

Financial Result Announcement

Reference No. :
Company Name : XIAN LENG HOLDINGS BERHAD
Stock Name : XIANLNG
Date Announced : 23/06/2017
Financial Year Ended : 31/01/2018
Quarter : 1

Quarterly report on consolidated results for the 1st quarter period ended 30/04/2017
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30/04/2017 (Unaudited) RM '000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30/04/2016 (Unaudited) RM '000	CURRENT YEAR TO DATE ENDED 30/04/2017 (Unaudited) RM '000	PRECEDING YEAR CORRESPONDING YEAR ENDED 30/04/2016 (Unaudited) RM '000
1 (a) Revenue	3,303	2,871	3,303	2,871
(b) Investment income	-	-	-	-
(c) Other incomes	29	86	29	86
(d) Operating expenses before finance cost, depreciation and amortisation, exceptional items and extraordinary items	(3,121)	(3,473)	(3,121)	(3,473)
2 (a) (Loss)/Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	211	(516)	211	(516)
(b) Finance cost	-	-	-	-
(c) Depreciation and amortisation	(176)	(449)	(176)	(449)
(d) Impairment loss on property, plant and equipment	-	(486)	-	(486)
(e) (Loss)/Profit before income tax minority interests and extraordinary items	35	(1,451)	35	(1,451)
(f) Share of profits and losses of associated companies	-	-	-	-
(g) (Loss)/Profit before income tax, minority interests and extraordinary items after share of profits and losses of associated companies	35	(1,451)	35	(1,451)
(h) Income tax	(2)	(18)	(2)	(18)
(i) Net(loss)/ profit for the period	33	(1,469)	33	(1,469)
(j) Other Comprehensive loss	-	-	-	-
(k) Total Comprehensive (loss)/profit for the period	33	(1,469)	33	(1,469)

(l) Net (loss)/profit attributable to				
-Owners of the parent	33	(1,469)	33	(1,469)
-Non-controlling interests	-	-	-	-
	<u>33</u>	<u>(1,469)</u>	<u>33</u>	<u>(1,469)</u>
(m) Total Comprehensive (loss)/profit attributable to				
-Owners of the parent	33	(1,469)	33	(1,469)
-Non-controlling interests	-	-	-	-
	<u>33</u>	<u>(1,469)</u>	<u>33</u>	<u>(1,469)</u>
3 Earnings/(Loss) per share based on 2(m) above after deducting any provision for preference dividends, if any:				
(a) Basic (sen)	0.05	-2.02	0.05	-2.02
Weighted average number of ordinary shares ('000)	72,705	72,705	72,705	72,705
(b) Fully diluted (based on ordinary shares - sen)	0.05	-2.02	0.05	-2.02
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 2017 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 30/04/2017 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31/01/2017 (Audited)
	RM '000	RM '000
1 FIXED ASSETS	37,746	37,879
2 CURRENT ASSETS		
Cash and bank balances	1,641	2,409
Trade debtors	1,887	1,261
Inventories	3,393	3,668
Prepayment	26	43
Other debtors and deposits	498	196
Tax recoverable	48	44
	<u>7,493</u>	<u>7,621</u>
3 CURRENT LIABILITIES		
Short term borrowings	-	-
Trade creditors	335	375
Other creditors and accruals	831	1,129
Provision for taxation	13	-
Amount due to director	74	32
	<u>1,253</u>	<u>1,536</u>
4 NET CURRENT ASSET	6,240	6,085
	<u><u>43,986</u></u>	<u><u>43,964</u></u>

Financed by:

EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT		
SHARE CAPITAL	72,705	72,705
RESERVES		
Share premium	136	136
Treasury shares	(279)	(279)
Revaluation reserve	-	-
General reserve	-	-
Reserve on consolidation	-	-
Accumulated losses	<u>(28,589)</u>	<u>(28,622)</u>
5 SHAREHOLDERS' FUNDS	43,973	43,940
6 NON-CONTROLLING INTERESTS	-	-
7 DEFERRED EXPENDITURE	-	-
8 LONG TERM BOROWINGS	-	-
9 DEFERRED TAXATION	13	24
	<u>43,986</u>	<u>43,964</u>
10 NET ASSETS PER SHARE (RM)	<u>0.60</u>	<u>0.60</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 January 2017 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 2017	72,705	136	(279)	-	-	(28,622)	43,940
Prior year adjustment	-	-	-	-	-	-	-
	<u>72,705</u>	<u>136</u>	<u>(279)</u>	<u>-</u>	<u>-</u>	<u>(28,622)</u>	<u>43,940</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:	-	-	-	-	-	33	33
Dividend for the period ended:	-	-	-	-	-	-	-
Balance at 30 April 2017	<u>72,705</u>	<u>136</u>	<u>(279)</u>	<u>-</u>	<u>-</u>	<u>(28,589)</u>	<u>43,973</u>
<i>Balance at 1 February 2016</i>	<i>72,705</i>	<i>136</i>	<i>(275)</i>	<i>-</i>	<i>-</i>	<i>(24,745)</i>	<i>47,821</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>(24,745)</u>	<u>47,821</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 Loss for the period ended:</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(1,469)</i>	<i>(1,469)</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 30 April 2016</i>	<u>72,705</u>	<u>136</u>	<u>(275)</u>	<u>-</u>	<u>-</u>	<u>(26,214)</u>	<u>46,352</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 2017 and the accompanying explanatory notes attached to the interim financial statements

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT PERIOD ENDED 30/04/2017 (Unaudited)	PRECEDING PERIOD ENDED 30/04/2016 (Audited)
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss)/profit before taxation	35	(1,451)
Adjustment for:		
Depreciation	176	449
Impairment loss on property, plant and equipment	-	486
(Reversal)/Provision for doubtful debts	-	-
Bad debt	-	-
provision for slow moving stock	-	-
Gain on disposal	-	-
Gain on Forex	(1)	(41)
Loss on Forex	16	20
Inventories written off	-	-
Inventories write down to net realisable value	-	-
PPE written off	1	231
Interest income	(1)	(1)
Interest expense	-	-
Operating (loss)/profit before working capital changes	<u>226</u>	<u>(307)</u>
Changes in working capital		
Net change in receivables	(843)	(13)
Net change in inventories	275	593
Net change in payables	<u>(295)</u>	<u>13</u>
Cash (used in) / generated from operating activities	<u>(637)</u>	<u>286</u>
Tax refund/(paid)	(88)	(18)
Interest received	1	1
Interest paid	-	-
Net cash (used in) / generated from operating activities	<u>(724)</u>	<u>269</u>
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of fixed assets	(44)	(121)
Construction work in progress	-	-
Proceed from disposal of fixed asset	-	34
Net cash used in investing activities	<u>(44)</u>	<u>(87)</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	-	-
Drawdown of term loan	-	-
Repayment of term loans	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>
NET(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(768)	182
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	2,409	1,479
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>1,641</u>	<u>1,661</u>
Cash and cash equivalents comprise:		
Cash and bank balances	1,641	1,661
Bank overdrafts	-	-
	<u>1,641</u>	<u>1,661</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2017 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 2017. 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 2017.

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:

Amendments to FRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
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.

However, on 22 July 2015, the IASB announced to further defer the effective date by one year to 1 January 2018. As a result, the effective date for Transitioning Entities to apply the Malaysian Financial Reporting Standards will also be deferred to annual periods on or after 1 January 2018.

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 2019 could be different if prepared under the MFRS Framework.

The main closing exchange rates used as at 31 January 2017 in translation (units of Malaysian Ringgit per foreign currency) were as follows:

Foreign Currency	Exchange Rate
United States Dollar	4.327
Japanese Yen	0.039
100 Indonesian Rupiah	0.030
China Yen Renminbi	0.629

2. Audit Qualifications

The audit report of the Group's most recent annual financial statements for the year ended 31 January 2017 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 first quarter ended 30 April 2017.

5. Changes in Estimates

There were no material changes in estimates for the first quarter ended 30 April 2017.

6. Debt and Equity Securities

There is no any share buy back in this current quarter. Up to this quarter ended 30 April 2017, the accumulative shares purchased to date since the commencement of the share buy back exercise amounted to 380,000 units, totaling RM279,445.74. 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, fish feeds 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 group did not give any corporate guarantee to anybody or company as at the date of report.

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 RM3.303 million for the 3 months quarter ended 30 April 2017 as compared with RM2.871 million in the corresponding quarter last year. Turnover has increased about 15.05% mainly due to the increase of sales volume of fishes compared to the previous corresponding quarter. Selling price of Arowana fishes has increased, however selling price of Stingray fishes has decreased compared to the previous corresponding quarter.

The Group registered a profit before tax of RM0.035 million as compared with loss before tax of RM1.451 million in the corresponding quarter last year. The reason of higher profit before tax accounted in current financial quarter mainly due to increase of sales volume and productivity of fishes, in addition to that, an amount of provision of impairment loss on property, plant and equipment RM0.486 million was provided in the previous corresponding quarter.

15. Variation of Results against Preceding Quarter

The Group achieved revenue of RM3.303 million for the 3 months quarter ended 30 April 2017 as compared with RM2.918 million in the preceding quarter. Higher turnover accounted in current quarter is due to the increase of sales volume of fishes compared to the preceding quarter.

The Group registered a profit before tax for the current quarter ended 30 April 2017 of RM0.035 million as compared with a profit before tax of RM0.313 million for the previous quarter ended 31 January 2017. The reason of lower profit before tax accounted in current quarter is because of significantly decrease of selling price of Stingray fishes and increase of feeding cost which had resulted lower profit margin, despite of increase of average selling price of Arowana fishes.

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.

The Group will continue to adopt a cautious business strategy and remain vigilant in monitoring the Group's financial position so as to improve its overall balance sheet.

The Group is continuing emphasis on research and development to further broadening Stingray fishes' production base and variety species which has the potential to contribute towards the overall Group's profitability in the future.

17. Profit Forecast

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

18. Tax Expense

	Individual Quarter 30/04/2017 RM'000	Year to Date 30/04/2017 RM'000
Current taxation	13	13
Deferred taxation	(11)	(11)
	<u>2</u>	<u>2</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.

19. Status of corporate proposal announced

The proposal of Private Placement exercise announced on 14 June 2017 still pending on approval of Bursa Malaysia Securities Berhad (Bursa Malaysia).

20. Borrowings

There were no 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:

	30/04/2017	30/04/2016
	RM'000	RM'000
Realised losses	(29,360)	(24,190)
Unrealised losses	(13)	(9)
	<u>(29,373)</u>	<u>(24,199)</u>
Less: Consolidation adjustments	784	(2,015)
Total Group retained losses	<u>(28,589)</u>	<u>(26,214)</u>

22. Notes to the Condensed Consolidated Statement of Comprehensive Income

Operating loss is stated after charging/(crediting):

	3 months ended		Year to date	
	<u>30.04.17</u>	<u>30.04.16</u>	<u>30.04.17</u>	<u>30.04.16</u>
	RM'000	RM'000	RM'000	RM'000
Interest income	(1)	(1)	(1)	(1)
Other income	(11)	(11)	(11)	(11)
Interest expenses	-	-	-	-
Depreciation	176	449	176	449
(Reversed)/ Provision for doubtful debts	-	-	-	-
Bad debts written off	-	-	-	-
Provision for slow moving Inventories	-	-	-	-
Inventories written off	-	-	-	-
(Gain)/loss on disposal of quoted/unquoted investments	-	-	-	-
(Gain)/loss on disposal of property, plant and equipment	-	-	-	-
Property, plant and equipment written off	1	54	1	54
Provision for impairment of property, plant and equipment	-	-	-	-
Foreign exchange (gains)/losses	1	(20)	1	(20)
Derivatives (gains)/losses	-	-	-	-
Exception items	-	-	-	-

23. Material litigation

None.

24. Dividend Payable

No dividend has been declared for the first quarter ended 30 April 2017 (2016: Nil).

25. Earning/(Loss) per share

a) Basic Earning/(Loss) per Share

	3 months ended		Year to date	
	<u>30.04.17</u>	<u>30.04.16</u>	<u>30.04.17</u>	<u>30.04.16</u>
Net earning/(loss) for the period (RM'000)	33	(1,469)	33	(1,469)
Weighted Average No. of shares ('000)	72,705	72,705	72,705	72,705
Basic earning/(loss) per share (sen)	0.05	(2.02)	0.05	(2.02)

b) Diluted earning/(loss) per Share

Weighted Average No. of shares ('000)	72,705	72,705	72,705	72,705
Diluted earning/(loss) per share (sen)	0.05	(2.02)	0.05	(2.02)