

**Financial Results**Reference No **SH-110228-59327**

Company Name : **SIN HENG CHAN (MALAYA) BERHAD**  
 Stock Name : SHCHAN  
 Date Announced : 28/02/2011  
 Financial Year End : 31/12/2010  
 Quarter : 4  
 Quarterly report for the financial : 31/12/2010  
 period ended  
 The figures : have not been audited

Converted attachment :

Please attach the full Quarterly Report here:

[4th Quarter 2010.pdf](#)[4th Quarter 2010 \(notes\) Report .pdf](#)

Remark:

**The condensed consolidated financial results for the quarter ended 31 December 2010 should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009**

- DEFAULT CURRENCY
- OTHER CURRENCY

Currency : Malaysian Ringgit (MYR)

**SUMMARY OF KEY FINANCIAL INFORMATION**  
**31/12/2010**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING QUARTER	TO DATE	CORRESPONDING PERIOD
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
<b>1Revenue</b>	15,370	16,177	59,170	62,720
<b>2Profit/(loss) before tax</b>	811	1,824	4,146	1,172
<b>3Profit/(loss) for the period</b>	1,093	1,865	4,542	1,432
<b>4Profit/(loss) attributable to ordinary equity holders of the parent</b>	882	1,740	3,152	1,705
<b>5Basic earnings/(loss) per share (Subunit)</b>	0.79	1.56	2.82	1.53
<b>6Proposed/Declared dividend per share (Subunit)</b>	0.00	0.00	0.00	0.00

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7Net assets per share attributable to ordinary equity holders of the parent (\$\$)	0.4500	0.4200

Remarks :

The condensed consolidated financial results for the quarter ended 31 December 2010 should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009

**Definition of Subunit:**

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.

Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence



**SIN HENG CHAN (MALAYA) BERHAD** (4690-V)  
(Incorporated in Malaysia)

INTERIM REPORT FOR THE  
FOURTH QUARTER ENDED  
31ST DECEMBER 2010

**CONTENTS**

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CONDENSED CONSOLIDATED INCOME STATEMENTS	1
CONDENSED CONSOLIDATED BALANCE SHEETS	2
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	3
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS	4
NOTES TO THE QUARTERLY FINANCIAL REPORT	5 - 10

SIN HENG CHAN (MALAYA) BERHAD (4690-V)  
 INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31st DECEMBER 2010  
 The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2010 RM'000	PRECEDING YR CORRESPONDING QUARTER 31/12/2009 RM'000	CURRENT YEAR TO DATE 31/12/2010 RM'000	PRECEDING YR CORRESPONDING PERIOD 31/12/2009 RM'000
Revenue	15,370	16,177	59,170	62,720
Cost of Sales	(11,004)	(12,568)	(44,475)	(52,859)
<b>Gross profit</b>	<b>4,366</b>	<b>3,609</b>	<b>14,695</b>	<b>9,861</b>
Other income	110	544	1,172	1,109
Selling and distribution expenses	(1,180)	(446)	(2,706)	(2,705)
General and administrative expenses	(1,416)	(1,875)	(5,306)	(4,991)
Other expenses	(654)	293	(2,198)	(867)
Profit from operations	1,226	2,125	5,657	2,407
Finance cost	(415)	(301)	(1,511)	(1,235)
<b>Profit before tax</b>	<b>811</b>	<b>1,824</b>	<b>4,146</b>	<b>1,172</b>
Tax credit	282	41	396	260
<b>Profit for the period</b>	<b>1,093</b>	<b>1,865</b>	<b>4,542</b>	<b>1,432</b>
Attributable to :				
Equity holders of the parent	882	1,740	3,152	1,705
Minority interest	211	125	1,390	(273)
	<b>1,093</b>	<b>1,865</b>	<b>4,542</b>	<b>1,432</b>
<b>Profit per share attributable to equity holders of the parent :</b>				
Basic (sen)	0.79	1.56	2.82	1.53
Fully diluted (sen)	0.78	N/A	2.80	N/A

*(The condensed consolidated income statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31st December 2009.  
 (The explanatory notes form an integral part of and should be read in conjunction with this interim financial report)*

**SIN HENG CHAN (MALAYA) BERHAD (4690-V)**  
**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31st DECEMBER 2010**  
The figures have not been audited.

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	(UNAUDITED)	(AUDITED)
	AS AT END OF CURRENT QUARTER 31/12/2010 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2009 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	14,365	11,349
Plantation Development Expenditure	80,858	78,770
Other Investments	5	5
Investment Properties	6,178	6,178
Prepaid Lease Rental	23,874	22,001
Goodwill on consolidation	16,825	16,354
<b>Current Assets</b>		
Inventories	7,687	7,234
Trade Receivables	4,594	5,224
Other Receivables	1,584	3,446
Fixed deposits, cash and cash balances	11,082	10,110
	<u>24,947</u>	<u>26,014</u>
<b>TOTAL ASSETS</b>	<u><u>167,052</u></u>	<u><u>160,671</u></u>
<b>EQUITY &amp; LIABILITIES</b>		
Share Capital	111,667	111,667
Reserves	(44,988)	(48,140)
Equity attributable to equity holders of the parent	66,679	63,527
Minority shareholder's interest	12,236	9,419
	<u>78,915</u>	<u>72,946</u>
<b>Non-Current Liabilities</b>		
Long Term Borrowings	33,400	40,000
Hire-purchase payables	1,606	530
Deferred Tax Liability	11,300	10,943
	<u>46,306</u>	<u>51,473</u>
<b>Current Liabilities</b>		
Short Term Borrowings	7,751	1,229
Trade Payables	7,303	8,613
Other Creditors	26,197	26,166
Hire-purchase payables	580	244
	<u>41,831</u>	<u>36,252</u>
	<u><u>167,052</u></u>	<u><u>160,671</u></u>
<b>Net Tangible assets per share (RM)</b>	0.45	0.42

*(The condensed consolidated balance sheets should be read in conjunction with the audited financial statements of the Group for the financial year ended 31st December 2009).*

*(The explanatory notes form an integral part of and should be read in conjunction with this interim financial report)*

**SIN HENG CHAN (MALAYA) BERHAD (4690-V)**  
**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31st DECEMBER 2010**  
 The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Share Capital RM'000	Non-distributable Revaluation Reserves RM'000	Distributable Accumulated Loss RM'000	Total RM'000	Minority Interest RM'000	Total RM'000
<b>3 months quarter ended 31st December 2010</b>						
<b>At 1st Oct 2010</b>	111,667	5,378	(51,248)	65,797	11,598	77,395
Net profit for the financial period	-	-	882	882	211	1,093
Acquisition of additional equity interest in subsidiary company	-	-	-	-	427	427
<b>At 31st December 2010</b>	<b>111,667</b>	<b>5,378</b>	<b>(50,366)</b>	<b>66,679</b>	<b>12,236</b>	<b>78,915</b>
<b>3 months quarter ended 31st December 2009</b>						
<b>At 1st Oct 2009</b>	111,667	5,378	(55,258)	61,787	9,294	71,081
Net Profit for the financial period	-	-	1,740	1,740	125	1,865
<b>At 31st December 2009</b>	<b>111,667</b>	<b>5,378</b>	<b>(53,518)</b>	<b>63,527</b>	<b>9,419</b>	<b>72,946</b>

*(The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31st December 2009.)*  
*(The explanatory notes form an integral part of and should be read in conjunction with this interim financial report)*

SIN HENG CHAN (MALAYA) BERHAD (4690-V)  
 INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31st DECEMBER 2010  
 The figures have not been audited.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	(UNAUDITED)	(AUDITED)
	12 MONTHS	AS AT
	PERIOD	PRECEDING
	ENDED	FINANCIAL
	31/12/2010	YEAR ENDED
	RM'000	31/12/2009
		RM'000
Net Cash Generated From Operating Activities	4,810	5,731
Net Cash Used In Investing Activities	(5,173)	(3,437)
Net Cash Generated/(Used In) Financing Activities	1,335	(3,169)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>972</b>	<b>(875)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR</b>	<b>10,110</b>	<b>10,985</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR</b>	<b>11,082</b>	<b>10,110</b>
<i>Cash and Cash Equivalents at end of period consist of:-</i>		
<i>Deposits with licensed banks</i>	7,073	2,933
<i>Cash and bank balances</i>	4,009	7,177
	<b>11,082</b>	<b>10,110</b>

*The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31st December 2009 and the accompanying notes attached to the interim financial statements.*

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31st DECEMBER 2010

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NOTES TO THE QUARTERLY FINANCIAL REPORT

**A1 Basis of preparation**

The unaudited interim financial statements have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad's Listing Requirements.

The financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31st December 2009. 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 31st December 2009.

**A2 Changes in accounting policies**

The significant accounting policies adopted in this interim financial statement are consistent with those of the audited financial statements for the financial year ended 31st December 2009 except for the adoption of the following applicable new/revised Financial Reporting Standards ("FRS") effective for financial period beginning on or after 1st January 2010.

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 2	Share-based Payment (Amendments relating to vesting conditions and cancellations)
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 7	Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets - effective date and transition)
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised in 2009)
FRS 123	Borrowing Costs (Revised)
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 132	Financial Instruments: Presentation (Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation)
FRS 139	Financial Instruments: Recognition and Measurement
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items, reclassification of financial assets, reclassification of financial assets - effective date and transition and embedded derivatives)

Improvements to FRSs (2009)

IC Int. 9	Reassessment of Embedded Derivatives
IC Int. 9	Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives)
IC Int. 10	Interim Financial Reporting and Impairment
IC Int. 11	FRS 2 - Group and Treasury Share Transactions
IC Int. 13	Customer Loyalty Programmes
IC Int. 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction



**A3 Audit report**

The audit report of the preceding annual financial statements was not qualified.

**A4 Seasonal or cyclical factors**

The operations of the Group during the financial period under review have not been materially affected by any seasonal or cyclical factors.

**A5 Unusual items**

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

**A6 Changes in estimates**

There were no changes in estimates of amounts reported in previous year, which have a material effect in the current quarter.

**A7 Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter.

**A8 Dividend**

There was no dividend paid during the financial quarter ended 31st December 2010.

**A9 Segmental analysis**

The Group is organised into the following operating divisions:

- (i) Feedmilling
- (ii) Poultry Breeding
- (iii) Oil Palm Plantations
- (iv) Investment Holding
- (v) Others (consist of subsidiary companies which are dormant and pre-operating)

Inter-segment sales are charged at cost plus a percentage profit mark-up.

**(a) Primary reporting format – business segment**

	Feedmilling	Poultry Breeding	Oil Palm Plantations	Investment Holding	Others	Group
2010	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	23,270	18,248	17,652	-	-	59,170
<b><u>Segment results</u></b>						
Profit/(loss) from operations	1,032	2,083	3,917	(1,320)	(55)	5,657
Finance cost	(73)	8	(1,433)	(13)	-	(1,511)
Profit/(loss) before tax	959	2,091	2,484	(1,333)	(55)	4,146
Tax	(405)	(4)	322	483	-	396
Profit/(loss) for the period	554	2,087	2,806	(850)	(55)	4,542

**A9 (b) Secondary reporting format – geographical segment**

No geographical segment is presented as the Group's operations are principally carried out in Malaysia.

**A10 Valuations of property, plant and equipment**

Revaluation on property, plant and equipment was carried out by the Group in accordance with FRS.

**A11 Subsequent events**

There were no material events subsequent to 31st December 2010 and up to the date of the issuance of this quarterly report that have not been reflected in this quarterly report.

**A12 Changes in the Composition of the Group**

On 31st December 2009, the company entered into Shares Sale & Shareholders and Development agreement to acquire 80,000 ordinary shares of RM1 each representing 80% of the issued and paid up capital in Assar-Tubau Plantations Sdn Bhd ("Assar-Tubau"). The acquisition of Assar-Tubau was completed on 9th December 2010.

**A13 Contingent liabilities**

The Company has given guarantees to a bank amounting to RM 9.2 million for banking facilities extended to a subsidiary of which RM 1.29 million has been outstanding as at 31st December 2010.

**A14 Capital Commitments**

	<b>Year to date <u>31.12.2010</u> RM'000</b>
Balance purchase consideration on acquisition of shares	-

**A15 Inventories**

As at 31st December 2010, the Group did not make any adjustment to its inventory values as it deems that there were no material changes to its net realisable value.

**A16 Derivatives**

There were no derivatives during the financial period under review.

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

**B1 Review of Performance**

The Group's turnover for the three months ended 31st December 2010 decreased by 5% to RM15.37 million compared to RM16.18 million for the corresponding period in the previous year. The decrease in turnover was mainly due to the lower turnover of feedmilling division.

The Group recorded a profit before tax of RM0.81 million for the three months ended 31st December 2010 against a profit before tax of RM1.82 million for the corresponding period in the previous year mainly due to decrease of other income.

**B2 Material Changes in Profit Before Taxation for the Quarter Reported On As Compared with the Immediate Preceding Quarter**

For the three months under review, the Group recorded a profit before tax of RM0.81 million as compared to a profit before tax of RM1.73 million for the preceding quarter.

The Group recorded a decrease for the current year quarter mainly due to higher selling and distribution expenses by RM0.68 million to RM1.18 million as compared to the preceding quarter of RM0.5 million.

**B3 Current Year Prospects**

The increasing feed cost currently faced by the poultry industry will pose a challenge to the feedmilling and poultry industry. Taking into consideration of the competitiveness, the Group is dedicated in growing the business.

The oil palm plantation has performed well in the fourth quarter of 2010 as harvesting has been stable and Fresh Fruit Bunches price is expected to remain at satisfactory level based on the current price trend.

**B4 Profit Forecast or Profit Guarantee**

No profit forecast or profit guarantee was provided.

**B5 Taxation**

	Year to date <u>31.12.2010</u> RM'000
On current year's results	
- Malaysian income tax	73
Transfer (to)/from deferred taxation	323
	<u>396</u>

The effective tax rate of the Group for the financial year under review is higher than the statutory tax rate. This is mainly due to certain expenses which were not deductible for taxation purposes and the non-availability of group relief where tax losses of certain subsidiary companies cannot be set off against the taxable income of other subsidiary companies.

**B6 Profits/(losses) on sale of unquoted investments and/or properties**

There was no sale of unquoted investments and/or properties for the current quarter and the financial year-to-date.

**B7 Quoted Securities**

There were no transactions for the current quarter and the financial year-to-date.

**B8 Status of Corporate Proposals**

Date of Announcements	Subjects	Status
14th January 2009	Proposed acquisition of 80,000 ordinary shares of RM1.00 each representing 80% issued and paid up share capital in Assar-Tubau Plantation Sdn Bhd.	All conditions precedent have been fulfilled. The acquisition has been completed on 9th December 2010

**B9 Group Borrowings**

Details of the Group's borrowings as at 31st December 2010 were as follows:-

Bank Borrowings	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	7,751	33,400	41,151

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

Borrowings are denominated in Ringgit Malaysia.

**B10 Off balance sheet financial instruments**

There were no financial instruments with off balance sheet risk at the date of the issue of this quarterly report.

**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.

**B12 Realised and unrealised profits/losses**

	<u>Current year to date 31.12.2010</u>	<u>As at preceding financial year ended 31.12.2009</u>
	RM'000	RM'000
Total accumulated losses of Sin Heng Chan (Malaya) Berhad and its subsidiaries:		Note: Comparative figures are not required in the first financial year of complying with the Realised and Unrealised Profits/Losses Disclosure.
- Realised	(78,272)	
- Unrealised	31	
	(78,241)	
Less: Consolidation adjustments	27,875	
Total group accumulated losses as per consolidated accounts	(50,366)	

**B13 Material litigation**

Urun Plantations Sdn Bhd ("Urun"), a subsidiary of Sin Heng Chan (Malaya) Berhad was served with a 218 Petition commenced in the High Court in Kuching, Sarawak pursuant to the provisions of the Companies Act, 1965. The petition was initiated by Wintrip Maincon Sdn Bhd ("Wintrip") which seeks to recover the sum of RM 2,694,284.26 which it alleges is due to it. On 28.9.2007 the Kuching High Court stayed the petition and in consequence there, directed the parties to refer the dispute to the process of arbitration for determination.

The claim by Wintrip is highly disputed and the Company has initiated a separate suit against Wintrip and its solicitors for appropriate declaratory and related relief.

**B14 Dividend**

No dividend has been declared for this financial quarter.

**B15 Profit Per Share**

		<b>3 Months Ended</b>	
		<b>31.12.2010</b>	<b>31.12.2009</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Basic Profit per share</b>			
Net Profit attributable to equity holders of the parent for the period	(RM)	882	1,740
Weighted average number of ordinary shares in issue		111,667	111,667
Basic Profit per share	(SEN)	0.79	1.56
<b>Diluted Earning per share</b>			
Adjusted weighted average number of ordinary shares in issue assuming exercise of ESOS		112,702	112,736
Diluted Earning per share	(SEN)	0.78	1.54

**Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 23rd February 2011.

By Order of the Board  
Lim Siew Ting  
Company Secretary  
Kuala Lumpur  
23rd February 2011

c.c. Securities Commission