



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

**INTERIM REPORT FOR THE
FOURTH QUARTER ENDED
31 DECEMBER 2014**

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED 31 DEC		12 MONTHS ENDED 31 DEC	
	UNAUDITED	AUDITED	UNAUDITED	AUDITED
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Revenue	4,147	5,785	19,017	17,558
Cost of Sales	(1,715)	(5,417)	(14,024)	(14,619)
Gross profit	2,432	368	4,993	2,939
Other income	214	6,240	252	6,783
General and administrative expenses	(2,655)	(1,317)	(5,420)	(6,254)
Other operating expenses	(324)	(36)	(1,192)	(1,320)
	(333)	5,255	(1,367)	2,148
Finance cost	(631)	(482)	(2,260)	(1,903)
Share of loss of associated companies	-	-	-	-
Profit before tax	(964)	4,773	(3,627)	245
Tax credit/(expense)	55	5	218	218
Profit from operations	(909)	4,778	(3,409)	463
Equity holders of the parent	(909)	4,778	(3,409)	463
Minority interest	-	-	-	-
	(909)	4,778	(3,409)	463
Earnings per ordinary share				
<i>Basic (sen)</i>	(0.79)	4.28	(2.96)	0.41
<i>Diluted (sen)</i>	(0.79)	4.04	(2.96)	0.39

(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 2013 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 2014**

(The figures have not been audited)

	(UNAUDITED) AS AT 31 DECEMBER 2014 RM'000	(AUDITED) AS AT 31 DECEMBER 2013 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment ("PPE")	11,862	11,840
Plantation Development Expenditure ("PDE")	83,665	83,573
Investment Properties	942	942
Prepaid Lease Rental	30,222	30,711
Goodwill on consolidation	16,329	16,356
Investments in Associates	3,246	3,246
Current Assets		
Inventories	889	1,513
Trade Receivables	984	1,086
Other Receivables	1,142	1,006
Tax recoverable	3	3
Amount owing by related parties	2,288	1,605
Fixed deposits, cash and cash balances	4,484	1,311
	9,790	6,524
TOTAL ASSETS	156,056	153,192
EQUITY & LIABILITIES		
Share Capital	115,067	111,667
ESOS Reserves	-	225
Reserves	(32,706)	(29,297)
Equity attributable to equity holders of the parent	82,361	82,595
Non-Current Liabilities		
Long Term Borrowings	30,389	30,000
Bank Borrowings	700	741
Hire-purchase payables	794	1,142
Deferred Tax Liability	9,646	9,864
	41,529	41,747
Current Liabilities		
Bank Overdrafts	22,335	17,092
Trade Payables	1,480	3,809
Other Creditors	6,252	7,107
Amount owing to related parties	56	71
Long Term Borrowings	1,186	-
Bank Borrowings	40	39
Hire-purchase payables	783	698
Tax liabilities	34	34
	32,166	28,850
	156,056	153,192
Net tangible assets per share (RM)	0.57	0.59

(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 2013 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 2014**

(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
<u>12 months quarter ended 31 December 2014</u>					
At 1 January 2014	111,667	-	(29,297)	225	82,595
Net profit for the financial period	-	-	(3,409)	-	(3,409)
Issue of ordinary shares under ESOS	3,400	-	-	-	3,400
ESOS adjustment	-	-	-	(225)	(225)
At 31 December 2014	115,067	-	(32,706)	-	82,361
<u>12 months quarter ended 31 December 2013</u>					
At 1 January 2013	111,667	4,769	(33,181)	232	83,487
Acquisition of subsidiary	-	-	(1,348)	-	(1,348)
Net profit for the financial period	-	-	463	-	463
ESOS adjustment	-	-	-	(7)	(7)
Reversal of revaluation reserve	-	(4,769)	4,769	-	-
At 31 December 2013	111,667	-	(29,297)	225	82,595

(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 2013 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 2014**

(The figures have not been audited)

	(UNAUDITED) 12 MONTHS PERIOD ENDED 31 DECEMBER 2014 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2013 RM'000
Profit before tax	(3,627)	245
Adjustment for :		
Amortisation of Plantation Development Expenditure and Prepaid Lease	2,850	2,720
Depreciation of Property, Plant & Equipment ("PPE")	1,672	1,359
Equity compensation benefits	(225)	(7)
Finance costs	2,260	1,903
(Gain)/Loss on disposal of Investment Properties / PPE	(168)	(5,361)
Other non-cash items	245	(1,391)
Operating Profit/(loss) before working capital changes	<u>3,007</u>	<u>(532)</u>
(Increase)/decrease in inventories	624	(963)
(Increase)/decrease in receivables and other assets	(35)	61
Increase/(decrease) in payables and other liabilities	(3,184)	(8,239)
Increase/(decrease) in amount owing by related parties	(697)	(769)
Cash from/(used in) operations	<u>(285)</u>	<u>(10,442)</u>
Interest paid	(2,260)	(1,903)
Net cash used in operating activities	<u>(2,545)</u>	<u>(12,345)</u>
Cash flows from/(used in) investing activities		
Acquisition of a subsidiary company	-	-
Issue of ordinary shares under ESOS	3,400	-
Addition of plantation development expenditure	(2,452)	(2,480)
Purchase of property, plant and equipment	(1,402)	(4,476)
Proceeds from disposal of investment properties / PPE	154	754
Interest received	63	39
Net cash (used in)/from investing activities	<u>(237)</u>	<u>(6,163)</u>
Cash flows from/(used in) financing activities		
Proceeds from drawdown of borrowings - net	1,575	1,192
Repayment of hire-purchase - net	(862)	(656)
Net cash (used in)/from financing activities	<u>713</u>	<u>536</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,069)	(17,972)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(15,782)	2,190
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	<u>(17,851)</u>	<u>(15,782)</u>
Cash and Cash Equivalents at end of period consist of:-		
Deposits with licensed banks	4,250	1,050
Cash and bank balances	234	260
Bank Overdrafts	(22,335)	(17,092)
	<u>(17,851)</u>	<u>(15,782)</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 2013 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 2013. 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 2013.

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 2013.

In the financial year beginning 1 January 2015, the Group, being a Transitioning Entity, will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS").

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 2013 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 31 DECEMBER 2014</u>	Oil Palm Plantations	Plantation Management	Investment Holding	Others	Elimination	Group Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	4,093	238	-	-	(184)	4,147
Segment results						
Profit/(loss) from operations	375	151	927	(14)	(1,773)	(334)
Finance cost	(694)	-	(5)	-	69	(630)
Profit/(Loss) before tax	(319)	151	922	(14)	(1,704)	(964)
Tax						55
Loss for the period						(909)

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 2013.

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 31 December 2014.

A13 Capital Commitments

	Current quarter 31.12.2014 RM'000
Approved and contracted for:	
1 unit of new worker quarters in Phase 2	250
1 unit of Avery weighbridge	85
	<u>335</u>

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

B1 Review of Performance

Summary

	Individual Quarter			Cumulative Quarter		
	31 Dec 2014	31 Dec 2013	Variance	31 Dec 2014	31 Dec 2013	Variance
	RM	RM	%	RM	RM	%
Revenue ('000)	4,147	5,785	-28.3%	19,017	17,558	8.3%
P/(L)BT ('000)	(964)	4,773	120.2%	(3,627)	245	1580.4%
Production	9,987	11,841	-15.7%	39,654	38,716	2.4%
Ave. CPO Price*	2,188	2,504	-12.6%	2,413	2,375	1.6%
*Extracted from MPOB Peninsular Malaysia Average						

Revenue

The Group's revenue for the current quarter ended 31 December 2014 drop by 28.3% compared to the preceding year's quarter ended 31 December 2013. The decrease in revenue was due to the decrease in average CPO prices by 12.6% and production by 15.7%.

Profit / (Loss) before tax

Loss before tax for the current quarter of RM964,000 compared to profit before tax for the preceding year's quarter ended 31 December 2013 of RM4.7 million mainly due to leasehold land swap with Malacca government.

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 RM964,000 for the 3 months quarter ended 31 December 2014 as compared to loss before tax of RM652,000 from the preceding 3 months quarter ended 31 September 2014. The higher average costs was due to lower production caused by flood.

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 <u>31.12.2014</u> RM'000	Cumulative Quarter <u>31.12.2014</u> RM'000
On current year's results		
- Malaysia income tax	-	-
- Transfer from/(to) deferred taxation	55	218
	<u>55</u>	<u>218</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 31 December 2014 were as follows:-

Bank Borrowings	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	-	31,575	31,575

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 2014.

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 RM964,000 and RM3.6 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