



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

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

### **INTERIM REPORT FOR THE SECOND QUARTER ENDED**

**30 June, 2023**

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30 JUN 2023 RM'000	30 JUN 2022 RM'000	30 JUN 2023 RM'000	30 JUN 2022 RM'000
Revenue	10,963	16,873	21,116	30,778
Cost of Sales	(9,074)	(9,552)	(17,413)	(17,601)
<b>Gross profit</b>	<b>1,889</b>	<b>7,321</b>	<b>3,703</b>	<b>13,177</b>
Other income	1,067	1,017	2,401	2,021
Distribution cost	(310)	(302)	(530)	(538)
General and administrative expenses	(2,223)	(1,895)	(4,186)	(3,632)
Other operating expenses	(661)	(968)	(1,539)	(1,657)
	(238)	5,173	(151)	9,371
Finance cost	(2,592)	(2,304)	(5,101)	(4,661)
Share of profit of associates	3,988	3,768	7,619	7,319
<b>Profit before tax</b>	<b>1,158</b>	<b>6,637</b>	<b>2,367</b>	<b>12,029</b>
Tax expenses	(74)	(74)	(148)	(148)
<b>Profit after tax for the period</b>	<b>1,084</b>	<b>6,563</b>	<b>2,219</b>	<b>11,881</b>
<b>Total comprehensive income for the period</b>	<b>1,084</b>	<b>6,563</b>	<b>2,219</b>	<b>11,881</b>
<b>Profit attributable to :</b>				
Equity holders of the company	1,084	6,563	2,219	11,881
<b>Total comprehensive income attributable to :</b>				
Equity holders of the company	1,084	6,563	2,219	11,881
<b>Earnings per share</b>				
<i>Basic (sen)</i>	0.37	2.24	0.76	4.06
<i>Diluted (sen)</i>	0.26	1.59	0.54	2.88

*(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 2022 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 2023**

(The figures have not been audited)

	<b>AS AT 30 JUN 2023 RM'000</b>	<b>(AUDITED) AS AT 31 DEC 2022 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	92,491	88,085
Investment Properties	343	348
Concession Financial Assets	46,047	46,047
Prepaid Lease Rental	15,703	15,937
Intangible Assets	21,943	22,243
Investment in Associates	208,507	203,352
	385,034	376,012
<b>Current Assets</b>		
Inventories	3,040	3,341
Concession Financial Assets	553	2,176
Trade Receivables	6,348	3,834
Other Receivables, Deposits and Prepayments	7,904	4,773
Biological Assets	1,040	1,040
Tax Recoverable	27	2
Other Investments	15,045	13,958
Fixed Deposits, Cash and Cash Balances	31,283	32,182
	65,240	61,306
<b>TOTAL ASSETS</b>	450,274	437,318
<b>EQUITY &amp; LIABILITIES</b>		
Share Capital	181,355	181,355
Irredeemable Convertible Preference Shares	39,600	39,600
Reserves	42,607	40,388
Equity Attributable To Equity Holders Of The Company	263,562	261,343
<b>Non-Current Liabilities</b>		
Borrowings	147,428	141,909
Lease Liabilities	4,711	3,248
Other Payables	6	6
Deferred Tax Liability	8,642	8,494
	160,787	153,657
<b>Current Liabilities</b>		
Trade Payables	5,438	5,219
Other Payables and Accruals	2,642	2,517
Borrowings	17,003	13,270
Lease Liabilities	829	1,288
Tax liabilities	13	24
	25,925	22,318
<b>TOTAL EQUITY AND LIABILITIES</b>	450,274	437,318
<b>Net assets per share (RM)</b>	0.90	0.89
<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 2022 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 2023**

(The figures have not been audited)

	<----- Attributable to equity holders of the Company ----->			Total RM'000
	<----- Non-distributable -----> Ordinary Share RM'000	Irredeemable Convertible Preference Share RM'000	<-- Distributable --> Accumulated Profit / (Loss) RM'000	
<b><u>6 months quarter ended 30 June 2023</u></b>				
<b>At 1 January 2023</b>	181,355	39,600	40,388	261,343
Net profit for the financial period	-	-	2,219	2,219
<b>At 30 June 2023</b>	181,355	39,600	42,607	263,562
<b><u>6 months quarter ended 30 June 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	-	-	11,881	11,881
<b>At 30 June 2022</b>	181,355	39,600	37,290	258,245

*(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 2022 and the accompanying explanatory notes attached to this report)*

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

(The figures have not been audited)

	<b>6 MONTHS PERIOD ENDED 30 JUN 2023 RM'000</b>	<b>6 MONTHS PERIOD ENDED 30 JUN 2022 RM'000</b>
Profit before tax	2,367	12,029
Adjustment for :		
Amortisation of prepaid lease and intangible assets	539	539
Depreciation of property, plant & equipment	3,700	3,178
Share of result in associate company	(7,619)	(7,319)
Finance costs	5,101	4,661
Gain on disposal of property, plant & equipment	-	(47)
Loss / (Gain) on disposal of other investment	4	(1)
Fair value movement on other investment	(88)	26
Finance income from concession financial asset	(1,511)	(1,576)
Interest income	(769)	(312)
Dividend income	(107)	(40)
Operating Profit before working capital changes	<u>1,617</u>	<u>11,138</u>
Decrease in concession financial assets	3,134	2,599
Decrease / (Increase) in inventories	300	(1,254)
Increase in trade and other receivables	(5,645)	(867)
Increase / (Decrease) in trade and other payables	343	(1,005)
Cash from operations	<u>(251)</u>	<u>10,611</u>
Interest paid	(156)	(108)
Tax paid	(35)	(16)
Net cash (used in) / from operating activities	<u>(442)</u>	<u>10,487</u>
<b>Cash flows from/(used in) investing activities</b>		
Dividend received from associates company	2,464	4,400
Proceeds from disposal of other investment	522	-
Purchase of other investment	(1,515)	(1,858)
Purchase of property, plant and equipment	(8,114)	(6,154)
Proceeds from disposal of property, plant & equipment	-	47
Dividend received from investment	107	40
Interest received	769	312
Net cash (used in) investing activities	<u>(5,767)</u>	<u>(3,213)</u>
<b>Cash flows from/(used in) financing activities</b>		
Proceeds from long term borrowings	5,070	-
Repayment of term loan	(1,931)	(1,848)
Proceed/(Repayment) of hire-purchase - net	1,001	805
Interest paid	(4,495)	(4,071)
Net cash (used in) financing activities	<u>(355)</u>	<u>(5,114)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>(6,564)</u>	<u>2,160</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>28,370</u>	<u>33,669</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR</b>	<u><u>21,806</u></u>	<u><u>35,829</u></u>
<b>Cash and Cash Equivalents at end of period consist of:-</b>	-	-
Deposits with licensed banks	30,639	33,897
Cash and bank balances	644	2,493
Less : Bank Overdrafts	<u>(9,477)</u>	<u>(561)</u>
	21,806	35,829
Less : Deposits pledged as security	<u>(2,000)</u>	<u>(2,000)</u>
	<u><u>19,806</u></u>	<u><u>33,829</u></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 2022 and the accompanying explanatory notes attached to this report)*

**INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

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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 2022. 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 2022.

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 2022.

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 2022 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 2023. The standards and amendments that have been issued and effectively beginning on or after 1 January 2023 are as follows:

- a) **Standards, amendments to published standards and interpretations that are effective and adopted during the financial year**
- MFRS 17, “Insurance Contracts”
  - Amendments to MFRS 17, “Initial Application of MFRS 17 and MFRS 9 - Comparative Information”
  - 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”

**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 2024

- Amendments to MFRS 101, "Classification of Liabilities as Current or Non-Current"
- Amendments to MFRS 101, "Non-Current Liabilities with Covenants "
- Amendments to MFRS 16, "Lease Liability in a Sale and Leaseback"

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.

**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**

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 period ended 30 June 2023 :**

	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	14,284	6,832	-	-	-	21,116
<b><u>Segment results</u></b>						
Profit / (loss) from operations	(1,616)	2,959	(21)	(18)	(1,455)	(151)
Finance cost	(1,343)	(2,910)	(1,976)	-	1,128	(5,101)
Share profit of associates	-	7,619	-	-	-	7,619
Profit / (Loss) before tax	(2,959)	7,668	(1,997)	(18)	(327)	2,367
Tax credit / (expenses)	-	(300)	-	-	152	(148)
Profit / (Loss) for the period	(2,959)	7,368	(1,997)	(18)	(175)	2,219



**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 2022.

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

There were no material events subsequent to 30 June 2023 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 June 2023.

**A13 Capital Commitments**

There are no capital commitments approved or contracted as at 30 June 2023.

**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 2023	30 Jun 2022		30 Jun 2023	30 Jun 2022	
<b>Revenue</b>	<b>RM '000</b>	<b>RM '000</b>	<b>%</b>	<b>RM '000</b>	<b>RM '000</b>	<b>%</b>
Oil Palm Plantations	7,496	13,462	-44.3%	14,284	23,977	-40.4%
Energy and Facility Management	3,467	3,411	1.6%	6,832	6,801	0.5%
<b>Total Revenue</b>	<b>10,963</b>	<b>16,873</b>	<b>-35.0%</b>	<b>21,116</b>	<b>30,778</b>	<b>-31.4%</b>
<b>Segment results</b>						
Oil Palm Plantations	(1,617)	4,824	-133.5%	(2,959)	8,032	-136.8%
Energy and Facility Management	3,897	3,212	21.3%	7,668	6,795	12.8%
Investment Holding	(1,101)	5,528	-119.9%	(1,997)	4,455	-144.8%
Others	(11)	(10)	-10.0%	(18)	(20)	10.0%
Eliminations	(10)	(6,917)	99.9%	(327)	(7,233)	95.5%
<b>Profit Before Tax</b>	<b>1,158</b>	<b>6,637</b>	<b>-82.6%</b>	<b>2,367</b>	<b>12,029</b>	<b>-80.3%</b>
<b>Operational Statistics</b>						
<b>Production (MT)</b>	10,114	10,091	0.2%	18,801	18,360	2.4%
<b>Ave. CPO Price*</b>	3,851	6,557	-41.3%	3,924	6,308	-37.8%
<b>Ave. FFB Price</b>	749	1,341	-44.1%	765	1,309	-41.6%

\*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 June 2023 was RM10.96 million, representing a decrease of 35.0% when compared to the revenue of RM16.87 million in the preceding year corresponding quarter. The decrease in revenue was mainly due to decrease 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 RM7.50 million, a decrease of 44.3% when compared to the preceding year corresponding quarter. The decrease in revenue was mainly due to the large decrease in average prices of CPO and FFB which fell by 41.3% and 44.1% respectively compared to the preceding year.

**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 RM3.47 million to the Group's revenue, representing an increase of 1.76% as compared to RM3.41 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 projects.

Profit before tax

For the current quarter under review, the Group recorded a profit before tax of RM1.16 million as compared to a profit before tax of RM6.64 million in the preceding year corresponding quarter. The decrease in profit before tax recorded in the current quarter under review was due to significant decrease in average prices of CPO and FFB of 41.3% and 44.1% respectively over the period. However, despite a marginal increase in FFB production of 0.2% or 23mt from the Group's estates, the oil palm plantation segment registered a loss before tax of RM1.62 million compared to a profit of RM4.82 million in the preceding year corresponding quarter. The loss before tax was due to increased costs of production such as fertiliser and labour costs.

Profit before tax from the energy and facility management segment increased by 21.3% to RM3.90 million for current quarter under review. The increase in profit of this segment was due to a higher share of profits from its associate company and higher interest income received as compared to preceding year corresponding quarter.

**(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 June 2023 decreased by 31.4% to RM21.12 million as compared to RM30.78 million in the preceding year corresponding financial period ended 30 June 2022. The decrease in revenue was mainly contributed by the decrease in revenue from oil palm plantations segment.

*Oil Palm Plantations*

For the financial period ended 30 June 2023, revenue of the segment has decreased by 40.4% to RM14.28 million from RM23.98 million in the preceding year corresponding financial period. This was mainly due to the significant decreases in the average prices of CPO and FFB, which decreased by 37.8% and 41.6% respectively compared to the corresponding period in 2022. The decrease in average CPO and FFB prices was partially offset by the increase in the Group's FFB production, which increased by 441mt or 2.4% compared to the preceding year corresponding financial period ended 30 June 2022.

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

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

*Energy and Facilities Management*

This segment contributed RM6.83 million to the Group's revenue in the financial period ended 30 June 2023 compared to RM6.80 million in the preceding year corresponding financial period. The marginal increase in revenue was due to an increase in consumption of chilled water from the Group's cooling system projects.

Profit / (loss) before tax

The Group recorded a profit before tax of RM2.37 million as compared to a profit before tax of RM12.03 million in the preceding year corresponding financial period ended 30 June 2022. The decrease in profit before tax was mainly due to decrease in revenue from oil palm plantation segment.

For the six months ended 30 June 2023, the oil palm plantation segment registered a loss before tax of RM2.96 million compared to a profit of RM8.03 million in the corresponding period in 2022, which was mainly due to significant decreases in the average prices of CPO and FFB over the same period.

Profit before tax for the Energy and Facilities Management segment increased by 12.8% to RM7.67 million. The increase in profits was due to higher interest income received and lower operating costs recorded.

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

	Current Quarter	Immediate Preceding Quarter	Variance	
	30 Jun 2023 RM'000	31 Mar 2023 RM'000	Amount RM'000	%
<b>Production (MT)</b>	10,114	8,687	1,427	16.4%
<b>Ave. CPO Price*</b>	3,851	3,998	(147)	-3.7%
<b>Ave. FFB Price</b>	749	782	(33)	-4.2%
<b><u>Revenue</u></b>				
Oil Palm Plantations	7,496	6,788	708	10.4%
Energy and Facility Management	3,467	3,365	102	3.0%
<b>Total Revenue</b>	<b>10,963</b>	<b>10,153</b>	<b>810</b>	<b>8.0%</b>
<b><u>Segment results</u></b>				
Oil Palm Plantations	(1,617)	(1,342)	(275)	-20.5%
Energy and Facility Management	3,897	3,771	126	3.3%
Investment Holding	(1,101)	(896)	(205)	-22.9%
Others	(11)	(7)	(4)	-57.1%
Eliminations	(10)	(317)	307	96.8%
<b>Profit before tax</b>	<b>1,158</b>	<b>1,209</b>	<b>(51)</b>	<b>-4.2%</b>

**B2 Material Changes in Current Quarter Results Compared with Preceding Quarter (cont'd)**

For the three months period ended 30 June 2023, the Group recorded revenue of RM10.96 million as compared to RM10.15 million recorded in the immediate preceding quarter ended 31 March 2023. The increase in overall revenue by 8.0% was due to the increase in revenue from the Group's plantation segment.

The increase in revenue in the oil palm plantations segment was due to an increase in FFB production from the Group's estates of 16.4% or 1,427mt compared to the immediate preceding quarter. Average CPO and FFB prices declined compared to the previous quarter, decreasing by 3.7% and 4.2% respectively.

The energy and facility management segment registered a marginal increase in profit before tax of RM0.13 million in the current quarter compared to the immediate preceding quarter due to a higher share of profit recorded from its associate company.

This resulted the Group recorded a profit before tax of RM1.16 million for the current quarter under review as compared to a profit before tax of RM1.21 million in the immediate preceding quarter ended 31 March 2023.

**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 June 2023.

**B5 Prospects**

For 2023, the Group's performance in the plantation segment was 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. Global growth is expected to moderate in 2023.

Notwithstanding this, the Group will continue to focus on increasing the production of FFB from its estates in order to achieve economies of scale. The Group's expansion of planted area will also contribute to this in the coming years. At the same time, the Group will prioritise prudent cost management as it navigates higher input costs such as labour and fertiliser. 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.

The Group is optimistic on the ability of its energy and facilities management division to continue to contribute strong and recurring earnings to the Group. The Group will continue to prospect and evaluate potential new projects to further expand this segment and its 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 <u>30.06.2023</u> RM'000</b>	<b>Cumulative Quarter <u>30.06.2023</u> RM'000</b>
On current year's results		
- Transfer to deferred taxation	(74)	(148)
	<u>(74)</u>	<u>(148)</u>

**B7 Group Borrowings**

**Details of the Group's borrowings as at 30 Jun 2023 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>17,003</u>	<u>147,428</u>	<u>164,431</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**

**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.

**B9 Status of Corporate Proposals (cont'd)**

**Private Placement of Up To 20% of the Total Number of Issued Shares of SHC (cont'd)**

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 28 Aug 2023 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	2,500	100.0	0	0	Completed
Estimated expenses for Proposed Private Placement	Upon completion	70	70	100.0	0	0	Completed
Total		15,129	11,370	75.15	3,759	24.85	

**B10 Basic/Diluted earnings per share (EPS)**

The basic EPS is calculated based on the Group's net profit attributable to the ordinary equity holders of the Company of RM2.22 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.