



## **XingHe Holdings Berhad**

(Company No. 643114-X)

(Incorporated in Malaysia)

### **INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2015 TO 30 JUNE 2015**

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# XingHe Holdings Berhad

(Company No. 643114-X)

(Incorporated in Malaysia)

## Interim Financial Statements for the Financial Period Ended 30 June 2015

### Consolidated Statement of Profit or Loss (Unaudited)

	Notes	Individual Period		Cumulative Period	
		Current Period from 1 Apr 2015 to 30 Jun 2015 RM'000	Preceding Corresponding Period from 1 Apr 2014 to 30 Jun 2014 RM'000	Current Period from 1 Jan 2015 to 30 Jun 2015 RM'000	Preceding Corresponding Period from 1 Jan 2014 to 30 Jun 2014 RM'000
Revenue	A4	239,722	202,860	627,959	513,060
Cost of sales		(197,921)	(171,435)	(518,290)	(433,248)
<b>Gross profit</b>		<b>41,801</b>	<b>31,425</b>	<b>109,669</b>	<b>79,812</b>
Other income		382	120	3,856	506
Selling and distribution costs		(21,956)	(4,450)	(27,614)	(7,962)
Administrative expenses		(5,144)	(6,487)	(10,139)	(8,799)
<b>Profit from operations</b>		<b>15,083</b>	<b>20,608</b>	<b>75,772</b>	<b>63,557</b>
Reverse acquisition listing expense		-	(29,582)	-	(29,582)
Finance costs		(479)	(423)	(942)	(846)
<b>Profit/(loss) before tax</b>	B11	<b>14,604</b>	<b>(9,397)</b>	<b>74,830</b>	<b>33,129</b>
Income tax expense	B5	(3,775)	(6,125)	(18,208)	(16,736)
<b>Profit/(loss) for the period</b>		<b>10,829</b>	<b>(15,522)</b>	<b>56,622</b>	<b>16,393</b>
<b>Attributable to:</b>					
Owners of the Company		9,820	(17,138)	51,769	11,936
Non-controlling interest		1,009	1,616	4,853	4,457
		<b>10,829</b>	<b>(15,522)</b>	<b>56,622</b>	<b>16,393</b>
Earnings/(loss) per share attributable to owners of the Company					
- Basic (sen)	B10	0.42	(0.87)	2.20	1.13

The Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the financial period ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.

# XingHe Holdings Berhad

(Company No. 643114-X)

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## Interim Financial Statements for the Financial Period Ended 30 June 2015

### Consolidated Statement of Other Comprehensive Income (Unaudited)

	Individual Period		Cumulative Period	
	Current Period from 1 Apr 2015 to 30 Jun 2015 RM'000	Preceding Corresponding Period from 1 Apr 2014 to 30 Jun 2014 RM'000	Current Period from 1 Jan 2015 to 30 Jun 2015 RM'000	Preceding Corresponding Period from 1 Jan 2014 to 30 Jun 2014 RM'000
<b>Profit/(loss) for the period</b>	<b>10,829</b>	(15,522)	<b>56,622</b>	16,393
<b>Other comprehensive income</b>				
Foreign currency translation	7,394	(4,088)	29,940	(9,173)
<b>Total comprehensive income for the period</b>	<b>18,223</b>	(19,610)	<b>86,562</b>	7,220
<b>Attributable to:</b>				
Owners of the Company	17,285	(20,984)	81,897	3,367
Non-controlling interest	938	1,374	4,665	3,853
	<b>18,223</b>	(19,610)	<b>86,562</b>	7,220

The Consolidated Statement of Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial period ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.

# XingHe Holdings Berhad

(Company No. 643114-X)

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## Interim Financial Statements for the Financial Period Ended 30 June 2015

### Consolidated Statement of Financial Position

	Notes	30 Jun 2015 RM'000 Unaudited	31 Dec 2014 RM'000 Audited
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	A9	21,991	21,618
Land use rights		12,254	11,508
		<b>34,245</b>	33,126
<b>CURRENT ASSETS</b>			
Inventories		49,030	29,705
Trade and other receivables		143,394	161,580
Cash and bank balances		279,601	192,931
		<b>472,025</b>	384,216
<b>TOTAL ASSETS</b>		<b>506,270</b>	417,342
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to owners of the Company			
Share capital	A10	234,850	234,850
Reserves		191,572	114,372
		<b>426,422</b>	349,222
Non-controlling interest		32,354	29,728
<b>TOTAL EQUITY</b>		<b>458,776</b>	378,950
<b>NON-CURRENT LIABILITIES</b>			
Other payable		3,227	2,985
Borrowings	B7	25,809	23,876
Deferred tax liabilities		1,249	2,263
		<b>30,285</b>	29,124
<b>CURRENT LIABILITIES</b>			
Trade and other payables		8,312	7,107
Dividend payable to the owners of the Company		4,697	-
Dividend payable to non-controlling interest		2,039	-
Government grant		1,554	1,597
Current tax liabilities		607	564
		<b>17,209</b>	9,268
<b>TOTAL LIABILITIES</b>		<b>47,494</b>	38,392
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>506,270</b>	417,342

# XingHe Holdings Berhad

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## Interim Financial Statements for the Financial Period Ended 30 June 2015

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### Consolidated Statement of Financial Position (Continued)

	<b>30 Jun 2015</b>	31 Dec 2014
	<b>RM</b>	RM
	<b>Unaudited</b>	Audited
Net assets per share	<b>0.20</b>	0.16

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The Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial period ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.

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## Interim Financial Statements for the Financial Period Ended 30 June 2015

### Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to the owners of the Company										
	Issued equity		Share premium RM'000	Capital reserve RM'000	Statutory reserve RM'000	Reverse acquisition reserve RM'000	Foreign exchange reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total RM'000
	Share capital RM'000	Equity reserve RM'000									
At 1 January 2014	-	36,204	13,276	3,983	18,901	-	17,632	125,346	215,342	21,269	236,611
Issuance of shares pursuant to acquisition of Supreme Global Group Limited ("SGGL")	190,000	-	20,000	-	-	-	-	-	210,000	-	210,000
Adjustment arising from Reverse Acquisition of SGGL	14,850	(36,204)	(12,867)	-	-	(154,550)	-	-	(188,771)	-	(188,771)
Issuance of shares pursuant to private placement	30,000	-	30,000	-	-	-	-	-	60,000	-	60,000
Profit for the period	-	-	-	-	-	-	-	11,936	11,936	4,457	16,393
Foreign currency translation	-	-	-	-	-	-	(8,569)	-	(8,569)	(604)	(9,173)
Total comprehensive loss	-	-	-	-	-	-	(8,569)	11,936	3,367	3,853	7,220
At 30 June 2014	234,850	-	50,409	3,983	18,901	(154,550)	9,063	137,282	299,938	25,122	325,060
At 1 January 2015	234,850	-	50,409	3,983	18,901	(154,550)	34,180	161,449	349,222	29,728	378,950
Dividends	-	-	-	-	-	-	-	(4,697)	(4,697)	(2,039)	(6,736)
Profit for the period	-	-	-	-	-	-	-	51,769	51,769	4,853	56,622
Foreign currency translation	-	-	-	-	-	-	30,128	-	30,128	(188)	29,940
Total comprehensive income	-	-	-	-	-	-	30,128	51,769	81,897	4,665	86,562
At 30 June 2015	234,850	-	50,409	3,983	18,901	(154,550)	64,308	208,521	426,422	32,354	458,776

The Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial period ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.

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## Interim Financial Statements for the Financial Period Ended 30 June 2015

### Consolidated Statement of Cash Flows (Unaudited)

	<b>Current Period from 1 Jan 2015 to 30 Jun 2015 RM'000</b>	Preceding Period from 1 Jan 2014 to 30 Jun 2014 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	74,830	33,129
Adjustments for:		
Finance costs	942	846
Interest income	(368)	(506)
Government grant	(166)	-
Depreciation of property, plant and equipment	1,769	1,724
Amortisation of prepaid land lease payments	179	202
Reverse acquisition listing expense	-	29,582
Unrealised foreign exchange gain	(3,322)	-
Operating profit before working capital changes	73,864	64,977
Changes in working capital		
Inventories	(16,920)	10,608
Trade and other receivables	59,253	(25,169)
Trade and other payables	(25,181)	(12,971)
Cash flows generated from operations	91,016	37,445
Interest paid	(942)	(846)
Income tax paid	(18,925)	(17,989)
<b>Net cash generated from operating activities</b>	<b>71,149</b>	<b>18,610</b>
<b>Cash flows from investing activities</b>		
Additions of property, plant and equipment	(460)	(82)
Proceeds of disposal of available-for-sale investment	-	1,399
Acquisition of the subsidiaries, net of cash and cash equivalents acquired	-	404
Interest income	368	506
<b>Net cash used in investing activities</b>	<b>(92)</b>	<b>2,227</b>
<b>Cash flows from financing activity</b>		
Proceeds of issuance of share capital	-	60,000
<b>Net cash used in investing activity</b>	<b>-</b>	<b>60,000</b>
<b>Net increase in cash and cash equivalents</b>	<b>71,057</b>	<b>80,837</b>
Effects of exchange rate changes on cash and cash equivalents	15,613	(8,843)
<b>Cash and cash equivalents at beginning of year</b>	<b>192,931</b>	<b>81,769</b>
<b>Cash and cash equivalents at end of period</b>	<b>279,601</b>	<b>153,763</b>

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Interim Financial Statements for the Financial Period Ended 30 June 2015

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## Consolidated Statement of Cash Flows (Unaudited) (Continued)

	<b>Current Period from 1 Jan 2015 to 30 Jun 2015 RM'000</b>	Preceding Period from 1 Jan 2014 to 30 Jun 2014 RM'000
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	<b>279,601</b>	153,763

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The Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial period ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.



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## A NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of the Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting and Rule 9.22 of the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial report should be read in conjunction with the audited financial statements for the financial period ended 31 December 2014 and the explanatory notes attached to the interim financial statements.

The 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 Company and its subsidiaries (“Group”) since the financial period ended 31 December 2014.

The accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in the audited financial statements of the Company for the financial period ended 31 December 2014 except for the changes in accounting policies and presentation resulting from the adoption of new and revised MFRSs and amendments to MFRSs that are effective for financial periods beginning on or after 1 January 2015.

### A2 Significant Accounting Policies

The Group has not adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board:

Title	Effective Date
MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	1 January 2016
Amendments to MFRS 116 and MFRS 138 <i>Clarification of Acceptable Methods of Depreciation of Amortisation</i>	1 January 2016
Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 141 <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to MFRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRS <i>Annual Improvements to 2012 – 2014 Cycle</i>	1 January 2016
Amendments to MFRS 101 <i>Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2017
MFRS 9 <i>Financial Instruments (IFRS 9 as issued by IASB in July 2014)</i>	1 January 2018

MFRS 10, 11, 14, 116, 127, 128 and 141 are not applicable to the Group’s existing operations.

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## A2 Significant Accounting Policies (continued)

Save and except for the possible impact on the adoption of MFRS 9 in the period of initial application which cannot be determined at present, the adoption of the rest of the above applicable pronouncements will have no material impact on the Group.

## A3 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial period ended 31 December 2014 was not qualified.

## A4 Segment information

The Group has two (2) reportable segments:

- (a) Branded products – consist of peanut oil, blended oil, repackaged soybean oil and corn oil; and
- (b) Non-branded products – consist of non-branded peanut oil and peanut protein cake.

As the Group's chief decision maker relies on internal reports which are similar to those currently disclosed externally, no further segment analysis is available for disclosure except for the following entity-wide disclosures as required by MFRS 8:

	Individual Period		Cumulative Period	
	Current Period from 1 Apr 2015 to 30 Jun 2015 RM'000	Preceding Corresponding Period from 1 Apr 2014 to 30 Jun 2014 RM'000	Current Period from 1 Jan 2015 to 30 Jun 2015 RM'000	Preceding Corresponding Period from 1 Jan 2014 to 30 Jun 2014 RM'000
<b>Revenue by products</b>				
<b>Revenue</b>				
Branded products	109,331	90,513	255,922	214,572
Non-branded products	130,391	112,347	372,037	298,488
	<b>239,722</b>	<b>202,860</b>	<b>627,959</b>	<b>513,060</b>
<b>Gross profit by products</b>				
<b>Gross Profit</b>				
Branded products	25,430	17,843	60,218	41,886
Non-branded products	16,371	13,582	49,451	37,926
	<b>41,801</b>	<b>31,425</b>	<b>109,669</b>	<b>79,812</b>

The Group's assets and liabilities are managed on a group-wide basis and are not allocated to any of the operating segments.

The Group's business is entirely operated within the People's Republic of China ("PRC"), and as such, segment information based on geographical location of customers and assets is not presented.

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## **A5 Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows, during the current financial quarter and year-to-date.

## **A6 Changes in estimates**

There were no changes in estimates of amounts reported in a prior financial quarter or a prior financial year that have a material effect on the current financial quarter and year-to-date.

## **A7 Seasonality or cyclicity of operations**

Peanut (the Group's primary raw material) is an agricultural product and as such, its availability is determined by seasonality, weather conditions as well as other environmental factors. The Group's product lines which also include soybean oil and corn oil in addition to peanut oil to a certain degree reduce the seasonal and cyclicity effects.

## **A8 Dividend paid**

No dividend was paid during the current financial quarter and year-to-date.

## **A9 Valuation of Property, Plant and Equipment**

The Group does not have a policy of revaluing its property, plant and equipment.

## **A10 Debt and equity securities**

On 25 March 2015, the Company issued 1,174,250,000 bonus warrants on the basis of one bonus warrant for every two existing ordinary shares in the Company. Each of these warrants entitle the holder to subscribe for one new ordinary share in the Company at 10 sen per share during the exercise period expiring on 22 March 2019. These warrants were admitted to the Official List and quoted on the ACE Market of Bursa Securities on 30 March 2015.

Save for the above, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current financial quarter and year-to-date.

## **A11 Changes in the composition of the Group**

There were no changes in the composition of the Group during the current financial quarter.

## **A12 Capital commitments**

At the end of the current financial quarter, the Group has no capital commitments.

## **A13 Contingent liabilities and contingent assets**

The Group has no contingent liabilities or contingent assets since the end of the previous financial period.

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### A14 Material events subsequent to the end of the current financial quarter

There were no material events subsequent to the end of the current financial quarter, which have not been reflected in the interim financial statements.

### A15 Significant Related Party Transactions

	Individual Period		Cumulative Period	
	Current Period from 1 Apr 2015 to 30 Jun 2015 RM'000	Preceding Corresponding Period from 1 Apr 2014 to 30 Jun 2014 RM'000	Current Period from 1 Jan 2015 to 30 Jun 2015 RM'000	Preceding Corresponding Period from 1 Jan 2014 to 30 Jun 2014 RM'000
Rental expense payable to a director	10	7	21	7

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## **B ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

### **B1 Review of performance**

The Group recorded a revenue of RM239.7 million for the current financial quarter and RM628.0 million year-to-date. The Group's gross profit margin for the current financial quarter and year-to-date was more or less the same at about 17.5%. This was an improvement over that of 15.6% for the corresponding year-to-date and was achieved on the back of higher average selling prices in Renminbi ("RMB") terms of branded products as well as non-branded products which increased by 4.0% and 3.8% respectively year-on-year ("YoY"). In Ringgit Malaysia ("RM") terms, these percentages were approximately 16.2%, the differential being the appreciation of RMB against RM.

As a consequence of the above, the Group recorded a profit before tax of RM14.6 million for the current financial quarter and RM74.8 million year-to-date. When compared to those of the corresponding financial quarter and year-to-date last year, the current profitability was attained mainly as a consequence of higher sales volume and average selling prices. The appreciation of RMB against RM YoY was also a contributory factor. It must also be noted that the profit before tax for the corresponding periods last year was also affected by the one-off reverse acquisition listing expense of RM29.6 million.

### **B2 Comments on material changes in profit before taxation**

The Group's revenue for the current financial quarter decreased by 38.3% to RM239.7 million from that of RM388.2 million in the preceding financial quarter. This decrease is normal as the current financial quarter is traditionally a low season post Chinese New Year festivities in the preceding financial quarter.

The Group's profit before tax for the current financial quarter decreased to RM14.6 million from that of RM60.2 million in the preceding financial quarter. This decrease in profitability was mainly attributed to the reduced revenue quarter-on-quarter as well as the sales incentive of RM16.7 million paid to distributors on their performance for 2014.

### **B3 Commentary on prospects**

As the growth of the PRC economy is expected to be slower in the near term, the Group will continue to strengthen its marketing efforts by enhancing market presence and increasing brand recognition through marketing and branding campaigns in its existing markets. On a positive note, the Group's sales volume, average selling prices and gross margins year-to-date are in the main higher than those achieved in the corresponding period last year. Furthermore, the Group's operations are entirely based in PRC and as such, the current parity between RMB against RM if maintained will, ceteris paribus, also benefit the Group.

Premised on the above, the Group is optimistic that it will be able to deliver a satisfactory performance for the rest of the current financial year.

### **B4 Profit forecast or profit guarantee**

The disclosure requirements for explanatory notes for the variance of actual profit after tax with profit forecast and shortfall in profit guarantee are not applicable.

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## Interim Financial Statements for the Financial Period Ended 30 June 2015

### B5 Income tax expense

	Individual Current Period from 1 Apr 2015 to 30 Jun 2015 RM'000	Cumulative Current Period from 1 Jan 2015 to 30 Jun 2015 RM'000
Current quarter expense:		
PRC income tax	3,775	18,208
Effective income tax rate	25.8%	24.3%

The differentials between the Group's effective PRC income tax rate for the current financial quarter and year-to-date with the applicable PRC's income tax rate of 25% are mainly due to the non-allowability and non-taxability of unrealised foreign currency differences.

### B6 Status of corporate proposals announced

On 31 March 2015, the Company entered into an exclusive agreement with Arab Supplier Fabrication and Retail Sdn. Bhd. to form a 50:50 joint venture company to set-up a manufacturing facility in Malaysia to blend, process, pack and distribute peanut and other edible oils for the Hashemite Kingdom of Jordan, other Middle Eastern and African markets. The due diligence process for this agreement is still on-going and has yet to be completed as at 19 August 2015.

Other than the above, there were no other corporate proposals announced but not completed as at 19 August 2015.

The on-going post-completion matters arising from the Group's regularisation plan completed on 29 April 2014 were as follows:

- (i) The utilisation of the gross proceeds from the private placement of 300 million new ordinary shares of RM0.10 each to selected investors at an issue price of RM0.20 is as follows:

<u>Purposes</u>	<u>Estimated timeframe for utilisation from 24 April 2014</u>	<u>Proposed utilisation (RM'000)</u>	<u>Actual utilisation up to 19 Aug 2015 (RM'000)</u>
Branding	Within 24 months	23,600	21,583
Marketing	Within 12 months	23,600	23,600
Defraying estimated expenses	Immediate	7,600	7,600
Working capital	On-going	5,200	5,200
Total		60,000	57,983

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## **B6 Status of corporate proposals announced (continued)**

- (ii) Pursuant to Share Sale Agreement of 23 May 2013 (as varied by the Supplemental agreement of 8 January 2014 in relation to the acquisition of SGGL by the Company, Testa Holdings Limited has unconditionally and irrecoverably guaranteed that the audited profit after tax of Henan XingHe Oil and Fat Company Limited (“Henan XingHe”) shall not be less than the sum of RMB135 million (approximately RM83.2 million based on the exchange rate of RMB1:RM0.6161 as at 30 June 2015) for each of the three financial years ended/ending (“FYE”) 31 December 2013, 2014 and 2015.

Henan XingHe has recorded audited profit after tax of RMB152.7 million and RMB149.6 million (approximately RM82.2 million and RM85.0 million respectively, based on the respective exchange rates of RMB1:RM0.5383 as at 31 December 2013 and RMB1:RM0.5685 as at 31 December 2014) for FYE 31 December 2013 and 2014 respectively, and henceforth the profit guarantee for these FYEs were met.

## **B7 Borrowings and debt securities**

The Group’s borrowings as at 30 June 2015 are as follows:

	RM'000
<b>NON-CURRENT</b>	
Unsecured borrowings	25,809

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All the borrowings are denominated in RMB, the functional currency of the primary operating subsidiary in the PRC.

## **B8 Material litigation**

The Group has no material litigations pending as of 19 August 2015.

## **B9 Dividends payable**

At the Company’s Tenth Annual General Meeting held on 23 June 2015, the shareholders had approved a final dividend of 0.2 sen per ordinary share for the financial period from 1 February 2013 to 31 December 2014.

This dividend will be paid on 21 September 2015 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 24 August 2015.

Other than the above, no dividend has been declared or recommended for the current financial quarter and year-to-date.

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### B10 Earnings per share

#### (a) Basic earnings per share

The basic earnings per share is 0.42 sen and 2.20 sen for the current financial quarter and the year-to-date respectively and are derived as follows:

	Individual Current Period from 1 Apr 2015 to 30 Jun 2015	Cumulative Current Period from 1 Jan 2015 to 30 Jun 2015
Earnings for the period attributable to owners of the Company (RM'000)	9,820	51,769
Weighted average number of ordinary shares in issue ('000)	2,348,500	2,348,500

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#### (b) Diluted earnings per share

The diluted earnings per share is the same as the basic earnings per share as the average market prices of the ordinary shares during the current financial quarter were lower than the exercise price of the warrants and accordingly, the warrants have no dilutive effect on the earnings per share. The Company has no other dilutive potential ordinary shares in issue as at the end of the current financial quarter.

### B11 Profit before tax

Profit before tax is derived after taking into account of the following income/(expenses) items:

	Individual Current Period from 1 Apr 2015 to 30 Jun 2015 RM'000	Cumulative Current Period from 1 Jan 2015 to 30 Jun 2015 RM'000
Interest income	200	367
Government grant	84	166
Other income	-	-
Interest expenses	(479)	(942)
Depreciation and amortisation	(933)	(1,947)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain or loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange gain or loss	-	-
Gain or loss on derivatives	-	-
Unrealised foreign exchange gain	98	3,322

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# XingHe Holdings Berhad

(Company No. 643114-X)

(Incorporated in Malaysia)

Interim Financial Statements for the Financial Period Ended 30 June 2015

## **B12 Supplementary information disclosed pursuant to Bursa Securities' Listing Requirements**

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1 Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure pursuant to Bursa Securities' Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010:

	As at 30 Jun 2015 RM'000	As at 31 Dec 2014 RM'000
Total retained earnings of the Group		
- Realised	214,491	166,281
- Unrealised	-	1,138
	<b>214,491</b>	167,419
Consolidation adjustments	<b>(5,970)</b>	(5,970)
	<b>208,521</b>	161,449

The above disclosure is solely for complying with the disclosure requirement as stipulated in the said Bursa Securities' directive and should not be applied for any other purposes.

By Order of the Board

Datuk Tan Leh Kiah  
Lim Chien Joo  
Company Secretaries

26 August 2015