



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

**INTERIM REPORT FOR THE
FIRST QUARTER ENDED
31 MARCH 2015**

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 FIRST QUARTER ENDED 31 MARCH 2015**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED 31 MAR		3 MONTHS ENDED 31 MAR	
	UNAUDITED	AUDITED	UNAUDITED	AUDITED
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Revenue	3,497	5,407	3,497	5,407
Cost of Sales	(3,757)	(5,034)	(3,757)	(5,034)
Gross (loss)/profit	(260)	373	(260)	373
Other income	16	14	16	14
General and administrative expenses	(874)	(988)	(874)	(988)
Other operating expenses	(250)	(222)	(250)	(222)
	(1,368)	(823)	(1,368)	(823)
Finance cost	(628)	(506)	(628)	(506)
Share of loss of associated companies	-	-	-	-
Loss before tax	(1,996)	(1,329)	(1,996)	(1,329)
Tax credit/(expense)	54	54	54	54
Loss from operations	(1,942)	(1,275)	(1,942)	(1,275)
Equity holders of the parent	(1,942)	(1,275)	(1,942)	(1,275)
Minority interest	-	-	-	-
	(1,942)	(1,275)	(1,942)	(1,275)
Earnings per ordinary share				
<i>Basic (sen)</i>	(1.69)	(1.14)	(1.69)	(1.14)
<i>Diluted (sen)</i>	(1.69)	(1.08)	(1.69)	(1.08)

(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 31 MARCH 2015**

(The figures have not been audited)

	(UNAUDITED) AS AT 31 MARCH 2015 RM'000	(AUDITED) AS AT 31 DECEMBER 2014 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment ("PPE")	11,785	11,862
Plantation Development Expenditure ("PDE")	83,215	83,665
Investment Properties	942	942
Prepaid Lease Rental	30,100	30,222
Goodwill on consolidation	16,329	16,329
Investments in Associates	3,246	3,246
Current Assets		
Inventories	1,126	889
Trade Receivables	762	984
Other Receivables	1,097	1,142
Tax recoverable	3	3
Amount owing by related parties	2,288	2,288
Fixed deposits, cash and cash balances	4,383	4,484
	9,659	9,790
TOTAL ASSETS	155,276	156,056
EQUITY & LIABILITIES		
Share Capital	115,067	115,067
ESOS Reserves	-	-
Reserves	(34,641)	(32,699)
Equity attributable to equity holders of the parent	80,426	82,368
Non-Current Liabilities		
Long Term Borrowings	31,575	31,575
Bank Borrowings	700	700
Hire-purchase payables	794	794
Deferred Tax Liability	9,591	9,646
	42,660	42,715
Current Liabilities		
Bank Overdrafts	23,724	22,335
Trade Payables	1,609	1,480
Other Creditors	6,177	6,245
Amount owing to related parties	56	56
Long Term Borrowings	-	-
Bank Borrowings	31	40
Hire-purchase payables	559	783
Tax liabilities	34	34
	32,190	30,973
	155,276	156,056
Net tangible assets per share (RM)	0.56	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 FIRST QUARTER ENDED 31 MARCH 2015**

(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>3 months quarter ended 31 March 2015</u>					
At 1 January 2015	115,067	-	(32,699)	-	82,368
Net profit for the financial period	-	-	(1,942)	-	(1,942)
At 31 March 2015	<u>115,067</u>	<u>-</u>	<u>(34,641)</u>	<u>-</u>	<u>80,426</u>
<u>3 months quarter ended 31 March 2014</u>					
At 1 January 2014	111,667	-	(29,297)	225	82,595
Net profit for the financial period	-	-	(1,275)	-	(1,275)
Remeasurement of ESOS	-	-	-	-	-
At 31 March 2014	<u>111,667</u>	<u>-</u>	<u>(30,572)</u>	<u>225</u>	<u>81,320</u>

(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 FIRST QUARTER ENDED 31 MARCH 2015**

(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	3 MONTHS PERIOD ENDED 31 MARCH 2015 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2014 RM'000
Profit before tax	(1,996)	(3,620)
Adjustment for :		
Amortisation of Plantation Development Expenditure and Prepaid Lease	725	2,850
Depreciation of Property, Plant & Equipment ("PPE")	416	1,667
Equity compensation benefits	-	(225)
Finance costs	628	2,259
Gain on disposal of Investment Properties / PPE	-	(168)
Other non-cash items	(14)	(22)
Operating Profit/(loss) before working capital changes	<u>(241)</u>	<u>2,741</u>
(Increase)/decrease in inventories	(237)	624
(Increase)/decrease in receivables and other assets	267	(19)
Increase/(decrease) in payables and other liabilities	60	(3,191)
Increase/(decrease) in amount owing by related parties	-	(697)
Cash from/(used in) operations	<u>(151)</u>	<u>(542)</u>
Interest paid	(21)	-
Net cash used in operating activities	<u>(172)</u>	<u>(542)</u>
Cash flows from/(used in) investing activities		
Issue of ordinary shares under ESOS	-	3,400
Addition of plantation development expenditure	(91)	(1,814)
Purchase of property, plant and equipment	(339)	(1,402)
Proceeds from disposal of investment properties / PPE	-	410
Interest received	14	63
Net cash (used in)/from investing activities	<u>(416)</u>	<u>657</u>
Cash flows from/(used in) financing activities		
Proceeds from drawdown of borrowings - net	-	1,575
Repayment of hire-purchase - net	(234)	(862)
Interest Paid	(668)	(2,897)
Net cash (used in)/from financing activities	<u>(902)</u>	<u>(2,184)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(1,490)</u>	<u>(2,069)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>(17,851)</u>	<u>(15,782)</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	<u><u>(19,341)</u></u>	<u><u>(17,851)</u></u>
Cash and Cash Equivalents at end of period consist of:-		
Deposits with licensed banks	4,250	4,250
Cash and bank balances	133	234
Bank Overdrafts	(23,724)	(22,335)
	<u><u>(19,341)</u></u>	<u><u>(17,851)</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 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 31 MARCH</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	3,497	-	-	-	-	3,497
<u>Segment results</u>						
Profit/(loss) from operations	(849)	13	(509)	(2)	(21)	(1,368)
Finance cost	(700)	-	(6)	-	78	(628)
Profit/(Loss) before tax	(1,549)	13	(515)	(2)	57	(1,996)
Tax						54
Loss for the period						(1,942)

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 31 March 2015.

A13 Capital Commitments

	Current quarter 31.03.2015
	RM'000
Approved and contracted for:	
1 unit of new worker quarters in Phase 3B/4	<u>250</u>

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

B1 Review of Performance

Summary

	Individual Quarter			Cumulative Quarter		
	31 Mar 2015	31 Mar 2014	Variance	31 Mar 2015	31 Mar 2014	Variance
	RM	RM	%	RM	RM	%
Revenue ('000)	3,497	5,407	-35.3%	3,497	5,407	-35.3%
P/(L)BT ('000)	(1,996)	(1,329)	-50.2%	(1,942)	(1,329)	-46.1%
Production	8,060	9,776	-17.6%	8,060	9,776	-17.6%
Ave. CPO Price*	2,272	2,677	-15.1%	2,272	2,677	-15.1%

*Extracted from MPOB Peninsular Malaysia Average

Revenue

The Group's revenue for the current quarter ended 31 March 2015 drop by 35.3% compared to the preceding year's quarter ended 31 March 2014. The decrease in revenue was due to the decrease in average CPO prices by 15.1% and production by 17.6%.

Loss before tax

Loss before tax for the current quarter of RM2.0 million has increased compared to loss before tax for the preceding year's quarter ended 31 March 2014 of RM1.3 million mainly due to higher cost of production and 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 RM2.0 million for the 3 months quarter ended 31 March 2015 as compared to loss before tax of RM957,000 from the preceding 3 months quarter ended 31 December 2014. The higher cost was due to higher cost of production.

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>31.03.2015</u> RM'000	Cumulative Quarter <u>31.03.2015</u> RM'000
On current year's results		
- Malaysia income tax	-	-
- Transfer from/(to) deferred taxation	54	54
	<u>54</u>	<u>54</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 March 2015 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 March 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 RM2.0 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