



## **XingHe Holdings Berhad**

(Company No. 643114-X)

(Incorporated in Malaysia)

### **INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 OCTOBER 2015 TO 31 DECEMBER 2015**

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# XingHe Holdings Berhad

(Company No. 643114-X)

(Incorporated in Malaysia)

## Interim Financial Statements for the Financial Period Ended 31 December 2015

### Consolidated Statement of Profit or Loss

	Notes	Individual Period		Cumulative Period	
		Current Period from 1 Oct 2015 to 31 Dec 2015 RM'000 Unaudited	Preceding Corresponding Period from 1 Oct 2014 to 31 Dec 2014 RM'000 Unaudited	Current Period from 1 Jan 2015 to 31 Dec 2015 RM'000 Unaudited	Preceding Corresponding Period from 1 Jan 2014 to 31 Dec 2014 RM'000 Audited
Revenue	A4	269,701	255,506	1,142,212	981,617
Cost of sales		(234,177)	(213,273)	(961,403)	(826,914)
<b>Gross profit</b>		<b>35,524</b>	42,233	<b>180,809</b>	154,703
Other (loss)/income		(3,703)	3,463	4,932	4,104
Selling and distribution costs		(9,384)	(19,943)	(43,978)	(34,774)
Administrative expenses		(5,592)	(8,185)	(22,422)	(50,686)
Finance costs		(997)	(839)	(2,459)	(2,106)
<b>Profit before tax</b>	B11	<b>15,848</b>	16,729	<b>116,882</b>	71,241
Income tax expense	B5	(4,885)	(5,664)	(29,742)	(28,069)
<b>Profit for the period</b>		<b>10,963</b>	11,065	<b>87,140</b>	43,172
<b>Attributable to:</b>					
Owners of the Company		9,628	9,939	79,451	36,103
Non-controlling interest		1,335	1,126	7,689	7,069
		<b>10,963</b>	11,065	<b>87,140</b>	43,172
Earnings/(loss) per share attributable to owners of the Company					
- Basic (sen)	B10	0.41	0.42	3.38	2.11

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)

(Incorporated in Malaysia)

## Interim Financial Statements for the Financial Period Ended 31 December 2015

### Consolidated Statement of Other Comprehensive Income

	Individual Period		Cumulative Period	
	Current Period from 1 Oct 2015 to 31 Dec 2015 RM'000 Unaudited	Preceding Corresponding Period from 1 Oct 2014 to 31 Dec 2014 RM'000 Unaudited	Current Period from 1 Jan 2015 to 31 Dec 2015 RM'000 Unaudited	Preceding Corresponding Period from 1 Jan 2014 to 31 Dec 2014 RM'000 Audited
<b>Profit for the period</b>	<b>10,963</b>	11,065	<b>87,140</b>	43,172
<b>Other comprehensive (loss)/income</b>				
Foreign currency translation	(20,496)	19,858	64,528	17,938
<b>Total comprehensive (loss)/income for the period</b>	<b>(9,533)</b>	30,923	<b>151,668</b>	61,110
<b>Attributable to:</b>				
Owners of the Company	(10,879)	27,932	144,660	52,651
Non-controlling interest	1,346	2,991	7,008	8,459
	<b>(9,533)</b>	30,923	<b>151,668</b>	61,110

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)

(Incorporated in Malaysia)

Interim Financial Statements for the Financial Period Ended 31 December 2015

## Consolidated Statement of Financial Position

	Notes	31 Dec 2015 RM'000 Unaudited	31 Dec 2014 RM'000 Audited
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		22,301	21,618
Land use rights		12,993	11,508
Deferred tax assets		827	-
		<b>36,121</b>	33,126
<b>CURRENT ASSETS</b>			
Inventories		20,165	29,705
Trade and other receivables		324,641	161,580
Cash and bank balances		199,142	192,931
		<b>543,948</b>	384,216
<b>TOTAL ASSETS</b>		<b>580,069</b>	417,342
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to owners of the Company			
Share capital	A9	234,850	234,850
Reserves		254,335	114,372
Equity attributable to owners of the Company		<b>489,185</b>	349,222
Non-controlling interest		34,540	29,728
<b>TOTAL EQUITY</b>		<b>523,725</b>	378,950
<b>NON-CURRENT LIABILITIES</b>			
Other payables		3,475	2,985
Borrowings	B7	27,786	23,876
Deferred tax liabilities		1,849	2,263
		<b>33,110</b>	29,124
<b>CURRENT LIABILITIES</b>			
Trade and other payables		13,575	5,469
Amount due to directors		6,837	1,638
Government grant		1,487	1,597
Current tax liabilities		1,335	564
		<b>23,234</b>	9,268
<b>TOTAL LIABILITIES</b>		<b>56,344</b>	38,392
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>580,069</b>	417,342

# XingHe Holdings Berhad

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## Interim Financial Statements for the Financial Period Ended 31 December 2015

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### Consolidated Statement of Financial Position (Continued)

	<b>31 Dec 2015</b>	31 Dec 2014
	<b>RM</b>	RM
	<b>Unaudited</b>	Audited
Net assets per share	<b>0.22</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.

# XingHe Holdings Berhad

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## Interim Financial Statements for the Financial Period Ended 31 December 2015

### Consolidated Statement of Changes in Equity

	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										
Audited											
At 1 January 2014	-	36,204	13,276	3,983	18,901	-	17,632	125,346	215,342	21,269	236,611
Adjustment arising from reverse acquisition	204,850	(36,204)	7,133	-	-	(154,550)	-	-	21,229	-	21,229
Issuance of shares pursuant to private placement	30,000	-	30,000	-	-	-	-	-	60,000	-	60,000
Profit for the period	-	-	-	-	-	-	-	36,103	36,103	7,069	43,172
Foreign currency translation	-	-	-	-	-	-	16,548	-	16,548	1,390	17,938
Total comprehensive loss	-	-	-	-	-	-	16,548	36,103	52,651	8,459	61,110
At 31 Dec 2014	234,850	-	50,409	3,983	18,901	(154,550)	34,180	161,449	349,222	29,728	378,950
<b>Unaudited</b>											
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)	(2,196)	(6,893)
Profit for the period	-	-	-	-	-	-	-	79,451	79,451	7,689	87,140
Foreign currency translation	-	-	-	-	-	-	65,209	-	65,209	(681)	64,528
Total comprehensive income	-	-	-	-	-	-	65,207	79,453	144,660	7,008	151,668
At 31 Dec 2015	234,850	-	50,409	3,983	18,901	(154,550)	99,387	236,205	489,185	34,540	523,725

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.

# XingHe Holdings Berhad

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Interim Financial Statements for the Financial Period Ended 31 December 2015

## Consolidated Statement of Cash Flows

	Current Period from 1 Jan 2015 to 31 Dec 2015 RM'000 Unaudited	Preceding Period from 1 Jan 2014 to 31 Dec 2014 RM'000 Audited
<b>Cash flows from operating activities</b>		
Profit before tax	116,882	71,241
Adjustments for:		
Finance costs	2,459	2,106
Interest income	(921)	(514)
Government grant	(351)	(300)
Depreciation of property, plant and equipment	3,194	3,250
Amortisation of prepaid land lease payments	377	385
Reverse acquisition listing expense	-	29,582
Loss on disposal of subsidiaries	-	17
Unrealised foreign exchange gain	(3,660)	(3,290)
Operating profit before working capital changes	117,980	102,477
Changes in working capital		
Inventories	14,406	4,364
Trade and other receivables	(63,057)	38,473
Trade and other payables	(50,596)	(67,260)
Cash flows generated from operations	18,733	78,054
Interest paid	(1,991)	(1,706)
Income tax paid	(30,909)	(31,884)
<b>Net cash (used in)/generated from operating activities</b>	<b>(14,167)</b>	<b>44,464</b>
<b>Cash flows from investing activities</b>		
Additions of property, plant and equipment	(530)	(270)
Proceeds from disposal of available-for-sale investment	-	1,478
Acquisition of the subsidiaries, net of cash and cash equivalents acquired	-	404
Interest income	921	514
Proceeds of disposal of subsidiaries, net of cash and cash equivalents disposed	-	(9)
<b>Net cash generated from investing activities</b>	<b>391</b>	<b>2,117</b>
<b>Cash flows from financing activity</b>		
Proceeds from issuance of share capital	-	60,000
Dividend paid	(4,697)	-
Dividend paid to non-controlling interest	(2,196)	-
Withholding tax paid	(1,167)	-
<b>Net cash (used in)/generated from investing activity</b>	<b>(8,060)</b>	<b>60,000</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(21,836)</b>	<b>106,581</b>
Effects of exchange rate changes on cash and cash equivalents	28,047	4,581
<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 year</b>	<b>199,142</b>	<b>192,931</b>

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Interim Financial Statements for the Financial Period Ended 31 December 2015

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## Consolidated Statement of Cash Flows (Continued)

	<b>Current Period</b>	Preceding Period
	<b>from 1 Jan 2015</b>	from 1 Jan 2014
	<b>to 31 Dec 2015</b>	to 31 Dec 2014
	<b>RM'000</b>	RM'000
	<b>Audited</b>	Unaudited
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	<b>199,142</b>	192,931

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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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Interim Financial Statements for the Financial Period Ended 31 December 2015

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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 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	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 2018
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 Oct 2015 to 31 Dec 2015 RM'000	Preceding Corresponding Period from 1 Oct 2014 to 31 Dec 2014 RM'000	Current Period from 1 Jan 2015 to 31 Dec 2015 RM'000	Preceding Corresponding Period from 1 Jan 2014 to 31 Dec 2014 RM'000
<b>Revenue by products</b>				
<b>Revenue</b>				
Branded products	108,263	104,092	465,814	404,969
Non-branded products	161,438	151,414	676,398	576,648
	<b>269,701</b>	<b>255,506</b>	<b>1,142,212</b>	<b>981,617</b>
<b>Gross profit by products</b>				
<b>Gross Profit</b>				
Branded products	20,592	21,621	102,702	80,077
Non-branded products	14,932	20,612	78,107	74,626
	<b>35,524</b>	<b>42,233</b>	<b>180,809</b>	<b>154,703</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 of the Group, 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 of the current financial year or a prior financial year that have a material effect on the current financial 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**

On 21 September 2015, the Company paid a final dividend of 0.2 sen per share in respect of the financial period ended 31 December 2014 amounting to RM4,697,000.

Other than the above, no dividends were paid during the current financial quarter and year-to-date.

## **A9 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 year-to-date.

## **A10 Changes in the composition of the Group**

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

## **A11 Capital commitments**

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

## **A12 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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## A13 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.

## A14 Significant Related Party Transactions

	Individual Period		Cumulative Period	
	Current Period from 1 Oct 2015 to 31 Dec 2015 RM'000	Preceding Corresponding Period from 1 Oct 2014 to 31 Dec 2014 RM'000	Current Period from 1 Jan 2015 to 31 Dec 2015 RM'000	Preceding Corresponding Period from 1 Jan 2014 to 31 Dec 2014 RM'000
Rental expense payable to a director	7	11	39	29

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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 revenue of RM269.7 million for the current financial quarter (“CFQ”) and RM1.1 billion year-to-date (“YTD”). The Group’s gross profit margins for the CFQ and YTD were 13.2% and 15.8% respectively. The CFQ’s gross profit margin was lower than that of 16.5% for the corresponding financial quarter last year while the YTD’s gross profit margin was more or less the same as that of the corresponding period last year.

The decrease in the CFQ’s gross profit margin year-on-year (“YoY”) basis was mainly caused by the drop of 3.8% in the average selling price of branded products (in Renminbi [“RMB”] terms) and a decline in sales volume of 11.3%. Hence, the gross profit margin of branded products decreased by 10.1%. The increase in average selling price of non-branded products (in RMB terms) by 2.7% was unable to overcome the decline of sales volume of 14.7% that made the gross profit margin of non-branded products decreased by 33.9%.

On the other hand, the YTD’s gross profit margin was sustained through marginally higher RMB average selling prices for branded and non-branded products YoY (2.1% and 1.5% respectively) with overall sales volume declining marginally by 1.7% YoY.

The Group recorded a profit before tax (“PBT”) of RM15.8 million for the CFQ and RM116.9 million YTD. When compared to that of the corresponding financial quarter, the CFQ’s PBT was lower by 5.3% YoY. This decrease was due to the decrease in gross profit YoY by 15.9%.

As for the YTD’s PBT, it was also achieved mainly as a result of the above-mentioned appreciation of RMB against RM. Operationally, the YTD’s higher average selling prices (2.1% for branded products and 1.5% for non-branded products) as compared with the corresponding period last year were also contributory factors. It must also be noted that the PBT for the corresponding period 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 CFQ increased to RM269.7 million from that of RM244.6 million in the preceding financial quarter. This increase was due to the RMB appreciation by 2.2% against RM during the CFQ. At the operating level and on a quarter-on-quarter (“QoQ”) basis, the average selling prices (in RMB terms) of branded products was down by 6.6% although its sales volume was higher by 12.3% QoQ. As for unbranded products, its average selling price (in RMB) was 12.5% higher QoQ with sales volume remaining more or less the same QoQ. These positives were unable overcome the effect of the decline in the average selling price of branded products and as a result, the CFQ’s gross profit margin was lower at 13.2% as compared to 14.6% attained in the preceding financial quarter.

The Group’s PBT for the CFQ decreased to RM15.8 million from that of RM26.2 million in the preceding financial quarter. This decrease in profitability was mainly attributed to the increased in the selling expenses and distribution costs QoQ and the unrealised exchange loss.

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## B3 Commentary on prospects

The PRC economy is expected to continue to be under strain in the coming year. The 6.8% growth in the PRC's economy in the last quarter of 2015 although in line with market expectations was the weakest since the first quarter of 2009. The only positive from this weak growth rate was that there was strength in services and consumption as PRC transform itself from a manufacturing and exports driven economy to one driven by services and consumption.

Under such conditions, 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 so as to sustain its profitability.

As the Group's operations are entirely based in PRC, the current parity between RMB against RM if maintained will, ceteris paribus, also benefit the Group's result in the coming 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.

## B5 Income tax expense

	Individual Current Period from 1 Oct 2015 to 31 Dec 2015 RM'000	Cumulative Current Period from 1 Jan 2015 to 31 Dec 2015 RM'000
Current quarter/year expense:		
PRC income tax	4,885	29,742
<hr/>		
Effective PRC income tax rate	30.8%	25.4%

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

Save for the on-going post-completion matters arising from the Group's regularisation plan completed on 29 April 2014 as disclosed below, there were no corporate proposals announced but not completed as at 22 February 2016.

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## B6 Status of corporate proposals announced (continued)

The on-going post-completion matters as mentioned above 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</u> (RM'000)	<u>Actual utilisation up to 22 February 2016</u> (RM'000)
Branding	Within 24 months	23,600	23,600
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	60,000

- (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 RM89.3 million based on the exchange rate of RMB1:RM0.6616 as at 31 December 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 for FYE 31 December 2013 and 2014 respectively, and henceforth the profit guarantee for these FYEs was met.

The profit after tax of Henan XingHe for FYE 31 December 2015 as disclosed in the interim financial statements has yet to be audited.

## B7 Borrowings and debt securities

The Group's borrowings as at 31 December 2015 are as follows:

	RM'000
<b>NON-CURRENT</b>	
Unsecured borrowings	27,786

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

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Interim Financial Statements for the Financial Period Ended 31 December 2015

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## B8 Material litigation

On 9 November 2015, the Company's solicitors notified Arab Supplier Fabrication and Retail Sdn. Bhd. ("Asfar") that the exclusivity agreement dated 31 March 2015 between the Company and Asfar will be terminated on 16 November 2015. The Company has come to a settlement via settlement agreement. There is no more claim from both parties thereafter.

The Group has no material litigations pending as of 22 February 2016.

## B9 Dividends payable

No dividend has been declared or recommended for the current financial quarter and year-to-date.

## B10 Earnings per share

### (a) Basic earnings per share

The basic earnings per share of 0.41 sen and 3.38 sen for the current financial quarter and the year-to-date respectively are derived as follows:

	Individual Current Period from 1 Oct 2015 to 31 Dec 2015	Cumulative Current Period from 1 Jan 2015 to 31 Dec 2015
Earnings for the period attributable to owners of the Company (RM'000)	9,628	79,451
Weighted average number of ordinary shares in issue ('000)	2,348,500	2,348,500

### (b) Diluted earnings per share

The diluted earnings per share is the same as the basic earnings per share as the average market price of the ordinary shares during the current financial quarter was 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.



# XingHe Holdings Berhad

(Company No. 643114-X)

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Interim Financial Statements for the Financial Period Ended 31 December 2015

## B11 Profit before tax

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

	Individual Current Period from 1 Oct 2015 to 31 Dec 2015 RM'000	Cumulative Current Period from 1 Jan 2015 to 31 Dec 2015 RM'000
Interest income	281	921
Government grant	94	351
Other income	-	-
Interest expenses	(997)	(2,459)
Depreciation and amortisation	(443)	(3,194)
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	-	-
Gain or loss on derivatives	-	-
Net foreign exchange gain or (loss)	(4,078)	3,660

## 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 31 Dec 2015 RM'000	As at 31 Dec 2014 RM'000
Total retained earnings of the Group		
- Realised	239,281	166,281
- Unrealised	3,660	1,138
	242,941	167,419
Consolidation adjustments	(5,970)	(5,970)
	236,971	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 (Ms)  
Company Secretaries

29 February 2016

# **XingHe Holdings Berhad**

(Company No. 643114-X)  
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