

LEN CHEONG HOLDING BERHAD
(Company No. 339810-A)

Financial Year End : 31/12/2015
Quarter : First quarter

Quarterly report on consolidated results for the First quarter ended 31st March 2015,
These figures have not been audited.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31/03/2015 RM'000	Preceding Year Corresponding Quarter 31/03/2014 RM'000	Current Year To Date 31/03/2015 RM'000	Preceding Year Corresponding Period 31/03/2014 RM'000
Revenue	4,030	4,969	4,030	4,969
Operating expenses	(6,392)	(6,652)	(6,392)	(6,652)
Other operating income	73	2,092	73	2,092
(Loss) from operations	<u>(2,289)</u>	<u>409</u>	<u>(2,289)</u>	<u>409</u>
Finance cost	(21)	(177)	(21)	(177)
(Loss) before tax	<u>(2,310)</u>	<u>232</u>	<u>(2,310)</u>	<u>232</u>
Taxation	-	-	-	-
Net (loss) for the period	<u>(2,310)</u>	<u>232</u>	<u>(2,310)</u>	<u>232</u>
Other Comprehensive Income, net of Tax	-	17,972	-	17,972
Total comprehensive (loss)/income for the period	<u><u>(2,310)</u></u>	<u><u>18,204</u></u>	<u><u>(2,310)</u></u>	<u><u>18,204</u></u>
EPS - Basic (sen)	<u>(3.85)</u>	<u>30.34</u>	<u>(3.85)</u>	<u>30.34</u>
ESP - Fully diluted (sen)	<u>(3.85)</u>	<u>30.34</u>	<u>(3.85)</u>	<u>30.34</u>

(The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31st December, 2014)

LEN CHEONG HOLDING BERHAD
(Company No. 339810-A)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At End Of Current Quarter (Unaudited) 31/3/2015 RM'000	As At Preceding Financial Year End (Audited) 31/12/2014 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	35,438	35,874
	<u>35,438</u>	<u>35,874</u>
Current assets		
Inventories	6,109	4,925
Trade receivables	3,964	8,614
Other receivables, deposits & prepayments	1,325	1,389
Cash and bank balances	57	135
	<u>11,455</u>	<u>15,063</u>
Total Assets	<u><u>46,893</u></u>	<u><u>50,937</u></u>
EQUITY		
Share Capital	6,600	6,600
Reserves		
Share premium	1,516	1,516
Revaluation reserve	17,580	17,580
Retained earnings	5,975	8,285
	<u>31,671</u>	<u>33,981</u>
LIABILITIES		
Long Term Liabilities		
Other payables	4,292	4,292
Deferred Taxation	5,859	5,859
	<u>10,151</u>	<u>10,151</u>
Current liabilities		
Trade payables	2,992	2,151
Bills payables	-	1,662
Other payables & accruals	1,388	1,470
Hire-purchase creditors	41	52
Bank overdrafts	648	1,468
Tax payables	2	2
	<u>5,071</u>	<u>6,805</u>
Total Liabilities	<u>15,222</u>	<u>16,956</u>
Total Equity and Liabilities	<u><u>46,893</u></u>	<u><u>50,937</u></u>
Net assets per share (sen)		
calculated based on issued and fully paid-up 66,000,000 ordinary shares	<u>48</u>	<u>51</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st December, 2014)

LEN CHEONG HOLDING BERHAD
(Company No. 339810-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Cumulative Current Year To Date (Unaudited) 31/3/2015 RM'000	Cumulative Preceding Year Period (Audited) 31/12/2014 RM'000
Cash Flows From Operating Activities		
(Loss) before income tax	(2,310)	(5,869)
Adjustments for:-		
Depreciation	436	1,655
Impairment of trade receivables & other receivables	-	1,146
Gain on disposal of property, plant and equipment		(2,282)
Unrealised gain on foreign exchange	(126)	(214)
Interest expense	21	382
Inventories written off	-	6,001
Provision for doubtful debt	1,972	-
Written back of payables	-	(197)
Operating (loss)/profit before working capital changes	<u>(7)</u>	<u>622</u>
(Increase) in inventories	(1,184)	(2,125)
decrease/(Increase) in receivables	2,868	(4,054)
Increase in payables	<u>1,583</u>	<u>2,131</u>
Cash generated from/(used in) operations	3,260	(3,426)
Net interest paid	<u>(21)</u>	<u>(382)</u>
Net cash generated from/(used in) operating activities	<u>3,239</u>	<u>(3,808)</u>
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	-	(2)
Proceeds from investment properties	-	8,550
Net cash generated from investing activities	-	8,548
Cash Flows From Financing Activities		
Proceeds from issue of share capital	-	1,260
(Repayment) of borrowings	(2,497)	(5,694)
Net cash used in financing activities	<u>(2,497)</u>	<u>(4,434)</u>
Net change in cash & cash equivalents	742	306
Cash & cash equivalents brought forward	<u>(1,333)</u>	<u>(1,639)</u>
Cash & cash equivalents carried forward	<u><u>(591)</u></u>	<u><u>(1,333)</u></u>

***Cash & cash equivalents carried forward consists of:-**

Cash and bank balances	57	135
Bank overdrafts	(648)	(1,468)
	<u>(591)</u>	<u>(1,333)</u>

(The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st December, 2014)

LEN CHEONG HOLDING BERHAD
(Company No. 339810-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital RM'000	Share premium RM'000	Revaluation reserves RM'000	Retained earnings RM'000	Total RM'000
3 months ended 31st March, 2015					
At 1st January, 2015	6,600	1,516	17,580	8,285	33,981
Total comprehensive income for the period	-	-	-	(2,310)	(2,310)
At 31st March, 2015	<u>6,600</u>	<u>1,516</u>	<u>17,580</u>	<u>5,975</u>	<u>31,671</u>

	Share capital RM'000	Share premium RM'000	Revaluation and other reserves RM'000	Accumulated loss RM'000	Total RM'000
3 months ended 31st March, 2014					
At 1st January, 2014	60,000	856	-	(41,208)	19,648
Total comprehensive income for the period	-	-	17,972	232	18,204
At 31st March, 2014	<u>60,000</u>	<u>856</u>	<u>17,972</u>	<u>(40,976)</u>	<u>37,852</u>

(The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December, 2014)

NOTES

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with FRS 134: Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014. These explanatory notes attached to the interim financial statements provide explanation on events and transactions that are significant for understanding the changes in the financial position and performance of the Group for the financial period ended 31st March 2015.

2. Changes in accounting policies

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted for the annual financial statements for the year ended 31st December 2014. The adoption of these new MFRSs and Amendments do not have any material impact on the interim financial statements of the Group. The Group and the Company have not applied the following new MFRSs, and amendments to MFRSs that have been issued by MASB but are not yet effective, for the Group and the Company. The Group and the Company intend to adopt the following MFRSs when they become effective.

<u>MFRSs</u>	<u>Effective dates for financial periods beginning on or after</u>
Amendments to MFRS 119- Defined Benefit Plans- Employees Contribution	1-Jul-14
Annual Improvements to MFRS 2010-2012 Cycle	1-Jul-14
Annual Improvements to MFRS 2011-2013Cycle	1-Jul-14
Amendments to MFRS 14- Regulatory Deferral Accounts	1-Jan-16
Amendments to MFRS 11- Accounting for Acquisition of Interests in Joint Operations	1-Jan-16
Amendments to MFRS 116 and MFRS 138- Clarificatio of Acceptable Methods of Depreciation and Amortisation	1-Jan-16
Amendments to MFRS 116 and MFRS 141- Agriculture: Bearer Plants	1-Jan-16
Amendments to MFRS 127- Equity Methods in Separate Financial Statements	1-Jan-16
Amendments to MFRS 10 and MFRS 128- Sale of Contribution of Assets between Investors and Its Associate or Joint Ventures	1-Jan-16
Annual Improvements to MFRSs 2012 – 2014 Cycle	1-Jan-16
Amendments to MFRS 10, MFRS 12 and MFRS 128- Investment Entities- Applying the Consolidation Exception	1-Jan-16
MFRS 15- Revenue from Contracts with Customers	1-Jul-17
MFRS 9- Financial Instruments (IFRS 9 issued by IASB in July 2014)	1-Jul-18

3. Qualification of Financial Statements

The audited report of the preceding annual financial statements was not subjected to any qualification.

4. Seasonal or Cyclical Factors

The Group's business is not materially affected by seasonal or cyclical factors.

5. Nature and Amount of Unusual Items

There were no unusual items in the quarterly financial statements under review.

6. Nature and Amount of Changes in Estimates

There were no changes in estimates reported in the current financial period.

7. Debt and Equity Securities

There were no issuances and repayment of debts and equity securities during the financial quarter ended 31st March, 2015.

8. Dividend Paid

There was no dividend paid during the quarter under review.

9. Segmental Reporting

The Group operates principally in the manufacturing and distribution of furniture and related products. Segment information is presented in respect of the Group's business segments which are based on the internal reporting structure presented to the management of the Group.

	Current Year To Date 31/03/2015 RM'000
Sales - local	2,111
Sales - Overseas	1,919
	<u>4,030</u>

10. Valuations of Property, Plant and Equipment

The properties which were revalued have been brought forward from the previous financial statements. There were no valuations of property, plant and equipment for the financial quarter ended 31st March, 2015.

11. Subsequent Events

There were no material events subsequent to the financial period under review.

12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial period ended 31st March, 2015.

13. Contingent Liabilities or Contingent Assets

There were no contingent liabilities or assets to be disclosed for the Group.

14. Review of Performance

	Individual Quarter Current Year Quarter 31/03/2015 RM'000	Preceding Year Corresponding Quarter 31/03/2014 RM'000
Revenue	4,030	4,969
Profit / (Loss) before tax	(2,310)	232

Revenue for the current quarter showed a decrease to RM 4.030 million from RM 4.969 million recorded in the preceding year's corresponding quarter. The Group incurred a loss of RM2.310 million in this quarter as against profit of RM0.232 million in the preceding year's corresponding quarter is mainly due to the provisional of bad debts, decrease in oversea sales .

Oversea sales segment's sales decreased from RM2.732 million at previous year corresponding quarter to RM1.919 million for the quarter under review. The performance of the segment decreased mainly due to slowdown in the sales demand from our oversea customer.

15. Comparison with Immediate Preceding Quarter's Results

	Individual Quarter Current Year Quarter 31/03/2015 RM'000	Immediate Preceding Year Quarter 31/12/2014 RM'000
Revenue	4,030	6,878
(Loss) before tax	(2,310)	(3,024)

For the current quarter, the Group recorded revenue of RM4.030 million compared to RM6.878 million recorded in the preceding quarter.

16. Current Year Prospects

The Group acknowledges the uncertainty of current worldwide market condition of the furniture industry and the economic impact towards the industry. The management has put extra efforts, plans and risk control action in place as to minimise the impact accordingly. The management will continue its efforts strive for better performance in the remaining quarters with the implementation of price reduction and improve of production output and efficiency in order to remain competitive in the furniture industry.

The group will continue intensify into other trading activities including of logs purchase/supply, any related furniture upstream business activities, etc.

17. Profit Forecast

There was no profit forecast issued for the current financial period under review.

18. Taxation

There was no income tax estimated for the current financial period ended 31st March, 2015.

19. Sale of Investments and/or Properties

There were no sale of investments and/or properties for the current financial period ended 31st March, 2015.

20. Quoted Securities

There was no purchase or disposal of quoted securities for the current financial period ended 31st March, 2015.

21. Status of Corporate Proposals

There were no other corporate proposals announced for the financial period under review.

22. Group Borrowings

As at 31st March, 2015 :

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings:			
Hire-purchase creditors	41	-	41
Bank overdrafts	648	-	648
Total	<u>689</u>	<u>-</u>	<u>689</u>

23. The Group does not have any financial instruments with off balance sheet risk as at 31st March, 2015.

24. Material Litigation

The Group is not engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company and its subsidiary companies and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially affect the position or business of the Company or its subsidiary companies as at the date of the Report.

25. Dividend Proposed

No dividend is proposed for the financial period under review.

26. Earnings per share

Earnings per share is calculated by dividing the Company's result after taxation for the period by 60,000,000 ordinary shares in issue during the same period.

27. Disclosure of Realised and Unrealised Profits

The group's accumulated losses may be analysed as follows:

	Group 3/31/2015 RM'000	Group 31/12/2014 RM'000
Total (accumulated losses)		
- Realised losses	(13,704)	(11,483)
- Unrealised losses	(5,733)	(5,644)
	(19,437)	(17,127)
Less : Consolidation adjustments	25,412	25,412
	5,975	8,285
Total group (accumulated losses) as per statements of financial position	<u>5,975</u>	<u>8,285</u>

28. Profit for the period

	Current Quarter Ended		Financial Period Ended	
	3/31/2015 RM'000	3/31/2014 RM'000	3/31/2015 RM'000	3/31/2014 RM'000
Loss for the period is arrived at after crediting :				
Unrealised gain on foreign exchange	126	92	126	92
and after charging :				
Depreciation	436	304	436	304
Provision for doubtful debt	1,972	-	1,972	-