



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

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

## **INTERIM REPORT FOR THE THIRD QUARTER ENDED 30 September, 2023**

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 SEP 2023 RM'000	30 SEP 2022 RM'000	30 SEP 2023 RM'000	30 SEP 2022 RM'000
Revenue	11,441	12,087	32,557	42,865
Cost of Sales	(9,571)	(10,300)	(26,984)	(27,901)
<b>Gross profit</b>	<b>1,870</b>	<b>1,787</b>	<b>5,573</b>	<b>14,964</b>
Other income	1,042	1,017	3,443	3,038
Distribution cost	(375)	(282)	(905)	(820)
General and administrative expenses	(2,211)	(1,929)	(6,397)	(5,561)
Other operating expenses	(548)	(595)	(2,087)	(2,252)
	(222)	(2)	(373)	9,369
Finance cost	(2,706)	(2,304)	(7,807)	(6,965)
Share of profit of associates	6,636	3,405	14,255	10,724
<b>Profit before tax</b>	<b>3,708</b>	<b>1,099</b>	<b>6,075</b>	<b>13,128</b>
Tax expenses	(38)	(75)	(186)	(223)
<b>Profit after tax for the period</b>	<b>3,670</b>	<b>1,024</b>	<b>5,889</b>	<b>12,905</b>
<b>Total comprehensive income for the period</b>	<b>3,670</b>	<b>1,024</b>	<b>5,889</b>	<b>12,905</b>
<b>Profit attributable to :</b>				
Equity holders of the company	3,670	1,024	5,889	12,905
<b>Total comprehensive income attributable to :</b>				
Equity holders of the company	3,670	1,024	5,889	12,905
<b>Earnings per share</b>				
<i>Basic (sen)</i>	1.25	0.35	2.01	4.41
<i>Diluted (sen)</i>	0.89	0.25	1.43	3.13

*(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 SEPTEMBER 2023**

(The figures have not been audited)

	<b>AS AT 30 SEP 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	93,941	88,085
Investment Properties	341	348
Concession Financial Assets	46,047	46,047
Prepaid Lease Rental	15,586	15,937
Intangible Assets	21,793	22,243
Investment in Associates	213,823	203,352
	391,531	376,012
<b>Current Assets</b>		
Inventories	3,455	3,341
Concession Financial Assets	544	2,176
Trade Receivables	7,244	3,834
Other Receivables, Deposits and Prepayments	6,487	4,773
Biological Assets	1,040	1,040
Tax Recoverable	56	2
Other Investments	15,246	13,958
Fixed Deposits, Cash and Cash Balances	33,170	32,182
	67,242	61,306
<b>TOTAL ASSETS</b>	<b>458,773</b>	<b>437,318</b>
<b>EQUITY &amp; LIABILITIES</b>		
Share Capital	181,355	181,355
Irredeemable Convertible Preference Shares	39,600	39,600
Reserves	46,277	40,388
Equity Attributable To Equity Holders Of The Company	267,232	261,343
<b>Non-Current Liabilities</b>		
Borrowings	147,653	141,909
Lease Liabilities	4,712	3,248
Other Payables	6	6
Deferred Tax Liability	8,716	8,494
	161,087	153,657
<b>Current Liabilities</b>		
Trade Payables	4,692	5,219
Other Payables and Accruals	4,999	2,517
Borrowings	20,352	13,270
Lease Liabilities	411	1,288
Tax liabilities	-	24
	30,454	22,318
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>458,773</b>	<b>437,318</b>
<b>Net assets per share (RM)</b>	0.91	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 THIRD QUARTER ENDED 30 SEPTEMBER 2023**

(The figures have not been audited)

	<----- Attributable to equity holders of the Company ----->			Total RM'000
	<----- Non-distributable ----->	<-- Distributable -->		
	Ordinary Share RM'000	Irredeemable Convertible Preference Share RM'000	Accumulated Profit / (Loss) RM'000	
<b><u>9 months quarter ended 30 September 2023</u></b>				
<b>At 1 January 2023</b>	181,355	39,600	40,388	261,343
Net profit for the financial period	-	-	5,889	5,889
<b>At 30 September 2023</b>	181,355	39,600	46,277	267,232
<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

*(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 THIRD QUARTER ENDED 30 SEPTEMBER 2023**

(The figures have not been audited)

	<b>9 MONTHS PERIOD ENDED 30 SEP 2023 RM'000</b>	<b>9 MONTHS PERIOD ENDED 30 SEP 2022 RM'000</b>
Profit before tax	6,075	13,128
Adjustment for :		
Amortisation of prepaid lease and intangible assets	808	808
Depreciation of property, plant & equipment	5,608	4,900
Share of result in associate company	(14,255)	(10,724)
Finance costs	7,807	6,965
Gain on disposal of property, plant & equipment	-	(47)
Loss / (Gain) on disposal of other investment	4	(1)
Fair value movement on other investment	(241)	33
Finance income from concession financial asset	(2,267)	(2,363)
Interest income	(923)	(519)
Dividend income	(218)	(55)
Operating Profit before working capital changes	<u>2,398</u>	<u>12,125</u>
Decrease in concession financial assets	3,899	3,899
Decrease / (Increase) in inventories	(114)	(2,476)
Increase in trade and other receivables	(5,123)	(978)
Increase / (Decrease) in trade and other payables	1,955	3,048
Cash from operations	<u>3,015</u>	<u>15,618</u>
Interest paid	(236)	(179)
Tax paid	(43)	(34)
Net cash (used in) / from operating activities	<u>2,736</u>	<u>15,405</u>
<b>Cash flows from/(used in) investing activities</b>		
Dividend received from associates company	3,784	4,400
Proceeds from disposal of other investment	522	-
Purchase of other investment	(1,565)	(2,306)
Purchase of property, plant and equipment	(11,472)	(9,573)
Proceeds from disposal of property, plant & equipment	-	47
Dividend received from investment	218	55
Interest received	923	519
Net cash (used in) investing activities	<u>(7,590)</u>	<u>(6,858)</u>
<b>Cash flows from/(used in) financing activities</b>		
Proceeds from long term borrowings	5,070	-
Repayment of term loan	(2,909)	(2,787)
Proceed/(Repayment) of hire-purchase - net	586	1,336
Interest paid	(6,897)	(6,063)
Net cash (used in) financing activities	<u>(4,150)</u>	<u>(7,514)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>(9,004)</u>	<u>1,033</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>19,366</u>	<u>34,702</u>
<b>Cash and Cash Equivalents at end of period consist of:-</b>	-	-
Deposits with licensed banks	31,220	34,478
Cash and bank balances	1,950	727
Less : Bank Overdrafts	(13,804)	(503)
	<u>19,366</u>	<u>34,702</u>
Less : Deposits pledged as security	(2,000)	(2,000)
	<u>17,366</u>	<u>32,702</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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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	22,266	10,291	-	-	-	32,557
<b><u>Segment results</u></b>						
Profit / (loss) from operations	(1,956)	4,650	(365)	(26)	(2,676)	(373)
Finance cost	(2,141)	(4,377)	(3,015)	-	1,726	(7,807)
Share profit of associates	-	14,255	-	-	-	14,255
Profit / (Loss) before tax	(4,097)	14,528	(3,380)	(26)	(950)	6,075
Tax credit / (expenses)	10	(424)	-	-	228	(186)
Profit / (Loss) for the period	(4,087)	14,104	(3,380)	(26)	(722)	5,889



**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 September 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 September 2023.

**A13 Capital Commitments**

There are no capital commitments approved or contracted as at 30 September 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 Sep 2023	30 Sep 2022		30 Sep 2023	30 Sep 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	7,982	8,674	-8.0%	22,266	32,651	-31.8%
Energy and Facility Management	3,459	3,413	1.3%	10,291	10,214	0.8%
<b>Total Revenue</b>	<b>11,441</b>	<b>12,087</b>	<b>-5.3%</b>	<b>32,557</b>	<b>42,865</b>	<b>-24.0%</b>
<b>Segment results</b>						
Oil Palm Plantations	(1,138)	(987)	-15.3%	(4,097)	7,045	-158.2%
Energy and Facility Management	6,860	3,187	115.2%	14,528	9,982	45.5%
Investment Holding	(1,383)	(774)	-78.7%	(3,380)	3,681	-191.8%
Others	(8)	(9)	11.1%	(26)	(29)	10.3%
Eliminations	(623)	(318)	-95.9%	(950)	(7,551)	87.4%
<b>Profit Before Tax</b>	<b>3,708</b>	<b>1,099</b>	<b>237.4%</b>	<b>6,075</b>	<b>13,128</b>	<b>-53.7%</b>
<b>Operational Statistics</b>						
<b>Production (MT)</b>	10,755	10,902	-1.3%	29,556	29,261	1.0%
<b>Ave. CPO Price*</b>	3,814	3,995	-4.5%	3,887	5,536	-29.8%
<b>Ave. FFB Price</b>	741	795	-6.8%	757	1,137	-33.4%

\*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 September 2023 was RM11.44 million, representing a decrease of 5.3% when compared to the revenue of RM12.09 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 plantation segment recorded a total revenue of RM 7.98 million, a decrease of 8.0% when compared to the preceding year corresponding quarter. The decrease in revenue was mainly due to the decrease in average prices of CPO and FFB which fell by 4.5% and 6.8% 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 RM3.46 million to the Group's revenue, representing an increase of 1.3% 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 RM3.71 million as compared to a profit before tax of RM 1.1 million in the preceding year corresponding quarter. The increase in profit before tax in the current quarter under review was due to a higher share of profit 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 September 2023 decreased by 24% to RM32.56 million as compared to RM42.87 million in the preceding year corresponding financial period ended 30 September 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 September 2023, revenue of the segment has decreased by 31.8% to RM 22.27 million from RM 32.65 million in the preceding year corresponding financial period. This was mainly due to significant decreases in average prices of CPO and FFB which decreased by 29.8% and 33.4% respectively compared to the preceding year corresponding period.

*Energy and Facilities Management*

This segment contributed RM10.29 million to the Group's revenue in the financial period ended 30 September 2023 compared to RM10.21 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.

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

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

Profit / (loss) before tax

The Group recorded a profit before tax of RM6.08 million as compared to a profit before tax of RM13.13 million in the preceding year corresponding financial period ended 30 September 2022. The decrease in profit before tax was mainly due to decrease in revenue from oil palm plantation segment.

For the financial period ended 30 September 2023, the oil palm plantation segment registered a loss before tax of RM4.1 million compared to a profit of RM7.04 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 45.5% to RM14.53 million. The increase in profits was due to a higher share of profit from its associate company and higher interest income.

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

	Current Quarter	Immediate Preceding Quarter	Variance	
	30 Sep 2023 RM'000	30 Jun 2023 RM'000	Amount RM'000	%
<b>Production (MT)</b>	10,755	10,114	641	6.3%
<b>Ave. CPO Price*</b>	3,814	3,851	(37)	-1.0%
<b>Ave. FFB Price</b>	741	749	(8)	-1.1%
<b><u>Revenue</u></b>				
Oil Palm Plantations	7,982	7,496	486	6.5%
Energy and Facility Management	3,459	3,467	(8)	-0.2%
<b>Total Revenue</b>	<b>11,441</b>	<b>10,963</b>	<b>478</b>	<b>4.4%</b>
<b><u>Segment results</u></b>				
Oil Palm Plantations	(1,138)	(1,617)	479	29.6%
Energy and Facility Management	6,860	3,897	2,963	76.0%
Investment Holding	(1,383)	(1,101)	(282)	-25.6%
Others	(8)	(11)	3	27.3%
Eliminations	(623)	(10)	(613)	-6130.0%
<b>Profit before tax</b>	<b>3,708</b>	<b>1,158</b>	<b>2,550</b>	<b>220.2%</b>

For the three months period ended 30 September 2023, the Group recorded revenue of RM11.44 million as compared to RM10.96 million recorded in the immediate preceding quarter ended 30 June 2023. The increase in overall revenue by 4.4% was due to the increase in revenue from the Group's plantation segment.

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

The increase in revenue in the oil palm plantations segment was due to an increase in FFB production from the Group's estates of 6.3% or 641mt compared to the immediate preceding quarter. Average CPO and FFB prices declined compared to the previous quarter, decreasing by 1.0% and 1.1% respectively.

The energy and facility management segment registered an increase in profit before tax of RM2.96 million in the current quarter compared to the immediate preceding quarter due to a higher share of profit recorded from its associate company and higher interest income received.

This resulted the Group recorded a profit before tax of RM3.71 million for the current quarter under review as compared to a profit before tax of RM1.16 million in the immediate preceding quarter ended 30 June 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 September 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. The year 2023 has been marked by moderating global growth and new geopolitical tensions which have emerged in the Middle East.

Notwithstanding this, the Group will continue to focus on increasing the production of FFB from its estates to achieve economies of scale. The Group continues to expand its plantations into vacant and unplanted areas with the latest planting material from reputable companies. This is expected to contribute significantly to improving the overall yields and productivity of the estates 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 as well as partnerships 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 30.09.2023 RM'000</b>	<b>Cumulative Quarter 30.09.2023 RM'000</b>
On current year's results		
- Transfer to deferred taxation	(74)	(222)
- Corporate tax	36	36
	<u>(38)</u>	<u>(186)</u>

**B7 Group Borrowings**

**Details of the Group's borrowings as at 30 September 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>20,352</u>	<u>147,653</u>	<u>168,005</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**

Save as disclosed below, there are no other corporate proposals announced but pending implementation as at the date of this interim financial report.

**(a) Long Term Incentive Plan ("LTIP")**

On 27 October 2023, UOB Kay Hian Securities (M) Sdn Bhd ("UOBKH"), on behalf of the Board had announced the proposed establishment of a long term incentive plan ("LTIP"), which comprises the proposed employee share option scheme ("Proposed ESOS") and the proposed share grant plan ("Proposed SGP") of up to 15% of the issued share capital of the Company (excluding treasury shares, if any) at any point in time during the duration of the LTIP, for the eligible employees and Directors (executive and non- executive) of Company and its subsidiary companies which are not dormant.

The Proposed LTIP is intended to allow the Company to attract, retain, motivate and reward the eligible Directors and employees who fulfil the eligibility criteria for participation subject to the terms and conditions as set out in the By-Laws governing the Proposed LTIP.

The listing application in relation to the Proposed LTIP and Proposed Allocation have been submitted to Bursa Malaysia Securities Berhad on 17 November 2023.

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

**(b) 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 27 November 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	12,559	100.0	0	0	Completed
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	15,129	100.0	0	0	

**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 RM5.89 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.