

Quarterly rpt on consolidated results for the financial period ended 30 Sep 2015

SIN HENG CHAN (MALAYA) BERHAD

Financial Year End 31 Dec 2015
 Quarter 3 Qtr
 Quarterly report for the financial period ended 30 Sep 2015
 The figures have not been audited

Attachments

[SHCMB - 3rd Quarter 2015.pdf](#)
 96.4 kB

Remarks :

The Unaudited Condensed Consolidated Financial Statements for the quarter ended 31 December 2015 should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2014.

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 30 Sep 2015

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Sep 2015	30 Sep 2014	30 Sep 2015	30 Sep 2014
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	3,575	4,919	10,793	14,870
2	Profit/(loss) before tax	-1,787	-652	-5,721	-2,663
3	Profit/(loss) for the period	-1,733	-598	-5,558	-2,500
4	Profit/(loss) attributable to ordinary equity holders of the parent	-1,733	-598	-5,558	-2,500
5	Basic earnings/(loss) per share (Subunit)	-1.51	-0.52	-4.83	-2.17
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	
7	Net assets per share attributable to ordinary equity holders of the parent (\$\$)	0.5300		0.5700	

Remarks :

The Unaudited Condensed Consolidated Financial Statements for the quarter ended 31 December 2015 should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2014.

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	26 Nov 2015
Category	Financial Results
Reference Number	FRA-20112015-00012



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

**INTERIM REPORT FOR THE
THIRD QUARTER ENDED
30 SEPTEMBER 2015**

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED 30 SEPT		9 MONTHS ENDED 30 SEPT	
	UNAUDITED	AUDITED	UNAUDITED	AUDITED
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Revenue	3,575	4,919	10,793	14,870
Cost of Sales	(3,015)	(3,848)	(10,548)	(12,309)
Gross (loss)/profit	560	1,071	245	2,561
Other income	14	9	184	38
General and administrative expenses	(905)	(904)	(2,700)	(2,765)
Other operating expenses	(261)	(248)	(758)	(868)
	(592)	(72)	(3,029)	(1,034)
Finance cost	(749)	(580)	(2,246)	(1,629)
Loss on disposal of investment	(446)	-	(446)	-
Loss before tax	(1,787)	(652)	(5,721)	(2,663)
Tax credit/(expense)	54	54	163	163
Loss from operations	(1,733)	(598)	(5,558)	(2,500)
Equity holders of the parent	(1,733)	(598)	(5,558)	(2,500)
Minority interest	-	-	-	-
	(1,733)	(598)	(5,558)	(2,500)
Earnings per ordinary share				
<i>Basic (sen)</i>	(1.51)	(0.52)	(4.83)	(2.17)
<i>Diluted (sen)</i>	(1.51)	(0.52)	(4.83)	(2.17)

(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 2014 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 2015**

(The figures have not been audited)

	(UNAUDITED) AS AT 30 SEPTEMBER 2015 RM'000	(AUDITED) AS AT 31 DECEMBER 2014 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment ("PPE")	11,382	11,862
Plantation Development Expenditure ("PDE")	82,617	83,665
Investment Properties	942	942
Prepaid Lease Rental	29,855	30,222
Goodwill on consolidation	16,329	16,329
Investment available for sale	-	3,246
Current Assets		
Inventories	732	889
Trade Receivables	699	984
Other Receivables	3,498	1,142
Tax recoverable	3	3
Amount owing by related parties	1,560	2,288
Fixed deposits, cash and cash balances	4,369	4,484
	10,861	9,790
TOTAL ASSETS	151,986	156,056
EQUITY & LIABILITIES		
Share Capital	115,067	115,067
Reserves	(38,257)	(32,699)
Equity attributable to equity holders of the parent	76,810	82,368
Non-Current Liabilities		
Long Term Borrowings	32,360	31,575
Bank Borrowings	678	700
Hire-purchase payables	794	794
Deferred Tax Liability	9,482	9,646
	43,314	42,715
Current Liabilities		
Bank Overdrafts	23,215	22,335
Trade Payables	905	1,480
Other Creditors	7,470	6,245
Amount owing to related parties	56	56
Long Term Borrowings	-	-
Bank Borrowings	31	40
Hire-purchase payables	151	783
Tax liabilities	34	34
	31,862	30,973
	151,986	156,056
Net tangible assets per share (RM)	0.53	0.57

(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 2014 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 2015**

(The figures have not been audited)

	Share Capital RM'000	Distributable Accumulated Loss RM'000	Equity Compensation Reserves RM'000	Total RM'000
<u>9 months quarter ended 30 September 2015</u>				
At 1 January 2015	115,067	(32,699)	-	82,368
Net profit for the financial period	-	(5,558)	-	(5,558)
At 30 September 2015	115,067	(38,257)	-	76,810
<u>9 months quarter ended 30 September 2014</u>				
At 1 January 2014	111,667	(29,297)	225	82,595
Net profit for the financial period	-	(2,500)	-	(2,500)
Issue of ordinary shares under ESOS	3,400	-	-	3,400
At 30 September 2014	115,067	(31,797)	225	83,495

(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 2014 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 2015**

(The figures have not been audited)

	(UNAUDITED) 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2015 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2014 RM'000
Profit before tax	(5,721)	(3,620)
Adjustment for :		
Amortisation of Plantation Development Expenditure and Prepaid Lease	2,178	2,850
Depreciation of Property, Plant & Equipment ("PPE")	1,236	1,667
Equity compensation benefits	-	(225)
Finance costs	2,246	2,259
Loss/(gain) on disposal of Investment / PPE	446	(168)
Other non-cash items	(72)	(22)
Operating Profit/(loss) before working capital changes	313	2,741
Decrease in inventories	156	624
(Increase) in receivables and other assets	(2,070)	(19)
Increase/(decrease) in payables and other liabilities	650	(3,191)
Decrease/(increase) in amount owing by related parties	728	(697)
Cash from/(used in) operations	(223)	(542)
Interest paid	(412)	-
Net cash used in operating activities	(635)	(542)
Cash flows from/(used in) investing activities		
Issue of ordinary shares under ESOS	-	3,400
Addition of plantation development expenditure	(237)	(1,814)
Purchase of property, plant and equipment	(773)	(1,402)
Proceeds from disposal of investment / PPE	2,800	410
Interest received	89	63
Net cash (used in)/from investing activities	1,879	657
Cash flows from/(used in) financing activities		
Proceeds from drawdown of borrowings - net	785	1,575
Repayment of hire-purchase - net	(664)	(862)
Interest Paid	(2,360)	(2,897)
Net cash (used in)/from financing activities	(2,239)	(2,184)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(995)	(2,069)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(17,851)	(15,782)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	(18,846)	(17,851)
Cash and Cash Equivalents at end of period consist of:-		
Deposits with licensed banks	4,250	4,250
Cash and bank balances	119	234
Bank Overdrafts	(23,215)	(22,335)
	(18,846)	(17,851)

(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 2014 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 2014. 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 2014.

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 2014.

The preparation of financial statements in conformity with the Companies Act, 1965 and Financial Reporting Standards in Malaysia requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

A2 Audit report

The auditors' report on the financial statement for the year ended 31 December 2014 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 financial period ended 30 SEPT 2015</u>	<u>Oil Palm Plantations</u>	<u>Plantation Management</u>	<u>Investment Holding</u>	<u>Others</u>	<u>Elimination</u>	<u>Group 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	3,575	-	-	-	-	3,575
<u>Segment results</u>						
Profit/(loss) from operations	(14)	(8)	(558)	(2)	(456)	(1,038)
Finance cost	(697)	-	(118)	-	66	(749)
Profit/(Loss) before tax	(711)	(8)	(676)	(2)	(390)	(1,787)
Tax						54
Loss for the period						(1,733)

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 2014.

A10 Material events subsequent to the end of the interim period

There were no material events subsequent to 31 December 2014 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 2015.

A13 Capital Commitments

	Current quarter 30.09.2015
	RM'000
Approved and contracted for:	
1 unit of new worker quarters in Phase 3B/4	<u>250</u>

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

B1 Review of Performance

Summary

	Individual Quarter			Cumulative Quarter		
	30 Sep 2015	30 Sep 2014	Variance	30 Sep 2015	30 Sep 2014	Variance
	RM	RM	%	RM	RM	%
Revenue ('000)	3,575	4,919	-27.3%	10,793	14,870	-27.4%
P/(L)BT ('000)	(1,733)	(652)	-165.8%	(5,558)	(2,663)	-108.7%
Production	9,518	11,403	-16.5%	26,922	29,666	-9.2%
Ave. CPO Price*	2,051	2,213	-7.3%	2,174	2,488	-12.6%

*Extracted from MPOB Peninsular Malaysia Average

Revenue

The Group's revenue for the current quarter ended 30 September 2015 reduced by 27.3% compared to the preceding year's quarter ended 30 September 2014. The decrease in revenue was mainly due to decrease in production by 19.0% and price by 7.3%.

Loss before tax

Loss before tax for the current quarter of RM1.79 million has increased compared to loss before tax for the preceding year's quarter ended 30 June 2014 of RM0.65 million mainly due to closure of plantation management division.

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 RM1.79 million for the 3 months quarter ended 30 September 2015 compared to loss before tax of RM1.9 million from the preceding 3 months quarter ended 30 June 2015. The improvement was mainly due to decrease in cost of sale.

B3 Current Year Prospects

Palm prices will face a volatile year in 2015 and will be driven by global demand factors, including uncertain market movements in crude and rival edible oils. The Malaysian Palm Oil Board predicted that in its worst scenario, prices could drop to six-year lows of RM1,820 a tonne.

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

B4 Profit Forecast or Profit Guarantee

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

B5 Taxation

	Current Quarter 30.09.2015 RM'000	Cumulative Quarter 30.09.2015 RM'000
On current year's results		
- Malaysia income tax	-	-
- Transfer from/(to) deferred taxation	54	163
	<u>54</u>	<u>163</u>

B6 Status of Corporate Proposals

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

B7 Group Borrowings

Details of the Group's borrowings as at 30 September 2015 were as follows:-

Bank Borrowings	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	-	32,360	32,360

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 2015.

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 and diluted EPS are calculated by dividing the loss attributable to the ordinary equity holders of the company of RM1.9 million for the current quarter and current cumulative quarter by the weighted average number of ordinary shares of 115,066,787 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