SIN HENG CHAN (MALAYA) BERHAD

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

INTERIM REPORT FOR THE
SECOND QUARTER ENDED
30 June 2026

CONTENTS

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2026
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR-TO-DATE	PRECEDING YEAR-TO-DATE
	30 JUN 2026	30 JUN 2025	30 JUN 2026	30 JUN 2025
	RM'000	RM'000	RM'000	RM'000
Revenue	11,479	12,195	22,927	24,098
Cost of sales	(10,093)	(9,170)	(20,277)	(17,623)
Gross profit	1,386	3,025	2,650	6,475
Other income	1,066	1,361	2,195	2,743
Distribution costs	(591)	(279)	(1,185)	(408)
General and administrative expenses	(2,726)	(2,796)	(5,290)	(5,459)
Other operating expenses	(934)	(1,214)	(1,953)	(2,431)
	(1,799)	97	(3,583)	920
Finance costs	(2,237)	(2,355)	(4,479)	(4,691)
Share of results of an associate	4,217	3,998	8,495	7,736
Profit before tax	181	1,740	433	3,965
Tax expense	(74)	(74)	(148)	(148)
Profit after tax for the financial period	107	1,666	285	3,817
Total comprehensive income for the financial period	107	1,666	285	3,817
Profit attributable to:				
Equity holders of the Company	107	1,666	285	3,817
Total comprehensive income attributable to:				
Equity holders of the Company	107	1,666	285	3,817
Earnings per share				
Basic (sen)	0.03	0.55	0.07	1.26
Diluted (sen)	0.02	0.40	0.07	0.92

(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 2025 and the accompanying explanatory notes attached to this report.)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026
(The figures have not been audited)

	AS AT 30 JUN 2026 RM'000	(AUDITED) AS AT 31 DEC 2025 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	141,977	137,688
Investment properties	316	321
Concession financial assets	37,362	38,667
Prepaid lease payments	14,353	14,588
Intangible assets	20,143	20,443
Investment in an associate	235,598	227,104
	449,749	438,811
Current Assets		
Inventories	3,125	4,038
Concession financial assets	2,611	2,611
Trade receivables	12,220	11,796
Other receivables, deposits and prepayments	8,267	6,947
Biological assets	709	709
Current tax assets	52	13
Other investments	365	3,279
Fixed deposits, cash and bank balances	19,352	20,638
	46,701	50,031
TOTAL ASSETS	496,450	488,842
EQUITY AND LIABILITIES		
Equity		
Share capital	219,668	214,355
Irredeemable convertible preference shares	6,600	6,600
Retained earnings	64,950	64,665
Equity attributable to equity holders of the Company	291,218	285,620
Non-Current Liabilities		
Borrowings	142,470	142,114
Finance lease liabilities	1,540	1,940
Other payables and accruals	331	396
Deferred tax liabilities	10,162	10,014
	154,503	154,464
Current Liabilities		
Trade payables	12,173	9,771
Other payables and accruals	6,596	5,701
Borrowings	30,609	31,703
Finance lease liabilities	1,291	1,499
Current tax liabilities	60	84
	50,729	48,758
TOTAL EQUITY AND LIABILITIES	496,450	488,842
Net assets per share (RM)	0.70	0.73
Number of ordinary shares ('000)	418,177	392,877

(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 2025 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 SECOND QUARTER ENDED 30 JUNE 2026
(The figures have not been audited)

	<---------- Attributable to equity holders of the Company ---------->			
	<---------- Non-distributable ---------->		<-- Distributable -->	
	Share Capital RM'000	**Irredeemable Convertible Preference Shares ("ICPS") RM'000**	**Retained Earnings RM'000**	**Total RM'000**
6 months period ended 30 June 2026				
At 1 January 2026	214,355	6,600	64,665	285,620
Ordinary shares issued through private placement	5,313	-	-	5,313
Net profit for the financial period	-	-	285	285
At 30 June 2026	219,668	6,600	64,950	291,218
6 months period ended 30 June 2025				
At 1 January 2025	183,005	37,950	56,245	277,200
Conversion of ICPS to share capital	1,980	(1,980)	-	-
Net profit for the financial period	-	-	3,817	3,817
At 30 June 2025	184,985	35,970	60,062	281,017

(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 2025 and the accompanying explanatory notes attached to this report.)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SECOND QUARTER ENDED 30 JUNE 2026
(The figures have not been audited)

	6 MONTHS PERIOD ENDED 30 JUN 2026 RM'000	6 MONTHS PERIOD ENDED 30 JUN 2025 RM'000
Cash flows from operating activities		
Profit before tax	433	3,965
Adjustments for:		
Amortisation of prepaid lease payments, intangible assets and investment properties	540	481
Depreciation of property, plant and equipment	4,341	4,498
Dividend income	(3)	(133)
Finance costs	4,479	4,691
Finance income from concession financial assets	(1,294)	(1,371)
Gain on disposal of property, plant and equipment	-	(25)
Gain on disposal of other investments	(44)	(5)
Interest income	(374)	(446)
Net unrealised (gain)/loss on other investments	(173)	223
Share of results of an associate	(8,495)	(7,736)
Operating (loss)/profit before changes in working capital	(590)	4,142
Changes in working capital:		
Decrease in concession financial assets	2,599	2,599
Decrease/(Increase) in inventories	913	(652)
Increase in trade and other receivables	(1,744)	(3,071)
Increase in trade and other payables	3,232	3,024
Net cash generated from operations	4,410	6,042
Income tax refunded	-	1
Income tax paid	(63)	(106)
Net cash generated from operating activities	4,347	5,937
Cash flows from investing activities		
Dividend received from other investments	3	133
Interest received	374	446
Proceeds from disposal of other investments	3,131	4,955
Proceeds from disposal of property, plant and equipment	-	25
Purchase of property, plant and equipment	(8,630)	(14,745)
Net cash used in investing activities	(5,122)	(9,186)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares through private placement	5,313	-
Drawdown of borrowings	-	7,466
Repayment of borrowings	(1,128)	(2,735)
Repayment of finance liabilities	(608)	(825)
Interest paid	(4,123)	(4,304)
Net cash used in financing activities	(546)	(398)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,321)	(3,647)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	(4,047)	(1,966)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	(5,368)	(5,613)
Cash and cash equivalents at end of the financial year consist of:		
Fixed deposits with licensed banks	17,780	17,308
Cash and bank balances	1,572	1,464
Less : Bank overdraft	(24,720)	(24,385)
	(5,368)	(5,613)

(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 2025 and the accompanying explanatory notes attached to this report.)

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 2025. 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 2025.

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 2025.

The material accounting policies and methods of computation adopted are consistent with those of the most recent audited financial statements for the financial year ended 31 December 2025 except for the adoption of new and amended MFRSs which are relevant to its operations and effective for the financial periods beginning on or after 1 January 2026. The standards and amendments that have been issued and effectively beginning on or after 1 January 2026 are as follows:

a) **Standards, amendments to published standards and interpretations that are effective and adopted during the financial period**

- Annual Improvements to MFRS Accounting Standards - Volume 11
- Amendments to MFRS 9 and MFRS 7: (Classification and Measurement of Financial Instruments) and (Contracts Referencing Nature-dependent Electricity)

The adoption of the abovementioned standards and amendments did not have any material financial impact on the financial statements of the Group.

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

Effective for financial year beginning on or after 1 January 2027

- MFRS 18: Presentation and Disclosure in Financial Statements
- MFRS 19: Subsidiaries without Public Accountability (Disclosures)

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 Group intends to adopt the abovementioned standards and amendments when they become effective. The adoption is not expected to have material financial impact to the Group.

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 as well as wholesale and distribution of construction materials are not significantly 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) Wholesale and Distribution
(v) Others

The Segmental Information for the financial period ended 30 June 2026:

	Oil Palm Plantations RM'000	Energy and Facilities Management RM'000	Investment Holding RM'000	Wholesale and Distribution RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue	11,833	7,919	1,500	3,175	-	(1,500)	22,927
Segment results							
(Loss)/Profit from operations	(3,204)	2,570	246	67	(17)	(3,245)	(3,583)
Finance costs	(952)	(2,405)	(1,939)	-	-	817	(4,479)
Share of results of an associate	-	8,495	-	-	-	-	8,495
(Loss)/Profit before tax	(4,156)	8,660	(1,693)	67	(17)	(2,428)	433
Tax (expense)/ credit	-	(300)	-	-	-	152	(148)
(Loss)/Profit for the financial period	(4,156)	8,360	(1,693)	67	(17)	(2,276)	285

A8 Segmental analysis (cont'd)

The Segmental Information for the financial period ended 30 June 2025:

	Oil Palm Plantations	Energy and Facilities Management	Investment Holding	Wholesale and Distribution	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	16,470	6,854	3,000	774	-	(3,000)	24,098
Segment results							
Profit/(Loss) from operations	1,620	2,045	2,515	13	(16)	(5,257)	920
Finance costs	(1,706)	(2,690)	(1,918)	-	-	1,623	(4,691)
Share of results of an associate	-	7,736	-	-	-	-	7,736
(Loss)/Profit before tax	(86)	7,091	597	13	(16)	(3,634)	3,965
Tax (expense)/ credit	-	(300)	-	-	-	152	(148)
(Loss)/Profit for the financial period	(86)	6,791	597	13	(16)	(3,482)	3,817

No geographical segment is presented as the Group operates principally in Malaysia.

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 financial year ended 31 December 2025.

A10 Material events subsequent to the end of the interim period

There were no material events subsequent to 30 June 2026 and up to the date of the issuance of this quarterly report that have not been reflected in this quarterly report.

A11 Changes in the composition of the Group

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

A12 Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at 30 June 2026.

A13 Capital commitments

There were no capital commitments approved or contracted as at 30 June 2026.

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

B1 Review of performance

	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year Quarter	Preceding Year Corresponding Quarter	
	30 JUN 2026	30 JUN 2025	Change	30 JUN 2026	30 JUN 2025	Change
Revenue	RM '000	RM '000	%	RM '000	RM '000	%
Oil Palm Plantations	6,319	8,132	*-22.3%*	11,833	16,470	*-28.2%*
Energy and Facilities Management	3,993	3,424	*16.6%*	7,919	6,854	*15.5%*
Wholesale and Distribution	1,167	639	*82.6%*	3,175	774	*310.2%*
Investment Holding	1,500	-	*100.0%*	1,500	3,000	*-50.0%*
Eliminations	(1,500)	-	*-100.0%*	(1,500)	(3,000)	*50.0%*
Total Revenue	11,479	12,195	*-5.9%*	22,927	24,098	*-4.9%*
Segment results						
Oil Palm Plantations	(1,816)	(268)	*-577.6%*	(4,156)	(86)	*-4732.6%*
Energy and Facilities Management	4,044	3,448	*17.3%*	8,660	7,091	*22.1%*
Wholesale and Distribution	22	-	*100.0%*	67	13	*415.4%*
Investment Holding	(89)	(1,117)	*92.0%*	(1,693)	597	*-383.6%*
Others	(7)	(6)	*-16.7%*	(17)	(16)	*-6.3%*
Eliminations	(1,973)	(317)	*-522.4%*	(2,428)	(3,634)	*33.2%*
Profit Before Tax	181	1,740	*-89.6%*	433	3,965	*-89.1%*
Operational Statistics						
Production (MT)	7,903	9,511	*-16.9%*	15,703	17,985	*-12.7%*
Average CPO Price*	4,525	4,061	*11.4%*	4,334	4,396	*-1.4%*
Average FFB Price	799	855	*-6.5%*	754	916	*-17.7%*

*Extracted from MPOB Peninsular Malaysia Average

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

Revenue

The Group recorded total revenue of RM11.5 million for the current quarter ended 30 June 2026, representing a decrease of 5.9% from RM12.2 million in the corresponding quarter of the preceding year. The decrease was mainly attributable to lower contributions from the Oil Palm Plantations segment, partially offset by higher contributions from the Energy and Facilities Management and Wholesale and Distribution segments.

B1 Review of performance (cont'd)

(A) Performance of the current quarter against the corresponding quarter and financial period of the preceding year (cont'd)

Revenue (cont'd)

Oil Palm Plantations

For the current quarter under review, the Group's Oil Palm Plantations segment recorded revenue of RM6.3 million, representing a decrease of 22.3% compared to RM8.1 million in the corresponding quarter of the preceding year. The lower revenue was mainly attributable to a 6.5% decline in the average realised FFB prices, coupled with lower FFB production, which decreased from 9,511 MT to 7,903 MT due to ongoing replanting activities at the Group's plantations that reduced the harvestable area.

Energy and Facilities Management

For the current quarter under review, this segment contributed RM4.0 million to the Group's total revenue, representing an increase of 16.6% from RM3.4 million in the corresponding quarter of the preceding year. The increase was mainly attributable to the upward revision of chilled water supply charges following adjustments to electricity and water tariffs for the Group's cooling system projects, which took effect in the second half of 2025.

Wholesale and Distribution

Revenue from the Wholesale and Distribution segment increased to RM1.2 million from RM0.6 million in the corresponding quarter of the preceding year, mainly driven by higher customer orders for construction materials during the current quarter.

Profit before tax

For the current quarter under review, the Group recorded a lower profit before tax of RM0.2 million, compared to RM1.7 million in the corresponding quarter of the preceding year. The lower performance was mainly attributable to an increase in the loss before tax from the Oil Palm Plantations segment, arising from lower average realised FFB prices and reduced FFB production due to ongoing replanting activities. However, the profit before tax from the Energy and Facilities Management segment increased by 17.3%, mainly due to cost savings and improved contributions from the Group's associate.

During the current quarter, dividend income of RM1.5 million was recognised from a subsidiary and was subsequently eliminated at the Group level upon consolidation.

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

Revenue

The Group's total revenue for the cumulative financial period ended 30 June 2026 decreased by 4.9% to RM22.9 million, compared to RM24.1 million in the corresponding financial period of the preceding year ended 30 June 2025. The decrease was mainly attributable to lower contributions from the Oil Palm Plantations segment, partially offset by higher contributions from the Energy and Facilities Management and Wholesale and Distribution segments.

Oil Palm Plantations

For the financial period ended 30 June 2026, the segment's revenue decreased by 28.2% to RM11.8 million, compared to RM16.5 million in the corresponding financial period of the preceding year. The decline was mainly driven by decreases in the average CPO price and average realised FFB price of 1.4% and 17.7%, respectively, as well as a 12.7% decline in FFB production from 17,985 MT to 15,703 MT due to ongoing replanting activities at the Group's plantations that reduced the harvestable area.

Energy and Facilities Management

This segment contributed RM7.9 million to the Group's total revenue for the financial period ended 30 June 2026, compared to RM6.9 million in the corresponding financial period of the preceding year. The increase was mainly due to the upward revision of chilled water supply charges following adjustments to electricity and water tariffs for the Group's cooling system projects, which took effect in the second half of 2025.

Wholesale and Distribution

Revenue from the Wholesale and Distribution segment increased to RM3.2 million from RM0.8 million in the corresponding financial period of the preceding year, mainly due to increased customer orders for construction materials.

Profit before tax

The Group recorded a profit before tax of RM0.4 million, compared to RM4.0 million in the corresponding financial period of the preceding year ended 30 June 2025. The decrease was mainly attributable to lower average CPO and realised FFB prices, as well as reduced FFB production due to ongoing replanting activities in the Oil Palm Plantations segment. However, the profit before tax from the Energy and Facilities Management segment increased by 22.1%, from RM7.1 million to RM8.7 million, mainly due to cost savings and improved contributions from the Group's associate.

The Investment Holding segment recorded a weaker performance compared to the corresponding financial period of the preceding year, primarily due to lower dividend income received from a subsidiary during the current financial period, which was eliminated at the Group level upon consolidation.

B2 Material changes in current quarter results compared with preceding quarter

	Current Quarter	Immediate Preceding Quarter	Variance	
	30 JUN 2026	**31 MAR 2026**	**Amount**	**%**
	RM'000	**RM'000**	**RM'000**	
Production (MT)	7,903	7,800	103	1.3%
Average CPO Price*	4,525	4,143	382	9.2%
Average FFB Price	799	707	92	13.0%
Revenue				
Oil Palm Plantations	6,319	5,514	805	14.6%
Energy and Facilities Management	3,993	3,926	67	1.7%
Wholesale and Distribution	1,167	2,008	(841)	-41.9%
Investment Holding	1,500	-	1,500	100.0%
Eliminations	(1,500)	-	(1,500)	-100.0%
Total Revenue	11,479	11,448	31	0.3%
Segment results				
Oil Palm Plantations	(1,816)	(2,340)	524	22.4%
Energy and Facilities Management	4,044	4,616	(572)	-12.4%
Wholesale and Distribution	22	45	(23)	-51.1%
Investment Holding	(89)	(1,604)	1,515	94.5%
Others	(7)	(10)	3	30.0%
Eliminations	(1,973)	(455)	(1,518)	-333.6%
Profit Before Tax	181	252	(71)	-28.2%

* Extracted from MPOB Peninsular Malaysia Average

For the three-month period ended 30 June 2026, the Group recorded total revenue of RM11.5 million, representing an increase of 0.3% from RM11.4 million in the immediate preceding quarter ended 31 March 2026. The increase was mainly attributable to higher contributions from the Oil Palm Plantations and Energy and Facilities Management segments, partially offset by lower contributions from the Wholesale and Distribution segment.

<u>Revenue</u>

Revenue from the Oil Palm Plantations segment increased by 14.6%, mainly due to higher FFB production, which increased from 7,800 MT to 7,903 MT, coupled with increases of 9.2% and 13.0% in the average CPO price and average realised FFB price, respectively. On the other hand, revenue from the Wholesale and Distribution segment decreased by RM0.8 million, driven by lower customer orders for construction materials during the current quarter.

<u>Profit before tax</u>

The Group's profit before tax decreased compared to the immediate preceding quarter, mainly attributable to a 12.4% decrease in profit before tax from the Energy and Facilities Management segment, primarily due to higher consumption of cooling power from the Group's cooling system projects. However, this was partially offset by lower loss before tax from the Oil Palm Plantations segment, arising from higher FFB production, as well as higher CPO and FFB prices.

B3 Profit forecast or profit guarantee

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

B4 Dividends

No interim dividend has been paid, declared or proposed for the financial period ended 30 June 2026.

B5 Prospects

The operating environment for FY2026 presents a mixed picture with challenges primarily from the ongoing Middle East conflict and its effects on energy prices and inflation. Despite this, Malaysia's economy is expected to remain on a firmer footing, with Bank Negara Malaysia projecting GDP growth of between 4.0% to 5.0% for 2026, providing a constructive domestic backdrop for the Group's operations.

For the Oil Palm Plantations segment, the near-term outlook will be challenging as the plantations undergo an accelerated replanting program. Production is expected to gradually improve as replanted areas progressively restore harvestable area over the coming years. The prices of CPO are expected to be supported by tight supply, the rollout of biodiesel mandates in Indonesia and Malaysia, and global vegetable oil demand in key markets such as China and India. Correspondingly, cost inputs especially diesel and fertiliser costs, which rose as a consequence of Middle East supply disruptions, will need to be managed given their direct impact on plantation operating costs.

The Group remains optimistic on the ability of its Energy and Facilities Management division to continue providing steady and recurrent income to the Group. It will continue to prospect, tender, and evaluate potential new projects to further expand this segment. The Wholesale and Distribution segment is expected to maintain its modest but growing contribution to the Group's revenue.

The Group continues to prospect for new opportunities which can enhance shareholder value in the long run.

B6 Taxation

	Current Quarter 30 JUN 2026 RM'000	**Cumulative Quarter 30 JUN 2026 RM'000**
On current period's results		
- Transferred to deferred taxation	(74)	(148)
	(74)	(148)

B7 Group borrowings

Details of the Group's borrowings as at 30 June 2026 were as follows:

Borrowings	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	30,609	142,470	173,079

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

During the current quarter, the material litigation update of the Group is as follows:

(a) Urun Plantations Sdn. Bhd. (Suit No.: BTU-22NCvC-5-6/2025 (HC))

On 27 June 2025, Urun Plantations Sdn. Bhd. ("UPSB"), a wholly owned subsidiary of the Company, was served with a Writ of Summons dated 12 June 2025 as the 3rd Defendant in respect of a claim for Native Customary Rights (the "Litigation Case").

The suit was filed by Messrs. Abun Sui Anyit & Co and initiated by five (5) individuals suing on behalf of themselves and other occupiers, holders or claimants of the native customary land situated at Long Urun area of Sungai Belaga of Uma Pawa, Long Urun, and Rumah Labang, Long Tengah, for a total claim of 54,478 hectares against the Superintendent of Land and Survey Kapit Division (1st Defendant), the Government of the State of Sarawak (2nd Defendant), UPSB (3rd Defendant), Lesley Tingang (4th Defendant), Tuai Rumah Eric William (5th Defendant), and Tuai Rumah Udau Tedong (6th Defendant) for amongst others, the following claims:

i. A declaration that the Plaintiffs have native customary rights over the said native customary land;
ii. A declaration that this right precludes the 1st and 2nd Defendants from impairing or abridging the Plaintiffs' said rights;
iii. A declaration that the issuance of the provisional lease is bad;
iv. A declaration that the 1st Defendant is precluded from issuing any lease, provisional or otherwise, which affects the Plaintiffs' said rights;
v. A declaration that the act of the 1st Defendant in issuing the said lease is void and/or wrongful;
vi. A declaration that the impairing of the Plaintiffs' rights over the said native customary land constitute a violation of Article 8 of the Federal Constitution;
vii. A declaration that the issuance of the said lease constitutes a violation of Article 5 of the Federal Constitution;
viii. A declaration that the issuance of the said lease was and is void for being ultra-vires the Sarawak Land Code Cap. 81;
ix. A declaration that the issuance of the said lease was bad and/or void as being in violation of Article 39(1) and (2) of the Constitution of the State of Sarawak and/or Articles 153 and/or 161A of the Federal Constitution;
x. An order directing the 1st Defendant and/or the 2nd Defendant to give effect to the aforesaid declarations and to cancel or rectify the said lease;
xi. A declaration that the agreement dated 02.07.2007 between the 3rd Defendant and the JKKK of Long Urun is illegal agreement and void ab initio;
xii. An order that any native customary land surrendered by the JKKK of Long Urun to the 3rd Defendant under the purported agreement dated 02.07.2007 be returned to the Plaintiffs;

B8 Material litigation (cont'd)

(a) Urun Plantations Sdn. Bhd. (Suit No.: BTU-22NCvC-5-6/2025 (HC)) (cont'd)

xiii. A prohibitory injunction restraining the 3rd Defendant and/or their servants or agents or assigns or contractors or workmen, 4th Defendant, 5th Defendant, 6th Defendant and unauthorised persons from occupying the said native customary land; and
xiv. Costs and such further relief as the Court deems fit.

Based on the facts of the case and the advice of its solicitors, Messrs. Baru Bian Advocates, UPSB is of the view that the claims are likely to be found to be frivolous or vexatious, and without proper basis.

In connection thereto, UPSB has filed its Affidavit in Opposition on 3 July 2025 and its Defence and Counterclaim on 18 July 2025. UPSB has also filed a Striking out application of the suit on 6 October 2025. On 10 December 2025, the Sarawak State Attorney General Chambers has also filed a striking out of the suit on behalf of the 1st and 2nd Defendants.

On 6 May 2026, oral submissions were made in relation to the striking out filed by 3rd – 6th Defendants. On 8 July 2026, The Court granted the following inter-partes interlocutory injunction pending final disposal of the suit; that the 3rd, 4th, 5th, and 6th Defendants be restrained from entering two GPS waypoints at the upper reaches of Sungai Belaga. For the avoidance of doubt, this order does not restrain the 3rd Defendant's ongoing plantation operations in other areas within the Provisional Lease. The Plaintiffs shall provide an undertaking as to damages, which is fixed at RM50,000.00 as a condition for the continuance of this injunction. The Defendant's application for striking out of the suit was dismissed by the Court.

The parties are in the process of exchanging written submissions and replies.

Save as disclosed above, there are no other pending material litigations as at 20 August 2026.

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

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.

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 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 LITP Award to the eligible Directors and Major Shareholders.

B9 Status of corporate proposals (cont'd)

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.

On 15 May 2024, the Company announced that the effective date for the LTIP has been fixed on 15 May 2024, being the date of submission of relevant documents to Bursa Malaysia Securities Berhad.

As of the date of this interim financial report, no options or shares have been granted.

(b) Private Placement of up to 10% of the Total Number of Issued Shares of SHC

On 5 December 2025, the Company announced that it proposed to undertake a private placement of up to 10% of the total number of issued shares of Sin Heng Chan (Malaya) Berhad ("SHC") to third-party investors to be identified at a later date ("Proposed Private Placement").

On 12 December 2025, the Company announced that the listing application in relation to the Proposed Private Placement had been submitted to Bursa Malaysia Securities Berhad.

On 19 December 2025, the Company announced additional information in relation to the Proposed Private Placement.

On 9 January 2026, the Company received approval from Bursa Malaysia Securities Berhad to implement the Proposed Private Placement.

On 26 March 2026, the Company announced that 25,300,000 placement shares at RM0.21 per share were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad, raising total proceeds of RM5,313,000.

On 8 July 2026, the Company announced the completion of the Private Placement.

The status of the utilisation of the proceeds arising from the Private Placement as at 20 August 2026 is as follows:

Purpose	Proposed utilisation	Actual utilisation		Balance proceeds unutilised		Estimated timeframe for utilisation	Status
	RM'000	RM'000	%	RM'000	%		
Replanting works for plantations segment	4,246	4,246	100.00	-	-	24 months	Completed
Working capital	1,000	1,000	100.00	-	-	12 months	Completed
Estimated expenses for Proposed Private Placement	67	67	100.00	-	-	Upon completion	Completed
Total	5,313	5,313	100.00	-	-		

B10 Earnings per share (EPS)

(a) Basic EPS

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 JUN 2026	**Preceding Year Quarter 30 JUN 2025**	**Current Year-To-Date 30 JUN 2026**	**Preceding Year-To-Date 30 JUN 2025**
Profit after tax attributable to equity holders of the Company (RM'000)	107	1,666	285	3,817
Weighted average number of ordinary shares in issue ('000)	418,177	303,877	406,296	303,446
Basic EPS (sen)	0.03	0.55	0.07	1.26

(b) Diluted EPS

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 JUN 2026	**Preceding Year Quarter 30 JUN 2025**	**Current Year-To-Date 30 JUN 2026**	**Preceding Year-To-Date 30 JUN 2025**
Profit after tax attributable to equity holders of the Company (RM'000)	107	1,666	285	3,817
Weighted average number of ordinary shares in issue ('000)	418,177	303,877	406,296	303,446
Assume full conversion of ICPS ('000)	20,000	109,000	20,000	109,431
Weighted average number of ordinary shares in issue and issuable ('000)	438,177	412,877	426,296	412,877
Diluted EPS (sen)	0.02	0.40	0.07	0.92

B11 Gains/(Losses) arising from fair value changes of financial liabilities

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

B12 Profit before tax

	Current Year Quarter 30 JUN 2026 RM '000	Preceding Year Quarter 30 JUN 2025 RM '000	Current Year-To-Date 30 JUN 2026 RM '000	Preceding Year-To-Date 30 JUN 2025 RM '000
Profit before tax is arrived at after charging/(crediting) :				
Amortisation of prepaid lease payments, intangible assets and investment properties	270	210	540	481
Depreciation of property, plant and equipment	2,145	2,269	4,341	4,498
Dividend income	-	-	(3)	(133)
Finance costs	2,237	2,355	4,479	4,691
Finance income from concession financial assets	(646)	(685)	(1,294)	(1,371)
Gain on disposal of property, plant and equipment	-	(25)	-	(25)
Gain on disposal of other investments	-	(2)	(44)	(5)
Interest income	(275)	(326)	(374)	(446)
Net unrealised (gain)/loss on other investments	(6)	209	(173)	223
Share of results of an associate	(4,217)	(3,998)	(8,495)	(7,736)