



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

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

### **INTERIM REPORT FOR THE THIRD QUARTER ENDED 30 September, 2022**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER RESTATED	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE RESTATED
	30 SEP 2022	30 SEP 2021	30 SEP 2022	30 SEP 2021
	RM'000	RM'000	RM'000	RM'000
Revenue	12,087	11,653	42,865	35,409
Cost of Sales	(10,300)	(6,060)	(27,901)	(19,855)
<b>Gross profit</b>	<b>1,787</b>	<b>5,593</b>	<b>14,964</b>	<b>15,554</b>
Other income	1,017	932	3,038	54,290
Distribution cost	(282)	(292)	(820)	(958)
General and administrative expenses	(1,929)	(1,221)	(5,561)	(4,058)
Other operating expenses	(595)	(175)	(2,252)	(4,194)
	(2)	4,837	9,369	60,634
Finance cost	(2,304)	(2,278)	(6,965)	(5,871)
Share of profit of associates	3,405	2,370	10,724	3,395
<b>Profit before tax</b>	<b>1,099</b>	<b>4,929</b>	<b>13,128</b>	<b>58,158</b>
Tax (expenses) / credit	(75)	76	(223)	228
<b>Profit from operations</b>	<b>1,024</b>	<b>5,005</b>	<b>12,905</b>	<b>58,386</b>
<b>Other comprehensive loss</b>				
<i>Items that will be reclassified subsequently to profit or loss :-</i>				
Net change in fair value:				
- cash flow hedges loss	-	(803)	-	(932)
<b>Other comprehensive loss for the period</b>	<b>-</b>	<b>(803)</b>	<b>-</b>	<b>(932)</b>
<b>Total comprehensive income for the period</b>	<b>1,024</b>	<b>4,202</b>	<b>12,905</b>	<b>57,454</b>
<b>Profit attributable to :</b>				
Equity holders of the company	1,024	5,005	12,905	58,386
<b>Total comprehensive income attributable to :</b>				
Equity holders of the company	1,024	4,202	12,905	57,454
<b>Earnings per share</b>				
<i>Basic (sen)</i>	0.35	1.99	4.41	29.97
<i>Diluted (sen)</i>	0.25	1.35	3.13	22.47

*(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 2021 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 SEPTEMBER 2022**

(The figures have not been audited)

	<b>AS AT 30 SEP 2022 RM'000</b>	<b>RESTATED AS AT 31 DEC 2021 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	86,316	81,642
Investment Properties	350	356
Concession Financial Assets	48,223	48,223
Prepaid Lease Rental	16,054	16,406
Intangible Assets	22,393	22,843
Investment in Associates	201,208	194,884
	374,544	364,354
<b>Current Assets</b>		
Inventories	3,610	1,134
Concession Financial Assets	512	2,047
Trade Receivables	4,915	5,121
Other Receivables, Deposits and Prepayments	3,199	2,016
Biological Assets	1,408	1,408
Tax Recoverable	32	7
Other Investments	16,664	14,391
Fixed Deposits, Cash and Cash Balances	35,205	42,926
	65,545	69,050
<b>TOTAL ASSETS</b>	440,089	433,404
<b>EQUITY &amp; LIABILITIES</b>		
Share Capital	181,355	181,355
Irredeemable Convertible Preference Shares	39,600	39,600
Reserves	38,314	25,409
Equity Attributable To Equity Holders Of The Company	259,269	246,364
<b>Non-Current Liabilities</b>		
Borrowings	150,358	149,635
Lease Liabilities	4,463	2,532
Other Payables	323	155
Deferred Tax Liability	8,153	7,931
	163,297	160,253
<b>Current Liabilities</b>		
Trade Payables	6,301	2,521
Other Payables and Accruals	3,765	4,666
Borrowings	7,129	18,669
Lease Liabilities	313	908
Tax liabilities	15	23
	17,523	26,787
<b>TOTAL EQUITY AND LIABILITIES</b>	440,089	433,404
<b>Net assets per share (RM)</b>	0.89	0.84
<b>Number of ordinary shares ('000)</b>	292,877	292,877

*(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 2021 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 THIRD QUARTER ENDED 30 SEPTEMBER 2022**

(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
<b><u>9 months quarter ended 30 September 2022</u></b>					
<b>At 1 January 2022</b>					
As previously stated	181,355	39,600	-	73,496	294,451
Effect from restatement of investment in associates	-	-	-	(48,087)	(48,087)
<b>As restated</b>	181,355	39,600	-	25,409	246,364
Net profit for the financial period	-	-	-	12,905	12,905
<b>At 30 September 2022</b>	181,355	39,600	-	38,314	259,269
<b><u>9 months quarter ended 30 September 2021</u></b>					
<b>At 1 January 2021</b>					
Net profit for the financial period	-	-	-	106,714	106,714
Issuance of ordinary shares	42,234	-	-	-	42,234
Issuance of irredeemable convertible preference shares	-	39,600	-	-	39,600
Other comprehensive loss	-	-	(932)	-	(932)
As previously stated	166,226	39,600	(932)	68,380	273,274
Effect from restatement of investment in associates	-	-	-	(48,328)	(48,328)
<b>As restated 30 September 2021</b>	166,226	39,600	(932)	20,052	224,946

*(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 2021 and the accompanying explanatory notes attached to this report)*

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

(The figures have not been audited)

	<b>9 MONTHS PERIOD ENDED 30 SEP 2022 RM'000</b>	<b>9 MONTHS PERIOD ENDED RESTATED 30 SEP 2021 RM'000</b>
Profit before tax	13,128	58,158
Adjustment for :		
Amortisation of prepaid lease and intangible assets	808	808
Depreciation of property, plant & equipment	4,900	4,314
Share of result in associate company	(10,724)	(3,395)
Finance costs	6,965	5,871
Gain on disposal of property, plant & equipment	(47)	-
Gain on disposal of other investment	(1)	-
Fair value movement on other investment	33	8
Negative goodwill	-	(51,476)
Finance income from concession financial asset	(2,363)	(2,454)
Interest income	(519)	(268)
Dividend income	(55)	-
Operating Profit before working capital changes	<u>12,125</u>	<u>11,566</u>
Decrease in concession financial assets	3,899	3,899
(Increase) / Decrease in inventories	(2,476)	8
(Increase) / Decrease in trade and other receivables	(978)	2,472
(Decrease) / Increase in trade and other payables	3,048	1,447
Cash from operations	<u>15,618</u>	<u>19,392</u>
Interest paid	(179)	(128)
Tax paid	(34)	(7)
Net cash from operating activities	<u>15,405</u>	<u>19,257</u>
<b>Cash flows from/(used in) investing activities</b>		
Dividend received from associates company	4,400	2,200
Issuance of ordinary shares	-	5,934
Acquisition of subsidiary	-	(70,000)
Purchase of other investment	(2,306)	(7,992)
Purchase of property, plant and equipment	(9,573)	(7,146)
Proceeds from disposal of property, plant & equipment	47	-
Dividend received from investment	55	-
Interest received	519	268
Net (cash used) in investing activities	<u>(6,858)</u>	<u>(76,736)</u>
<b>Cash flows from/(used in) financing activities</b>		
Proceeds from long term borrowings	-	65,867
Repayment of term loan	(2,787)	(2,836)
Proceed/(Repayment) of hire-purchase - net	1,336	1,498
Interest paid	(6,063)	(5,013)
Net cash from/(used in) financing activities	<u>(7,514)</u>	<u>59,516</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>1,033</u>	<u>2,037</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>33,669</u>	<u>21,782</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR</b>	<u>34,702</u>	<u>23,819</u>
<b>Cash and Cash Equivalents at end of period consist of:-</b>	-	-
Deposits with licensed banks	34,478	26,748
Cash and bank balances	727	2,649
Less : Bank Overdrafts	(503)	(5,578)
	<u>34,702</u>	<u>23,819</u>
Less : Deposits pledged as security	(2,000)	(2,000)
	<u>32,702</u>	<u>21,819</u>

*(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 2021 and the accompanying explanatory notes attached to this report)*

**INTERIM REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

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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 2021. 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 2021.

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 2021.

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 2021 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 2022. The standards and amendments that have been issued and effectively beginning on or after 1 January 2022 are as follows:

- a) **Standards, amendments to published standards and interpretations that are effective and adopted during the financial year**
- Amendments to MFRS 141, “Measurement of Fair Value”
  - 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”
  - Amendments to MFRS 1, “Measurement of Cumulative Translation Differences for Foreign Operation”

**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 2023

- Amendments to MFRS 101, "Classification of Liabilities as Current or Non-Current"
- Amendments to MFRS 101, "Disclosure of Accounting Policies"
- Amendments to MFRS 108, "Definition of Accounting Estimates"
- Amendments to MFRS 112, "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"

Effective date has been deferred to a date to be determined by Malaysian Accounting Standards Board

- Amendments to MFRS 10 and MFRS 128, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

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

**A1 Basis of preparation (Cont'd)**

c) Prior year adjustment at Investment in Associates company

During the financial period under review, the associate company of the Group has reassessed the Industrial Building Allowances (“IBA”) claims for tax purposes and basis used in deferred tax recognition. As a result of the reassessment, the associate company has restated the deferred tax liabilities, tax provision and tax recoverable balances with a corresponding adjustment to equity. The prior year adjustments were applied retrospectively and the effects from the restatement on the Group’s results for the third quarter ended 30 Sept 2021 and the financial positions as at 31 December 2021 are as follows:

**(i) Reconciliation of statement of profit or loss for the quarter ended 30 Sept 2021**

	Individual Quarter ended 30 September 2021			Cumulative Quarter ended 30 September 2021		
	Pre-adjustment	Effect	Post-Adjustment	Pre-adjustment	Effect	Post-Adjustment
Revenue	11,653	-	11,653	35,409	-	35,409
Cost of Sales	(6,060)	-	(6,060)	(19,855)	-	(19,855)
<b>Gross profit</b>	<b>5,593</b>	-	<b>5,593</b>	<b>15,554</b>	-	<b>15,554</b>
Other income	932	-	932	101,434	(47,144)	54,290
Distribution cost	(292)	-	(292)	(958)	-	(958)
General and administrative expenses	(1,221)	-	(1,221)	(4,058)	-	(4,058)
Other operating expenses	(175)	-	(175)	(4,194)	-	(4,194)
	4,837	-	4,837	107,778	(47,144)	60,634
Finance cost	(2,278)	-	(2,278)	(5,871)	-	(5,871)
Share of profit of associates	3,073	(703)	2,370	4,579	(1,184)	3,395
<b>Profit before tax</b>	<b>5,632</b>	<b>(703)</b>	<b>4,929</b>	<b>106,486</b>	<b>(48,328)</b>	<b>58,158</b>
Tax (expenses) / credit	76	-	76	228	-	228
<b>Profit from operations</b>	<b>5,708</b>	<b>(703)</b>	<b>5,005</b>	<b>106,714</b>	<b>(48,328)</b>	<b>58,386</b>
<b>Other comprehensive loss</b>						
<i>Items that will be reclassified subsequently to profit or loss :-</i>						
Net change in fair value:						
- cash flow hedges loss	(803)	-	(803)	(932)	-	(932)
<b>Other comprehensive loss for the period</b>	<b>(803)</b>	-	<b>(803)</b>	<b>(932)</b>	-	<b>(932)</b>
<b>Total comprehensive income for the period</b>	<b>4,905</b>	<b>(703)</b>	<b>4,202</b>	<b>105,782</b>	<b>(48,328)</b>	<b>57,454</b>
<b>Profit attributable to :</b>						
Equity holders of the company	5,708	(703)	5,005	106,714	(48,328)	58,386
<b>Total comprehensive income attributable to :</b>						
Equity holders of the company	4,905	(703)	4,202	105,782	(48,328)	57,454
<b>Earnings per share</b>						
Basic (sen)	2.27	(0.28)	1.99	54.81	(24.84)	29.97
Diluted (sen)	1.54	(0.19)	1.35	41.08	(18.61)	22.47



**A1 Basis of preparation (Cont'd)**

c) Prior year adjustment at Investment in Associates company (continued)

The prior year adjustments were applied retrospectively and the effects from the restatement on the Group's results for the second quarter ended 30 Sept 2021 and the financial positions as at 31 December 2021 are as follows:

**(ii) Reconciliation of statement of financial position as at 31 December 2021**

	Pre-adjustment	Effect	Post-Adjustment
<b><u>Non-Current Assets</u></b>			
Other non-current assets	169,470	-	169,470
Investment in Associates	242,971	(48,087)	194,884
	<u>412,441</u>	<u>(48,087)</u>	<u>364,354</u>
<b><u>Current Assets</u></b>			
Other current assets	69,050	-	69,050
	<u>69,050</u>	<u>-</u>	<u>69,050</u>
<b>Total Assets</b>	<b><u>481,491</u></b>	<b><u>(48,087)</u></b>	<b><u>433,404</u></b>
<b><u>Equity</u></b>			
Attributable to equity holders of the Company	294,451	(48,087)	246,364
	<u>294,451</u>	<u>(48,087)</u>	<u>246,364</u>
<b><u>Non-Current Liabilities</u></b>			
Other non-current liabilities	160,253	-	160,253
	<u>160,253</u>	<u>-</u>	<u>160,253</u>
<b><u>Current Liabilities</u></b>			
Other current liabilities	26,787	-	26,787
	<u>26,787</u>	<u>-</u>	<u>26,787</u>
<b>Total equity and liabilities</b>	<b><u>481,491</u></b>	<b><u>(48,087)</u></b>	<b><u>433,404</u></b>

**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.

**A3 Seasonal or cyclical factors of the Group's operations (Cont'd)**

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 30 September 2022 :**

	<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	32,651	10,214	6,600	-	(6,600)	42,865
<b><u>Segment results</u></b>						
Profit / (loss) from operations	8,633	3,615	5,963	(29)	(8,813)	9,369
Finance cost	(1,588)	(4,357)	(2,282)	-	1,262	(6,965)
Share profit of associates	-	10,724	-	-	-	10,724
Profit / (Loss) before tax	7,045	9,982	3,681	(29)	(7,551)	13,128
Tax credit / (expenses)	-	(451)	-	-	228	(223)
Profit / (Loss) for the period	7,045	9,531	3,681	(29)	(7,323)	12,905

**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 2021.

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

There were no material events subsequent to 30 Sept 2022 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 30 Sept 2022.

**A13 Capital Commitments**

There are no capital commitments approved or contracted as at 30 Sept 2022.

**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		Current Year Quarter	Preceding Year Corresponding Quarter	
	30 Sep 2022	Restated 30 Sep 2021	Change	30 Sep 2022	Restated 30 Sep 2021	Change
<b>Revenue</b>	RM '000	RM '000	%	RM '000	RM '000	%
Oil Palm Plantations	8,674	8,607	0.8%	32,651	26,107	25.1%
Energy and Facility Management	3,413	3,046	12.0%	10,214	9,302	9.8%
<b>Total Revenue</b>	<b>12,087</b>	<b>11,653</b>	<b>3.7%</b>	<b>42,865</b>	<b>35,409</b>	<b>21.1%</b>
<b>Segment results</b>						
Oil Palm Plantations	(987)	2,951	-133.4%	7,045	7,625	-7.6%
Energy and Facility Management	3,187	2,590	23.1%	9,982	4,290	132.7%
Investment Holding	(774)	(284)	-172.5%	3,681	(4,258)	186.4%
Others	(9)	(12)	25.0%	(29)	(25)	-16.0%
Eliminations	(318)	(316)	-0.6%	(7,551)	50,526	-114.9%
<b>Profit Before Tax</b>	<b>1,099</b>	<b>4,929</b>	<b>-77.7%</b>	<b>13,128</b>	<b>58,158</b>	<b>-77.4%</b>
<b>Operational Statistics</b>						
Production (MT)	10,901	9,735	12.0%	29,261	30,898	-5.3%
Ave. CPO Price*	3,995	4,418	-9.6%	5,537	4,176	32.6%
Ave. FFB Price	795	886	-10.3%	1,137	845	34.6%

\*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 30 Sept 2022 was RM12.09 million, representing an increase of 3.7% when compared to the revenue of RM11.65 million in the preceding year corresponding quarter ended 30 Sept 2021. The increase in revenue was mainly driven by an increase in revenue from the energy and facility management segment.

***Oil Palm Plantations***

For the current quarter under review, the Group's oil palm plantations segment recorded a total revenue of RM8.67 million, a 0.8% increase when compared to the preceding year corresponding quarter. Although the Group's FFB production increased by 12.0% or 1,166mt compared to the preceding year corresponding quarter, this was mitigated by the decrease in average prices of FFB and CPO over the period.

**B1 Review of Performance (Cont'd)**

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

Revenue (cont'd)

*Energy and Facilities Management*

For the current quarter under review, this segment contributed RM3.41 million to the Group's revenue, representing an increase of 12.0% as compared to RM3.05 million in the preceding year corresponding quarter. The increase in revenue was due to an increase in the consumption of chilled water from the Group's cooling system in Melaka.

Profit / (Loss) before tax

For the quarter ended 30 Sept 2022, the Group recorded a profit before tax of RM1.10 million as compared to a profit before tax of RM4.93 million in the preceding year corresponding quarter ended 30 Sept 2021. The higher profit before tax recorded in the preceding year corresponding quarter was mainly due to decreases in the average prices of CPO and FFB of 9.6% and 10.3% respectively in the same period. As a result of this, the oil palm plantation segment registered a loss before tax of RM0.99 million compared to a profit of RM2.95 million in the corresponding quarter in 2021. The plantation segments' performance was also impacted by rising cost inputs such as fertiliser costs.

Profit before tax from the energy and facility management segment increased by 23.1% to RM3.19 million. The significant increase in profit of this segment was due to higher revenue recorded and higher consolidation results of the Group's subsidiary company, TSP.

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

Revenue

The Group's revenue for the cumulative financial period ended 30 Sept 2022 increased by 21.1% to RM42.87 million as compared to RM35.41 million in the preceding year corresponding financial period ended 30 Sept 2021. The increase in revenue was mainly contributed by the increase in revenue from the oil palm plantations segment and from an improved performance in the energy and facility management segment.

*Oil Palm Plantations*

For the financial period ended 30 Sept 2022, the revenue of the segment has increased by 25.1% to RM32.65 million from RM26.11 million in the preceding year corresponding financial period. This was mainly due to the significant increases in the average prices of CPO and FFB, which increased by 32.6% and 34.6% respectively compared to the corresponding period in 2021. The increase in average CPO and FFB prices has mitigated the decrease in the Group's FFB production, which declined by 1,637mt or 5.3% compared to the preceding year corresponding financial period ended 30 Sept 2021.

**B1 Review of Performance (Cont'd)**

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

Revenue (cont'd)

*Energy and Facilities Management*

This segment contributed RM10.21 million to the Group's revenue in the financial period ended 30 Sept 2022 compared to RM9.30 million in the preceding year corresponding financial period. The increase in revenue was due to an increase in the consumption of chilled water from the Group's cooling system in Melaka.

Profit / (loss) before tax

The Group recorded a profit before tax of RM13.13 million as compared to a profit before tax of RM58.16 million in the preceding year corresponding financial period ended 30 Sept 2021.

The higher profit before tax recorded in preceding year corresponding financial period was largely due to the recognition of negative goodwill amounting to RM51.48 million arising from the acquisition of the entire equity interest in TSP which was completed on 21 May 2021.

For the nine months ended 30 Sept 2022, the oil palm plantation segment registered a profit before tax of RM7.05 million compared to a profit of RM7.63 million in the corresponding period in 2021. The decrease was mainly due to drop in the FFB production of 1,637mt over the same period.

Profit before tax for the Energy and Facilities Management segment increased by 132.7% to RM9.98 million. The significant increase in profit before tax was due to higher revenue recorded and higher consolidation results of the Group's subsidiary company, TSP, which has provided the Group with a strong and recurring income stream since the completion of the acquisition in May 2021.

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

	Current Quarter	Immediate Preceding Quarter	Variance	
	30 Sep 2022	30 Jun 2022	Amount	%
	RM'000	RM'000	RM'000	
<b>Production (MT)</b>	10,901	10,091	810	8.0%
<b>Ave. CPO Price*</b>	3,995	6,557	(2,562)	-39.1%
<b>Ave. FFB Price</b>	795	1,341	(546)	-40.7%
<b>Revenue</b>				
Oil Palm Plantations	8,674	13,462	(4,788)	-35.6%
Energy and Facility Management	3,413	3,411	2	0.1%
<b>Total Revenue</b>	<b>12,087</b>	<b>16,873</b>	<b>(4,786)</b>	<b>-28.4%</b>
<b>Segment results</b>				
Oil Palm Plantations	(987)	4,824	(5,811)	-120.5%
Energy and Facility Management	3,187	3,212	(25)	-0.8%
Investment Holding	(774)	5,528	(6,302)	-114.0%
Others	(9)	(10)	1	10.0%
Eliminations	(318)	(6,917)	6,599	95.4%
<b>Profit before tax</b>	<b>1,099</b>	<b>6,637</b>	<b>(5,538)</b>	<b>-83.4%</b>

For the three months period ended 30 Sept 2022, the Group recorded revenue of RM12.09 million as compared to RM16.87 million recorded in the immediate preceding quarter ended 30 June 2022.

The decrease in revenue in the oil palm plantations segment was due to decrease in average CPO and FFB prices by 39.1% and 40.7% respectively compared to the immediate preceding quarter. However, the increase in FFB production from the Group's estates of 8.0% or 810mt compared to Q2 2022 has cushion off the negative price trend.

As a result of this, the Group recorded a profit before tax of RM1.10 million for the current quarter as compared to a profit before tax of RM6.64 million in the immediate preceding quarter ended 30 June 2022.

**B3 Profit Forecast or Profit Guarantee**

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

**B4 Dividends**

No interim dividend has been paid, declared or proposed for the period ending 30 Sept 2022.

## **B5 Prospects**

For the remaining year of 2022, the Group's performance in the plantation segment will continue to be primarily influenced by CPO and Palm Kernel prices. These are in turn affected by a myriad of factors influencing the supply and demand of CPO such as global weather conditions, prices and production of substitute vegetable oils, crude oil prices, and general global economic conditions.

Notwithstanding this, the Group will continue to focus on increasing the production of FFB from its estates while navigating higher cost inputs. The Group remains fundamentally optimistic about the long-term prospects of the palm oil industry. It is the most efficiently produced vegetable oil in the world, and therefore more competitive than other vegetable oils. Owing to its versatility, it is used in a wide variety of products. In periods of high crude oil prices, biodiesel-driven demand for palm oil is expected to increase.

The energy and facilities management segment is expected to continue contribute strong and recurring earnings to the Group, led by the encouraging performance of its new subsidiary, TSP. The Group will continue to focus on cost and operational efficiencies, as well as to evaluate potential new projects to further 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.

## **B6 Taxation**

	<b>Current Quarter 30.09.2022 RM'000</b>	<b>Cumulative Quarter 30.09.2022 RM'000</b>
On current year's results		
- Transfer to deferred taxation	(74)	(222)
- Corporate tax	(1)	(1)
	<u>(75)</u>	<u>(223)</u>

## **B7 Group Borrowings**

**Details of the Group's borrowings as at 30 Sept 2022 were as follows:-**

<b>Borrowings</b>	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
Secured	<u>7,129</u>	<u>150,358</u>	<u>157,487</u>

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 Status of Corporate Proposals**

**i) Private Placement of Up To 20% of the Total Number of Issued Shares of SHC**

On 5 November 2021, the Company announced that it proposes to undertake a Private Placement of up to 20% of the total number of issued shares of SHC to third party investors to be identified at a later date.

On 10 November 2021, a listing application in relation to the Proposed Private Placement was submitted to Bursa Malaysia Securities Berhad.

On 12 November 2021, additional information in relation to the Proposed Private Placement was announced.

On 15 November 2021, Bursa Malaysia Securities Berhad has resolved to approve the listing of and quotation for up to 61,824,077 new Shares to be issued pursuant to the Proposed Private Placement, subject to the conditions as listed in the Company announcement on 16 November 2021

On 10 December 2021, the Company announced that 37,824,000 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 23 Nov 2022 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	%	
Business expansion for plantations segment	36 months	12,559	8,800	70.07	3,759	29.93	On going
Working capital	12 months	2,500	2,101	84.04	399	15.96	On going
Estimated expenses for Proposed Private Placement	Upon completion	70	70	100.0	0	0	Completed
Total		15,129	10,971	72.52	4,158	27.48	

**B10 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 RM12.91 million for the financial year by the number of ordinary shares of 292,877,387 in issue during the financial year, whereas diluted earnings per share is calculated based on the number of ordinary shares plus irredeemable convertible preference shares of 120,000,000.

**B11 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.