



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

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

### **INTERIM REPORT FOR THE THIRD QUARTER ENDED 30 September, 2021**

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

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30 SEP 2021 RM'000	PRECEDING YEAR QUARTER 30 SEP 2020 RM'000	CURRENT YEAR TO DATE 30 SEP 2021 RM'000	PRECEDING YEAR TO DATE 30 SEP 2020 RM'000
Revenue	11,653	9,415	35,409	26,477
Cost of Sales	(6,060)	(6,824)	(19,855)	(19,513)
<b>Gross profit</b>	<b>5,593</b>	<b>2,591</b>	<b>15,554</b>	<b>6,964</b>
Other income	932	951	101,434	3,029
Distribution cost	(292)	(358)	(958)	(1,100)
General and administrative expenses	(1,221)	(1,040)	(4,058)	(2,989)
Other operating expenses	(175)	(367)	(4,194)	(1,060)
	<b>4,837</b>	<b>1,777</b>	<b>107,778</b>	<b>4,844</b>
Finance cost	(2,278)	(1,110)	(5,871)	(3,462)
Share of profit of associates	3,073	-	4,579	-
<b>Profit / (Loss) before tax</b>	<b>5,632</b>	<b>667</b>	<b>106,486</b>	<b>1,382</b>
Tax credit	76	76	228	483
<b>Profit from operations</b>	<b>5,708</b>	<b>743</b>	<b>106,714</b>	<b>1,865</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>(803)</b>	<b>-</b>	<b>(932)</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>4,905</b>	<b>743</b>	<b>105,782</b>	<b>1,865</b>
<b>Profit attributable to :</b>				
Equity holders of the company	5,708	743	106,714	1,865
<b>Total comprehensive income attributable to :</b>				
Equity holders of the company	4,905	743	105,782	1,865
<b>Earnings per ordinary share</b>				
<i>Basic (sen)</i>	2.27	0.56	54.81	1.41
<i>Diluted (sen)</i>	1.54	0.56	41.08	1.41

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this report)*

**SIN HENG CHAN (MALAYA) BERHAD (Registration No. 196201000185 (4690-V))**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 30 SEPTEMBER 2021**

(The figures have not been audited)

	<b>AS AT 30 SEP 2021 RM'000</b>	<b>AS AT 31 DEC 2020 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	80,215	77,384
Investment Properties	359	365
Concession Financial Assets	50,270	50,270
Prepaid Lease Rental	16,523	16,875
Intangible Assets	22,993	23,443
Investment in Associates	244,708	-
	<b>415,068</b>	<b>168,337</b>
<b>Current Assets</b>		
Inventories	1,564	1,572
Concession Financial Assets	482	1,927
Trade Receivables	4,004	4,835
Other Receivables, Deposits and Prepayments	2,117	3,757
Biological Assets	907	907
Other Investments	7,984	-
Fixed Deposits, Cash and Cash Balances	29,397	21,856
	<b>46,455</b>	<b>34,854</b>
<b>TOTAL ASSETS</b>	<b>461,523</b>	<b>203,191</b>
<b>EQUITY &amp; LIABILITIES</b>		
Share Capital	166,226	123,992
Irredeemable Convertible Preference Shares	39,600	-
Reserves	67,448	(38,334)
Equity Attributable To Equity Holders Of The Company	<b>273,274</b>	<b>85,658</b>
<b>Non-Current Liabilities</b>		
Borrowings	157,475	91,551
Lease Liabilities	3,033	1,248
Other Payables	6	6
Deferred Tax Liability	7,003	7,231
	<b>167,517</b>	<b>100,036</b>
<b>Current Liabilities</b>		
Trade Payables	2,606	3,113
Other Payables and Accruals	9,177	9,414
Derivative Liabilities	932	-
Borrowings	7,805	4,464
Lease Liabilities	194	481
Tax liabilities	18	25
	<b>20,732</b>	<b>17,497</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>461,523</b>	<b>203,191</b>
<b>Net assets per share (RM)</b>	1.07	0.65
<b>Number of ordinary shares ('000)</b>	255,053	131,867

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this report)*

**SIN HENG CHAN (MALAYA) BERHAD (Registration No. 196201000185 (4690-V))**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**

(The figures have not been audited)

	<----- Attributable to equity holders of the Company ----->				
	<----- Non-distributable ----->			<-- Distributable -->	
	Ordinary Share RM'000	Irredeemable Convertible Preference Share RM'000	Hedging Reserves RM'000	Accumulated Profit / (Loss) RM'000	Total RM'000
<b><u>9 months quarter ended 30 Sep 2021</u></b>					
<b>At 1 January 2021</b>	123,992	-	-	(38,334)	85,658
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)
<b>At 30 September 2021</b>	<b>166,226</b>	<b>39,600</b>	<b>(932)</b>	<b>68,380</b>	<b>273,274</b>
<b><u>9 months quarter ended 30 Sep 2020</u></b>					
<b>At 1 January 2020</b>	123,992	-	-	(42,545)	81,447
Net profit for the financial period	-	-	-	1,865	1,865
<b>At 30 Sep 2020</b>	<b>123,992</b>	<b>-</b>	<b>-</b>	<b>(40,680)</b>	<b>83,312</b>

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this report)*

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**

(The figures have not been audited)

	<b>9 MONTHS PERIOD ENDED 30 SEP 2021 RM'000</b>	<b>9 MONTHS PERIOD ENDED 30 SEP 2020 RM'000</b>
Profit before tax	106,486	1,382
Adjustment for :		
Amortisation of prepaid lease and intangible assets	808	808
Depreciation of property, plant & equipment	4,314	3,736
Share of result in associate company	(4,579)	-
Finance costs	5,871	3,462
Loss/(gain) on disposal of property, plant & equipment	-	(64)
Fair value movement on other investment	8	-
Negative goodwill	(98,620)	-
Finance income from concession financial asset	(2,454)	(2,539)
Interest income	(268)	(135)
Operating Profit before working capital changes	<u>11,566</u>	<u>6,650</u>
Decrease in concession financial assets	3,899	3,899
Decrease in inventories	8	494
Decrease in trade and other receivables	2,472	2,366
Increase / (Decrease) in trade and other payables	1,447	(3,767)
Cash from operations	<u>19,392</u>	<u>9,642</u>
Interest paid	(128)	(34)
Tax received	-	255
Tax paid	(7)	(1)
Net cash from operating activities	<u>19,257</u>	<u>9,862</u>
<b>Cash flows from/(used in) investing activities</b>		
Dividend received from associates company	2,200	-
Issuance of ordinary shares	5,934	-
Acquisition of subsidiary	(70,000)	-
Purchase of other investment	(7,992)	-
Purchase of property, plant and equipment	(7,146)	(2,438)
Proceeds from disposal of property, plant & equipment	-	83
Interest received	268	135
Net (cash used) in investing activities	<u>(76,736)</u>	<u>(2,220)</u>
<b>Cash flows from/(used in) financing activities</b>		
Proceeds from long term borrowings	65,867	-
Repayment of term loan	(2,836)	(2,794)
Proceed/(Repayment) of hire-purchase - net	1,498	308
Interest paid	(5,013)	(3,428)
Net cash from/(used in) financing activities	<u>59,516</u>	<u>(5,914)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	2,037	1,728
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	21,782	(8,676)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR</b>	<u>23,819</u>	<u>(6,948)</u>
<b>Cash and Cash Equivalents at end of period consist of:-</b>	-	-
Deposits with licensed banks	26,748	9,627
Cash and bank balances	2,649	1,662
Less : Bank Overdrafts	(5,578)	(18,237)
	<u>23,819</u>	<u>(6,948)</u>
Less : Deposits pledged as security	(2,000)	-
	<u>21,819</u>	<u>(6,948)</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 2020 and the accompanying explanatory notes attached to this report)*

**INTERIM REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2021**

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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 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the last audited financial statements for the financial year ended 31 December 2020.

In conjunction with the planned convergence of Financial Reporting Standards (“FRS”) with International Financial Reporting Standard as issued by the International Accounting Standards Board, the MASB issued a new approved accounting standard framework, the MFRSs, for application in the annual periods beginning on or after 1st January 2012.

The MFRS Framework is a mandatory for adoption by all Entities Other Than Private Entities, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreement for the Construction of Real Estate (“Transitioning Entities”). The Group falls within the definition of Transitioning Entities and the financial statements for the annual period beginning on 1 January 2017 will be prepared in accordance with the MFRS and International Financial Reporting Standards.

The significant accounting policies and methods of computation adopted are consistent with those of the most recent audited financial statements for the year ended 31 December 2020 except for the adoption of new and amended FRSS, IC Interpretations and new MFRSs which are relevant to its operations and effective for the financial periods beginning on or after 1 January 2021. The standards and amendments that have been issued and effectively beginning on or after 1 January 2021 are as follows:

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

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

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

Effective for financial year beginning on or after 1 January 2022

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

Effective for financial year beginning on or after 1 January 2023

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

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

**A2 Auditors' Report on Preceding Annual Financial Statements**

There was no qualification in the audit report of the preceding annual financial statements.

**A3 Seasonal or cyclical factors of the Group's operations**

The prices for the Group's plantation products are not within the control of the Group but are determined by the price of Crude Palm Oil (CPO), which in turn depends on several factors including the global supply and demand of competing vegetable oils, crude oil prices, and general global economic growth conditions.

Crop production is seasonal. Based on statistics, the Group's production of Fresh Fruit Bunches (FFB) gradually increases in the second quarter and reaches its peak during the third and fourth quarters. This pattern can be affected by rainfall in the Group's estates and severe global weather conditions such as El-Nino and La Nina.

The profits for this segment of the Group are primarily determined by the price of FFB and the volume of production from the Group's estates.

The Group's other businesses in energy and facilities management are not affected by seasonal or cyclical factors.

**A4 Unusual items**

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence in the current quarter.

**A5 Changes in estimates**

There were no changes in estimates of amounts reported in prior interim periods or changes in estimates of amounts reported in prior financial years, which have a material effect in the current quarter.

**A6 Debt and Equity Securities**

Save as disclosed in Section B10(i) and (ii) below, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter.

**A7 Dividend**

There was no dividend paid, declared or proposed in the current quarter.

**A8 Segmental analysis**

The Group is organised into the following operating divisions:

- (i) Oil Palm Plantations
- (ii) Energy and Facilities Management
- (iii) Investment Holding
- (iv) Others

**The Segmental Information for the period ended 30 Sep 2021 :**

	<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	26,107	9,302	-	-	-	35,409
<b><u>Segment results</u></b>						
Profit / (loss) from operations	9,284	5,437	(3,076)	(25)	96,158	107,778
Finance cost	(1,659)	(4,542)	(1,182)	-	1,512	(5,871)
Share profit of associates	-	4,579	-	-	-	4,579
Profit / (Loss) before tax	7,625	5,474	(4,258)	(25)	97,670	106,486
Tax credit / (expenses)	-	-	-	-	228	228
Profit / (Loss) for the period	7,625	5,474	(4,258)	(25)	97,898	106,714



**A9 Valuations of property, plant and equipment**

There were no amendments in the valuations of property, plant and equipment during the financial period. The valuations have been brought forward without adjustment from the audited financial statements for the year ended 31 December 2020.

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

Save as disclosed in Section B10(ii) below, there were no material events subsequent to 30 September 2021 and up to the date of the issuance of this quarterly report that have not been reflected in this quarterly report.

**A11 Changes in the Composition of the Group**

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 2021.

**A13 Capital Commitments**

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

**PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES  
BERHAD'S LISTING REQUIREMENTS**

**B1 Review of Performance**

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Corresponding Quarter	Change	Current Year Quarter	Preceding Year Corresponding Quarter	Change
	30 Sep 2021 RM '000	30 Sep 2020 RM '000		30 Sep 2021 RM '000	30 Sep 2020 RM '000	
<b>Revenue</b>						
Oil Palm Plantations	8,607	6,014	43.1%	26,107	16,902	54.5%
Energy and Facility Management	3,046	3,401	-10.4%	9,302	9,575	-2.9%
<b>Total Revenue</b>	<b>11,653</b>	<b>9,415</b>	<b>23.8%</b>	<b>35,409</b>	<b>26,477</b>	<b>33.7%</b>
<b>Segment results</b>						
Oil Palm Plantations	2,951	247	1094.7%	7,625	(474)	1708.6%
Energy and Facility Management	3,293	887	271.3%	5,474	2,761	98.3%
Investment Holding	(284)	(133)	-113.5%	(4,258)	82	-5292.7%
Others	(12)	(17)	29.4%	(25)	(34)	26.5%
Eliminations	(316)	(317)	0.3%	97,670	(953)	10348.7%
<b>Profit / (Loss) Before Tax</b>	<b>5,632</b>	<b>667</b>	<b>744.4%</b>	<b>106,486</b>	<b>1,382</b>	<b>7605.2%</b>
<b>Operational Statistics</b>						
<b>Production (MT)</b>	9,735	11,460	-15.1%	30,898	34,481	-10.4%
<b>Ave. CPO Price*</b>	4,418	2,754	60.4%	4,176	2,574	62.2%
<b>Ave. FFB Price</b>	886	523	69.4%	845	489	72.8%

\*Extracted from MPOB Peninsular Malaysia Average

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

**Revenue**

The Group's total revenue for the current quarter ended 30 September 2021 was RM11.65 million, representing an increase of 23.8% when compared to the revenue of RM9.42 million in the preceding year corresponding quarter ended 30 September 2020. The increase in revenue was mainly contributed by the increase in revenue from the oil palm plantations segment.

***Oil Palm Plantations***

For the current quarter under review, the Group's oil palm plantations segment recorded a total revenue of RM8.61 million, a 43.1% increase when compared to the preceding year corresponding quarter. This was mainly due to significant increases in the average prices of CPO and FFB, which increased by 60.4% and 69.4% respectively compared to the preceding year corresponding quarter. The increases in prices mitigated the reduction in FFB production from the Group's estates which declined by 15.1% compared to the preceding year quarter. The Group's FFB production in the current quarter was affected by the imposition of Enhanced Movement Control Order (EMCO) measures from 20 August to 3 September 2021, which was enforced due to a Covid-19 outbreak in the surrounding local community. During the EMCO period, the Group was unable to carry out harvesting and crop evacuation activities.

**B1 Review of Performance (continued)**

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

*Energy and Facilities Management*

For the current quarter under review, this segment contributed RM3.05 million to the Group's revenue, representing a decrease of 10.4% as compared to RM3.40 million in the preceding year corresponding quarter. The decrease in revenue was due to lower consumption of chilled water from the Group's cooling system in Melaka as a result of the imposition of Movement Control Order which affected the operations of Dataran Pahlawan Megamall during the period.

Profit / (Loss) before tax

For the quarter ended 30 September 2021, the Group recorded a profit before tax of RM5.63 million as compared to a profit before tax of RM0.67 million in the preceding year corresponding quarter ended 30 September 2020. This was driven by improved financial performances from both of the Group's core business segments.

For the quarter ended 30 September 2021, the oil palm plantation segment registered a profit of RM2.95 million compared to a profit of RM0.24 million in the corresponding period in 2020, which was mainly due to the significant increases in the average prices of CPO and FFB over the same period.

Profits from the energy and facility management segment increased by 271.3% to RM3.29 million. This was mainly due to the inclusion of the results from the Group's recently acquired subsidiary, Tunas Selatan Pagoh Sdn Bhd, which was completed on 21 May 2021.

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

Revenue

The Group's revenue for the cumulative quarter ended 30 September 2021 increased by 33.7% to RM35.41 million as compared to RM26.48 million in the preceding year corresponding quarter ended 30 September 2020. The increase in revenue was mainly contributed by the increase in revenue from the oil palm plantations segment.

*Oil Palm Plantations*

For the financial period ended 30 September 2021, revenue of the segment has increased by 54.5% to RM26.11 million from RM16.90 million in the preceding year corresponding financial period. This was mainly contributed from the significant increases in the average prices of CPO and FFB, which increased by 62.2% and 72.8% respectively compared to the corresponding period in 2020. The increase in average CPO and FFB prices has mitigated the decrease in the Group's FFB production, which declined by 3,583mt or 10.4% compared to the preceding year corresponding financial period ended 30 September 2020.

**B1 Review of Performance (continued)**

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

*Energy and Facilities Management*

This segment contributed RM9.30 million to the Group's revenue in the financial period ended 30 September 2021 compared to RM9.57 million in the preceding year corresponding financial period. The lower revenue in the preceding year corresponding financial period was due to lower consumption of chilled water from the Group's cooling system in Melaka caused by the imposition of Movement Control Order.

Profit / (Loss) before tax

The Group recorded a profit before tax of RM106.49 million as compared to a profit before tax of RM1.38 million in the preceding year corresponding financial period ended 30 September 2020.

The large increase in the Group's profitability compared to the preceding year corresponding quarter was mainly due to the recognition of negative goodwill amounting to RM98.62 million arising from the acquisition of the entire equity interest in Tunas Selatan Pagoh Sdn Bhd, which was completed on 21 May 2021. At the same time, the Group incurred one-off expenses relating to the acquisition of RM1.27 million.

Absent this one-off gain, the Group registered significant improvements in the operating profit of both business segments.

For the nine months ended 30 September 2021, the oil palm plantation segment registered a profit of RM7.63 million compared to a loss of RM0.47 million in the corresponding period in 2020, which was mainly due to the significant increases in the average prices of CPO and FFB over the same period.

Profits from the energy and facility management segment increased by 98.3% to RM5.47 million which was mainly due to the inclusion of the results of the Group's recently acquired subsidiary, Tunas Selatan Pagoh Sdn Bhd, which was completed on 21 May 2021.

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

	Current Quarter	Immediate Preceding Quarter	Variance	
	30 Sep 2021	30 Jun 2021	Amount	%
	RM'000	RM'000	RM'000	
<b>Production (MT)</b>	9,735	11,093	(1,358)	-12.2%
<b>Ave. CPO Price*</b>	4,418	4,213	205	4.9%
<b>Ave. FFB Price</b>	886	858	28	3.3%
<b><u>Revenue</u></b>				
Oil Palm Plantations	8,607	9,508	(901)	-9.5%
Energy and Facility Management	3,046	3,153	(107)	-3.4%
<b>Total Revenue</b>	11,653	12,661	(1,008)	-8.0%
<b><u>Segment results</u></b>				
Oil Palm Plantations	2,951	2,814	137	4.9%
Energy and Facility Management	3,293	1,790	1,503	84.0%
Investment Holding	(284)	(3,678)	3,394	92.3%
Others	(12)	(6)	(6)	-100.0%
Eliminations	(316)	98,303	(98,619)	-100.3%
<b>Profit / (Loss) before tax</b>	5,632	99,223	(93,591)	-94.3%

For the three months period ended 30 September 2021, the Group recorded revenue of RM11.65 million as compared to RM12.66 million recorded in the immediate preceding quarter ended 30 June 2021.

The decrease in revenue in the oil palm plantations segment was mainly due to lower FFB production by 1,358mt against immediate preceding quarter which was cushion off by the higher CPO and FFB prices by 4.9% and 3.3% respectively compared to the immediate preceding quarter. The Group's FFB production in the current quarter was affected by the imposition of Enhanced Movement Control Order (EMCO) measures from 20 August to 3 September 2021.

The Group recorded a profit before tax of RM5.63 million for the current quarter as compared to a profit before tax of RM99.22 million in the immediate preceding quarter ended 30 June 2021. The Group's high profitability in the immediate preceding quarter was mainly due to the recognition of negative goodwill of RM98.62 million arising from the acquisition of the entire equity interest in Tunas Selatan Pagoh Sdn Bhd which was completed on 21 May 2021.

**B3 Prospects**

In 2021, the Group's performance in the oil palm plantations segment will be primarily influenced by CPO and Palm Kernel ("PK") prices and our FFB production. CPO and PK prices are both largely dependent on various factors such as the supply and demand of palm oil, global weather conditions, prices and production of substitute vegetable oils, crude oil prices, and general global economic conditions. In the short term, key factors affecting domestic CPO prices include the speed of foreign workers intake into Malaysia to resolve industry-wide labour shortages, export demand from China and India, and the supply and demand dynamics of other edible oils.

Notwithstanding this, the Group remains fundamentally optimistic about the long-term prospects of the palm oil industry. The Group plans to increase its FFB production by focusing on increasing yield from existing areas, expansion through new planting, and where suitable, replanting of low yielding areas that have tall and aging palm trees.

The energy and facilities management segment is expected to contribute strong and recurring earnings to the Group, led by the encouraging performance of its newly acquired subsidiary, Tunas Selatan Pagoh Sdn Bhd. The Group will continue to focus on cost and operational efficiencies to improve the segment's performance.

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

**B4 Profit Forecast or Profit Guarantee**

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

**B5 Dividends**

No interim dividend has been paid, declared or proposed for the period ending 30 Sep 2021.

**B6 Taxation**

	<b>Current Quarter <u>30.09.2021</u> RM'000</b>	<b>Cumulative Quarter <u>30.09.2021</u> RM'000</b>
On current year's results		
- Transfer from deferred taxation	76	228
	<u>76</u>	<u>228</u>

**B7 Group Borrowings**

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

<b>Borrowings</b>	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
Secured	7,805	157,475	165,280

The credit facilities of the group are obtained by a charge over all its assets and corporate guarantee.

Borrowings are denominated in Ringgit Malaysia.

**B8 Material litigation**

The Group is not engaged in any material litigation and is not aware of any proceedings which might materially affect the Group for the current financial year.

**B9 Derivatives**

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

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

	<b>Contract / Notional Amount RM'000</b>	<b>Assets RM'000</b>	<b>Liabilities RM'000</b>	<b>Maturity Profile</b>
<b>Group Current Commodity futures contracts</b>	3,923	-	(932)	Less than 1 year
	3,923	-	(932)	

**B10 Status of Corporate Proposals**

**(i) Private Placement of Up To 10% of the Total Number of Issued Shares of SHC**

On 13 February 2020, the Company announced that it proposes to undertake a Private Placement of up to 10% of the total number of issued shares of SHC to third party investors to be identified at a later date.

On 27 February 2020, the Company received approval from Bursa Malaysia Securities Berhad to implement the Proposed Private Placement.

On 11 August 2020, the Company submitted an application to Bursa Securities to seek its approval for an extension of time of 6 months up to 26 February 2021 to complete the implementation of the Private Placement.

On 24 August 2020, Bursa Malaysia Securities Berhad has resolved to grant the Company an extension of time up to 26 February 2021 to complete the implementation of the Private Placement.

On 8 February 2021, the Company submitted an application to Bursa Malaysia Securities Berhad to seek its approval for a further extension of time of 6 months up to 26 August 2021 to complete the implementation of the Private Placement.

On 17 February 2021, Bursa Malaysia Securities Berhad resolved to grant the Company a further extension of time of 6 months until 26 August 2021 to complete the implementation of the Private Placement.

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

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

The status of the utilisation of the proceeds as at 24 November 2021 arising from the private placement is as follows:

Purpose	Estimated timeframe for utilisation	Proposed Utilisation RM'000	Actual Utilisation		Deviation		Explanations
			RM'000	%	RM'000	%	
Working capital for plantations segment	18 months	5,834	5,834	100.0	0	0	Completed
Estimated expenses for Proposed Private Placement	Upon completion	100	100	100.0	0	0	Completed
Total		5,934	5,934	100.0	0	0	



**B10 Status of Corporate Proposals (Cont'd)**

**(ii) 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.

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

The basic EPS is calculated based on the Group's profit attributable to the ordinary equity holders of the Company of RM106.71 million for the financial quarter by the weighted average number of ordinary shares of 255,053,387 in issue during the financial quarter; whereas diluted earnings per share is calculated based on the weighted average number of shares plus weighted average irredeemable convertible preference shares of 120,000,000.

**B12 Gains / (losses) arising from fair value changes of financial liabilities**

There were no gains / (losses) during this quarter arising from fair value changes of financial liabilities.