

Financial ResultsReference No **SH-101029-41093**

Company Name : **SIN HENG CHAN (MALAYA) BERHAD**
 Stock Name : SHCHAN
 Date Announced : 08/11/2010
 Financial Year End : 31/12/2010
 Quarter : 3
 Quarterly report for the financial period ended : 30/09/2010
 The figures : have not been audited

Converted attachment :

Please attach the full Quarterly Report here:

[3rd Quarter 2010 Results.pdf](#)[3rd Quarter 2010 Report.pdf](#)

Remark:

The condensed financial results for the quarter ended 30 September 2009 should be read in conjunction with the audited financial statements or the financial year ended 31 December 2009

- DEFAULT CURRENCY
- OTHER CURRENCY

Currency : Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION
30/09/2010

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2010 \$\$'000	30/09/2009 \$\$'000	30/09/2010 \$\$'000	30/09/2009 \$\$'000
1 Revenue	15,415	14,753	43,800	46,543
2 Profit/(loss) before tax	1,725	750	3,335	-652
3 Profit/(loss) for the period	1,693	827	3,449	-433
4 Profit/(loss) attributable to ordinary equity holders of the parent	1,047	648	2,270	-35
5 Basic earnings/(loss) per share (Subunit)	0.94	0.58	2.03	-0.03
6 Proposed/Declared dividend per share (Subunit)	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 (\$\$)	0.4400	0.4200

Remarks :

The condensed consolidated financial results for the quarter ended 30 September 2009 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 (1999-V)
(Incorporated in Malaysia)

INTERIM REPORT FOR THE
THIRD QUARTER ENDED
30TH SEPTEMBER 2010

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SIN HENG CHAN (MALAYA) BERHAD (4690-V)
INTERIM REPORT FOR THE THIRD QUARTER ENDED 30th SEPTEMBER 2010
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2010 RM'000	PRECEDING YR CORRESPONDING QUARTER 30/9/2009 RM'000	CURRENT YEAR TO DATE 30/09/2010 RM'000	PRECEDING YR CORRESPONDING PERIOD 30/9/2009 RM'000
Revenue	15,415	14,753	43,800	46,543
Cost of Sales	(11,195)	(11,936)	(33,471)	(40,291)
Gross profit	4,220	2,817	10,329	6,252
Other income	191	176	1,062	565
Selling and distribution expenses	(503)	(751)	(1,526)	(2,259)
General and administrative expenses	(1,307)	(820)	(3,890)	(3,116)
Other expenses	(477)	(378)	(1,544)	(1,160)
Profit from operations	2,124	1,044	4,431	282
Finance cost	(399)	(294)	(1,096)	(934)
Profit/(Loss) before tax	1,725	750	3,335	(652)
Tax (expense)/credit	(32)	77	114	219
Profit/(Loss) for the period	1,693	827	3,449	(433)
Attributable to :				
Equity holders of the parent	1,047	648	2,270	(35)
Minority interest	646	179	1,179	(398)
	1,693	827	3,449	(433)
Loss per share attributable to equity holders of the parent :				
Basic (sen)	0.94	0.58	2.03	(0.03)
Fully diluted (sen)	0.93	N/A	2.01	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 THIRD QUARTER ENDED 30th SEPTEMBER 2010
The figures have not been audited.

CONDENSED CONSOLIDATED BALANCE SHEETS

	(UNAUDITED)	(AUDITED)
	AS AT END OF CURRENT QUARTER 30/09/2010 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2009 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	12,513	11,349
Plantation Development Expenditure	79,317	78,770
Other Investments	5	5
Investment Properties	6,178	6,178
Prepaid Lease Rental	21,461	22,001
Goodwill on consolidation	16,354	16,354
Current Assets		
Inventories	7,072	7,234
Trade Receivables	4,886	5,224
Other Receivables	5,401	3,446
Fixed deposits, cash and cash balances	10,684	10,110
	<u>28,043</u>	<u>26,014</u>
TOTAL ASSETS	<u>163,871</u>	<u>160,671</u>
EQUITY & LIABILITIES		
Share Capital	111,667	111,667
Reserves	(45,870)	(48,140)
Equity attributable to equity holders of the parent	65,797	63,527
Minority shareholder's interest	11,598	9,419
	<u>77,395</u>	<u>72,946</u>
Non-Current Liabilities		
Long Term Borrowings	40,000	40,000
Hire-purchase payables	997	530
Deferred Tax Liability	10,725	10,943
	<u>51,722</u>	<u>51,473</u>
Current Liabilities		
Short Term Borrowings	2,082	1,229
Trade Payables	5,912	8,613
Other Creditors	26,599	26,166
Hire-purchase payables	161	244
	<u>34,754</u>	<u>36,252</u>
	<u>163,871</u>	<u>160,671</u>
Net Tangible assets per share (RM)	0.44	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 THIRD QUARTER ENDED 30th SEPTEMBER 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
<u>3 months quarter ended 30th September 2010</u>						
At 1st July 2010	111,667	5,378	(52,295)	64,750	10,849	75,599
Net profit for the financial period	-	-	1,047	1,047	646	1,693
Acquisition of additional equity interest in subsidiary company	-	-	-	-	103	103
At 30th September 2010	111,667	5,378	(51,248)	65,797	11,598	77,395
<u>3 months quarter ended 30th June 2009</u>						
At 1st July 2009	111,667	5,378	(55,906)	61,139	9,115	70,254
Net Profit for the financial period	-	-	648	648	179	827
At 30th September 2009	111,667	5,378	(55,258)	61,787	9,294	71,081

(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 THIRD QUARTER ENDED 30th SEPTEMBER 2010
 The figures have not been audited.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	(UNAUDITED)	(AUDITED)
	9 MONTHS	AS AT
	PERIOD	PRECEDING
	ENDED	FINANCIAL
	30/09/2010	YEAR ENDED
	RM'000	31/12/2009
		RM'000
Net Cash Generated From Operating Activities	1,253	5,731
Net Cash Used In Investing Activities	(1,917)	(3,437)
Net Cash Generated/(Used In) Financing Activities	1,238	(3,169)
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>574</u>	<u>(875)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	10,110	10,985
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	<u><u>10,684</u></u>	<u><u>10,110</u></u>
Cash and Cash Equivalents at end of period consist of:-		
Deposits with licensed banks	8,214	2,933
Cash and bank balances	2,470	7,177
	<u><u>10,684</u></u>	<u><u>10,110</u></u>

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 THIRD QUARTER ENDED 30th SEPTEMBER 2010

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 30th September 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	18,212	13,658	11,930	-	-	43,800
<u>Segment results</u>						
Profit/(loss) from operations	1,788	2,226	2,383	(1,948)	(18)	4,431
Finance cost	(51)	11	(1,046)	(10)	-	(1,096)
Profit/(loss) before tax	1,737	2,237	1,337	(1,958)	(18)	3,335
Tax	(100)	(4)	218	-	-	114
Profit/(loss) for the period	1,637	2,233	1,555	(1,958)	(18)	3,449

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 30th September 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"). Upon completion of the acquisition, Assar-Tubau will be an 80% owned subsidiary of the Company.

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 2.08 million has been outstanding as at 30th September 2010.

A14 Capital Commitments

	Year to date 30.09.2010 RM'000
Balance purchase consideration on acquisition of shares	556

A15 Inventories

As at 30th September 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 30th September 2010 increased by 4.5% to RM15.41 million compared to RM14.75 million for the corresponding period in the previous year. The increase in turnover was mainly due to the higher turnover of plantation division.

The Group recorded a profit before tax of RM1.73 million for the three months ended 30th September 2010 against a profit before tax of RM0.75 million for the corresponding period in the previous year mainly due to decrease cost of sales in feedmilling division.

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 RM1.73 million as compared to a profit before tax of RM1.99 million for the preceding quarter.

The Group recorded a slight decrease for the current year quarter mainly due to lower other income by RM0.60 million to RM0.19 million as compared to the preceding quarter other income of RM0.79 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 third 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>30.09.2010</u> RM'000
On current year's results	
- Malaysian income tax	(100)
Transfer (to)/from deferred taxation	214
	<u>114</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
23rd 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.	Pending fulfilment of conditions precedent.

B9 Group Borrowings

Details of the Group's borrowings as at 30th September 2010 were as follows:-

Bank Borrowings	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	2,082	40,000	42,082

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 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.

B13 Dividend

No dividend has been declared for this financial quarter.

B14 Profit Per Share

		3 Months Ended	
		30.09.2010	30.09.2009
		RM'000	RM'000
Basic Profit per share			
Net Profit attributable to equity holders of the parent for the period	(RM)	1,047	648
Weighted average number of ordinary shares in issue		111,667	111,667
Basic Profit per share	(SEN)	0.94	0.58
Diluted Earning per share			
Adjusted weighted average number of ordinary shares in issue assuming exercise of ESOS		112,702	112,736
Diluted Earning per share	(SEN)	0.93	0.57

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 3 November 2010.

By Order of the Board
Lim Siew Ting
Company Secretary
Kuala Lumpur
3 November 2010

c.c. Securities Commission