



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

**INTERIM REPORT FOR THE  
FOURTH QUARTER ENDED  
31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 2015**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED 31 DEC		12 MONTHS ENDED 31 DEC	
	UNAUDITED 2015 RM'000	AUDITED 2014 RM'000	UNAUDITED 2015 RM'000	AUDITED 2014 RM'000
Revenue	3,991	4,147	14,784	19,017
Cost of Sales	(3,246)	(1,715)	(13,794)	(14,024)
<b>Gross (loss)/profit</b>	<b>745</b>	<b>2,432</b>	<b>990</b>	<b>4,993</b>
Other income	630	214	814	252
General and administrative expenses	(825)	(2,655)	(3,525)	(5,420)
Other operating expenses	(292)	(317)	(1,050)	(1,185)
	<b>258</b>	<b>(326)</b>	<b>(2,771)</b>	<b>(1,360)</b>
Finance cost	(766)	(631)	(3,012)	(2,260)
Loss on disposal of investment	39	-	(407)	-
<b>Loss before tax</b>	<b>(469)</b>	<b>(957)</b>	<b>(6,190)</b>	<b>(3,620)</b>
Tax credit/(expense)	55	55	218	218
<b>Loss from operations</b>	<b>(414)</b>	<b>(902)</b>	<b>(5,972)</b>	<b>(3,402)</b>
Equity holders of the parent	(414)	(902)	(5,972)	(3,402)
Minority interest	-	-	-	-
	<b>(414)</b>	<b>(902)</b>	<b>(5,972)</b>	<b>(3,402)</b>
<b>Earnings per ordinary share</b>				
<i>Basic (sen)</i>	(0.36)	(0.78)	(5.19)	(2.96)
<i>Diluted (sen)</i>	(0.36)	(0.78)	(5.19)	(2.96)

***(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 DECEMBER 2015**

(The figures have not been audited)

	<b>(UNAUDITED) AS AT 31 DECEMBER 2015 RM'000</b>	<b>(AUDITED) AS AT 31 DECEMBER 2014 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment ("PPE")	11,412	11,862
Plantation Development Expenditure ("PDE")	82,236	83,665
Investment Properties	942	942
Prepaid Lease Rental	29,733	30,222
Goodwill on consolidation	16,329	16,329
Investment available for sale	-	3,246
<b>Current Assets</b>		
Inventories	593	889
Trade Receivables	1,369	984
Other Receivables	2,811	1,142
Tax recoverable	3	3
Amount owing by related parties	1,084	2,288
Fixed deposits, cash and cash balances	4,401	4,484
	<u>10,261</u>	<u>9,790</u>
<b>TOTAL ASSETS</b>	<u><u>150,913</u></u>	<u><u>156,056</u></u>
<b>EQUITY &amp; LIABILITIES</b>		
Share Capital	115,067	115,067
Reserves	(38,671)	(32,699)
Equity attributable to equity holders of the parent	<u>76,396</u>	<u>82,368</u>
<b>Non-Current Liabilities</b>		
Long Term Borrowings	32,360	31,575
Bank Borrowings	655	700
Hire-purchase payables	400	794
Deferred Tax Liability	9,428	9,646
	<u>42,843</u>	<u>42,715</u>
<b>Current Liabilities</b>		
Bank Overdrafts	23,824	22,335
Trade Payables	539	1,480
Other Creditors	6,839	6,245
Amount owing to related parties	-	56
Long Term Borrowings	-	-
Bank Borrowings	44	40
Hire-purchase payables	394	783
Tax liabilities	34	34
	<u>31,674</u>	<u>30,973</u>
	<u><u>150,913</u></u>	<u><u>156,056</u></u>
<b>Net tangible assets per share (RM)</b>	0.52	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 FOURTH QUARTER ENDED 31 DECEMBER 2015**

(The figures have not been audited)

	Share Capital RM'000	Distributable Accumulated Loss RM'000	Equity Compensation Reserves RM'000	Total RM'000
<b><u>12 months quarter ended 31 December 2015</u></b>				
<b>At 1 January 2015</b>	115,067	(32,699)	-	82,368
Net profit for the financial period	-	(5,972)	-	(5,972)
<b>At 31 December 2015</b>	<u>115,067</u>	<u>(38,671)</u>	-	<u>76,396</u>
<b><u>12 months quarter ended 31 December 2014</u></b>				
<b>At 1 January 2014</b>	111,667	(29,297)	225	82,595
Net profit for the financial period	-	(3,402)	-	(3,402)
Issue of ordinary shares under ESOS	3,400	-	-	3,400
ESOS adjustment	-	-	(225)	(225)
<b>At 31 December 2014</b>	<u>115,067</u>	<u>(32,699)</u>	-	<u>82,368</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 FOURTH QUARTER ENDED 31 DECEMBER 2015**

(The figures have not been audited)

	(UNAUDITED)	(AUDITED) AS AT
	12 MONTHS PERIOD ENDED	PRECEDING FINANCIAL YEAR ENDED
	31 DECEMBER 2015 RM'000	31 DECEMBER 2014 RM'000
Profit before tax	(6,190)	(3,620)
Adjustment for :		
Amortisation of Plantation Development Expenditure and Prepaid Lease	2,907	2,850
Depreciation of Property, Plant & Equipment ("PPE")	1,577	1,667
Equity compensation benefits	-	(225)
Finance costs	3,012	2,259
Loss/(gain) on disposal of Investment / PPE	507	(168)
Other non-cash items	(115)	(22)
Operating Profit/(loss) before working capital changes	<u>1,698</u>	<u>2,741</u>
Decrease in inventories	296	624
(Increase) in receivables and other assets	(2,054)	(19)
Increase/(decrease) in payables and other liabilities	(378)	(3,191)
Decrease/(increase) in amount owing by related parties	1,148	(697)
Cash from/(used in) operations	<u>710</u>	<u>(542)</u>
Interest paid	(545)	-
Net cash used in operating activities	<u>165</u>	<u>(542)</u>
<b>Cash flows from/(used in) investing activities</b>		
Issue of ordinary shares under ESOS	-	3,400
Addition of plantation development expenditure	(279)	(1,814)
Purchase of property, plant and equipment	(1,190)	(1,402)
Proceeds from disposal of investment / PPE	2,802	410
Interest received	148	63
Net cash (used in)/from investing activities	<u>1,481</u>	<u>657</u>
<b>Cash flows from/(used in) financing activities</b>		
Proceeds from drawdown of borrowings - net	785	1,575
Repayment of hire-purchase - net	(826)	(862)
Interest Paid	(3,177)	(2,897)
Net cash (used in)/from financing activities	<u>(3,218)</u>	<u>(2,184)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>(1,572)</u>	<u>(2,069)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>(17,851)</u>	<u>(15,782)</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR</b>	<u><u>(19,423)</u></u>	<u><u>(17,851)</u></u>
<b>Cash and Cash Equivalents at end of period consist of:-</b>		
Deposits with licensed banks	4,250	4,250
Cash and bank balances	151	234
Bank Overdrafts	(23,824)	(22,335)
	<u><u>(19,423)</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 Dec 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	3,991	-	-	-	-	3,991
<b><u>Segment results</u></b>						
Profit/(loss) from operations	728	(2)	752	(11)	(1,170)	297
Finance cost	(712)	-	(117)	-	64	(765)
Profit/(Loss) before tax	16	(2)	635	(11)	(1,106)	(468)
Tax						54
Loss for the period						(414)

#### 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**

The Group has applied to strike off two dormant subsidiaries from the register of Companies Commission of Malaysia. The application was approved and the two dormant companies namely Ayam Segar Sdn Bhd and Kuala Lumpur Feedmill Sdn Bhd have since been removed from the composition of the Group.

**A12 Contingent liabilities and Contingent Assets**

There were no contingent liabilities or contingent assets as at 31 December 2015.

**A13 Capital Commitments**

There is no capital commitments approved or contracted for the year ended 31 December 2015



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

**B1 Review of Performance**

Summary

	Individual Quarter			Cumulative Quarter		
	31 Dec 2015 RM	31 Dec 2014 RM	Variance %	31 Dec 2015 RM	31 Dec 2014 RM	Variance %
Revenue ('000)	3,991	4,147	-3.8%	14,784	19,017	-22.3%
P/(L)BT ('000)	(414)	(902)	54.1%	(5,972)	(3,566)	-67.5%
Production	9,942	9,987	-0.5%	36,864	39,654	-7.0%
Ave. CPO Price*	2,164	2,188	-1.1%	2,172	2,413	-10.0%

\*Extracted from MPOB Peninsular Malaysia Average

Revenue

The Group's revenue for the current quarter ended 31 December 2015 reduced by 3.8% compared to the preceding year's quarter ended 31 December 2014. The drop in revenue was due to decrease in production by 0.5% and CPO price by 1.1%.

Loss before tax

Loss before tax for the current quarter of RM414,000 reduced compared to loss before tax for the preceding year's quarter ended 31 Dec 2014 of RM902,000 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 RM414,000 for the 3 months quarter ended 31 December 2015 compared to loss before tax of RM1.7 million from the preceding 3 months quarter ended 31 September 2015. The improvement was due to improvements in cost control and also due to loss on divestment of poultry division was recognised last quarter.

**B3 Prospects**

The performance of the Group will mainly rely on palm prices and palm prices are driven by global demand factors, including uncertain market movements in crude and rival edible oils, movements in currency and economic situation.

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**

	<b>Current Quarter 31.12.2015 RM'000</b>	<b>Cumulative Quarter 31.12.2015 RM'000</b>
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 2015 were as follows:-

<b>Bank Borrowings</b>	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
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 31 December 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 RM414,000 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