



SIN HENG CHAN (MALAYA) BERHAD

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

**INTERIM REPORT FOR THE
FOURTH QUARTER ENDED
31 December, 2022**

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER RESTATED	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE RESTATED
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
	RM'000	RM'000	RM'000	RM'000
Revenue	11,519	13,988	54,384	49,397
Cost of Sales	(8,373)	(6,941)	(36,274)	(26,796)
Gross profit	3,146	7,047	18,110	22,601
Other income	1,347	1,184	4,385	55,474
Distribution cost	(277)	(298)	(1,097)	(1,256)
General and administrative expenses	(2,540)	(2,030)	(8,101)	(6,088)
Other operating expenses	(1,041)	(2,186)	(3,293)	(6,380)
	635	3,717	10,004	64,351
Finance cost	(2,523)	(2,814)	(9,488)	(8,685)
Share of profit of associates	4,344	5,421	15,068	8,816
Profit before tax	2,456	6,324	15,584	64,482
Tax (expenses) / credit	(382)	(967)	(605)	(739)
Profit from operations	2,074	5,357	14,979	63,743
Other comprehensive loss				
<i>Items that will be reclassified subsequently to profit or loss :-</i>				
Net change in fair value:				
- cash flow hedges loss	-	932	-	-
Other comprehensive loss for the period	-	932	-	-
Total comprehensive income for the period	2,074	6,289	14,979	63,743
Profit attributable to :				
Equity holders of the company	2,074	5,357	14,979	63,743
Total comprehensive income attributable to :				
Equity holders of the company	2,074	6,289	14,979	63,743
Earnings per share				
<i>Basic (sen)</i>	0.71	2.03	5.11	30.01
<i>Diluted (sen)</i>	0.50	1.39	3.63	21.88

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

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

(The figures have not been audited)

	AS AT 31 DEC 2022 RM'000	RESTATED AS AT 31 DEC 2021 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	88,085	81,642
Investment Properties	348	356
Concession Financial Assets	46,047	48,223
Prepaid Lease Rental	15,937	16,406
Intangible Assets	22,243	22,843
Investment in Associates	203,352	194,884
	376,012	364,354
Current Assets		
Inventories	3,341	1,134
Concession Financial Assets	2,176	2,047
Trade Receivables	3,834	5,121
Other Receivables, Deposits and Prepayments	4,773	2,016
Biological Assets	1,040	1,408
Tax Recoverable	2	7
Other Investments	13,958	14,391
Fixed Deposits, Cash and Cash Balances	32,182	42,926
	61,306	69,050
TOTAL ASSETS	437,318	433,404
EQUITY & LIABILITIES		
Share Capital	181,355	181,355
Irredeemable Convertible Preference Shares	39,600	39,600
Reserves	40,388	25,409
Equity Attributable To Equity Holders Of The Company	261,343	246,364
Non-Current Liabilities		
Borrowings	141,909	149,635
Lease Liabilities	3,248	2,532
Other Payables	6	155
Deferred Tax Liability	8,494	7,931
	153,657	160,253
Current Liabilities		
Trade Payables	5,219	2,521
Other Payables and Accruals	2,517	4,666
Borrowings	13,270	18,669
Lease Liabilities	1,288	908
Tax liabilities	24	23
	22,318	26,787
TOTAL EQUITY AND LIABILITIES	437,318	433,404
Net assets per share (RM)	0.89	0.84
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 2021 and the accompanying explanatory notes attached to this report)

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

(The figures have not been audited)

	<----- Attributable to equity holders of the Company ----->			
	<----- Non-distributable ----->	<-- Distributable -->		Total RM'000
	Ordinary Share RM'000	Irredeemable Convertible Preference Share RM'000	Accumulated Profit / (Loss) RM'000	
<u>12 months quarter ended 31 December 2022</u>				
At 1 January 2022				
As previously stated	181,355	39,600	73,496	294,451
Effect of fair value of investment in subsidiary company	-	-	(47,144)	(47,144)
Effect of restatement of investment in associate held through a subsidiary company	-	-	(943)	(943)
As restated	181,355	39,600	25,409	246,364
Net profit for the financial period	-	-	14,979	14,979
At 31 December 2022	181,355	39,600	40,388	261,343
<u>12 months quarter ended 31 December 2021</u>				
At 1 January 2021				
As previously stated	123,992	-	(38,334)	85,658
Net profit for the financial period	-	-	111,830	111,830
Issuance of ordinary shares	57,363	-	-	57,363
Issuance of irredeemable convertible preference shares	-	39,600	-	39,600
As previously stated	181,355	39,600	73,496	294,451
Effect of fair value of investment in subsidiary company	-	-	(47,144)	(47,144)
Effect of restatement of investment in associate held through a subsidiary company	-	-	(943)	(943)
As restated 31 December 2021	181,355	39,600	25,409	246,364

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this report)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

(The figures have not been audited)

	12 MONTHS PERIOD ENDED	12 MONTHS PERIOD ENDED RESTATED
	31 DEC 2022 RM'000	31 DEC 2021 RM'000
Profit before tax	15,584	64,482
Adjustment for :		
Amortisation of prepaid lease and intangible assets	1,078	1,078
Depreciation of property, plant & equipment	6,642	5,695
Fair value changes in biological asset	368	(501)
Share of result in associate company	(15,068)	(8,816)
Finance costs	9,489	8,685
Gain on disposal of property, plant & equipment	(47)	-
Loss on disposal of other investment	4	-
Fair value movement on other investment	(94)	(11)
Negative goodwill	-	(51,158)
Finance income from concession financial asset	(3,151)	(3,272)
Interest income	(749)	(354)
Dividend income	(153)	(63)
Operating Profit before working capital changes	<u>13,903</u>	<u>15,765</u>
Decrease in concession financial assets	5,198	5,198
(Increase) / Decrease in inventories	(2,206)	438
(Increase) / Decrease in trade and other receivables	(1,471)	1,456
(Decrease) / Increase in trade and other payables	401	(3,001)
Cash from operations	<u>15,825</u>	<u>19,856</u>
Interest paid	(247)	(678)
Tax paid	(36)	(49)
Net cash from operating activities	<u>15,542</u>	<u>19,129</u>
Cash flows from/(used in) investing activities		
Dividend received from associates company	6,600	8,800
Proceeds from disposal of other investment	3,371	-
Issuance of ordinary shares	-	21,064
Acquisition of subsidiary	-	(70,000)
Purchase of other investment	(2,848)	(14,380)
Purchase of property, plant and equipment	(13,120)	(9,954)
Proceeds from disposal of property, plant & equipment	81	-
Dividend received from investment	153	63
Interest received	749	354
Net (cash used) in investing activities	<u>(5,014)</u>	<u>(64,053)</u>
Cash flows from/(used in) financing activities		
Proceeds from long term borrowings	-	65,867
Repayment of term loan	(8,645)	(3,742)
Proceed/(Repayment) of hire-purchase - net	1,095	1,712
Interest paid	(8,277)	(7,026)
Net cash from/(used in) financing activities	<u>(15,827)</u>	<u>56,811</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(5,299)</u>	<u>11,887</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>33,669</u>	<u>21,782</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	<u><u>28,370</u></u>	<u><u>33,669</u></u>
Cash and Cash Equivalents at end of period consist of:-	-	-
Deposits with licensed banks	31,331	39,389
Cash and bank balances	851	3,537
Less : Bank Overdrafts	<u>(3,812)</u>	<u>(9,257)</u>
	<u>28,370</u>	<u>33,669</u>
Less : Deposits pledged as security	<u>(2,000)</u>	<u>(2,000)</u>
	<u><u>26,370</u></u>	<u><u>31,669</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 2021 and the accompanying explanatory notes attached to this report)

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

PART A : EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the last audited financial statements for the financial year ended 31 December 2021.

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

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

The significant accounting policies and methods of computation adopted are consistent with those of the most recent audited financial statements for the year ended 31 December 2021 except for the adoption of new and amended FRSS, IC Interpretations and new MFRSs which are relevant to its operations and effective for the financial periods beginning on or after 1 January 2022. The standards and amendments that have been issued and effectively beginning on or after 1 January 2022 are as follows:

- a) **Standards, amendments to published standards and interpretations that are effective and adopted during the financial year**
- Amendments to MFRS 141, “Measurement of Fair Value”
 - Amendments to MFRS 3, “Reference to Conceptual Framework”
 - Amendments to MFRS 116, “Proceeds Before Intended Use”
 - Amendments to MFRS 137, “Onerous Contracts – Cost of Fulfilling a Contract”
 - Amendments to MFRS 9, “Fees in the 10% Test for Derecognition of Financial Liabilities”
 - Amendments to MFRS 1, “Measurement of Cumulative Translation Differences for Foreign Operation”

A1 Basis of preparation (Cont'd)

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

Effective for financial year beginning on or after 1 January 2023

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

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

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

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

A1 Basis of preparation (Cont'd)

c) Prior year adjustment at Investment in Subsidiary and its Associate company

The Group's has completed the purchase price allocation ("PPA") exercise to determine the fair values of the net assets of the acquired wholly owned subsidiary company, within the stipulated time period, i.e. 12 months from the date of acquisition date, in accordance to MFRS 3, Business Combinations. Based on the fair value of the nets assets of the acquired wholly owned subsidiary company, the negative goodwill has been reduced to RM51.2 million from RM98.3 million.

In addition, the Group's associate company, held through the acquired subsidiary above has conducted a reassessment on its Industrial Building ("IBA") claims for tax purposes and basis used in deferred tax recognition. This assessment has resulted in a restatement of the deferred tax liabilities, tax provision and tax recoverable balances with a corresponding adjustment to equity that has impacted the share of profit of the Group after the acquisition date.

(i) Reconciliation of statement of profit or loss for the quarter ended 31 December 2021

	Individual Quarter ended 31 December 2021			Cumulative Quarter ended 31 December 2021		
	Pre-adjustment	Effect	Post-Adjustment	Pre-adjustment	Effect	Post-Adjustment
Revenue	13,988	-	13,988	49,397	-	49,397
Cost of Sales	(6,941)	-	(6,941)	(26,796)	-	(26,796)
Gross profit	7,047	-	7,047	22,601	-	22,601
Other income	1,184	-	1,184	102,618	(47,144)	55,474
Distribution cost	(298)	-	(298)	(1,256)	-	(1,256)
General and administrative expenses	(2,030)	-	(2,030)	(6,088)	-	(6,088)
Other operating expenses	(2,186)	-	(2,186)	(6,380)	-	(6,380)
	3,717	-	3,717	111,495	(47,144)	64,351
Finance cost	(2,814)	-	(2,814)	(8,685)	-	(8,685)
Share of profit of associates	5,180	241	5,421	9,759	(943)	8,816
Profit before tax	6,083	241	6,324	112,569	(48,087)	64,482
Tax (expenses) / credit	(967)	-	(967)	(739)	-	(739)
Profit from operations	5,116	241	5,357	111,830	(48,087)	63,743
Other comprehensive loss						
<i>Items that will be reclassified subsequently to profit or loss :-</i>						
Net change in fair value:						
- cash flow hedges loss	932	-	932	-	-	-
Other comprehensive loss for the period	932	-	932	-	-	-
Total comprehensive income for the period	6,048	241	6,289	111,830	(48,087)	63,743
Profit attributable to :						
Equity holders of the company	5,116	241	5,357	111,830	(48,087)	63,743
Total comprehensive income attributable to :						
Equity holders of the company	6,048	241	6,289	111,830	(48,087)	63,743
Earnings per share						
Basic (sen)	1.94	0.09	2.03	52.73	(22.72)	30.01
Diluted (sen)	1.33	0.06	1.39	38.43	(16.55)	21.88

A1 Basis of preparation (Cont'd)

- c) Prior year adjustment at Investment in Subsidiary and its Associate company

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

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

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 2022 :

	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	40,727	13,657	6,600	-	(6,600)	54,384
<u>Segment results</u>						
Profit / (loss) from operations	9,014	4,984	5,637	(37)	(9,594)	10,004
Finance cost	(2,245)	(5,853)	(3,154)	-	1,764	(9,488)
Share profit of associates	-	15,068	-	-	-	15,068
Profit / (Loss) before tax	6,769	14,199	2,483	(37)	(7,830)	15,584
Tax credit / (expenses)	(16)	(893)	-	-	304	(605)
Profit / (Loss) for the period	6,753	13,306	2,483	(37)	(7,526)	14,979

A9 Valuations of property, plant and equipment

There were no amendments in the valuations of property, plant and equipment during the financial period. The valuations have been brought forward without adjustment from the audited financial statements for the year ended 31 December 2021.

A10 Material events subsequent to the end of the interim period

There were no material events subsequent to 31 December 2022 and up to the date of the issuance of this quarterly report that have not been reflected in this quarterly report.

A11 Changes in the Composition of the Group

There were no changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiary companies and long-term investments, restructurings and discontinued operations for the current quarter.

A12 Contingent liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 31 December 2022.

A13 Capital Commitments

There are no capital commitments approved or contracted as at 31 December 2022.

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

B1 Review of Performance

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Corresponding Quarter	Change	Current Year Quarter	Preceding Year Corresponding Quarter	Change
	31 Dec 2022	Restated 31 Dec 2021		31 Dec 2022	Restated 31 Dec 2021	
Revenue	RM '000	RM '000	%	RM '000	RM '000	%
Oil Palm Plantations	8,076	10,550	-23.5%	40,727	36,657	11.1%
Energy and Facility Management	3,443	3,438	0.1%	13,657	12,740	7.2%
Total Revenue	11,519	13,988	-17.7%	54,384	49,397	10.1%
Segment results						
Oil Palm Plantations	(276)	3,414	-108.1%	6,769	11,039	-38.7%
Energy and Facility Management	4,217	4,363	-3.3%	14,199	8,653	64.1%
Investment Holding	(1,198)	(988)	-21.3%	2,483	(5,246)	147.3%
Others	(8)	(9)	11.1%	(37)	(34)	-8.8%
Eliminations	(279)	(456)	38.8%	(7,830)	50,070	-115.6%
Profit Before Tax	2,456	6,324	-61.2%	15,584	64,482	-75.8%
Operational Statistics						
Production (MT)	10,717	9,839	8.9%	39,978	40,737	-1.9%
Ave. CPO Price*	3,913	5,157	-24.1%	5,131	4,421	16.1%
Ave. FFB Price	754	1,073	-29.7%	1,042	902	15.5%

*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 Dec 2022 was RM11.52 million, representing a decrease of 17.7% when compared to the revenue of RM13.99 million in the preceding year corresponding quarter ended 31 Dec 2021. 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 RM8.08 million, a 23.5% decrease when compared to the preceding year corresponding quarter. The increase in FFB production of 8.9% or 878mt has mitigated the decrease in average prices of FFB and CPO over the period by 29.7% and 24.1% respectively.

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 RM3.44 million to the Group's revenue, representing a marginal increase as compared to RM3.43 million in the preceding year corresponding quarter. This is because consumption of the chilled water from the Group's operation was stable compared to the preceding year corresponding quarter.

Profit / (Loss) before tax

For the quarter ended 31 Dec 2022, the Group recorded a profit before tax of RM2.46 million as compared to a profit before tax of RM6.32 million in the preceding year corresponding quarter ended 31 Dec 2021. The lower profit before tax recorded in the quarter under review was due to significant decrease in average prices of CPO and FFB of 24.1% and 29.7% respectively. As a result of this, the oil palm plantation segment registered a loss before tax of RM0.28 million compared to a profit of RM3.41 million in the corresponding quarter in 2021. In addition, the plantation segments' performance was also impacted by rising cost inputs such as fertiliser costs.

Profit before tax from the energy and facility management segment decreased by 3.3% to RM4.22 million. The decrease in profit of this segment was due to lower consolidation results of the Group's subsidiary company, TSP in the current quarter under review 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 financial year ended 31 Dec 2022 increased by 10.1% to RM54.38 million as compared to RM49.40 million in the preceding financial year ended 31 Dec 2021. The increase in revenue was mainly contributed by the increase in revenue from both the oil palm plantations segment and energy and facility management segment of the Group.

Oil Palm Plantations

For the financial year ended 31 Dec 2022, the revenue of the segment has increased by 11.1% to RM40.73 million from RM36.66 million in the preceding financial year ended. This was mainly due to the significant increases in the average prices of CPO and FFB, which increased by 16.1% and 15.5% respectively compared to the financial year ended 2021. The increase in average CPO and FFB prices has mitigated the decrease in the Group's FFB production, which declined slightly by 759mt or 1.9% compared to the preceding financial year ended 31 Dec 2021.

B1 Review of Performance (Cont'd)

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

Revenue (cont'd)

Energy and Facilities Management

This segment contributed RM13.66 million to the Group's revenue in the financial year ended 31 Dec 2022 compared to RM12.74 million in the preceding financial year. The increase in revenue was due to an increase in the consumption of chilled water from the Group's cooling system in Melaka.

Profit / (loss) before tax

The Group recorded a profit before tax of RM15.58 million as compared to a profit before tax of RM64.48 million in the preceding financial year ended 31 Dec 2021.

The higher profit before tax recorded in preceding financial year was largely due to the recognition of negative goodwill amounting to RM51.16 million arising from the acquisition of the entire equity interest in TSP which was completed on 21 May 2021.

For the financial year ended 31 Dec 2022, the oil palm plantation segment registered a profit before tax of RM6.77 million compared to a profit of RM11.04 million in the preceding financial year ended in 2021. The decrease was mainly due to softer CPO prices in the second half of 2022 compared to the prior year. As well as this, the plantations segment had to navigate higher input costs of fertilisers and labour costs in the financial year under review.

Profit before tax for the energy and facilities management segment increased by 64.1% to RM14.20 million. The significant increase in profit before tax was due to higher revenue recorded and higher consolidation results of the Group's subsidiary company, TSP, for the financial year under review which has provided the Group with a strong and recurring income stream since the completion of the acquisition in May 2021.

B2 Material Changes in Current Quarter Results Compared with Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Variance	
	31 Dec 2022 RM'000	30 Sep 2022 RM'000	Amount RM'000	%
Production (MT)	10,717	10,901	(184)	-1.7%
Ave. CPO Price*	3,913	3,995	(82)	-2.1%
Ave. FFB Price	754	795	(41)	-5.2%
<u>Revenue</u>				
Oil Palm Plantations	8,076	8,674	(598)	-6.9%
Energy and Facility Management	3,443	3,413	30	0.9%
Total Revenue	11,519	12,087	(568)	-4.7%
<u>Segment results</u>				
Oil Palm Plantations	(276)	(987)	711	72.0%
Energy and Facility Management	4,217	3,187	1,030	32.3%
Investment Holding	(1,198)	(774)	(424)	-54.8%
Others	(8)	(9)	1	11.1%
Eliminations	(279)	(318)	39	12.3%
Profit before tax	2,456	1,099	1,357	123.5%

For the three months period ended 31 Dec 2022, the Group recorded revenue of RM11.52 million as compared to RM12.09 million recorded in the immediate preceding quarter ended 30 Sept 2022.

The decrease in revenue in the oil palm plantations segment was due to decrease in average CPO and FFB prices by 2.1% and 5.2% respectively compared to the immediate preceding quarter and the slight decrease in FFB production from the Group's estates of 1.7% or 184mt compared to Q3 2022.

The energy and facility management segment registered an increased profit of RM4.22 million in the current quarter compared to the immediate preceding quarter due to improved profits from its associate company.

As a result of this, the Group recorded a profit before tax of RM2.46 million for the current quarter as compared to a profit before tax of RM1.10 million in the immediate preceding quarter ended 30 Sept 2022.

B3 Profit Forecast or Profit Guarantee

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

B4 Dividends

No interim dividend has been paid, declared or proposed for the period ending 31 Dec 2022.

B5 Prospects

In 2023, the Group's performance in the plantation segment will be primarily influenced by CPO and Palm Kernel prices. These are in turn affected by a myriad of factors influencing the supply and demand of CPO such as global weather conditions, prices and production of substitute vegetable oils, crude oil prices, and general global economic conditions.

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

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

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

B6 Taxation

	Current Quarter 31.12.2022 RM'000	Cumulative Quarter 31.12.2022 RM'000
On current year's results		
- Transfer to deferred taxation	(341)	(563)
- Corporate tax	(41)	(42)
	(382)	(605)

B7 Group Borrowings

Details of the Group's borrowings as at 31 Dec 2022 were as follows:-

Borrowings	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	13,269	141,909	155,178

The credit facilities of the group are obtained by a charge over all its assets and corporate guarantee. Borrowings are denominated in Ringgit Malaysia.

B8 Material litigation

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

B9 Status of Corporate Proposals

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

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

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

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

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

On 10 December 2021, the Company announced that 37,824,000 Placement Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad, which marks the completion of the Private Placement.

The status of the utilisation of the proceeds as at 22 Feb 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 / (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 RM14.98 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.