



SIN HENG CHAN (MALAYA) BERHAD

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED

30 June, 2021

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30 JUN 2021 RM'000	PRECEDING YEAR QUARTER 30 JUN 2020 RM'000	CURRENT YEAR TO DATE 30 JUN 2021 RM'000	PRECEDING YEAR TO DATE 30 JUN 2020 RM'000
Revenue	12,661	7,577	23,756	17,062
Cost of Sales	(7,001)	(6,032)	(13,795)	(12,689)
Gross profit	5,660	1,545	9,961	4,373
Other income	99,573	1,045	100,502	2,078
Distribution cost	(395)	(366)	(666)	(742)
General and administrative expenses	(1,521)	(955)	(2,837)	(1,949)
Other operating expenses	(3,587)	(354)	(4,019)	(693)
	99,730	915	102,941	3,067
Finance cost	(2,013)	(1,212)	(3,593)	(2,352)
Share of profit of associates	1,506	-	1,506	-
Profit / (Loss) before tax	99,223	(297)	100,854	715
Tax credit	76	331	152	407
Profit from operations	99,299	34	101,006	1,122
Other comprehensive loss				
<i>Items that will be reclassified subsequently to profit or loss :-</i>				
Net change in fair value:				
- cash flow hedges loss	(129)	-	(129)	-
Other comprehensive loss for the period	(129)	-	(129)	-
Total comprehensive income for the period	99,170	34	100,877	1,122
Profit attributable to :				
Equity holders of the company	99,299	34	101,006	1,122
Total comprehensive income attributable to :				
Equity holders of the company	99,170	34	100,877	1,122
Earnings per ordinary share				
<i>Basic (sen)</i>	49.76	0.03	60.88	0.85
<i>Diluted (sen)</i>	36.32	0.03	49.75	0.85

(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 2020 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 30 JUNE 2021

(The figures have not been audited)

	AS AT 30 JUN 2021 RM'000	AS AT 31 DEC 2020 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	79,927	77,384
Investment Properties	361	365
Concession Financial Assets	50,270	50,270
Prepaid Lease Rental	16,640	16,875
Intangible Assets	23,143	23,443
Investment in Associates	241,635	-
	411,976	168,337
Current Assets		
Inventories	1,433	1,572
Concession Financial Assets	963	1,927
Trade Receivables	4,416	4,835
Other Receivables, Deposits and Prepayments	2,479	3,757
Biological Assets	907	907
Fixed Deposits, Cash and Cash Balances	21,722	21,856
	31,920	34,854
TOTAL ASSETS	443,896	203,191
EQUITY & LIABILITIES		
Share Capital	160,292	123,992
Irredeemable Convertible Preference Shares	39,600	-
Reserves	62,543	(38,334)
Equity Attributable To Equity Holders Of The Company	262,435	85,658
Non-Current Liabilities		
Borrowings	153,551	91,551
Lease Liabilities	2,758	1,248
Other Payables	6	6
Deferred Tax Liability	7,079	7,231
	163,394	100,036
Current Liabilities		
Trade Payables	3,388	3,113
Other Payables and Accruals	8,567	9,414
Derivative Liabilities	129	-
Borrowings	5,595	4,464
Lease Liabilities	370	481
Tax liabilities	18	25
	18,067	17,497
TOTAL EQUITY AND LIABILITIES	443,896	203,191
Net assets per share (RM)	1.09	0.65
Number of ordinary shares ('000)	241,867	131,867

(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 2020 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 SECOND QUARTER ENDED 30 JUNE 2021**

(The figures have not been audited)

	<----- Attributable to equity holders of the Company ----->				
	<----- Non-distributable ----->			<-- Distributable -->	
	Ordinary Share RM'000	Irredeemable Convertible Preference Share RM'000	Hedging Reserves RM'000	Accumulated Profit / (Loss) RM'000	Total RM'000
<u>6 months quarter ended 30 June 2021</u>					
At 1 January 2021	123,992	-	-	(38,334)	85,658
Net profit for the financial period	-	-	-	101,006	101,006
Issuance of ordinary shares	36,300	-	-	-	36,300
Issuance of irredeemable convertible preference shares	-	39,600	-	-	39,600
Other comprehensive loss	-	-	(129)	-	(129)
At 30 June 2021	160,292	39,600	(129)	62,672	262,435
<u>6 months quarter ended 30 June 2020</u>					
At 1 January 2020	123,992	-	-	(42,545)	81,447
Net profit for the financial period	-	-	-	1,122	1,122
At 30 June 2020	123,992	-	-	(41,423)	82,569

(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 2020 and the accompanying explanatory notes attached to this report)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

(The figures have not been audited)

	6 MONTHS PERIOD ENDED 30 JUN 2021 RM'000	6 MONTHS PERIOD ENDED 30 JUN 2020 RM'000
Profit before tax	100,854	715
Adjustment for :		
Amortisation of prepaid lease and intangible assets	539	539
Depreciation of property, plant & equipment	2,828	2,469
Share of result in associate company	(1,506)	-
Finance costs	3,593	2,366
Negative goodwill	(98,620)	-
Finance income from concession financial asset	(1,636)	(1,693)
Interest income	(177)	(144)
Operating Profit before working capital changes	5,875	4,252
Decrease in concession financial assets	2,599	2,599
Decrease in inventories	139	297
Decrease / (Increase) in trade and other receivables	1,698	(2,711)
Increase / (Decrease) in trade and other payables	1,619	(876)
Cash from operations	11,930	3,561
Interest paid	(81)	(22)
Tax received	-	255
Tax paid	(7)	(1)
Net cash from operating activities	11,842	3,793
Cash flows from/(used in) investing activities		
Dividend received from associates company	2,200	-
Acquisition of subsidiary	(70,000)	-
Purchase of property, plant and equipment	(5,371)	(1,738)
Interest received	177	144
Net (cash used) in investing activities	(72,994)	(1,594)
Cash flows from/(used in) financing activities		
Proceeds from long term borrowings	62,000	-
Repayment of term loan	(1,939)	(2,405)
Proceed/(Repayment) of hire-purchase - net	1,399	305
Interest paid	(3,050)	(2,344)
Net cash from/(used in) financing activities	58,410	(4,444)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,742)	(2,245)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	21,782	(8,676)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	19,040	(10,921)
Cash and Cash Equivalents at end of period consist of:-	-	-
Deposits with licensed banks	19,131	12,070
Cash and bank balances	2,591	499
Less : Bank Overdrafts	(2,682)	(23,490)
	19,040	(10,921)
Less : Deposits pledged as security	(2,000)	-
	17,040	(10,921)

(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 2020 and the accompanying explanatory notes attached to this report)

INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

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 2020. 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 2020.

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 2020.

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 2020 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 2021. The standards and amendments that have been issued and effectively beginning on or after 1 January 2021 are as follows:

- a) **Standards, amendments to published standards and interpretations that are effective and adopted during the financial year**
- Amendments to MFRS 9, MFRS 139, and MFRS 7 “Interest Rate Benchmark Reform – Phase 2”
 - Amendments to MFRS 16 “Interest Rate Benchmark Reform – Phase 2”

A1 Basis of preparation (Cont'd)

b) Standards and amendments that have been issued but not yet effective

Effective for financial year beginning on or after 1 January 2022

- Amendments to MFRS 3, "Reference to Conceptual Framework"
- Amendments to MFRS 116, "Proceeds Before Intended Use"
- Amendments to MFRS 137, "Onerous Contracts - Cost of Fulfilling a Contract"
- Amendments to MFRS 9, "Fees in the 10% Test for Derecognition of Financial Liabilities"

Effective for financial year beginning on or after 1 January 2023

- Amendments to MFRS 101, "Classification of Liabilities as Current or Non-Current"

The above procurements are either not relevant or do not have any impact on the financial statements of the Company.

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 and La Nina.

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

Save as disclosed in Section B10(ii) below, 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

Save as disclosed in Section B10(i) and (ii) below, 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 period ended 30 June 2021 :

	Oil Palm Plantations	Energy & Facilities Management	Investment Holding	Others	Elimination	Group Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	17,500	6,256	-	-	-	23,756
<u>Segment results</u>						
Profit / (loss) from operations	5,794	3,704	(3,513)	(13)	96,969	102,941
Finance cost	(1,120)	(3,029)	(461)	-	1,017	(3,593)
Share profit of associates		1,506				1,506
Profit / (Loss) before tax	4,674	2,181	(3,974)	(13)	97,986	100,854
Tax credit / (expenses)	-	-	-	-	152	152
Profit / (Loss) for the period	4,674	2,181	(3,974)	(13)	98,138	101,006

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 2020.

A10 Material events subsequent to the end of the interim period

Save as disclosed in Section B10(i) below, there were no material events subsequent to 30 June 2021 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

Save as disclosed in Section B10(ii) below, 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 30 June 2021.

A13 Capital Commitments

There are no capital commitments approved or contracted as at 30 June 2021.

**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
	30 Jun 2021 RM '000	30 Jun 2020 RM '000	%	30 Jun 2021 RM '000	30 Jun 2020 RM '000	%
Revenue						
Oil Palm Plantations	9,508	4,683	103.0%	17,500	10,888	60.7%
Energy and Facility Management	3,153	2,894	8.9%	6,256	6,174	1.3%
Total Revenue	12,661	7,577	67.1%	23,756	17,062	39.2%
Segment results						
Oil Palm Plantations	2,814	(1,022)	375.3%	4,674	(721)	748.3%
Energy and Facility Management	1,790	956	87.2%	2,181	1,874	16.4%
Investment Holding	(3,678)	101	-3741.6%	(3,974)	215	-1948.4%
Others	(6)	(12)	50.0%	(13)	(17)	23.5%
Eliminations	98,303	(320)	30819.7%	97,986	(636)	15506.6%
Profit / (Loss) Before Tax	99,223	(297)	33508.4%	100,854	715	14005.5%
Operational Statistics						
Production (MT)	11,093	11,180	-0.8%	21,163	23,020	-8.1%
Ave. CPO Price*	4,213	2,263	86.2%	4,066	2,489	63.4%
Ave. FFB Price	858	420	104.3%	825	472	74.8%

*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 30 June 2021 was RM12.66 million, representing an increase of 67.1% when compared to the revenue of RM7.58 million in the preceding year corresponding quarter ended 30 June 2020. The increase in revenue was mainly contributed by the increase in revenue from the oil palm plantations segment.

Oil Palm Plantations

For the current quarter under review, the Group's oil palm plantations segment recorded a total revenue of RM9.51 million, a 103.0% increase when compared to the preceding year corresponding quarter. This was mainly due to significant increases in the average prices of CPO and FFB, which increased by 86.2% and 104.3% respectively compared to the preceding year corresponding quarter.

B1 Review of Performance (continued)

(A) Performance of the current quarter against the preceding year corresponding quarter (cont'd)

Energy and Facilities Management

For the current quarter under review, this segment contributed RM3.15 million to the Group's revenue, representing an increase of 8.9% as compared to RM2.89 million in the preceding year corresponding quarter. The higher revenue was due to a slight increase in consumption of chilled water from the Group's cooling system in Melaka compared to the low base consumption from the preceding year during the strict Movement Control Order in April 2020.

Profit / (Loss) before tax

For the quarter ended June 2021, the Group recorded a profit before tax of RM99.22 million as compared to a loss before tax of RM0.30 million in the preceding year corresponding quarter ended 30 June 2020.

The large increase in the Group's profitability compared to the preceding year corresponding quarter was mainly due to the recognition of negative goodwill amounting to RM98.62 million arising from the acquisition of the entire equity interest in Tunas Selatan Pagoh Sdn Bhd, which was completed on 21 May 2021. At the same time, the Group incurred one-off expenses relating to the acquisition of RM1.27 million and costs related to the setting up of the Islamic Medium Term Note ("Sukuk Wakalah") Programme of RM1.53 million.

For the quarter ended June 2021, the oil palm plantation segment registered a profit of RM2.81 million compared to a loss of RM1.02 million in the corresponding period in 2020, which was mainly due to the significant increases in the average prices of CPO and FFB over the same period.

Profits from the energy and facility management segment increased by 87.2% to RM1.79 million. This was mainly due to the inclusion of the results of Tunas Selatan Pagoh Sdn Bhd from 21 May 2021 onwards post-completion of the acquisition.

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

Revenue

The Group's revenue for the cumulative quarter ended 30 June 2021 increased by 39.2% to RM23.76 million as compared to RM17.06 million in the preceding year corresponding quarter ended 30 June 2020. The increase in revenue was mainly contributed by the increase in revenue from the oil palm plantations segment.

Oil Palm Plantations

For the financial period ended 30 June 2021, revenue of the segment has increased by 60.7% to RM17.50 million from RM10.89 million in the preceding year corresponding financial period. This was mainly contributed from the significant increases in the average prices of CPO and FFB, which increased by 63.4% and 74.8% respectively compared to the corresponding period in 2020. The increase in average CPO and FFB prices has mitigated the decrease in the Group's FFB production, which declined by 1,857mt or 8.1% compared to the preceding year corresponding financial period ended 30 June 2020.

B1 Review of Performance (continued)

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

Energy and Facilities Management

This segment contributed RM6.26 million to the Group's revenue in the financial period ended 30 June 2021 compared to RM6.17 million in the preceding year corresponding financial period. The lower revenue in the preceding year corresponding financial period was due to lower consumption of chilled water from the Group's cooling system in Melaka caused by the imposition of Movement Control Order.

Profit / (Loss) before tax

The Group recorded a profit before tax of RM100.85 million as compared to a profit before tax of RM0.72 million in the preceding year corresponding financial period ended 30 June 2020.

The large increase in the Group's profitability compared to the preceding year corresponding quarter was mainly due to the recognition of negative goodwill amounting to RM98.62 million arising from the acquisition of the entire equity interest in Tunas Selatan Pagoh Sdn Bhd, which was completed on 21 May 2021. At the same time, the Group incurred one-off expenses relating to the acquisition of RM1.27 million and costs related to the setting up of the Islamic Medium Term Note ("Sukuk Wakalah") Programme of RM1.53 million.

For the six months ended June 2021, the oil palm plantation segment registered a profit of RM4.67 million compared to a loss of RM0.72 million in the corresponding period in 2020, which was mainly due to the significant increases in the average prices of CPO and FFB over the same period.

Profits from the energy and facility management segment increased by 16.4% to RM2.18 million.

B2 Material Changes in Current Quarter Results Compared with Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Variance	
	30 Jun 2021 RM'000	31 Mar 2021 RM'000	Amount RM'000	%
Production (MT)	11,093	10,070	1,023	10.2%
Ave. CPO Price*	4,213	3,896	317	8.1%
Ave. FFB Price	858	792	66	8.3%
<u>Revenue</u>				
Oil Palm Plantations	9,508	7,992	1,516	19.0%
Energy and Facility Management	3,153	3,103	50	1.6%
Total Revenue	12,661	11,095	1,566	14.1%
<u>Segment results</u>				
Oil Palm Plantations	2,814	1,860	954	51.3%
Energy and Facility Management	1,790	391	1,399	357.8%
Investment Holding	(3,678)	(296)	(3,382)	-1142.6%
Others	(6)	(7)	1	14.3%
Eliminations	98,303	(317)	98,620	31110.4%
Profit / (Loss) before tax	99,223	1,631	97,592	5983.6%

For the three months period ended 30 June 2021, the Group recorded revenue of RM12.67 million as compared to RM11.10 million recorded in the immediate preceding quarter ended 31 March 2021. The increase in revenue was mainly contributed by the increase in revenue contribution from the oil palm plantations segment on the back of increases in average CPO and FFB prices by 8.1% and 8.3% respectively compared to the immediate preceding quarter. In addition, the increase in the Group's FFB production in the current quarter under review by 1,023mt or 10.2% against immediate preceding quarter has also contributed positively towards the Group's Revenue.

The Group recorded a profit before taxation of RM99.22 million for the current quarter as compared to a profit before tax of RM1.63 million in the immediate preceding quarter ended 31 March 2021. The increase in the Group's profitability was mainly due to the recognition of negative goodwill arising from the acquisition of the entire equity interest in Tunas Selatan Pagoh Sdn Bhd which was completed on 21 May 2021.

B3 Prospects

In 2021, the Group's performance in the oil palm plantations segment will be primarily influenced by CPO and Palm Kernel ("PK") prices and our FFB production. CPO and PK prices are both largely dependent on various factors such as global weather conditions, prices and production of substitute vegetable oils, crude oil prices, and general global economic conditions. Covid-19 will continue to be a dominant price factor in the near term as it affects both the pace of reopening of economies and the production of palm oil. The continued closure of international borders and enhanced travel restrictions have resulted in labour shortages for the Malaysian oil palm industry which will constrain domestic production of CPO in 2021.

Notwithstanding this, the Group remains fundamentally optimistic about the long-term prospects of the palm oil industry and will continue to focus on increasing the production of FFB from its estates through new planting and mechanisation on harvesting and at the same time. The Group continues to take precautionary measures against Covid-19 to ensure the safety of its staff and workers.

For the energy and facilities management segment, the recently completed acquisition of the entire equity interest in Tunas Selatan Pagoh Sdn Bhd will provide strong and recurring earnings contributions to the Group. The Group will continue to focus on cost and operational efficiencies to improve the segment's performance.

Moving forward, the Group continues to prospect for new opportunities and sustainable businesses which can grow shareholder value in the long run.

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 30 June 2021.

B6 Taxation

	Current Quarter <u>30.06.2021</u> RM'000	Cumulative Quarter <u>30.06.2021</u> RM'000
On current year's results		
- Transfer from deferred taxation	76	152
	<u>76</u>	<u>152</u>

B7 Group Borrowings

Details of the Group's borrowings as at 30 June 2021 were as follows:-

Borrowings	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	5,595	153,551	159,146

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 Derivatives

The commodity futures contracts are entered into with the objective of managing and hedging the Group's exposure to the adverse price movements in the Crude Palm Oil (CPO) commodities.

As at 30 June 2021, the values and maturity analysis of the outstanding derivatives were as follows:-

	Contract / Notional Amount RM'000	Assets RM'000	Liabilities RM'000	Maturity Profile
Group				
Current				
Commodity futures contracts	3,119	-	(129)	Less than 1 year
	<u>3,119</u>	<u>-</u>	<u>(129)</u>	

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.

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.

On 8 February 2021, the Company submitted an application to Bursa Malaysia Securities Berhad 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.

On 14 July 2021, the Company resolved to fix the issue price of the Private Placement at RM0.45 per Placement Share.

On 26 July 2021, the Company announced that 13,186,600 Placement Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad, which marks the completion of the Private Placement.

The status of the utilisation of the proceeds as at 25 August 2021 arising from the private placement is as follows:

Purpose	Estimated timeframe for utilisation	Proposed Utilisation RM'000	Actual Utilisation		Deviation		Explanations
			RM'000	%	RM'000	%	
Working capital for plantations segment	18 months	5,834	1,500	25.7	4,334	74.3	Ongoing
Estimated expenses for Proposed Private Placement	Upon completion	100	100	100.0	0	0	Completed
Total		5,934	1,600	27.0	4,334	73.0	

B10 Status of Corporate Proposals (Cont'd)

(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 ("SSA") 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 was 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.

On 30 March 2021, the Company entered into a supplemental letter with TSC to extend the cut-off date to fulfil the conditions precedent of the SSA to 30 June 2021.

On 16 April 2021, the Company announced that all the resolutions as set out in the Notice of the Extraordinary General Meeting dated 23 March 2021 were duly passed and carried.

On 28 April 2021, the Company announced that all the conditions precedent set out in the SSA have been fulfilled and that the SSA has become unconditional.

On 5 May 2021, the Company allotted 110,000,000 new ordinary shares at an issue price of RM0.33 each and 120,000,000 non-listed Irredeemable Convertible Preference Shares ("ICPS") at an issue price of RM0.33 each.

B10 Status of Corporate Proposals (Cont'd)

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

Subsequently, the issued shares of the Company increased from:-

- (i) 131,866,787 ordinary shares to 241,866,787 ordinary shares; and
- (ii) 120,000,000 non-listed ICPS

On 7 May 2021, the Company announced that the Consideration Shares of 110,000,000 issued pursuant to the Acquisition were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

On 21 May 2021 the Company announced that the SSA in respect of the acquisition has been completed which marks the completion of the proposal.

The effect on the acquisition of TSP to the current quarter are as follows:

	RM'000
Purchase Consideration	145,900
Less : Fair value of net identifiable assets of TSP	(244,520)
	98,620
Negative goodwill arising	98,620

The once-off expenses incurred in relation to the acquisition are as follows:

	RM'000
EGM expenses	62
Stamping fees	438
Corporate advisory fees including Principal Advisor, Independent Advisor, Independent Valuer, Solicitors and Reporting Accountant	766
Total expenses	1,265

(iii) Issuance of Unrated Islamic Medium Term Note ("Sukuk Wakalah") Programme of RM60.0 million in nominal value ("Sukuk Wakalah Programme") under the Shariah principle of Wakalah Bi Al-Istithmar

On 20 May 2021, the Company announced that it has successfully issued an Unrated Islamic Medium Term Note ("Sukuk Wakalah") Programme of RM60.0 million in nominal value ("Sukuk Wakalah Programme") under the Shariah principle of Wakalah Bi Al-Istithmar.

B11 Basic/diluted earnings / (loss) per share (EPS)

The basic EPS is calculated based on the Group's profit attributable to the ordinary equity holders of the Company of RM101 million for the financial quarter by the weighted average number of ordinary shares of 241,866,787 in issue during the financial quarter; whereas diluted earnings per share is calculated based on the weighted average number of shares plus weighted average irredeemable convertible preference shares of 120,000,000.

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.