

Financial Result Announcement

Reference No. :
Company Name : XIAN LENG HOLDINGS BERHAD
Stock Name : XIANLNG
Date Announced : 21/12/2018
Financial Year Ended : 31/01/2019
Quarter : 3

Quarterly report on consolidated results for the 3rd quarter period ended 31/10/2018
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31/10/2018 (Unaudited) RM '000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31/10/2017 (Unaudited) RM '000	CURRENT YEAR TO DATE ENDED 31/10/2018 (Unaudited) RM '000	PRECEDING YEAR CORRESPONDING YEAR ENDED 31/10/2017 (Unaudited) RM '000
1 (a) Revenue	<u>3,240</u>	<u>3,291</u>	<u>9,711</u>	<u>9,608</u>
(b) Investment income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(c) Other incomes	<u>81</u>	<u>36</u>	<u>253</u>	<u>98</u>
(d) Operating expenses before finance cost, depreciation and amortisation, exceptional items and extraordinary items	<u>(3,394)</u>	<u>(3,112)</u>	<u>(9,770)</u>	<u>(9,514)</u>
2 (a) (Loss)/Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	<u>(73)</u>	<u>215</u>	<u>194</u>	<u>192</u>
(b) Finance cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(c) Depreciation and amortisation	<u>(175)</u>	<u>(183)</u>	<u>(527)</u>	<u>(535)</u>
(d) Impairment loss on property, plant and equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(e) (Loss)/Profit before income tax minority interests and extraordinary items	<u>(248)</u>	<u>32</u>	<u>(333)</u>	<u>(343)</u>
(f) Share of profits and losses of associated companies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(g) (Loss)/Profit before income tax, minority interests and extraordinary items after share of profits and losses of associated companies	<u>(248)</u>	<u>32</u>	<u>(333)</u>	<u>(343)</u>
(h) Income tax	<u>(43)</u>	<u>(6)</u>	<u>(97)</u>	<u>(26)</u>
(i) Net(loss)/ profit for the period	<u>(291)</u>	<u>26</u>	<u>(430)</u>	<u>(369)</u>
(j) Other Comprehensive loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(k) Total Comprehensive (loss)/profit for the period	<u>(291)</u>	<u>26</u>	<u>(430)</u>	<u>(369)</u>

(l) Net (loss)/profit attributable to				
-Owners of the parent	(291)	26	(430)	(369)
-Non-controlling interests	-	-	-	-
	<u>(291)</u>	<u>26</u>	<u>(430)</u>	<u>(369)</u>
(m) Total Comprehensive (loss)/profit attributable to				
-Owners of the parent	(291)	26	(430)	(369)
-Non-controlling interests	-	-	-	-
	<u>(291)</u>	<u>26</u>	<u>(430)</u>	<u>(369)</u>
3 Earnings/(Loss) per share based on 2(m) above after deducting any provision for preference dividends, if any:				
(a) Basic (sen)				
- from continuing operations	(0.36)	0.03	(0.54)	(0.46)
- from discontinued operation	0.00	0.00	0.00	0.00
	<u>(0.36)</u>	<u>0.03</u>	<u>(0.54)</u>	<u>(0.46)</u>
Weighted average number of ordinary shares ('000)	79,937	79,937	79,937	79,937
(b) Fully diluted (based on ordinary shares - sen)				
- from continuing operations	(0.36)	0.03	(0.54)	(0.46)
- from discontinued operation	0.00	0.00	0.00	0.00
	<u>(0.36)</u>	<u>0.03</u>	<u>(0.54)</u>	<u>(0.46)</u>
Weighted average number of ordinary shares ('000)	79,937	79,937	79,937	79,937
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 2018 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 31/10/2018 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31/01/2018 (Audited)
	RM '000	RM '000
1 FIXED ASSETS	36,957	37,519
2 CURRENT ASSETS		
Cash and bank balances	2,731	3,392
Fixed deposits	3,100	3,019
Trade debtors	1,435	1,432
Inventories	4,077	3,925 *
Prepayment	24	47
Other debtors and deposits	200	224
Tax recoverable	20	13
	11,587	12,052
3 CURRENT LIABILITIES		
Short term borrowings	-	-
Trade creditors	253	329
Other creditors and accruals	422	1,003
Provision for taxation	54	4
Amount due to director	33	20
	762	1,356
4 NET CURRENT ASSET	10,825	10,696
	47,782	48,215

Financed by:

EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT		
SHARE CAPITAL	76,601	76,465
RESERVES		
Share premium	-	136
Treasury shares	(279)	(279)
Revaluation reserve	-	-
General reserve	-	-
Reserve on consolidation	-	-
Accumulated losses	(28,549)	(28,119) *
5 SHAREHOLDERS' FUNDS	47,773	48,203
6 NON-CONTROLLING INTERESTS	-	-
7 DEFERRED EXPENDITURE	-	-
8 LONG TERM BOROWINGS	-	-
9 DEFERRED TAXATION	9	12
	<u>47,782</u>	<u>48,215</u>
10 NET ASSETS PER SHARE (RM)	<u>0.62</u>	<u>0.63</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 January 2018 and the accompanying explanatory notes attached to the interim financial statements. Except for * fair value of inventories at date of transition . As at that date, an increase of RM424k was transferred to accumulated losses on date of transition to MFRS.

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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 2018	72,705	136	(279)	-	-	(28,543)	44,019
MFRS adjustment *	-	-	-	-	-	424	424
	<u>72,705</u>	<u>136</u>	<u>(279)</u>	<u>-</u>	<u>-</u>	<u>(28,119)</u>	<u>44,443</u>
Issue of share capital-placement	-	-	-	-	-	-	-
Treasury shares	136	(136)	-	-	-	-	-
Issue of share capital - ESOS	-	-	-	-	-	-	-
Currency translation differences not recognised in income statement	-	-	-	-	-	-	-
Total Comprehensive Profit/(Loss) for the period ended:	-	-	-	-	-	(430)	(430)
Dividend for the period ended:	-	-	-	-	-	-	-
Balance at 31 October 2018	<u>72,841</u>	<u>-</u>	<u>(279)</u>	<u>-</u>	<u>-</u>	<u>(28,549)</u>	<u>44,013</u>
<i>Balance at 1 February 2017</i>	<i>72,705</i>	<i>136</i>	<i>(279)</i>	<i>-</i>	<i>-</i>	<i>(28,622)</i>	<i>43,940</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>(279)</u>	<u>-</u>	<u>-</u>	<u>(28,622)</u>	<u>43,940</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>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/(Loss) for the period ended:</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(369)</i>	<i>(369)</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 2017</i>	<u>72,705</u>	<u>136</u>	<u>(279)</u>	<u>-</u>	<u>-</u>	<u>(28,991)</u>	<u>43,571</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 2018 and the accompanying explanatory notes attached to the interim financial statements. Except for * fair value of inventories at date of transition . As at that date, an increase of RM424k was transferred to accumulated losses on date of transition to MFRS.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT PERIOD ENDED 31/10/2018 (Unaudited)	PRECEDING PERIOD ENDED 31/10/2017 (Unaudited)
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss)/profit before taxation	(333)	(343)
Adjustment for:		
Depreciation	527	535
Impairment loss on property, plant and equipment	-	-
(Reversal)/Provision for doubtful debts	-	-
Bad debt	-	(1)
provision for slow moving stock	-	-
Gain on disposal	(1)	-
Gain on Forex	(103)	(1)
Loss on Forex	35	11
Inventories written off	-	-
Inventories write down to net realisable value	-	-
PPE written off	84	127
Interest income	(117)	(16)
Interest expense	-	-
Operating (loss)/profit before working capital changes	<u>92</u>	<u>312</u>
Changes in working capital		
Net change in receivables	123	(796)
Net change in inventories	(152)	(259)
Net change in payables	<u>(645)</u>	<u>(625)</u>
Cash generated from operating activities	<u>(582)</u>	<u>(1,368)</u>
Tax refund/(paid)	(68)	(47)
Interest received	117	16
Interest paid	-	-
Net cash generated from operating activities	<u>(533)</u>	<u>(1,399)</u>
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of fixed assets	(48)	(44)
Construction work in progress	-	-
Proceed from disposal of fixed asset	1	-
Net cash used in investing activities	<u>(47)</u>	<u>(44)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from share issue	-	3,761
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>3,761</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(580)</u>	<u>2,318</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	<u>6,411</u>	<u>2,409</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>5,831</u>	<u>4,727</u>
Cash and cash equivalents comprise:		
Cash and bank balances	2,731	4,727
Fixed deposits	3,100	-
	<u>5,831</u>	<u>4,727</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2018 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. First-time adoption of Malaysian Financial Reporting Standards (“MFRS”)

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 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 2018. These condensed consolidated interim financial statements for part of the period covered by the Group’s first MFRS annual financial statements for the year ending 31 January 2019. MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (“MFRS 1”) has been applied.

The explanatory notes attached to these condensed consolidated 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 year ended 31 January 2018.

In preparing its opening MFRS Statement of Financial Position as at 1 February 2018 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework which was effective for periods ending on or after 1 January 2012. By virtue of this transitional adoption periods, the Group had recorded inventories at the lower of cost and net realizable value. Upon transition to MFRS, the Group has recorded the inventories with regards fair value. As at that date, an increase of approximately RM424 thousand was transferred to accumulated losses on date of transition to MFRS.

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

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
MFRS 9	Financial Instruments (IFRS as issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Clarification to MFRS 15		1 January 2018
Amendments to MFRS 140	Transfer of Investment Property	1 January 2018
IC interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	See MFRS 4 Paragraph 46 and 48
Amendments to MFRS 3, MFRS 11, MFRS 112 and MFRS 123	Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019

Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
MFRS 16	Leases	1 January 2019
IC interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 2	Share-based Payment	1 January 2020
Amendments to MFRS 3	Business Combinations	1 January 2020
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendments to MFRS 14	Regulatory Deferral Accounts	1 January 2020
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134	Interim Financial Reporting	1 January 2020
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to MFRS 138	Intangible assets	1 January 2020
Amendments to IC Interpretation 12	Service concession Arrangements	1 January 2020
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendments to IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
Amendments to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2020
Amendments to IC Interpretation 132	Intangible Assets- Web Site Costs	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021

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

The main closing exchange rates used as at 31 October 2018 in translation (units of Malaysian Ringgit per foreign currency) were as follows:

Foreign Currency	Exchange Rate
United States Dollar	4.160
Japanese Yen	0.037
100 Indonesian Rupiah	0.025

2. Audit Qualifications

The audit report of the Group's most recent annual financial statements for the year ended 31 January 2018 was not qualified.

3. Seasonal or Cyclical Factors

The Group's operations and revenue are not affected by any seasonal or cyclical factors except on period where adverse weather may affect fish productions.

4. Unusual Items

There were no unusual items for the third quarter ended 31 October 2018.

5. Changes in Estimates

There were no material changes in estimates for the third quarter ended 31 October 2018.

6. Debt and Equity Securities

There is no any share buy back in this current quarter. Up to this quarter ended 31 October 2018, 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

The segmental result of the Group under review is set out below:

Current financial quarter ended 31 October 2018

	Investment Holding	Fish Farming	Merchandise	Total from Continuing Operations	Discontinued Operation	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
Sales (Gross)	120	719	3,105	3,944	-	3,944
Inter-Segment sales	(120)	(279)	(305)	(704)	-	(704)
External	-	440	2,800	3,240	-	3,240
RESULT						
Segment result	(11)	(393)	156	(248)	-	(248)
Finance costs	-	-	-	-	-	-
Profit/(Loss) before tax	(11)	(393)	156	(248)	-	(248)
Tax expenses	(18)	-	(25)	(43)	-	(43)
Profit/(Loss) after tax	(29)	(393)	131	(291)	-	(291)

Preceding year corresponding quarter ended 31 October 2017

	Investment Holding	Fish Farming	Merchandise	Total from Continuing Operations	Discontinued Operation	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
Sales (Gross)	120	1,116	2,802	4,038	-	4,038
Inter-Segment sales	(120)	(285)	(342)	(747)	-	(747)
External	-	831	2,460	3,291	-	3,291
RESULT						
Segment result	(29)	(1,208)	1,269	32	-	32
Finance costs	-	-	-	-	-	-
Profit/(Loss) before tax	(29)	(1,208)	1,269	32	-	32
Tax expenses	-	-	(6)	(6)	-	(6)
Profit/(Loss) after tax	(29)	(1,208)	1,263	26	-	26

Current financial period ended 31 October 2018

	Investment Holding	Fish Farming	Merchandise	Total from Continuing Operations	Discontinued Operation	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
Sales (Gross)	360	2,892	8,538	11,790	-	11,790
Inter-Segment sales	(360)	(818)	(901)	(2,079)	-	(2,079)
External	-	2,074	7,637	9,711	-	9,711
RESULT						
Segment result	9	(644)	302	(333)	-	(333)
Finance costs	-	-	-	-	-	-
Profit/(Loss) before tax	9	(644)	302	(333)	-	(333)
Tax expenses	(32)	-	(65)	(97)	-	(97)
Profit/(Loss) after tax	(23)	(644)	237	(430)	-	(430)

Preceding year corresponding period ended 31 October 2017

	Investment Holding	Fish Farming	Merchandise	Total from Continuing Operations	Discontinued Operation	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
Sales (Gross)	360	3,480	7,947	11,787	-	11,787
Inter-Segment sales	(360)	(912)	(907)	(2,179)	-	(2,179)
External	-	2,568	7,040	9,608	-	9,608
RESULT						
Segment result	(76)	(1,645)	1,378	(343)	-	(343)
Finance costs	-	-	-	-	-	-
Profit/(Loss) before tax	(76)	(1,645)	1,378	(343)	-	(343)
Tax expenses	-	-	(26)	(26)	-	(26)
Profit/(Loss) after tax	(76)	(1,645)	1,352	(369)	-	(369)

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 quarter 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

	Individual Period		Changes %
	Current Financial Quarter 31/10/2018 RM'000	Previous Year Corresponding Quarter 31/10/2017 RM'000	
Revenue	3,240	3,291	-1.55
Profit/(Loss) before Finance Cost, Depreciation and Amortisation, Exceptional Item, Minority Interest and Tax	(73)	215	-133.95
Profit/(Loss) Before Tax	(248)	32	-875.00
Profit/(Loss) After Tax	(291)	26	-1,219.25

The Group achieved revenue of RM3.240 million for the 3 months quarter ended 31 October 2018 as compared with RM3.291 million in the corresponding quarter last year. Turnover decreased by about 1.55% mainly due to the decrease of sales volume and decrease price of Arowana fish compared to the previous corresponding quarter.

The Group registered a loss before tax of RM248 thousand as compared with profit before tax of RM32 thousand in the corresponding quarter last year. The reason of loss before tax accounted in current financial quarter mainly due to decrease of sales volume and productivity of Arowana fish.

Current Financial Period as compared with Previous Year corresponding Period

	Individual Period		Changes %
	Current Financial Period 31/10/2018 RM'000	Previous Year Corresponding Period 31/10/2017 RM'000	
Revenue	9,711	9,608	1.07
Profit/(Loss) before Finance Cost, Depreciation and Amortisation, Exceptional Item, Minority Interest and Tax	194	192	1.04
Profit/(Loss) Before Tax	(333)	(343)	-2.92
Profit/(Loss) After Tax	(430)	(369)	16.53

The Group achieved revenue of RM9.711 million for the 9 months period ended 31 October 2018 as compared with RM9.608 million in the corresponding period last year. Turnover was increased by about 1.07% mainly due to the increase of sales volume of merchandise stocks, despite of decrease of sales volume and price of Arowana fish compared to the previous corresponding period.

The Group registered a loss before tax of RM333 thousand as compared with loss before tax of RM343 thousand in the corresponding period last year. The reason of lower loss before tax accounted in current financial period mainly due to increase of sales volume of merchandise stocks, despite of decrease of sales volume and price of Arowana fish compared to the previous corresponding period.

15. Variation of Results against Preceding Quarter

	Current Financial Quarter 31/10/2018 RM'000	Immediate Preceding Quarter 31/07/2018 RM'000	Changes %
Revenue	3,240	3,321	-2.44
Profit/(Loss) before Finance Cost, Depreciation and Amortisation, Exceptional Item, Minority Interest and Tax	(73)	173	-142.20
Profit/(Loss) Before Tax	(248)	(2)	12,300.00
Profit/(Loss) After Tax	(291)	(38)	665.79

The Group achieved revenue of RM3.240 million for the 3 months quarter ended 31 October 2018 as compared with RM3.321 million in the preceding quarter. Lesser turnover accounted in current quarter is due to the decrease of sales volume and productivity of fishes.

The Group registered a loss before tax for the current quarter ended 31 October 2018 of RM248 thousand as compared with a loss before tax of RM2 thousand for the previous quarter ended 31 July 2018. The reason of higher loss before tax accounted in current quarter is because of decrease of sales volume and productivity of fishes. In view of the unexpected loss in the market demand for stingrays, the Group continuing reduced the production output of Stingray fish to in line with the decreasing demand of the fish and in order to reduce the variable cost

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 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 31/10/2018 RM'000	Year to Date 31/10/2018 RM'000
Current taxation	46	88
Deferred taxation	(3)	9
	<u>43</u>	<u>97</u>

The effective tax rate of the Group was higher than the standard rate of 25% principally due to a subsidiary's capital allowances had fully utilized and other income is tax as different sources.

19. Status of corporate proposal announced

Private Placement

The proposal of Private Placement exercise which announced on 14 June 2017 and had been fully completed on 30 August 2017.

The Board of Directors has approved a revision in the utilization of part of the said proceeds amounting to RM284,000 allocated for future business project to working capital. An approval also granted for extension of time to 28 February 2019 for the utilization of the remaining proceeds of RM3 million for proposed business project.

Status of utilisation of proceeds

Purpose	Proposed Utilisation RM'000	Balance Brought Forward RM'000	Utilisation of Balance during the financial quarter RM'000	Remaining Balance Carried Forward RM'000	Intended Timeframe for Utilisation
Staff salaries	377	(377)	-	-	N/A
Future Business Projects/Investments for Xian Leng and its Subsidiaries (Group)	3,284	-	-	3,000*	28/02/2019
Defrayment of the expenses incidental to the Private Placement	100	(100)	-	-	N/A
Working Capital	-	-	(284)	-	N/A
Total	<u>3,761</u>	<u>(477)</u>	<u>(284)</u>	<u>3,000</u>	

*Proposed Business Project

The Company had on 8 October 2018 entered into the Memorandum of Understanding with TH Mestika Sdn Bhd in relation to Xianlng's participation in the construction of a multi-storey flat of 500 units and related works of the People's Housing Program by the Ministry of Housing and Local Government of Malaysia at Ulu Melaka, Langkawi, Kedah. On 11th December 2018 the Board had incorporated a wholly-owned subsidiary, Global XL Engineering Sdn. Bhd. on 10th December 2018 for the preparation of draft Subcontractor Services Agreement which related to the above mentioned project.

20. Borrowings

There was no bank borrowing as at the date of this report.

21. Notes to the Condensed Consolidated Statement of Comprehensive Income

Operating loss is stated after charging/(crediting):

	3 months ended		Year to date	
	<u>31.10.18</u> RM'000	<u>31.10.17</u> RM'000	<u>31.10.18</u> RM'000	<u>31.10.17</u> RM'000
Interest income	(39)	(13)	(117)	(16)
Other income	(115)	(13)	(136)	(34)
Interest expenses	-	-	-	-
Depreciation	175	183	527	535
(Reversed)/ Provision for doubtful debts	-	-	-	(1)
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	-	-	(1)	-
Property, plant and equipment written off	6	117	84	127
Provision for impairment of property, plant and equipment	-	-	-	-
Foreign exchange (gains)/losses	(27)	(1)	(68)	(1)
Derivatives (gains)/losses	-	-	-	-
Exception items	-	-	-	-

22. Material litigation

None.

23. Dividend Payable

No dividend has been declared for the third quarter ended 31 October 2018 (2017: Nil).

24. Earnings/(Loss) per share

a) Basic Earnings/(Loss) per Share

	3 months ended		Year to date	
	<u>31.10.18</u>	<u>31.10.17</u>	<u>31.10.18</u>	<u>31.10.17</u>
Net earnings/(loss) for the period (RM'000)	(291)	26	(430)	(369)
Weighted Average No. of shares ('000)	79,937	79,937	79,937	79,937
Basic earnings/(loss) per share (sen)				
-from continuing operations	(0.36)	0.03	(0.54)	(0.46)
-from discontinued operation	-	-	-	-
Total	<u>(0.36)</u>	<u>0.03</u>	<u>(0.54)</u>	<u>(0.46)</u>

b) Diluted earnings/(loss) per Share

Weighted Average No. of shares ('000)	79,937	79,937	79,937	79,937
Diluted earnings/(loss) per share (sen)				
-from continuing operations	(0.36)	0.03	(0.54)	(0.46)
-from discontinued operation	-	-	-	-
Total	<u>(0.36)</u>	<u>0.03</u>	<u>(0.54)</u>	<u>(0.46)</u>