



SIN HENG CHAN (MALAYA) BERHAD

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

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 December, 2023

CONTENTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	1
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	3
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW	4
NOTES TO THE QUARTERLY FINANCIAL REPORT	5 - 14

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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
	31 DEC 2023 RM'000	31 DEC 2022 RM'000	31 DEC 2023 RM'000	31 DEC 2022 RM'000
Revenue	10,857	11,519	43,414	54,384
Cost of sales	(7,331)	(8,373)	(34,315)	(36,274)
Gross profit	3,526	3,146	9,099	18,110
Other income	1,560	1,347	5,003	4,385
Distribution costs	(309)	(277)	(1,214)	(1,097)
General and administrative expenses	(2,320)	(2,540)	(8,717)	(8,101)
Other operating expenses	(1,247)	(1,041)	(3,334)	(3,293)
	1,210	635	837	10,004
Finance costs	(2,902)	(2,523)	(10,709)	(9,488)
Share of results of an associate	3,209	4,344	17,464	15,068
Profit before tax	1,517	2,456	7,592	15,584
Tax expense	(283)	(382)	(469)	(605)
Profit after tax for the period / year	1,234	2,074	7,123	14,979
Total comprehensive income for the period / year	1,234	2,074	7,123	14,979
Profit attributable to :				
Equity holders of the Company	1,234	2,074	7,123	14,979
Total comprehensive income attributable to :				
Equity holders of the Company	1,234	2,074	7,123	14,979
Earnings per share				
<i>Basic (sen)</i>	0.42	0.71	2.43	5.11
<i>Diluted (sen)</i>	0.30	0.50	1.73	3.63

(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 31 DECEMBER 2023

(The figures have not been audited)

	AS AT 31 DEC 2023 RM'000	(AUDITED) AS AT 31 DEC 2022 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	97,910	88,085
Investment properties	339	348
Concession financial assets	43,735	46,047
Prepaid lease payments	15,468	15,937
Intangible assets	21,643	22,243
Investment in associates	215,449	203,352
	394,544	376,012
Current Assets		
Inventories	3,637	3,341
Concession financial assets	2,312	2,176
Trade receivables	5,708	3,834
Other receivables, deposits and prepayments	5,998	4,773
Biological assets	1,115	1,040
Tax recoverable	46	2
Other investments	15,891	13,958
Fixed deposits, cash and bank balances	27,237	32,182
	61,944	61,306
TOTAL ASSETS	456,488	437,318
EQUITY AND LIABILITIES		
Share capital	181,355	181,355
Irredeemable convertible preference shares	39,600	39,600
Retained earnings	47,511	40,388
Equity attributable to equity holders of the Company	268,466	261,343
Non-Current Liabilities		
Borrowings	140,508	141,909
Lease liabilities	3,011	3,248
Other payables	308	6
Deferred tax liabilities	8,949	8,494
	152,776	153,657
Current Liabilities		
Trade payables	4,545	5,219
Other payables and accruals	3,103	2,517
Borrowings	25,898	13,270
Lease liabilities	1,700	1,288
Tax liabilities	-	24
	35,246	22,318
TOTAL EQUITY AND LIABILITIES	456,488	437,318
Net assets per share (RM)	0.92	0.89
Number of ordinary shares ('000)	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 STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

(The figures have not been audited)

	<----- Attributable to equity holders of the Company ----->			
	<----- Non-distributable ----->	Irredeemable Convertible Preference Shares	<-- Distributable -->	Total
	Share Capital RM'000	RM'000	Retained Earnings RM'000	RM'000
<u>12 months period ended 31 December 2023</u>				
At 1 January 2023	181,355	39,600	40,388	261,343
Net profit for the financial year	-	-	7,123	7,123
At 31 December 2023	181,355	39,600	47,511	268,466
<u>12 months period ended 31 December 2022</u>				
At 1 January 2022				
As previously stated	181,355	39,600	73,496	294,451
Effect from restatement of investment in associates	-	-	(48,087)	(48,087)
As restated	181,355	39,600	25,409	246,364
Net profit for the financial year	-	-	14,979	14,979
At 31 December 2022	181,355	39,600	40,388	261,343

(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 STATEMENT OF CASH FLOW
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

(The figures have not been audited)

	12 MONTHS PERIOD ENDED 31 DEC 2023 RM'000	12 MONTHS PERIOD ENDED 31 DEC 2022 RM'000
Cash flows from operating activities		
Profit before tax	7,592	15,584
Adjustments for :		
Amortisation of prepaid lease payments, intangible assets and investment properties	1,078	1,078
Depreciation of property, plant & equipment	7,546	6,642
Dividend income	(218)	(153)
Fair value (gain) / loss on biological assets	(75)	368
Finance costs	10,709	9,489
Finance income from concession financial assets	(3,022)	(3,151)
Gain on disposal of property, plant & equipment	-	(47)
Interest income	(1,258)	(724)
Net realised loss on other investments	4	4
Net unrealised gain on other investments	(386)	(94)
Share of results of associate	(17,464)	(15,068)
Operating profit before changes in working capital	<u>4,506</u>	<u>13,928</u>
Decrease in concession financial assets	5,198	5,198
Increase in inventories	(296)	(2,206)
Increase in trade and other receivables	(3,099)	(1,471)
Increase / (Decrease) in trade and other payables	214	(683)
Net cash generated from operations	<u>6,523</u>	<u>14,766</u>
Income tax paid	(82)	(36)
Net cash generated from operating activities	<u>6,441</u>	<u>14,730</u>
Cash flows from investing activities		
Dividend received from the associate	5,367	6,600
Dividend received from investments	218	153
Interest received	1,258	724
Proceeds from disposal of other investments	522	3,371
Proceeds from disposal of property, plant and equipment	-	81
Purchase of other investments	(2,065)	(2,848)
Purchase of property, plant and equipment	(17,379)	(13,120)
Net cash used in investing activities	<u>(12,079)</u>	<u>(5,039)</u>
Cash flows from financing activities		
Drawdown of borrowings	7,027	-
Repayment of borrowings	(9,252)	(7,681)
Proceeds of lease liabilities	175	1,095
Interest paid	(9,809)	(8,404)
Net cash used in financing activities	<u>(11,859)</u>	<u>(14,990)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(17,497)	(5,299)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	28,370	33,669
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>10,873</u>	<u>28,370</u>
Cash and Cash Equivalents at end of the year consist of :	-	-
Fixed deposits with licensed banks	26,583	31,331
Cash and bank balances	654	851
Less : Bank Overdrafts	(16,364)	(3,812)
	<u>10,873</u>	<u>28,370</u>

(The Condensed Consolidated Statement of Cash Flow 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 FOURTH QUARTER ENDED 31 DECEMBER 2023

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 1 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 significant 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 year ended 31 December 2023 :

	Oil Palm Plantations	Energy and Facilities Management	Investment Holding	Others	Elimination	Group Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	29,624	13,790	6,000	-	(6,000)	43,414
<u>Segment results</u>						
Profit / (Loss) from operations	(924)	6,003	5,343	(35)	(9,550)	837
Finance costs	(3,049)	(5,869)	(4,109)	-	2,318	(10,709)
Share of results of an associate	-	17,464	-	-	-	17,464
Profit / (Loss) before tax	(3,973)	17,598	1,234	(35)	(7,232)	7,592
Tax credit / (expense)	16	(789)	-	-	304	(469)
Profit / (Loss) for the year	(3,957)	16,809	1,234	(35)	(6,928)	7,123

A9 Valuations of property, plant and equipment

There were no amendments in the valuations of property, plant and equipment during the financial year. 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

Save as disclosed in Section B9(a) below, there were no material events subsequent to 31 December 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 31 December 2023.

A13 Capital Commitments

There were no capital commitments approved or contracted as at 31 December 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		Current Year Quarter	Preceding Year Corresponding Quarter	
	31 Dec 2023	31 Dec 2022	Change	31 Dec 2023	31 Dec 2022	Change
<u>Revenue</u>	RM '000	RM '000	%	RM '000	RM '000	%
Oil Palm Plantations	7,358	8,076	-8.9%	29,624	40,727	-27.3%
Energy and Facilities Management	3,499	3,443	1.6%	13,790	13,657	1.0%
Total Revenue	10,857	11,519	-5.7%	43,414	54,384	-20.2%
<u>Segment results</u>						
Oil Palm Plantations	124	(276)	144.9%	(3,973)	6,769	-158.7%
Energy and Facilities Management	3,070	4,217	-27.2%	17,598	14,199	23.9%
Investment Holding	4,614	(1,198)	485.1%	1,234	2,483	-50.3%
Others	(9)	(8)	-12.5%	(35)	(37)	5.4%
Eliminations	(6,282)	(279)	-2151.6%	(7,232)	(7,830)	7.6%
Profit Before Tax	1,517	2,456	-38.2%	7,592	15,584	-51.3%
<u>Operational Statistics</u>						
Production (MT)	10,324	10,717	-3.7%	39,880	39,978	-0.2%
Ave. CPO Price*	3,670	3,913	-6.2%	3,833	5,131	-25.3%
Ave. FFB Price	713	754	-5.4%	743	1,019	-27.1%

*Extracted from MPOB Peninsular Malaysia Average

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

Revenue

The Group's total revenue for the current quarter ended 31 December 2023 was RM10.9 million, representing a decrease of 5.7% when compared to the revenue of RM11.5 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 RM7.4 million, a decrease of 8.9% 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 6.2% and 5.4% 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 RM3.5 million to the Group's revenue, representing an increase of 1.6% as compared to RM3.4 million in the preceding year corresponding quarter. The marginal 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 RM1.5 million as compared to a profit before tax of RM2.5 million in the preceding year corresponding quarter. The decrease in profit before tax in the current quarter under review was mainly due to a lower share of profit from its associate as compared to preceding year corresponding quarter.

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

Revenue

The Group's revenue for the cumulative financial period ended 31 December 2023 decreased by 20.2% to RM43.4 million as compared to RM54.4 million in the preceding year corresponding financial period ended 31 December 2022. The decrease in revenue was mainly contributed by the decrease in revenue from oil palm plantations segment.

Oil Palm Plantations

For the financial year ended 31 December 2023, revenue of the segment has decreased by 27.3% to RM29.6 million from RM40.7 million in the preceding year corresponding financial year. This was mainly due to significant decrease in average prices of CPO and FFB which decreased by 25.3% and 27.1% respectively compared to the preceding year corresponding period.

Energy and Facilities Management

This segment contributed RM13.8 million to the Group's revenue in the financial year ended 31 December 2023 compared to RM13.7 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 year to-date against the preceding year corresponding financial period (cont'd)

Profit before tax

The Group recorded a profit before tax of RM7.6 million as compared to a profit before tax of RM15.6 million in the preceding year corresponding financial period ended 31 December 2022. The decrease in profit before tax was mainly due to decrease in revenue from oil palm plantations segment.

For the financial year ended 31 December 2023, the oil palm plantations segment registered a loss before tax of RM4.0 million as compared to a profit of RM6.8 million in the corresponding year in 2022, which was mainly due to significant decrease in the average prices of CPO and FFB over the same period. The plantations division also incurred higher interest costs mainly as a result of borrowings incurred for its plantation expansion.

Profit before tax for the Energy and Facilities Management segment increased by 23.9% to RM17.6 million. The increase in profit was due to a higher share of profit from its associate and higher interest income earned.

B2 Material Changes in Current Quarter Results Compared with Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Variance	
	31 Dec 2023 RM'000	30 Sep 2023 RM'000	Amount RM'000	%
Production (MT)	10,324	10,755	(431)	-4.0%
Ave. CPO Price*	3,670	3,814	(144)	-3.8%
Ave. FFB Price	713	741	(28)	-3.8%
<u>Revenue</u>				
Oil Palm Plantations	7,358	7,982	(624)	-7.8%
Energy and Facilities Management	3,499	3,459	40	1.2%
Total Revenue	10,857	11,441	(584)	-5.1%
<u>Segment results</u>				
Oil Palm Plantations	124	(1,138)	1,262	110.9%
Energy and Facilities Management	3,070	6,860	(3,790)	-55.2%
Investment Holding	4,614	(1,383)	5,997	433.6%
Others	(9)	(8)	(1)	-12.5%
Eliminations	(6,282)	(623)	(5,659)	-908.3%
Profit Before Tax	1,517	3,708	(2,191)	-59.1%

* Extracted from MPOB Peninsular Malaysia Average

For the three months period ended 31 December 2023, the Group recorded revenue of RM10.9 million as compared to RM11.4 million recorded in the immediate preceding quarter ended 30 September 2023. The decrease in overall revenue by 5.1% was due to the decrease in revenue from the Group's oil palm plantations segment.

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

The decrease in revenue in the oil palm plantations segment was due to a decrease in FFB production from the Group's estates of 7.8% or 431 MT as compared to the immediate preceding quarter. Average CPO and FFB prices declined compared to the previous quarter, decreasing by 3.8% and 3.8% respectively.

The energy and facilities management segment registered a decrease in profit before tax of RM3.8 million in the current quarter compared to the immediate preceding quarter due to a lower share of profit recorded from its associate.

This has resulted the Group recorded a profit before tax of RM1.5 million for the current quarter under review as compared to a profit before tax of RM3.7 million in the immediate preceding quarter ended 30 September 2023.

B3 Profit Forecast or Profit Guarantee

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

B4 Dividends

No interim dividend has been paid, declared or proposed for the year ended 31 December 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

	Current Quarter 31.12.2023 RM'000	Cumulative Quarter 31.12.2023 RM'000
On current year's results		
- Transfer to deferred taxation	(233)	(455)
- Corporate tax	(50)	(14)
	(283)	(469)

B7 Group Borrowings

Details of the Group's borrowings as at 31 December 2023 were as follows:-

Borrowings	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	25,898	140,508	166,406

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 the Company and its subsidiaries 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.

On 17 November 2023, the Company submitted the listing application in relation to the Proposed LTIP and Proposed Allocation to Bursa Malaysia Securities Berhad.

B9 Status of Corporate Proposals (cont'd)

(a) Long Term Incentive Plan (“LTIP”) (cont'd)

On 28 November 2023, the Company announced that Bursa Malaysia Securities Berhad had, vide its letter dated 27 November 2023, approved the listing and quotation for the number of new Shares representing up to 15% of the total number of issued Shares of SHC (excluding treasury shares) to be issued pursuant to the Proposed LTIP.

On 7 December 2023, 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, 10 January 2024 at 10:00 a.m

On 8 December 2023, the Company submitted the Circular to Shareholders in relation to the I. Proposed Establishment of a LTIP up to 15% of the total number of issued shares; and II. Proposed Allocation of LTIP Award to the eligible directors and major shareholders.

On 10 January 2024, the Company announced that all the resolutions as set out in the Notice of the Extraordinary General Meeting dated 8 December 2023 were duly passed and carried.

The LTIP is currently pending for implementation.

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 RM7.1 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.