

Financial Results

Quarterly rpt on consolidated results for the financial period ended 30/6/2012

SIN HENG CHAN (MALAYA) BERHAD

Financial Year End 31/12/2012
 Quarter 2
 Quarterly report for the financial period ended 30/06/2012
 The figures have not been audited
 Attachments

[2nd Quarter Financial Report.pdf](#)
 67 KB

[Note 2nd Quarter Financial Report.pdf](#)
 51 KB

- Default Currency
- Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION

	30/06/2012		30/06/2011	
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2012	30/06/2011	30/06/2012	30/06/2011
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	6,114	17,778	11,322	33,487
2 Profit/(loss) before tax	1,113	3,567	-577	4,871
3 Profit/(loss) for the period	1,114	3,566	-504	4,863
4 Profit/(loss) attributable to ordinary equity holders of the parent	856	2,630	-683	3,690
5 Basic earnings/(loss) per share (Subunit)	0.77	2.36	-0.61	3.30
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
		0.5900		0.6000

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

Announcement Info

Company Name SIN HENG CHAN (MALAYA) BERHAD
 Stock Name SHCHAN
 Date Announced 27 Aug 2012
 Category Financial Results
 Reference No SH-120827-61434



SIN HENG CHAN (MALAYA) BERHAD (2690-A)
(Incorporated in Malaysia)

**INTERIM REPORT FOR THE
SECOND QUARTER ENDED
30 JUNE 2012**

CONTENTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	1
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	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)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2012

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED 30 JUNE		6 MONTHS ENDED 30 JUNE	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Revenue	6,114	17,778	11,322	33,487
Cost of Sales	(3,713)	(11,037)	(7,692)	(22,168)
Gross profit	2,401	6,741	3,630	11,319
Other income	851	294	970	488
Selling and distribution expenses	-	(801)	-	(1,331)
General and administrative expenses	(1,680)	(2,027)	(3,034)	(3,918)
Other expenses	270	(190)	(807)	(796)
Profit/(loss) from operations	1,842	4,017	759	5,762
Finance cost	(727)	(450)	(1,135)	(891)
	1,115	3,567	(376)	4,871
Share of loss of Associates	(2)	-	(201)	-
Profit before tax	1,113	3,567	(577)	4,871
Tax expense/(credit)	1	(1)	73	(8)
Profit after taxation	1,114	3,566	(504)	4,863
Attributable to :				
Equity holders of the parent	856	2,630	(683)	3,690
Minority interest	258	936	179	1,173
	1,114	3,566	(504)	4,863
Profit per share attributable to equity holders of the parent :				
Basic (sen)	0.77	2.36	(0.61)	3.30
Fully diluted (sen)	0.76	2.33	(0.61)	3.27

(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 2011 and the accompanying explanatory notes attached to this report)

SIN HENG CHAN (MALAYA) BERHAD (4690-V)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

(The figures have not been audited)

	(UNAUDITED) AS AT 30 JUNE 2012 RM'000	(AUDITED) AS AT 31 DECEMBER 2011 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	6,896	5,454
Plantation Development Expenditure	82,333	82,258
Investment Properties	5,478	5,478
Prepaid Lease Rental	22,422	22,916
Goodwill on consolidation	16,392	16,354
Investments in Associates	3,045	3,246
Current Assets		
Inventories	852	95
Trade Receivables	1,051	787
Other Receivables	10,619	3,061
Tax recoverable	3	3
Amount owing by related parties	855	527
Fixed deposits, cash and cash balances	4,737	19,697
	<u>18,117</u>	<u>24,170</u>
TOTAL ASSETS	<u>154,683</u>	<u>159,876</u>
EQUITY & LIABILITIES		
Share Capital	111,667	111,667
Reserves	(29,181)	(28,497)
Equity attributable to equity holders of the parent	82,486	83,170
Minority shareholder's interest	8,384	8,764
	<u>90,870</u>	<u>91,934</u>
Non-Current Liabilities		
Long Term Borrowings	21,767	25,720
Hire-purchase payables	1,562	776
Deferred Tax Liability	10,305	10,378
	<u>33,634</u>	<u>36,874</u>
Current Liabilities		
Short Term Borrowings	7,680	7,680
Trade Payables	4,204	2,150
Other Creditors	17,817	20,672
Amount owing to related parties	112	129
Hire-purchase payables	309	380
Tax liabilities	57	57
	<u>30,179</u>	<u>31,068</u>
	<u>154,683</u>	<u>159,876</u>
Net tangible assets per share (RM)	0.59	0.60

(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 2011 and the accompanying explanatory notes attached to this report)

SIN HENG CHAN (MALAYA) BERHAD (4690-V)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2012**

(The figures have not been audited)

	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
6 months quarter ended 30 June 2012						
At 1st January 2012	111,667	4,768	(33,266)	83,169	8,764	91,933
Net profit for the financial period	-	-	(683)	(683)	179	(504)
Acquisition of shares on non-controlling interests	-	-	-	-	(559)	(559)
At 30 June 2012	111,667	4,768	(33,949)	82,486	8,384	90,870
6 months quarter ended 30 June 2011						
At 1st January 2011	111,667	5,378	(50,228)	66,817	12,210	79,027
Net profit for the financial period	-	-	3,690	3,690	1,173	4,863
At 30 June 2011	111,667	5,378	(46,538)	70,507	13,383	83,890

(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 2011 and the accompanying explanatory notes attached to this report)

SIN HENG CHAN (MALAYA) BERHAD (4690-V)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2012**

(The figures have not been audited)

	(UNAUDITED) 6 MONTHS PERIOD ENDED 30 JUNE 2012 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2011 RM'000
Profit/(loss) before tax	(577)	17,958
Adjustment for :		
Depreciation	1,304	1,878
Amortisation	494	2,780
Gain on disposal of property, plant and equipment	(12)	-
Finance costs	1,135	1,744
Other non-cash items	64	(9,084)
Operating Profit/(loss) before working capital changes	<u>2,408</u>	<u>15,276</u>
(Increase)/decrease in inventories	(757)	(867)
(Increase)/decrease in receivables and other assets	(8,097)	(6,730)
(Increase)/decrease in payables and other liabilities	(873)	(6,041)
Cash from/(used in) operations	<u>(7,319)</u>	<u>1,638</u>
Interest paid	(1,135)	(2,848)
Income tax (paid)/refund - net	-	(415)
Net cash used in operating activities	<u>(8,454)</u>	<u>(1,625)</u>
Cash flows from/(used in) investing activities		
Net cash inflow from disposal of discontinued operations	-	19,616
Addition of investment in subsidiary	(599)	-
Proceeds from disposal of investment properties	-	798
Addition of plantation development expenditure	(880)	(2,708)
Purchase of property, plant and equipment	(1,000)	(2,755)
Proceeds from disposal of property, plant and equipment	41	282
Interest received	141	388
Net cash (used in)/from investing activities	<u>(2,297)</u>	<u>15,621</u>
Cash flow sfrom/(used in) financing activities		
Repayment of bank borrowings	(3,953)	(4,734)
(Repayment)/proceeds of hire-purchase - net	(256)	(511)
Net cash (used in)/from financing activities	<u>(4,209)</u>	<u>(5,245)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(14,960)</u>	<u>8,751</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	<u>19,697</u>	<u>10,946</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	<u><u>4,737</u></u>	<u><u>19,697</u></u>
Cash and Cash Equivalents at end of period consist of:-		
Deposits with licensed banks	3,824	17,624
Cash and bank balances	913	2,073
	<u><u>4,737</u></u>	<u><u>19,697</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 2011 and the accompanying explanatory notes attached to this report)

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

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2012

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 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 2011. 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 2011.

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 2011.

The adoption of these new and revised Standards and IC Interpretations have not affected the amounts reported on the financial statements of the Group and of the Company. Details of other new and revised Standards and IC Interpretations applied in the financial statements of the Group and of the Company that have had no material effect on these financial statements.

In addition, on 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework") in conjunction with its planned convergence of FRSs with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board on 1 January 2012.

The MFRS Framework is a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate are given an option to defer adoption of the MFRS Framework for an additional one year. Transitioning Entities also include those entities that consolidate, equity account or proportionately consolidate an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after 1 January 2012.

On 30 June 2012, MASB has decided to allow agriculture and real estate companies to defer the adoption of the MFRS framework for another year. MFRS will therefore be mandated for all companies for annual periods beginning on or after 1 January 2014. This decision comes after than extensive deliberation by the Board and taking into account both international developments affecting these standards.

Accordingly, the Group and the Company which are not Transitioning Entities have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014. The Group and the Company expects to be in position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2014.

A2 Audit report

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

A3 Seasonal or cyclical factors of the Group's operations

The prices for the Group's products are not within the control of the Group but are determined by the global supply and demand situation for edible oils, and it is somewhat related to the price of mineral oil.

Crop production is seasonal. Based on statistics, the Group's production of crude palm oil and palm kernel gradually increases in second quarter, reaches its peak during third quarter and decreases thereafter. This pattern can be affected by severe global weather conditions such as El-Nino.

The prices obtainable for the Group's products as well as the volume of production, which is cyclical in nature, will determine the profits for the Group.

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 in the current quarter.

A8 Segmental analysis

The Group is organised into the following operating divisions:

- (i) Oil Palm Plantations
- (ii) Plantation Management Services
- (iii) Investment Holding
- (iv) Others (consist of subsidiary companies which are dormant and pre-operating)

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

Segmental Information for the current quarter

<u>For the 6 months</u> <u>financial period</u> <u>ended 30 June 2012</u>	<u>Oil Palm</u> <u>Plantations</u>	<u>Plantation</u> <u>Management</u> <u>Services</u>	<u>Investment</u> <u>Holding</u>	<u>Others</u>	<u>Elimination</u>	<u>Group</u> <u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	11,099	1,035	-	-	(812)	11,322
Segment results						
Profit/(loss) from operations	2,388	(726)	(1,247)	(51)	395	759
Finance cost	(1,319)	-	(64)	-	248	(1,135)
Profit/(loss) before tax	1,069	(726)	(1,311)	(51)	643	(376)
Share of losses of associates						(201)
Tax						73
Loss for the period						(504)

A9 Valuations of property, plant and equipment

The valuations of land and building have been brought forward without amendment from the financial statements for the year ended 31 December 2011.

A10 Material events subsequent to the end of the interim period

There were no material events subsequent to 30 June 2012 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

On 18th November 2011, company entered into a conditional share acquisition agreement to acquire 20% equity interest, comprising 80,000 ordinary shares of RM1.00 each, in Assar-Tubau Plantation SdnBhd ("Assar-Tubau") for a cash consideration of RM597,000. The acquisition was completed on 20 February 2012 resulting in it becoming a wholly owned subsidiary of the Company.

The company entered into a conditional share purchase agreement to acquire 20% equity interest, comprising 2,001,278 ordinary shares of RM1.00 each in Urun Plantations SdnBhd ("Urun") for a cash consideration of RM11.70 million. Currently, the Company holds 80% equity interest in Urun and upon completion will become a wholly own subsidiary.

A12 Contingent liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 June 2012.

A13 Capital Commitments

	Current quarter 30.06.2012
	RM'000
Purchase of property, plant and equipment	1,123
Balance purchase consideration on acquisition of shares	2,000
	3,123

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

B1 Review of Performance

The Group's revenue for the current quarter ended 30 June 2012 and the cumulative quarter ended 30 June 2012 decreased by 65.6% and 66.2% respectively from the preceding year quarter ended 30 June 2011 and the preceding year cumulative quarter ended 30 June 2011 mainly due to the disposal of the feed milling and poultry breeding divisions.

Similarly, the profit before tax for the current quarter and the current cumulative quarter decreased by 68.8% and 111.8% respectively due to the disposal of the feed milling and poultry breeding divisions compared to the preceding year quarter and preceding year cumulative quarter.

Profit before tax of RM1.1 million for the current quarter is higher than the loss before tax of the immediate preceding quarter (RM1.6 million) mainly due to the increase in production of Fresh Fruit Branches in line with the cyclical effect. However, the increase in profit before tax is reduced by the lower FFB prices and tree stress experienced in current quarter.

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

Profit before tax of RM1.1 million for the current quarter is higher than the loss before tax of the immediate preceding quarter (RM1.6 million) mainly due to the increase in production of Fresh Fruit Branches in line with the cyclical effect. However, the increase in profit before tax is reduced by the lower FFB prices and tree stress experienced in current quarter.

B3 Current Year Prospects

The uncertain global economic environment and possible easing of demand for Crude Palm Oil in the overseas market for the current financial year may have an impact on the Fresh Fruit Branches ("FFB") prices. The plantation division has projected an increase of FFB yield which will mitigate the impact of FFB prices.

B4 Profit Forecast or Profit Guarantee

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

B5 Taxation

	Current Quarter <u>30.6.2012</u> RM'000	Cumulative Quarter <u>30.6.2012</u> RM'000
On current year's results		
- Malaysia income tax	-	-
- Transfer from/(to) deferred taxation	1	73
	<u>1</u>	<u>73</u>

B6(a) Status of Corporate Proposals

Date of Announcements	Subjects	Status
18 November 2011	The company entered into a conditional share purchase agreement to acquire 20% equity interest, comprising 20,000 ordinary shares of RM1.00 each in Assar-Tubau Plantation SdnBhd for a cash consideration of RM0.597 million.	The acquisition was completed on 20 February 2012.
18 November 2011	The company entered into a conditional share purchase agreement to acquire 20% equity interest, comprising 2,001,278 ordinary shares of RM1.00 each in Urun Plantations SdnBhd for a cash consideration of RM11.70 million.	Pending fulfilment of conditions precedent.

B6(b) Utilisation of proceeds as at 30 June 2012 from disposal of 80% equity interest in PTS Goldkist Industries SdnBhd (formerly known as Sin Heng Chan Industries SdnBhd).

Purpose	Proposed Utilisation RM'000	Utilisation to-date RM'000	Intended time for utilisation	Deviation RM'000	Explanations
Staff cost	2,400	1,337	2 years	NIL	n/a
Other operational expenses	7,310	7,044	2 years	NIL	n/a
Estimated expenses relating to the corporate exercise	390	327	1 mth	NIL	n/a
To acquire strategic investment/strategic ventures	12,300	10,297	2 years	NIL	n/a
Capital expenditure related to plantation business	2,100	1,758	2 years	NIL	n/a
Total	24,500	20,763			

B7 Group Borrowings

Details of the Group's borrowings as at 30 June 2012 were as follows:-

Bank Borrowings	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	7,680	21,767	29,447

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

Borrowings are denominated in Ringgit Malaysia.

B8 Material litigation

Urun Plantations SdnBhd ("Urun"), a subsidiary of Sin Heng Chan (Malaya) Berhad("SHCM") 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 WintripMainconSdnBhd ("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. On 1 August 2011, the Kuching High Court handed down an unless order against Urun to pay the Petitioner, Wintrip the sum of RM2,694,284.26 with costs of RM25,000.00 within fourteen (14) days thereof failing which Urun is to be wound up.

Urun has been advised by its solicitors to appeal the decision to the Court of Appeal of Malaysia ("COA") and to obtain a stay of the order. Subject to such directions as may be made on the application for stay, Urun paid the Said Sum into Court pending the disposal of the appeal or to Wintrip under protest and subject to recovery of the Said Sum in the event the appeal is allowed by the COA.

SHCM does not envisage any adverse consequences from the above.

B9 Dividends

No interim dividend has been declared or proposed for the year ending 30 June 2012.

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 Earnings per Share (EPS)

The calculation of fully diluted EPS is based on loss attributable to the ordinary equity holders of the parent company of RM683,000 (2011: Profit of RM3,690,000) and the weighted average number of ordinary shares of 112,299,787 (2011: 112,299,787) in issue during the period.

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

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

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 27 August 2012.

By Order of the Board
Lim Siew Ting
Company Secretary
Kuala Lumpur
27 August 2012