

Financial Result Announcement

Reference No. :
Company Name : XIAN LENG HOLDINGS BERHAD
Stock Name : XIANLNG
Date Announced : 28/12/2015
Financial Year Ended : 31/01/2016
Quarter : 3

Quarterly report on consolidated results for the 3rd quarter period ended 31/10/2015
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31/10/2015 (Unaudited) RM '000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31/10/2014 (Unaudited) RM '000	CURRENT YEAR TO DATE ENDED 31/10/2015 (Unaudited) RM '000	PRECEDING YEAR CORRESPONDING YEAR ENDED 31/10/2014 (Unaudited) RM '000
1 (a) Revenue	<u>4,009</u>	<u>3,134</u>	<u>10,289</u>	<u>9,457</u>
(b) Investment income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(c) Other income/(loss)	<u>(28)</u>	<u>14</u>	<u>64</u>	<u>109</u>
(d) Operating expenses before finance cost, depreciation and amortisation, exceptional items and extraordinary items	<u>(2,805)</u>	<u>(2,522)</u>	<u>(7,693)</u>	<u>(7,622)</u>
2 (a) Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	<u>1,176</u>	<u>626</u>	<u>2,660</u>	<u>1,944</u>
(b) Finance cost	<u>(1)</u>	<u>(48)</u>	<u>(35)</u>	<u>(210)</u>
(c) Depreciation and amortisation	<u>(503)</u>	<u>(533)</u>	<u>(1,519)</u>	<u>(1,601)</u>
(d) Impairment loss on property, plant and equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20)</u>
(e) Profit before income tax minority interests and extraordinary items	672	45	1,106	113
(f) Share of profits and losses of associated companies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(g) Profit before income tax, minority interests and extraordinary items after share of profits and losses of associated companies	<u>672</u>	<u>45</u>	<u>1,106</u>	<u>113</u>
(h) Income tax	<u>80</u>	<u>(6)</u>	<u>29</u>	<u>(40)</u>
(i) Net profit for the period	<u>752</u>	<u>39</u>	<u>1,135</u>	<u>73</u>
(j) Other Comprehensive loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(k) Total Comprehensive profit for the period	<u>752</u>	<u>39</u>	<u>1,135</u>	<u>73</u>

(l) Net profit attributable to				
-Owners of the parent	752	39	1,135	73
-Non-controlling interests	-	-	-	-
	<u>752</u>	<u>39</u>	<u>1,135</u>	<u>73</u>
(m) Total Comprehensive profit attributable to				
-Owners of the parent	752	39	1,135	73
-Non-controlling interests	-	-	-	-
	<u>752</u>	<u>39</u>	<u>1,135</u>	<u>73</u>
3 Earnings per share based on 2(m) above after deducting any provision for preference dividends, if any:				
(a) Basic (sen)	1.03	0.05	1.56	0.10
Weighted average number of ordinary shares ('000)	72,705	72,705	72,705	72,705
(b) Fully diluted (based on ordinary shares - sen)	1.03	0.05	1.56	0.10
Weighted average number of ordinary shares ('000)	72,705	72,705	72,705	72,705
4 (a) Dividend per share (sen)	NA	NA	NA	NA
(b) Dividend Description	NA	NA	NA	NA

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 January 2015 and the accompanying explanatory notes attached to the interim financial statements

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT CURRENT FINANCIAL PERIOD ENDED 31/10/2015 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31/01/2015 (Audited)
	RM '000	RM '000
1 FIXED ASSETS	41,407	43,090
2 CURRENT ASSETS		
Cash and bank balances	785	97
Trade debtors	1,985	1,091
Inventories	5,044	5,296
Prepayment	16	78
Other debtors and deposits	341	357
Tax recoverable	100	113
	8,271	7,032
3 CURRENT LIABILITIES		
Short term borrowings	-	1,480
Trade creditors	308	448
Other creditors and accruals	953	970
Provision for taxation	-	79
Amount due to director	219	81
	1,480	3,058
4 NET CURRENT ASSET	6,791	3,974
	48,198	47,064

Financed by:

EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT		
SHARE CAPITAL	72,705	72,705
RESERVES		
Share premium	136	136
Treasury shares	(275)	(275)
Revaluation reserve	-	-
General reserve	-	-
Reserve on consolidation	-	-
Accumulated losses	<u>(24,374)</u>	<u>(25,509)</u>
5 SHAREHOLDERS' FUNDS	48,192	47,057
6 NON-CONTROLLING INTERESTS	-	-
7 DEFERRED EXPENDITURE	-	-
8 LONG TERM BOROWINGS	-	-
9 DEFERRED TAXATION	6	7
	<u>48,198</u>	<u>47,064</u>
10 NET ASSETS PER SHARE (RM)	<u>0.66</u>	<u>0.65</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 January 2015 and the accompanying explanatory notes attached to the interim financial statements

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserves RM'000	Capital Reserves RM'000	Accumulated Losses RM'000	Total RM'000
Balance at 1 February 2015	72,705	136	(275)	-	-	(25,509)	47,057
Prior year adjustment	-	-	-	-	-	-	-
	<u>72,705</u>	<u>136</u>	<u>(275)</u>	<u>-</u>	<u>-</u>	<u>(25,509)</u>	<u>47,057</u>
Issue of share capital	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-
Bonus issue adjustment	-	-	-	-	-	-	-
Issue of share capital - ESOS	-	-	-	-	-	-	-
Currency translation differences not recognised in income statement	-	-	-	-	-	-	-
Total Comprehensive Profit for the period ended:	-	-	-	-	-	1,135	1,135
Dividend for the period ended:	-	-	-	-	-	-	-
Balance at 31 October 2015	<u>72,705</u>	<u>136</u>	<u>(275)</u>	<u>-</u>	<u>-</u>	<u>(24,374)</u>	<u>48,192</u>
<i>Balance at 1 February 2014</i>	<i>72,705</i>	<i>136</i>	<i>(275)</i>	<i>-</i>	<i>-</i>	<i>(26,013)</i>	<i>46,553</i>
<i>Prior year adjustment</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
	<u>72,705</u>	<u>136</u>	<u>(275)</u>	<u>-</u>	<u>-</u>	<u>(26,013)</u>	<u>46,553</u>
<i>Issue of share capital</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Treasury shares</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Bonus issue adjustment</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Issue of share capital - ESOS</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Currency translation differences not recognised in income statement</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Total Comprehensive Profit for the period ended:</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>73</i>	<i>73</i>
<i>Dividend for the period ended:</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Balance at 31 October 2014</i>	<u>72,705</u>	<u>136</u>	<u>(275)</u>	<u>-</u>	<u>-</u>	<u>(25,940)</u>	<u>46,626</u>

The Condensed Consolidated Statements For Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2015 and the accompanying explanatory notes attached to the interim financial statements

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT PERIOD ENDED 31/10/2015 (Unaudited)	PRECEDING PERIOD ENDED 31/10/2014 (Unaudited)
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation	1,106	114
Adjustment for:		
Depreciation	1,520	1,601
Impairment loss on property, plant and equipment	-	20
(Reversal)/Provision for doubtful debts	-	-
Bad debt	-	-
Gain on disposal of property, plant and equipment	-	(4)
Inventories written off	-	-
Inventories write down to net realisable value	-	-
PPE written off	164	205
Interest expense	35	210
Operating profit before working capital changes	<u>2,825</u>	<u>2,146</u>
Changes in working capital		
Net change in receivables	(792)	433
Net change in inventories	252	(405)
Net change in payables	(18)	1,332
Cash generated from operating activities	<u>2,267</u>	<u>3,506</u>
Tax refund/(paid)	(63)	(112)
Interest paid	(35)	(210)
Net cash generated from operating activities	<u>2,169</u>	<u>3,184</u>
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of fixed assets	-	(102)
Proceed from disposal of fixed asset	-	4
Net cash used in investing activities	<u>-</u>	<u>(98)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment for share issue expenses	-	-
Share premium account	-	-
Dividend paid	-	-
Purchase of treasury shares	-	-
Drawdown of hire purchase	-	-
Repayment of hire purchase payables	-	(12)
Drawdown of term loan	-	-
Repayment of term loans	-	(1,037)
Net cash used in financing activities	<u>-</u>	<u>(1,049)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>2,169</u>	<u>2,037</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	<u>(1,384)</u>	<u>(3,364)</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>785</u>	<u>(1,327)</u>
Cash and cash equivalents comprise:		
Cash and bank balances	785	297
Bank overdrafts	-	(1,624)
	<u>785</u>	<u>(1,327)</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2015 and the accompanying explanatory notes attached to the interim financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with FRS 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (Bursa Malaysia).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 January 2015. The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the financial statements for the year ended 31 January 2015.

At the date of authorization of these financial statements the following new FRSs Interpretations, Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
Amendment to FRS 7	Financial Instruments Disclosures	1 January 2016
FRS 10	Consolidated Financial Statements	1 January 2016
FRS 11	Joints Arrangement	1 January 2016
FRS 12	Disclosure of Interest in Other Entities	1 January 2016
FRS 14	Regulatory Deferral Accounts	1 January 2016
FRS 101	Presentation of Financial Statements	1 January 2016
FRS 116	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 119	Employee Benefits	1 January 2016
FRS 127	Equity method in Separate Financial Statements	1 January 2016
FRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture-amendment to BC	1 January 2016
FRS 134	Interim Financial Report-amendment to BC	1 January 2016
FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation-amendment to BC	1 January 2016
FRS 9	Financial Instruments	1 January 2018

The above FRSs and Interpretations are not expected to have significant impact on the financial statements of the Group upon their initial application.

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities that within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer. (herein called 'Transitioning Entities').

Transitioning Entities were initially allowed to defer adoption of the new MFRS Framework for an additional two years. i.e, be mandatory for annual periods beginning on or after 1 January 2014. However, on 7 August 2013, MASB further extends transitional period for another year, i.e, the adoption of the MFRS Framework by all entities for annual periods beginning on or after 1 January 2015. Further to 7 August 2013, on 2 September 2014, MASB again further extends the transition period, i.e, the adoption of the MFRS Framework by all entities for annual periods beginning on or after 1 January 2017.

The Group fall within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 January 2018. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ending 31 January 2018 could be different if prepared under the MFRS Framework.

The main closing exchange rates used as at 31 October 2015 in translation (units of Malaysian Ringgit per foreign currency) were as follows:

Foreign Currency	Exchange Rate
United States Dollar	4.281
Japanese Yen	0.035
100 Indonesian Rupiah	0.029

2. Audit Qualifications

The audit report of the Group's most recent annual financial statements for the year ended 31 January 2015 was not qualified.

3. Seasonal or Cyclical Factors

The Group's operations and revenue are not affected by any seasonal or cyclical factors.

4. Unusual Items

There were no unusual items for the third quarter ended 31 October 2015.

5. Changes in Estimates

There were no material changes in estimates for the third quarter ended 31 October 2015.

6. Debt and Equity Securities

There is no any share buy back in this current quarter. Up to this quarter ended 31 October 2015, the accumulative shares purchased to date since the commencement of the share buy back exercise amounted to 370,000 units, totaling RM275,197.76. All shares bought back are retained as treasury shares. There has been no resale of treasury shares and no cancellation of shares bought back during the financial period under review.

7. Dividend Paid

None.

8. Segment Reporting

Information on the Group's operations by segment is not provided as the Group's activities are predominantly in the breeding and trading of ornamental fishes and are conducted in Malaysia.

9. Carrying Amount of Property, Plant and Equipment

The valuations, where present, stated in the previous annual financial statements have been brought forward without amendment.

10. Events Subsequent to the Balance Sheet Date

None.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the period under review.

12. Contingent Liabilities and Contingent Assets

The Contingent liabilities for the Company are as follows:

	31/10/2015	31/10/2014
	RM'000	RM'000
Corporate guarantees relating to borrowings of subsidiaries in respect of balances outstanding	<u>NIL</u>	<u>1,948</u>

13. Significant Related Party Transactions

None.

14. Review of Performance

Current Financial Quarter as compared with Previous Year corresponding Quarter

The Group achieved revenue of RM4.009 million for the 3 months quarter ended 31 October 2015 as compared with RM3.134 million in the corresponding quarter last year. The increase was mainly due to the increase of sales volume of stingray fishes and higher selling price which contributed by the strengthening of USD currency.

The Group registered a profit before tax of RM0.672 million as compared with profit before tax of RM0.045 million in the corresponding quarter last year. The increase of profit before tax in current financial quarter is mainly due to the increase of sales volume of stingray fishes and higher selling price which contributed by the strengthening of USD currency compared to the previous corresponding quarter.

Current Financial Period as compared with Previous Year corresponding Period

The Group achieved revenue of RM10.289 million for the 9 months period ended 31 October 2015 as compared with RM9.457 million in the corresponding period last year. The increase was mainly due to the increase of sales volume of stingray fishes and higher selling price which contributed by the strengthening of USD currency.

The Group registered a profit before tax of RM1.106 million as compared with profit before tax of RM0.113 million in the corresponding period last year. The increase of profit before tax in current financial period is mainly due to the increase of sales volume of stingray fishes and higher selling price which contributed by the strengthening of USD currency.

15. Variation of Results against Preceding Quarter

The Group achieved revenue of RM4.009 million for the 3 months quarter ended 31 October 2015 as compared with RM3.559 million in the preceding quarter. The increase was mainly due to higher selling price which contributed by the strengthening of USD currency in current quarter.

The Group registered a profit before tax for the current quarter ended 31 October 2015 of RM0.672 million as compared with a profit before tax of RM0.377 million for the previous quarter ended 31 July 2015. The higher profit before tax of RM0.295 million in current quarter is mainly due to the same reason as per above mentioned.

16. Current Prospects

Going forward, the industry is expected to remain challenging but necessary measures to explore future business opportunities and effective cost control measures continue to be implemented to meet this challenging period.

In view of infrastructure of stingray ponds at the end of last year to increase the farm productivity and coupled with the appreciation of USD currency. Amount of revenue contributed by freshwater stingray is expected to be increase in current year under review. The Board is optimistic that the Group can achieve a better performance in current financial year compared to previous year end.

17. Profit Forecast

Not applicable to the Group as no profit forecast was published.

18. Tax Expense

	Individual Quarter 31/10/2015 RM'000	Year to Date 31/10/2015 RM'000
Current taxation	(80)	28
Deferred taxation	-	1
	<u>(80)</u>	<u>29</u>

The effective tax rate of the Group was lower than the standard rate of 25% principally due to utilized of capital allowances of subsidiaries. An adjustment of over provision for taxation is accounted in this current quarter.

19. Status of corporate proposal announced

There were corporate proposals announced on 19 August 2015 as follow:

- (i) Proposed reduction of the issued and paid-up share capital of XLHB pursuant to Section 64 of the Companies Act, 1965, involving the cancellation of RM0.80 of the par value of every existing ordinary share of RM1.00 each in Xian Leng Holdings Berhad (“XLHB”); and
- (ii) Proposed amendments to the Memorandum and Articles of Association of XLHB to facilitate the Proposed Par Value Reduction.

However all the resolutions set out as per above corporate proposals were not carried in the Extraordinary General Meeting held on 3 November 2015.

20. Borrowings

The Group's borrowings are as follows:

	31/10/2015	31/10/2015
	RM'000	RM'000
Short Term Borrowings – secured	-	1,948
Long Term Borrowings – secured	-	-
	<u>-</u>	<u>1,948</u>

There were no foreign borrowings as at the date of this report.

21. Realised and Unrealised Retained Profits/(Losses)

Total retained profits/(losses) of Xian Leng Holdings Berhad and its subsidiaries:

	31/10/2015	31/10/2014
	RM'000	RM'000
Realised losses	(22,291)	(21,982)
Unrealised losses	(6)	(6)
	<u>(22,297)</u>	<u>(21,988)</u>
Less: Consolidation adjustments	(2,077)	(3,952)
Total Group retained losses	<u>(24,374)</u>	<u>(25,940)</u>

22. Notes to the Condensed Consolidated Statement of Comprehensive Income

Operating profit is stated after charging/(crediting):

	3 months ended		Year to date	
	<u>31.10.15</u> RM'000	<u>31.10.14</u> RM'000	<u>31.10.15</u> RM'000	<u>31.10.14</u> RM'000
Interest income	-	-	-	-
Other income	10	14	32	109
Interest expenses	1	48	35	210
Depreciation	503	533	1,519	1,601
Provision for doubtful debts	12	-	12	-
Bad debts written off	4	-	4	-
Inventories written down to Net Realisable Value	-	-	-	-
Inventories written off	-	-	-	-
(Gain)/loss on disposal of quoted/unquoted investments	-	-	-	-
(Gain)/loss on disposal of property, plant and equipment	-	-	-	(4)
Property, plant and equipment written off	23	71	164	205
Provision for impairment of property, plant and equipment	-	-	-	20
Foreign exchange (gains)/losses	60	2	(10)	(13)
Derivatives (gains)/losses	-	-	-	-
Exception items	-	-	-	-

23. Material litigation

None.

24. Dividend Payable

No dividend has been declared for the third quarter ended 31 October 2015 (2014: Nil).

25. Earning per share

a) Basic Earning per Share

	3 months ended		Year to date	
	<u>31.10.15</u>	<u>31.10.14</u>	<u>31.10.15</u>	<u>31.10.14</u>
Net earning for the period (RM'000)	752	39	1,135	73
Weighted Average No. of shares ('000)	72,705	72,705	72,705	72,705
Basic earning per share (sen)	1.03	0.05	1.56	0.10

b) Diluted earning per Share

Weighted Average No. of shares ('000)	72,705	72,705	72,705	72,705
Diluted earning per share (sen)	1.03	0.05	1.56	0.10