

## Quarterly rpt on consolidated results for the financial period ended 30/9/2013

SIN HENG CHAN (MALAYA) BERHAD

Financial Year End 31/12/2013  
 Quarter 3  
 Quarterly report for the financial period ended 30/09/2013  
 The figures have not been audited  
 Attachments

[shc 3rd Quarter 2013 notes.pdf](#)  
 43 KB

[shc 3rd Quarter 2013.pdf](#)  
 113 KB

Remarks :

The Condensed Consolidated Financial Statements for the quarter ended 30 September 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

	30/09/2013		30/09/2012	
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2013 S\$'000	30/09/2012 S\$'000	30/09/2013 S\$'000	30/09/2012 S\$'000
1 Revenue	4,843	7,009	11,773	18,331
2 Profit/(loss) before tax	-1,119	1,835	-4,528	1,258
3 Profit/(loss) for the period	-1,048	1,971	-4,315	1,467
4 Profit/(loss) attributable to ordinary equity holders of the parent	-1,048	1,521	-4,315	838
5 Basic earnings/(loss) per share (Subunit)	-0.94	1.36	-3.86	0.75
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
	<b>AS AT END OF CURRENT QUARTER</b>		<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
7 Net assets per share attributable to ordinary equity holders of the parent (S\$)		0.5600		0.6000

Remarks :

The Condensed Consolidated Financial Statements for the quarter ended 30 September 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 29 Nov 2013  
 Category Financial Results  
 Reference No SH-131128-61706



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

**INTERIM REPORT FOR THE  
THIRD QUARTER ENDED  
30 SEPTEMBER 2013**

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED 30 SEP		9 MONTHS ENDED 30 SEP	
	UNAUDITED 2013 RM'000	UNAUDITED 2012 RM'000	UNAUDITED 2013 RM'000	AUDITED 2012 RM'000
Revenue	4,843	7,009	11,773	18,331
Cost of Sales	(3,754)	(3,014)	(9,202)	(10,706)
<b>Gross profit</b>	<b>1,089</b>	<b>3,995</b>	<b>2,571</b>	<b>7,625</b>
Other income	132	293	543	1,263
General and administrative expenses	(1,673)	(1,463)	(4,937)	(4,497)
Other operating expenses	(214)	(313)	(1,284)	(1,120)
	(666)	2,512	(3,107)	3,271
Finance cost	(453)	(589)	(1,421)	(1,724)
Share of loss of associated companies	-	(88)	-	(289)
<b>Profit before tax</b>	<b>(1,119)</b>	<b>1,835</b>	<b>(4,528)</b>	<b>1,258</b>
Tax credit/(expense)	71	136	213	209
<b>Profit from operations</b>	<b>(1,048)</b>	<b>1,971</b>	<b>(4,315)</b>	<b>1,467</b>
Equity holders of the parent	(1,048)	1,521	(4,315)	838
Minority interest	-	450	-	629
	(1,048)	1,971	(4,315)	1,467
<b>Earnings per ordinary share</b>				
<i>Basic (sen)</i>	(0.94)	1.36	(3.86)	0.75
<i>Diluted (sen)</i>	(0.89)	1.35	(3.65)	0.75

*(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 30 SEPTEMBER 2013**

(The figures have not been audited)

	(UNAUDITED) AS AT 30 SEPTEMBER 2013 RM'000	(AUDITED) AS AT 31 DECEMBER 2012 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment ("PPE")	10,099	7,278
Plantation Development Expenditure ("PDE")	82,960	83,324
Investment Properties	5,221	5,478
Prepaid Lease Rental	21,498	22,053
Goodwill on consolidation	16,354	16,354
Investments in Associates	3,246	3,246
<b>Current Assets</b>		
Inventories	1,479	551
Trade Receivables	1,663	1,374
Other Receivables	884	779
Tax recoverable	3	4
Amount owing by related parties	1,398	836
Fixed deposits, cash and cash balances	1,299	2,187
	6,726	5,731
<b>TOTAL ASSETS</b>	146,104	143,464
<b>EQUITY &amp; LIABILITIES</b>		
Share Capital	111,667	111,667
ESOS Reserves	232	232
Reserves	(32,728)	(28,412)
Equity attributable to equity holders of the parent	79,171	83,487
<b>Non-Current Liabilities</b>		
Long Term Borrowings	30,000	28,807
Hire-purchase payables	2,620	1,237
Deferred Tax Liability	9,869	10,082
	42,489	40,126
<b>Current Liabilities</b>		
Bank Overdrafts	12,643	-
Trade Payables	2,518	3,808
Other Creditors	9,005	15,348
Amount owing to related parties	71	71
Hire-purchase payables	173	590
Tax liabilities	34	34
	24,444	19,851
	146,104	143,464
<b>Net tangible assets per share (RM)</b>	0.56	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 THIRD QUARTER ENDED 30 SEPTEMBER 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>9 months quarter ended 30 September 2013</u>							
At 1st January 2013	111,667	4,768	(33,181)	232	83,486	-	83,486
Net profit for the financial period	-	-	(4,315)	-	(4,315)	-	(4,315)
At 30 September 2013	111,667	4,768	(37,496)	232	79,171	-	79,171
<u>9 months quarter ended 30 September 2012</u>							
At 1st January 2012	111,667	4,768	(33,266)	-	83,169	8,764	91,933
Net profit for the financial period	-	-	838	-	838	629	1,467
Acquisition of shares on non-controlling interests	-	-	320	-	320	(9,393)	(9,073)
At 30 September 2012	111,667	4,768	(32,108)	-	84,327	-	84,327

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2013

(The figures have not been audited)

	(UNAUDITED) 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2013 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2012 RM'000
Profit before tax	(4,528)	3,618
Adjustment for :		
Amortisation of PDE and Prepaid Lease	2,231	3,040
Depreciation of PPE	957	986
Equity compensation benefits	-	232
Finance costs	1,420	1,646
Gain on disposal of Investment Properties / PPE	(488)	(12)
Other non-cash items	(31)	(3,450)
Operating Profit/(loss) before working capital changes	(439)	6,060
(Increase)/decrease in inventories	(928)	(455)
(Increase)/decrease in receivables and other assets	(394)	1,613
(Increase)/decrease in payables and other liabilities	(7,632)	(135)
(Increase)/decrease in amount owing by related parties	(562)	(366)
Cash from/(used in ) operations	(9,955)	6,717
Interest paid	(1,420)	(2,988)
Income tax (paid)/refund - net	-	(28)
Net cash used in operating activities	(11,375)	3,701
<b>Cash flows from/(used in) investing activities</b>		
Addition of investment in subsidiary	-	(12,297)
Addition of plantation development expenditure	(1,313)	(2,493)
Purchase of property, plant and equipment	(2,329)	(1,572)
Proceeds from disposal of investment properties / PPE	745	41
Interest received	31	276
Net cash (used in)/from investing activities	(2,866)	(16,045)
<b>Cash flows from/(used in) financing activities</b>		
Net proceeds from long term bank borrowings	1,193	(4,592)
(Repayment)/proceeds of hire-purchase - net	(483)	(574)
Net cash (used in)/from financing activities	710	(5,166)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(13,531)	(17,510)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	2,187	19,697
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR</b>	(11,344)	2,187
<b>Cash and Cash Equivalents at end of period consist of:-</b>		
Deposits with licensed banks	1,050	824
Cash and bank balances	249	1,363
Bank Overdrafts	(12,643)	-
	(11,344)	2,187

(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 30 September</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	4,681	741	-	-	(579)	4,843
<b>Segment results</b>						
Profit/(loss) from operations	(309)	(22)	(414)	5	74	(666)
Finance cost	(566)	-	(9)	-	122	(453)
Profit/(loss) before tax	(875)	(22)	(423)	5	196	(1,119)
Share of losses of associates						-
Tax						71
Profit for the period						(1,048)

## 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

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 interim period.

## A12 Contingent liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 September 2013.

## A13 Capital Commitments

<b>Approved and contracted for:</b>	<b>Current</b> <b>quarter</b> <b>30.09.2013</b> <b>RM'000</b>
2 units of new workers quarters in Phase 2	500
Construction of bridges	340
	<u>840</u>

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

**B1 Review of Performance**

Revenue

The Group's revenue for the current quarter ended 30 September 2013 decreased by 30.9% compared to the preceding year's quarter ended 30 September 2012 due to the drop in CPO prices by 18.0% and FFB production by 15.1%.

Profit before tax

Loss before tax for the current quarter of RM1.05 million compared to profit before tax for the preceding year's quarter of RM1.97 was mainly attributed to low CPO prices and production.

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

The Group recorded a loss before tax of RM1.12 million for the third quarter ended 30 September 2013 as compared to a loss before tax of RM1.36 million from the preceding quarter ended 30 June 2013. This is mainly due to the increase in the production of FFB by 17.8%.

**B3 Current Year Prospects**

CPO price soars recently on concerns of lower output and lower inventory level. With the expectation of new requirement for Biodiesel to use 7% palm oil in Malaysia, tightening of biodiesel mandate to cut gas/oil imports in Indonesia and other favourable demand and supply conditions, the current price improvement may sustain.

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**

	<b>Current Quarter <u>30.9.2013</u> RM'000</b>	<b>Cumulative Quarter <u>30.9.2013</u> RM'000</b>
On current year's results		
- Malaysia income tax	-	-
- Transfer from/(to) deferred taxation	71	213
	<u>71</u>	<u>213</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 30 September 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
<b>Total</b>	<b>24,500</b>	<b>23,437</b>			

**B7 Group Borrowings**

Details of the Group's borrowings as at 30 September 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 30 September 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 loss attributable to the ordinary equity holders of the company of RM1.05 million and RM4.32 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 RM1.05 million and RM4.32 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 28 November 2013.

By Order of the Board  
Lim Siew Ting  
Company Secretary  
Kuala Lumpur  
28 November 2013