RM'000	CURRENT YEAR TO DATE 31 DEC 2020 RM'000	PRECEDING YEAR TO DATE 31 DEC 2019 RM'000
Revenue	10,678	9,320	37,155	30,482
Cost of Sales	(6,573)	(6,018)	(26,086)	(27,118)
<b>Gross profit</b>	<b>4,105</b>	<b>3,302</b>	<b>11,069</b>	<b>3,364</b>
Other income	1,619	6,776	4,648	13,052
Distribution cost	(373)	(384)	(1,473)	(1,413)
General and administrative expenses	(1,141)	(920)	(4,130)	(4,392)
Other operating expenses	(555)	(923)	(1,615)	(2,174)
	<b>3,655</b>	<b>7,851</b>	<b>8,499</b>	<b>8,437</b>
Finance cost	(953)	(1,376)	(4,415)	(5,699)
Share of profit / (loss) of associates	-	-	-	(98)
<b>Profit / (Loss) before tax</b>	<b>2,702</b>	<b>6,475</b>	<b>4,084</b>	<b>2,640</b>
Tax credit/(expense)	(356)	329	127	415
<b>Profit / (Loss) from operations</b>	<b>2,346</b>	<b>6,804</b>	<b>4,211</b>	<b>3,055</b>
Equity holders of the parent	2,346	6,804	4,211	3,055
	<b>2,346</b>	<b>6,804</b>	<b>4,211</b>	<b>3,055</b>
<b>Earnings per ordinary share</b>				
<i>Basic (sen)</i>	1.78	5.16	3.19	2.32
<i>Diluted (sen)</i>	1.78	5.16	3.19	2.32

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this report)*

**SIN HENG CHAN (MALAYA) BERHAD (Registration No. 196201000185 (4690-V))**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

(The figures have not been audited)

	<b>AS AT 31 DECEMBER 2020 RM'000</b>	<b>AS AT 31 DECEMBER 2019 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	77,384	78,566
Investment Properties	365	374
Concession Financial Assets	50,270	52,197
Prepaid Lease Rental	16,875	17,343
Intangible Assets	23,443	24,043
<b>Current Assets</b>		
Inventories	1,572	1,776
Concession Financial Assets	1,927	1,813
Trade Receivables	4,835	7,996
Other Receivables, Deposits and Prepayments	3,757	1,733
Biological Assets	907	769
Tax Recoverable	-	1
Fixed Deposits, Cash and Cash Balances	21,856	4,420
	<u>34,854</u>	<u>18,508</u>
<b>TOTAL ASSETS</b>	<u><u>203,191</u></u>	<u><u>191,031</u></u>
<b>EQUITY &amp; LIABILITIES</b>		
Share Capital	123,992	123,992
Reserves	(38,334)	(42,545)
Equity Attributable To Equity Holders Of The Parent	<u>85,658</u>	<u>81,447</u>
<b>Non-Current Liabilities</b>		
Bank Borrowings	91,551	57,806
Hire-Purchase Payables	1,248	618
Other Payables	6	245
Deferred Tax Liability	7,231	7,136
	<u>100,036</u>	<u>65,805</u>
<b>Current Liabilities</b>		
Bank Overdrafts	74	13,095
Trade Payables	3,113	5,921
Other Payables and Accruals	9,414	13,840
Amount Owing To Related Parties	-	2,169
Bank Borrowings	4,390	8,391
Hire-Purchase Payables	481	363
Tax liabilities	25	-
	<u>17,497</u>	<u>43,779</u>
	<u><u>203,191</u></u>	<u><u>191,031</u></u>
<b>Net tangible assets per share (RM)</b>	0.47	0.44

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this report)*

SIN HENG CHAN (MALAYA) BERHAD (Registration No. 196201000185 (4690-V))

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

(The figures have not been audited)

	Share Capital RM'000	Distributable Accumulated Loss RM'000	Total RM'000
<b><u>12 months quarter ended 31 December 2020</u></b>			
<b>At 1 January 2020</b>	123,992	(42,545)	81,447
Net profit for the financial period	-	4,211	4,211
<b>At 31 December 2020</b>	<u>123,992</u>	<u>(38,334)</u>	<u>85,658</u>
<b><u>12 months quarter ended 31 December 2019</u></b>			
<b>At 1 January 2019</b>	123,992	(45,600)	78,392
Net profit for the financial period	-	3,055	3,055
<b>At 31 December 2019</b>	<u>123,992</u>	<u>(42,545)</u>	<u>81,447</u>

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this report)*

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

(The figures have not been audited)

	12 MONTHS PERIOD ENDED 31 DECEMBER 2020 RM'000	12 MONTHS PERIOD ENDED 31 DECEMBER 2019 RM'000
Profit / (Loss) before tax	4,084	2,640
Adjustment for :		
Amortisation of Prepaid Lease and Intangible Assets	1,078	1,109
Depreciation of Property, Plant & Equipment ("PPE")	5,026	4,590
Fair value changes in biological asset	(138)	(284)
Share of result in associates company	-	98
Finance costs	4,415	5,698
Property, plant and equipment written off	9	-
Discounts received	(500)	-
Loss/(gain) on disposal of PPE	(69)	(123)
Loss/(gain) on disposal of investment properties	-	(8,133)
Loss/(gain) on disposal of associates company	-	(132)
Finance income from concession financial asset	(3,385)	(3,492)
Interest income	(241)	(161)
Operating Profit/(loss) before working capital changes	10,279	1,810
Decrease in concession financial assets	5,198	5,198
Decrease/(Increase) in inventories	203	(615)
Decrease/(Increase) in trade and other receivables	1,137	(477)
Increase/(decrease) in trade and other payables	(6,974)	(4,818)
Decrease/(Increase) in amount owing by related parties	(2,169)	759
Decrease/(Increase) in amount owing by associates company	-	313
Cash from/(used in) operations	7,674	2,170
Interest paid	(55)	(67)
Tax received	256	577
Tax paid	(8)	(474)
Net cash (used in)/from operating activities	7,867	2,206
<b>Cash flows from/(used in) investing activities</b>		
Proceeds from disposal of investment in associates company	-	10,500
Purchase of property, plant and equipment	(3,874)	(2,398)
Proceeds from disposal of investment properties	-	17,638
Proceeds from disposal of PPE	90	244
Interest received	241	161
Net cash (used in)/from investing activities	(3,543)	26,145
<b>Cash flows from/(used in) financing activities</b>		
Proceeds from long term borrowings	72,078	3,000
Repayment of term loan - net	(42,333)	(11,758)
Proceed/(Repayment) of hire-purchase - net	748	(77)
Interest paid	(4,359)	(5,632)
Net cash (used in)/from financing activities	26,134	(14,467)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	30,458	13,884
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	(8,676)	(22,560)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR</b>	21,782	(8,676)
<b>Cash and Cash Equivalents at end of period consist of:-</b>	-	-
Deposits with licensed banks	17,375	1,500
Cash and bank balances	4,481	2,919
Bank Overdrafts	(74)	(13,095)
	21,782	(8,676)

*(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this report)*

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

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**PART A : EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1 Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2019.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the last audited financial statements for the financial year ended 31 December 2019.

In conjunction with the planned convergence of Financial Reporting Standards (“FRS”) with International Financial Reporting Standard as issued by the International Accounting Standards Board, the MASB issued a new approved accounting standard framework, the MFRSs, for application in the annual periods beginning on or after 1st January 2012.

The MFRS Framework is a mandatory for adoption by all Entities Other Than Private Entities, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreement for the Construction of Real Estate (“Transitioning Entities”). The Group falls within the definition of Transitioning Entities and the financial statements for the annual period beginning on 1 January 2017 will be prepared in accordance with the MFRS and International Financial Reporting Standards.

The significant accounting policies and methods of computation adopted are consistent with those of the most recent audited financial statements for the year ended 31 December 2019 except for the adoption of new and amended FRSS, IC Interpretations and new MFRSs which are relevant to its operations and effective for the financial periods beginning on or after 1 January 2020. The standards and amendments that have been issued and effectively beginning on or after 1 January 2020 are as follows:

- The Conceptual Framework for the Financial Reporting (Revised 2018)
- Amendments to MFRS 3, ‘Definition of a Business’
- Amendments to MFRS 10, ‘Consolidated Financial Statements’ and MFRS 128, ‘Investments in Associates and Joint Ventures’ - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

the adoption of standards and amendments listed above did not have any impact on the current period or any prior period and is not likely to affect future periods.

**A2 Auditors’ Report on Preceding Annual Financial Statements**

There was no qualification in the audit report of the preceding annual financial statements.

**A3 Seasonal or cyclical factors of the Group's operations**

The prices for the Group's plantation products are not within the control of the Group but are determined by the price of Crude Palm Oil (CPO), which in turn depends on several factors including the global supply and demand of competing vegetable oils, crude oil prices, and general global economic growth conditions.

Crop production is seasonal. Based on statistics, the Group's production of Fresh Fruit Bunches (FFB) gradually increases in the second quarter and reaches its peak during the third and fourth quarters. This pattern can be affected by rainfall in the Group's estates and severe global weather conditions such as El-Nino.

The profits for this segment of the Group are primarily determined by the price of FFB and the volume of production from the Group's estates.

The Group's other businesses in energy and facilities management are not affected by seasonal or cyclical factors.

**A4 Unusual items**

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence in the current quarter.

**A5 Changes in estimates**

There were no changes in estimates of amounts reported in prior interim periods or changes in estimates of amounts reported in prior financial years, which have a material effect in the current quarter.

**A6 Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter.

**A7 Dividend**

There was no dividend paid, declared or proposed in the current quarter.

**A8 Segmental analysis**

The Group is organised into the following operating divisions:

- (i) Oil Palm Plantations
- (ii) Energy and Facilities Management
- (iii) Investment Holding
- (iv) Others

**The Segmental Information for the year ended 31 December 2020 :**

	<b>Oil Palm Plantations</b>	<b>Energy &amp; Facilities Management</b>	<b>Investment Holding</b>	<b>Others</b>	<b>Elimination</b>	<b>Group Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	24,268	12,887	-	-	-	37,155
<b><u>Segment results</u></b>						
Profit / (loss) from operations	4,043	6,205	(66)	(54)	(1,629)	8,499
Finance cost	(2,631)	(2,162)	(12)	-	390	(4,415)
Profit / (Loss) before tax	1,412	4,043	(78)	(54)	(1,239)	4,084
Tax credit / (expenses)	-	(432)	255	-	304	127
Profit / (Loss) for the period	1,412	3,611	177	(54)	(935)	4,211

**A9 Valuations of property, plant and equipment**

There were no amendments in the valuations of property, plant and equipment during the financial period. The valuations have been brought forward without adjustment from the audited financial statements for the year ended 31 December 2019.

**A10 Material events subsequent to the end of the interim period**

There were no material events subsequent to 31 December 2020 and up to the date of the issuance of this quarterly report that have not been reflected in this quarterly report.

**A11 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 subsidiary companies and long-term investments, restructurings and discontinued operations for the current quarter.

**A12 Contingent liabilities and Contingent Assets**

There were no contingent liabilities or contingent assets as at 31 December 2020.

**A13 Capital Commitments**

There are no capital commitments approved or contracted as at 31 December 2020.



**PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES  
BERHAD'S LISTING REQUIREMENTS**

**B1 Review of Performance**

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Corresponding Quarter	Change %	Current Year Quarter	Preceding Year Corresponding Quarter	Change %
	31 Dec 2020 RM '000	31 Dec 2019 RM '000		31 Dec 2020 RM '000	31 Dec 2019 RM '000	
<b>Revenue</b>						
Oil Palm Plantations	7,366	5,893	25.0%	24,268	16,488	47.2%
Energy and Facility Management	3,312	3,427	-3.4%	12,887	13,994	-7.9%
<b>Total Revenue</b>	<b>10,678</b>	<b>9,320</b>	<b>14.6%</b>	<b>37,155</b>	<b>30,482</b>	<b>21.9%</b>
<b>Segment results</b>						
Oil Palm Plantations	1,886	1,280	47.3%	1,412	(6,365)	122.2%
Energy and Facility Management	1,282	513	149.9%	4,043	2,812	43.8%
Investment Holding	(160)	4,468	-103.6%	(78)	9,392	-100.8%
Others	(20)	(5)	-300.0%	(54)	(26)	-107.7%
Eliminations	(286)	219	-230.6%	(1,239)	(3,173)	61.0%
<b>Profit / (Loss) Before Tax</b>	<b>2,702</b>	<b>6,475</b>	<b>-58.3%</b>	<b>4,084</b>	<b>2,640</b>	<b>54.7%</b>
<b>Operational Statistics</b>						
<b>Production (MT)</b>	11,168	12,596	-11.3%	45,649	41,478	10.1%
<b>Ave. CPO Price*</b>	3,348	2,478	35.1%	2,767	2,122	30.4%
<b>Ave. FFB Price</b>	662	473	40.0%	533	393	35.6%

\*Extracted from MPOB Peninsular Malaysia Average

**(A) Performance of the current quarter against the preceding year corresponding quarter**

**Revenue**

The Group's total revenue for the current quarter ended 31 December 2020 was RM10.68 million, representing an increase of 14.6% as compared to the revenue of RM9.32 million in the preceding year corresponding quarter. The increase in revenue was mainly due to the increase in revenue from the plantations segment.

**Oil Palm Plantations**

For the current quarter under review, the Group's plantations segment recorded a total revenue of RM7.37 million, a 25.0% increase as compared to the preceding year corresponding quarter. This was mainly contributed from significant increases in the average prices of Crude Palm Oil (CPO) and Fresh Fruit Bunches (FFB), which increased by 35.1% and 40.0% respectively compared to the corresponding period in 2019. The increase in average CPO and FFB prices mitigated the decrease in the Group's FFB production, which declined by 1,428mt or 11.3% compared to the preceding year corresponding quarter ended 31 December 2019. This decline in the Group's production compared to the preceding year quarter was due to adverse weather conditions experienced in late 2020, which hampered the evacuation of FFB to neighbouring CPO mills.

**B1 Review of Performance (continued)**

**(A) Performance of the current quarter against the preceding year corresponding quarter (continued)**

*Energy and Facilities Management*

For the current quarter under review, this segment contributed RM3.31 million to the Group's revenue, representing a decrease of 3.4% as compared to RM3.43 million in the preceding year corresponding quarter ended 31 December 2019. This decrease in revenue was due to reduced consumption of chilled water from the Group's cooling system in Melaka.

Profit / (Loss) before tax

The Group recorded a profit before tax of RM2.70 million as compared to a profit before tax of RM6.48 million in the corresponding quarter ended 31 December 2019. The decrease in the Group's profitability compared to the preceding year corresponding quarter was mainly due to the absence of a one-off recognition of the gain from disposal of a piece of leasehold land in Melaka amounting to RM 5.43 million in the preceding year quarter. For the quarter ended 31 December 2020, both the oil palm plantations segment and energy and facility management segment recorded positive improvements compared to the prior year, with contributions of profit before tax of RM1.89 million and RM1.28 million respectively.

**(B) Performance of the current financial period to-date against preceding year corresponding financial period**

Revenue

The Group's total revenue for the financial year ended 31 December 2020 at RM37.16 million was higher by 21.9% as compared to RM30.48 million recorded in the preceding year ended 31 December 2019. The increase in revenue was mainly due to contributions from the oil palm plantations segment.

*Oil Palm Plantations*

For the financial year ended 31 December 2020, revenue increased by 47.2% at RM24.27 million from RM16.49 million recorded in the preceding year. This was due to a higher FFB production from the Group's estates by 4,171mt or 10.1% compared to the same financial year ended 31 Dec 2019. In addition, the increase in average CPO and FFB prices as compared to the preceding financial year by 30.4% and 35.6% respectively further enhanced the segment's positive performance..

*Energy and Facilities Management*

This segment contributed RM12.89 million to the Group's revenue for the financial year ended 31 December 2020 compared to RM13.99 million in the preceding corresponding financial year. The decrease in revenue was due to reduced consumption of chilled water from the Group's cooling system in Melaka.

**(B) Performance of the current financial period to-date against preceding year corresponding financial period (Cont'd)**

Profit / (Loss) before tax

For the financial year ended 31 December 2020, the Group recorded a profit before tax of RM4.08 million as compared to a profit before tax of RM2.64 million in the preceding year. The Group's improved financial performance can be attributed to improvements from both the Group's operating segments, as well as an overall reduction in general administrative and other operating expenses. For the financial year ended 31 December 2020, the oil palm plantations segment recorded a profit of RM1.41 million, compared to a loss of RM6.36 million in the preceding financial year. This was due to a combination of higher production of FFB from the Group's estates, higher CPO and FFB prices, and improved cost management. In addition, the Group's energy and facility segment contributed positively by recording a profit before tax of RM4.04 million, a 43.8% increase compared to 2019. The segment's improvements were the result of reduced operating costs and savings in finance costs.

**B2 Material Changes in Current Quarter Results Compared with Preceding Quarter**

	Current Quarter	Immediate Preceding Quarter	Variance	
	31 Dec 2020 RM'000	30 Sep 2020 RM'000	Amount RM'000	%
<b>Production (MT)</b>	11,168	11,460	(292)	-2.5%
<b>Ave. CPO Price*</b>	3,348	2,754	594	21.6%
<b>Ave. FFB Price</b>	662	523	139	26.6%
<b><u>Revenue</u></b>				
Oil Palm Plantations	7,366	6,014	1,352	22.5%
Energy and Facility Management	3,312	3,401	(89)	-2.6%
<b>Total Revenue</b>	<b>10,678</b>	<b>9,415</b>	<b>1,263</b>	<b>13.4%</b>
<b><u>Segment results</u></b>				
Oil Palm Plantations	1,886	247	1,639	663.6%
Energy and Facility Management	1,282	887	395	44.5%
Investment Holding	(160)	(133)	(27)	-20.3%
Others	(20)	(17)	(3)	-17.6%
Eliminations	(286)	(317)	31	9.8%
<b>Profit / (Loss) before tax</b>	<b>2,702</b>	<b>667</b>	<b>2,035</b>	<b>305.1%</b>

For the three months period ended 31 December 2020, the Group recorded revenue of RM10.68 million as compared to RM9.42 million recorded in the immediate preceding quarter ended 30 September 2020. The increase in revenue was mainly due to the increase in revenue contribution from the oil palm plantations segment on the back of increases in average CPO and FFB prices by 21.6% and 26.6% respectively compared to the immediate preceding quarter.

As a result of the increases in average CPO and FFB prices, the Group recorded a profit before taxation of RM2.70 million for the current quarter as compared to a profit before tax of RM0.67 million in the immediate preceding quarter ended 30 September 2020.

**B3 Prospects**

Despite the challenging conditions arising from the Covid-19 pandemic, the Group managed to post improved financial results for the financial year ended 31 December 2020, compared to the previous year. The Group is optimistic on the outlook of both its business segments in 2021 and will continue to strive for improved financial and operational performance.

The Group's oil palm plantations segment will continue to be largely dependent on CPO and Palm Kernel ("PK") prices. These are, in turn, influenced by a variety of factors affecting the supply and demand of palm oil, including the weather conditions, prices and production of substitute vegetable oils, crude oil prices, and global economic conditions. The current levels of Malaysian palm oil inventory - which are expected to remain low in the first half of 2021 - will offer support to CPO prices in the near term. Beyond this, future domestic production, the implementation of biodiesel programs in Malaysia and Indonesia, and overall demand from key importing regions such as China and India, will significantly affect CPO prices in 2021. In this environment the Group will continue to focus on increasing the production of FFB from its estates.

The Group is positive on the ability of its energy and facility management segment to continue to provide steady and recurrent income to the Group. This segment – and the Group's earnings – will be further strengthened with the acquisition of 100% equity interest in Tunas Selatan Pagoh Sdn Bhd which is expected to be completed by the second quarter of 2021.

**B4 Profit Forecast or Profit Guarantee**

The Group has not issued any profit forecasts for the quarter under review.

**B5 Dividends**

No interim dividend has been paid, declared or proposed for the period ending 31 December 2020.

**B6 Taxation**

	<b>Current Quarter <u>31.12.2020</u> RM'000</b>	<b>Cumulative Quarter <u>31.12.2020</u> RM'000</b>
On current year's results		
- Transfer from / (to) deferred taxation	(323)	(95)
- Taxation	(33)	(33)
- Refund of Real Property Gain Tax (RPGT)	-	255
	<u>(356)</u>	<u>127</u>

**B7 Group Borrowings**

Details of the Group's borrowings as at 31 December 2020 were as follows:-

<b>Term Loan Borrowings</b>	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
Secured	4,390	91,551	95,941

The credit facilities of the group are obtained by a charge over all its assets and corporate guarantee.

Borrowings are denominated in Ringgit Malaysia.

**B8 Material litigation**

The Group is not engaged in any material litigation and is not aware of any proceedings which might materially affect the Group for the current financial year.

**B9 Off balance sheet financial instruments**

There were no financial instruments with off balance sheet risk at the date of the issue of this quarterly report.

**B10 Status of Corporate Proposals**

**(i) Private Placement of Up To 10% of the Total Number of Issued Shares of SHC**

On 13 February 2020, the Company announced that it proposes to undertake a Private Placement of up to 10% of the total number of issued shares of SHC to third party investors to be identified at a later date. On 27 February 2020, the Company received approval from Bursa Malaysia Securities Berhad to implement the Proposed Private Placement. Further on 11 August 2020, the Company submitted an application to Bursa Securities to seek its approval for an extension of time of 6 months up to 26 February 2021 to complete the implementation of the Private Placement.

On 24 August 2020, Bursa Malaysia Securities Berhad has resolved to grant the Company an extension of time up to 26 February 2021 to complete the implementation of the Private Placement.

Subsequently, on 8 February 2021, the Company submitted an application to Bursa Securities to seek its approval for a further extension of time of 6 months up to 26 August 2021 to complete the implementation of the Private Placement.

On 17 February 2021, Bursa Malaysia Securities Berhad resolved to grant the Company a further extension of time of 6 months until 26 August 2021 to complete the implementation of the Private Placement.

## **B10 Status of Corporate Proposals**

### **(ii) Proposed acquisition of the entire equity Interest in Tunas Selatan Pagoh Sdn Bhd, a wholly-owned subsidiary of Tunas Selatan Construction Sdn Bhd**

On 7 August 2020, the Company entered into a Heads of Agreement with Tunas Selatan Construction Sdn Bhd ("TSC"), to explore and pursue a potential acquisition of the entire equity interest in Tunas Selatan Pagoh Sdn Bhd ("TSP"), a wholly-owned subsidiary of TSC, for a purchase consideration to be determined at a later date which will be satisfied via a combination of cash and issuance of ordinary shares of the Company at RM0.330.

On 4 September 2020, the Company and TSC had mutually agreed to extend the exclusivity period in the HOA for a further 1 month ending 6 October 2020 ("Extension"). The Extension was made in order to grant the parties an additional time to negotiate on the terms and conditions of the definitive agreement(s) for the Proposed Acquisition to be entered into.

On 30 September 2020, the Company entered into a conditional share sale agreement with TSC for the proposed acquisition by the Company of 4,000,002 ordinary shares in TSP, representing the entire equity interest in TSP, from TSC for a purchase consideration of RM145,900,000.

On 6 November 2020, the listing application in relation to the Proposals has been submitted to Bursa Malaysia Securities Berhad.

On 9 December 2020, the Company announced that Bursa Malaysia Securities Berhad had, vide its letter dated 8 December 2020, resolved to approve the listing and quotation for the Consideration Shares and ICPS to be issued pursuant to the Proposed Acquisition subject to several conditions.

On 22 March 2021, the Company announced that an Extraordinary General Meeting will be held on fully virtual and entirely via remote participation and voting at Broadcast venue at Board Room of SHC, Level 3, Wisma E&C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur on Friday, 16 April 2021 at 2.00 p.m.

On 23 March 2021, the Company submitted the Circular to Shareholders in relation to I. Proposed Acquisition; II. Proposed Amendment; and III. Proposed Exemption to Bursa Malaysia Securities Berhad.

### **(iii) Issuance of Islamic Medium Term Note Programme ("IMTN") Under the Shariah Principle of Wakalah Bi Al-Istithmar and Murabahah of Up to RM200.0 Million in Nominal Value By SHC Capital Sdn Bhd, An Indirect Wholly-Owned Subsidiary**

On 23 December 2020, the Company announced that SHC Capital Sdn Bhd, an indirect wholly-owned subsidiary of the Company, has successfully issued Islamic medium term notes of RM80.0 million in nominal value ("Sukuk"), under an Islamic medium term note programme of RM200.0 million in nominal value ("Sukuk Programme").

## **B11 Earnings / (Loss) per Share (EPS)**

Basic EPS and diluted EPS are calculated by dividing the net profit attributable to the ordinary equity holders of the Company of RM4.21 million for the financial year by the number of ordinary shares of 131,866,787 in issue during the financial year.

## **B12 Gains / (losses) arising from fair value changes of financial liabilities**

There were no gains / (losses) during this quarter arising from fair value changes of financial liabilities.