

Quarterly rpt on consolidated results for the financial period ended 31/12/2013

SIN HENG CHAN (MALAYA) BERHAD

Financial Year End 31/12/2013
 Quarter 4
 Quarterly report for the financial period ended 31/12/2013
 The figures have not been audited
 Attachments

[SHC 4th Quarter 2013.pdf](#)

114 KB

[SHC 4th Quarter 2013 \(notes\).pdf](#)

48 KB

Remarks :

The Unaudited Condensed Consolidated Financial Statements for the quarter ended 31 December 2013 should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012.

- Default Currency
- Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION

31/12/2013

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2013 SS'000	31/12/2012 SS'000	31/12/2013 SS'000	31/12/2012 SS'000
1 Revenue	5,785	4,909	17,558	23,240
2 Profit/(loss) before tax	4,773	1,745	245	3,003
3 Profit/(loss) for the period	4,778	1,823	463	3,290
4 Profit/(loss) attributable to ordinary equity holders of the parent	4,778	1,823	463	2,661
5 Basic earnings/(loss) per share (Subunit)	4.28	1.63	0.41	2.38
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 (SS)	AS AT END OF CURRENT QUARTER	0.5900	AS AT PRECEDING FINANCIAL YEAR END	0.6000

Remarks :

The Unaudited Condensed Consolidated Financial Statements for the quarter ended 31 December 2013 should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012.

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 28 Feb 2014
 Category Financial Results
 Reference No SH-140228-38197



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

**INTERIM REPORT FOR THE
FOURTH QUARTER ENDED
31 DECEMBER 2013**

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED 31 DEC		12 MONTHS ENDED 31 DEC	
	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Revenue	5,785	4,909	17,558	23,240
Cost of Sales	(5,417)	(3,147)	(14,619)	(13,853)
Gross profit	368	1,762	2,939	9,387
Other income	6,240	2,805	6,783	4,068
General and administrative expenses	(1,317)	(1,514)	(6,254)	(6,011)
Other operating expenses	(36)	(687)	(1,320)	(1,807)
	5,255	2,366	2,148	5,637
Finance cost	(482)	(460)	(1,903)	(2,184)
Share of loss of associated companies	-	(161)	-	(450)
Profit before tax	4,773	1,745	245	3,003
Tax credit/(expense)	5	78	218	287
Profit from operations	4,778	1,823	463	3,290
Equity holders of the parent	4,778	1,823	463	2,661
Minority interest	-	-	-	629
	4,778	1,823	463	3,290
Earnings per ordinary share				
Basic (sen)	4.28	1.63	0.41	2.38
Diluted (sen)	4.04	1.62	0.39	2.37

(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 2012 and the accompanying explanatory notes attached to this report)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

(The figures have not been audited)

	(UNAUDITED) AS AT 31 DECEMBER 2013 RM'000	(AUDITED) AS AT 31 DECEMBER 2012 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment ("PPE")	20,987	7,278
Plantation Development Expenditure ("PDE")	83,573	83,324
Investment Properties	942	5,478
Prepaid Lease Rental	21,564	22,053
Goodwill on consolidation	16,356	16,354
Investments in Associates	3,246	3,246
Current Assets		
Inventories	1,513	551
Trade Receivables	1,086	1,374
Other Receivables	1,006	779
Tax recoverable	3	4
Amount owing by related parties	1,605	836
Fixed deposits, cash and cash balances	1,311	2,187
	6,524	5,731
TOTAL ASSETS	153,192	143,464
EQUITY & LIABILITIES		
Share Capital	111,667	111,667
ESOS Reserves	225	232
Reserves	(29,297)	(28,412)
Equity attributable to equity holders of the parent	82,595	83,487
Non-Current Liabilities		
Long Term Borrowings	30,000	28,807
Bank Borrowings	1,024	
Hire-purchase payables	859	1,237
Deferred Tax Liability	9,864	10,082
	41,747	40,126
Current Liabilities		
Bank Overdrafts	17,092	-
Trade Payables	3,809	3,808
Other Creditors	7,107	15,348
Amount owing to related parties	71	71
Bank Borrowings	39	
Hire-purchase payables	698	590
Tax liabilities	34	34
	28,850	19,851
	153,192	143,464
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 2012 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 FOURTH QUARTER ENDED 31 DECEMBER 2013

(The figures have not been audited)

	Share Capital RM'000	Non-distributable Revaluation Reserves RM'000	Distributable Accumulated Loss RM'000	Equity Compensation Reserves RM'000	Total RM'000	Minority Interest RM'000	Total RM'000
<u>12 months quarter ended 31 December 2013</u>							
At 1st January 2013	111,667	4,769	(33,181)	232	83,487	-	83,487
Acquisition of subsidiary	-	-	(1,348)	-	(1,348)	-	(1,348)
Net profit for the financial period	-	-	463	-	463	-	463
ESOS adjustment	-	-	-	(7)	(7)	-	(7)
Reversal of revaluation reserve	-	(4,769)	4,769	-	-	-	-
At 31 December 2013	111,667	-	(29,297)	225	82,595	-	82,595
<u>12 months quarter ended 31 December 2012</u>							
At 1st January 2012	111,667	4,769	(33,266)	-	83,170	8,764	91,934
Net profit for the financial period	-	-	3,330	-	3,330	288	3,618
ESOS granted during the year	-	-	-	232	232	0	232
Acquisition of remaining equity interest in subsidiary companies	-	-	(3,245)	-	(3,245)	(9,052)	(12,297)
At 31 December 2012	111,667	4,769	(33,181)	232	83,487	-	83,487

(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 2012 and the accompanying explanatory notes attached to this report)

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013**
(The figures have not been audited)

	(UNAUDITED) 12 MONTHS PERIOD ENDED 31 DECEMBER 2013 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2012 RM'000
Profit before tax	245	3,618
Adjustment for :		
Amortisation of PDE and Prepaid Lease	2,708	3,040
Depreciation of PPE	1,359	986
Equity compensation benefits	(7)	232
Finance costs	1,903	1,646
Gain on disposal of Investment Properties / PPE	(5,361)	(12)
Other non-cash items	(1,379)	(3,450)
Operating Profit/(loss) before working capital changes	<u>(532)</u>	<u>6,060</u>
(Increase)/decrease in inventories	(963)	(455)
(Increase)/decrease in receivables and other assets	61	1,613
(Increase)/decrease in payables and other liabilities	(8,238)	(135)
(Increase)/decrease in amount owing by related parties	(769)	(366)
Cash from/(used in) operations	<u>(10,441)</u>	<u>6,717</u>
Interest paid	(1,903)	(2,988)
Income tax (paid)/refund - net	-	(28)
Net cash used in operating activities	<u>(12,344)</u>	<u>3,701</u>
Cash flows from/(used in) investing activities		
Addition of investment in subsidiary	-	(12,297)
Acquisition of subsidiary companies	-	-
Addition of plantation development expenditure	(2,480)	(2,493)
Purchase of property, plant and equipment	(4,476)	(1,572)
Proceeds from disposal of investment properties / PPE	754	41
Interest received	39	276
Net cash (used in)/from investing activities	<u>(6,163)</u>	<u>(16,045)</u>
Cash flows from/(used in) financing activities		
Net proceeds from long term bank borrowings	1,193	(4,592)
(Repayment)/proceeds of hire-purchase - net	(655)	(574)
Net cash (used in)/from financing activities	<u>538</u>	<u>(5,166)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(17,969)</u>	<u>(17,510)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,187</u>	<u>19,697</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	<u>(15,782)</u>	<u>2,187</u>
Cash and Cash Equivalents at end of period consist of:-		
Deposits with licensed banks	1,050	824
Cash and bank balances	260	1,363
Bank Overdrafts	(17,092)	-
	<u>(15,782)</u>	<u>2,187</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 2012 and the accompanying explanatory notes attached to this report)

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 2012. 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 2012.

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 2012.

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 of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venture (hereinafter called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Company falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014. In presenting its first MFRS financial statements, the Company may be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition (if any), will be made retrospectively, against opening retained profits.

A2 Audit report

The auditors' report on the financial statement for the year ended 31 December 2012 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, declared or proposed in the current quarter.

A8 Segmental analysis

The Group is organised into the following operating divisions:

- (i) Oil Palm Plantations
- (ii) Plantation Management
- (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 3 months</u> <u>financial period</u> <u>ended 31 December</u> <u>2013</u>	<u>Oil Palm</u> <u>Plantations</u>	<u>Plantation</u> <u>Management</u>	<u>Investment</u> <u>Holding</u>	<u>Others</u>	<u>Elimination</u>	<u>Group</u> <u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	5,597	739	-	-	(551)	5,785
Segment results						
Profit/(loss) from operations	(516)	(229)	6,318	1,339	(1,657)	5,255
Finance cost	(591)	-	(6)	-	115	(482)
Profit/(loss) before tax	(1,107)	(229)	6,312	1,339	(1,542)	4,773
Share of losses of associates						-
Tax						5
Profit for the period						4,778

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 2012.

A10 Material events subsequent to the end of the interim period

There were no material events subsequent to 31 December 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

During the quarter under review, the Group acquired a wholly owned subsidiary in Malaysia Tubau Corporation Sdn Bhd on 6 December 2013. The intended principal activity of Tubau Corporation Sdn Bhd is property holding.

A12 Contingent liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 31 December 2013.

A13 Capital Commitments

Approved and contracted for:	Current quarter 31.12.2013 RM'000
1 unit of new worker quarters in Phase 2	250
1 unit of office in Phase 2	300
1 set of lathing, milling and drilling machines for workshop	139
	<u>689</u>

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

B1 Review of Performance

Summary

	Individual Quarter			Cumulative Quarter		
	31 Dec 2013	31 Dec 2012	Variance	31 Dec 2013	31 Dec 2012	Variance
	RM	RM	%	RM	RM	%
Revenue ('000)	5,785	4,909	17.8%	17,558	23,240	-24.4%
PBT ('000)	4,773	1,745	173.5%	245	3,003	-91.8%
Production	11,841	12,567	-5.8%	38,716	43,170	-10.3%
Ave. CPO Price*	2,504	2,174	15.2%	2,375	2,866	-17.1%

*Extracted from MPOB Peninsular Malaysia Average

Revenue

The Group's revenue for the current quarter ended 31 December 2013 increased by 17.8% compared to the preceding year's quarter ended 31 December 2012 mainly due to the increase in average CPO prices by 15.2%.

Profit before tax

Profit before tax for the current quarter of RM4.8 million was higher compared to profit before tax for the preceding year's quarter ended 31 December 2012 of RM1.7 million mainly attributed to gain recognised for the exchange of land in Melaka.

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

The Group recorded profit before tax of RM4.7 million for the fourth quarter ended 31 December 2013 as compared to a loss before tax of RM1.1 million from the preceding quarter ended 30 September 2013. This is mainly due to gain recognised for the exchange of land in Melaka.

B3 Current Year Prospects

CPO price is expected to remain firm. There is a higher demand from China and India due to more stabilised CPO prices and dry weather in Indonesia. Demand for biodiesel has increased and the government will continue with the implementation of the B5 programmed to promote the use of palm-based diesel as fuel.

The FFB production is projected to increase due to several positive factors. The recovery in FFB yield performances, coupled with increase in new mature area, assuming normal weather.

Cost management will continue to be the focal point in driving higher degree of operational efficiencies to mitigate the impact of lower production for the last quarter.

B4 Profit Forecast or Profit Guarantee

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

B5 Taxation

	Current Quarter 31.12.2013 RM'000	Cumulative Quarter 31.12.2013 RM'000
On current year's results		
- Malaysia income tax	-	-
- Transfer from/(to) deferred taxation	5	218
	<u>5</u>	<u>218</u>

B6(a) Status of Corporate Proposals

There is no corporate proposal announced but not completed as at the date of issuance of this report.

B6(b) Utilisation of proceeds as at 31December 2013 from disposal of 80% equity interest in PTS Goldkist Industries Sdn Bhd (formerly known as Sin Heng Chan Industries Sdn Bhd).

Purpose	Proposed Utilisation RM'000	Utilisation to-date RM'000	Intended time for utilisation	Deviation RM'000	Explanations
Staff cost	2,400	1,400	2 years	NIL	n/a
Other operational expenses	7,310	7,310	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	12,300	2 years	NIL	n/a
Capital expenditure related to plantation business	2,100	2,100	2 years	NIL	n/a
Total	24,500	23,437			

B7 Group Borrowings

Details of the Group's borrowings as at 31December 2013 were as follows:-

Bank Borrowings	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	-	30,000	30,000

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

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

B9 Dividends

No interim dividend has been paid, declared or proposed for the period ending 31 December 2013.

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)

Basic EPS is calculated by dividing the profit attributable to the ordinary equity holders of the company of RM4.6 million and RM0.26 million for the current quarter and current cumulative quarter by the weighted average number of ordinary shares of 111,666,787 in issue during the period.

Diluted EPS is calculated by dividing loss attributable to the ordinary equity holders of the company of RM4.6 million and RM0.26 million for the current quarter and the current cumulative quarter by the weighted average number of ordinary shares of 118,227,787 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 24 February 2014.

By Order of the Board
Lim Siew Ting
Company Secretary
Kuala Lumpur
24 February 2014