



XiDeLang Holdings Ltd

(Bermuda Company No. 43136)
(Malaysian Foreign Company Registration No. 995210-W)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2011

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**喜得狼®****XiDeLang Holdings Ltd**

(Bermuda Company No. 43136)

(Malaysian Foreign Company Registration No. 995210-W)

Quarterly Report on Consolidated Results for the Third Financial Quarter ended
30 September 2011**CONDENSED CONSOLIDATED INCOME STATEMENT - UNAUDITED**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30.09.2011 ⁽¹⁾ RM'000	Quarter ended 30.09.2010 RM'000	Year to date ended 30.09.2011 ⁽¹⁾ RM'000	Year to date ended 30.09.2010 RM'000
Revenue	132,942	125,248	357,254	339,446
Cost of Sales	(92,668)	(82,615)	(251,452)	(229,133)
Gross Profit ("GP")	40,274	42,633	105,802	110,313
Other Income	316	76	371	277
Selling and Distribution Costs	(4,620)	(9,970)	(13,251)	(22,555)
Administrative and other expenses	(2,952)	(2,638)	(7,227)	(6,906)
Finance Costs	(905)	(513)	(1,175)	(1,736)
Profit Before Tax ("PBT")	32,113	29,588	84,520	79,393
Tax Expense	(8,135)	(7,668)	(21,324)	(20,385)
Profit for the period ("PAT")	23,978	21,920	63,196	59,008
Attributable to:				
Equity holders of the parent	23,978	21,920	63,196	59,008
Minority Interest	-	-	-	-
	23,978	21,920	63,196	59,008
Earnings per share attributable to equity holders of the parent				
- Basic (sen)	5.45	5.48	14.50	14.75
- Diluted (sen)	N/A	N/A	N/A	N/A

Note:

(1) The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.



Quarterly Report on Consolidated Results for the Third Financial Quarter ended
30 September 2011

CONDENSED CONSOLIDATED INCOME STATEMENT – UNAUDITED (continued)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30.09.2011 ⁽²⁾ RMB'000	Quarter ended 30.09.2010 ⁽²⁾ RMB'000	Year to date ended 30.09.2011 ⁽²⁾ RMB'000	Year to date ended 30.09.2010 ⁽²⁾ RMB'000
Revenue	266,898	251,452	717,233	681,482
Cost of Sales	(186,043)	(165,860)	(504,822)	(460,014)
Gross Profit ("GP")	80,855	85,592	212,411	221,468
Other Income	634	153	745	556
Selling and Distribution Costs	(9,275)	(20,016)	(26,603)	(45,282)
Administrative and other expenses	(5,927)	(5,296)	(14,509)	(13,865)
Finance Costs	(1,817)	(1,030)	(2,359)	(3,485)
Profit Before Tax ("PBT")	64,470	59,403	169,685	159,392
Tax Expense	(16,332)	(15,394)	(42,811)	(40,926)
Profit for the period ("PAT")	48,138	44,009	126,874	118,466
Attributable to:				
Equity holders of the parent	48,138	44,009	126,874	118,466
Minority Interest	-	-	-	-
	48,138	44,009	126,874	118,466
Earnings per share attributable to equity holders of the parent				
- Basic (RMB cent)	10.94	11.00	29.11	29.61
- Diluted (RMB cent)	N/A	N/A	N/A	N/A

Note:

- (1) The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.
- (2) The presentation currency of this unaudited interim financial report is Ringgit Malaysia ("RM"). Supplementary information in Renminbi ("RMB") is shown for reference only and has been translated at the exchange rate of RMB1 to RM0.4981 at 30 September 2011. This translation should not be construed as a representation that the RM amounts actually represented have been or could be converted into RMB at this or any other rate.



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
- UNAUDITED**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30.09.2011 ⁽¹⁾ RM'000	Quarter ended 30.09.2010 RM'000	Year to date ended 30.09.2011 ⁽¹⁾ RM'000	Year to date ended 30.09.2010 RM'000
Profit for the financial period	23,978	21,920	63,196	59,008
Currency translation differences arising from consolidation	18,498	(7,227)	20,756	(14,668)
Total comprehensive income	42,476	14,693	83,952	44,340
Total comprehensive income attributable to:				
Equity holders of the parent	42,476	14,693	83,952	44,340
Minority Interest	-	-	-	-
	42,476	14,693	83,952	44,340

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30.09.2011 ⁽²⁾ RMB'000	Quarter ended 30.09.2010 ⁽²⁾ RMB'000	Year to date ended 30.09.2011 ⁽²⁾ RMB'000	Year to date ended 30.09.2010 ⁽²⁾ RMB'000
Profit for the financial period	48,138	44,007	126,874	118,466
Currency translation differences arising from consolidation	37,138	(14,509)	41,670	(29,448)
Total comprehensive income	85,276	29,498	168,544	89,018
Total comprehensive income attributable to:				
Equity holders of the parent	85,276	29,498	168,544	89,018
Minority Interest	-	-	-	-
	85,276	29,498	168,544	89,018

Note:

- (1) The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.
- (2) The presentation currency of this unaudited interim financial report is Ringgit Malaysia ("RM"). Supplementary information in Renminbi ("RMB") is shown for reference only and has been translated at the exchange rate of RMB1 to RM0.4981 at 30 September 2011. This translation should not be construed as a representation that the RM amounts actually represented have been or could be converted into RMB at this or any other rate.

**喜得狼®****XiDeLang Holdings Ltd**(Bermuda Company No. 43136)
(Malaysian Foreign Company Registration No. 995210-W)Quarterly Report on Consolidated Results for the Third Financial Quarter ended
30 September 2011**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED**

	<i>Unaudited as at 30.09.2011⁽¹⁾ RM'000</i>	<i>Audited as at 31.12.2010 RM'000</i>
ASSETS		
Non-Current Assets		
Property, plant and equipment	179,419	123,912
Land use rights	27,646	26,279
	<u>207,065</u>	<u>150,191</u>
Current Assets		
Inventories	16,356	14,083
Trade and other receivables	106,724	80,872
Cash and cash equivalents	136,528	80,259
	<u>259,608</u>	<u>175,214</u>
TOTAL ASSETS	<u><u>466,673</u></u>	<u><u>325,405</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	151,660	139,438
Reserves	168,317	85,138
TOTAL EQUITY	<u><u>319,977</u></u>	<u><u>224,576</u></u>
Non-current Liabilities		
Deferred tax liabilities	11,310	7,380
Current Liabilities		
Trade and other payables	75,758	61,626
Bank borrowings	47,170	19,913
Current tax liabilities	12,458	11,910
	<u>135,386</u>	<u>93,449</u>
TOTAL LIABILITIES	<u><u>146,696</u></u>	<u><u>100,829</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>466,673</u></u>	<u><u>325,405</u></u>
Net assets per share (sen)	<u><u>72.72</u></u>	<u><u>56.14</u></u>

Note:

- (1) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.



Quarterly Report on Consolidated Results for the Third Financial Quarter ended
30 September 2011

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED
(continued)**

	<i>Unaudited as at 30.09.2011⁽²⁾ RMB'000</i>	<i>Audited as at 31.12.2010⁽²⁾ RMB'000</i>
ASSETS		
Non-Current Assets		
Property, plant and equipment	360,207	248,769
Land use rights	55,503	52,758
	<u>415,710</u>	<u>301,527</u>
Current Assets		
Inventories	32,837	28,273
Trade and other receivables	214,262	162,361
Cash and cash equivalents	274,098	161,130
	<u>521,197</u>	<u>351,764</u>
TOTAL ASSETS	<u><u>936,907</u></u>	<u><u>653,291</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	304,477	279,940
Reserves	337,918	170,926
TOTAL EQUITY	<u>642,395</u>	<u>450,866</u>
Non-current Liabilities		
Deferred tax liabilities	22,706	14,816
Current Liabilities		
Trade and other payables	152,094	123,721
Bank borrowings	94,700	39,977
Current tax liabilities	25,012	23,911
	<u>271,806</u>	<u>187,609</u>
TOTAL LIABILITIES	<u>294,512</u>	<u>202,425</u>
TOTAL EQUITY AND LIABILITIES	<u><u>936,907</u></u>	<u><u>653,291</u></u>
Net assets per share (sen)	<u>146.00</u>	<u>112.71</u>

Note:

- (1) *The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *The presentation currency of this unaudited interim financial report is Ringgit Malaysia ("RM"). Supplementary information in Renminbi ("RMB") is shown for reference only and has been translated at the exchange rate of RMB1 to RM0.4981 at 30 September 2011. This translation should not be construed as a representation that the RM amounts actually represented have been or could be converted into RMB at this or any other rate.*



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Quarterly Report on Consolidated Results for the Third Financial Quarter ended
30 September 2011

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

	←----- Non-distributable ----->					Distributable	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Surplus Reserve RM'000	Merger Deficit RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	
Year to date ended 30 September 2010							
At 1 January 2010	139,438	21,776	3,827	(105,568)	(2,305)	115,842	173,010
Total comprehensive income for the period	-	-	-	-	(14,668)	59,008	44,340
Dividend	-	-	-	-	-	(6,000)	(6,000)
At 30 September 2010	139,438	21,776	3,827	(105,568)	(16,973)	168,850	211,350

	←----- Non-distributable ----->						Distributable	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Surplus Reserve RM'000	Merger Deficit RM'000	Exchange Translation Reserve RM'000	Treasury Shares RM'000	Retained Earnings RM'000	
Year to date ended 30 September 2011 ⁽¹⁾								
At 1 January 2011	139,438	21,776	12,026	(105,568)	(15,272)	⁽²⁾	172,176	224,576
Issuance of ordinary shares pursuant to private placement, net of related expenses	12,222	6,825	-	-	-	-	-	19,047
Deferred tax arising from undistributed profits of the PRC subsidiaries	-	-	-	-	-	-	(3,198)	(3,198)
Dividend	-	-	-	-	-	-	(4,400)	(4,400)
Total comprehensive income for the period	-	-	-	-	20,756	-	63,196	83,952
At 30 September 2011	151,660	28,601	12,026	(105,568)	5,484	⁽²⁾	227,774	319,977

Note:

(1) The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

(2) Represent RM480, equivalent to 1000 units of ordinary shares repurchased at an average price of RM0.48.



Quarterly Report on Consolidated Results for the Third Financial Quarter ended
30 September 2011

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

	Non-distributable					Distributable	Total Equity RMB'000
	Share Capital RMB'000	Share Premium RMB'000	Statutory Surplus Reserve RMB'000	Merger Deficit RMB'000	Exchange Translation Reserve RMB'000	Retained Earnings RMB'000	
Year to date ended 30 September 2010 ⁽²⁾							
At 1 January 2010	279,940	43,718	7,683	(211,941)	(4,628)	232,568	347,340
Total comprehensive income for the period	-	-	-	-	(29,448)	118,466	89,018
Dividend	-	-	-	-	-	(12,046)	(12,046)
At 30 September 2010	279,940	43,718	7,683	(211,941)	(34,076)	338,988	424,312

	Non-distributable						Distributable	Total Equity RMB'000
	Share Capital RMB'000	Share Premium RMB'000	Statutory Surplus Reserve RMB'000	Merger Deficit RMB'000	Exchange Translation Reserve RMB'000	Treasury Shares RMB'000	Retained Earnings RMB'000	
Year to date ended 30 September 2011 ⁽²⁾								
At 1 January 2011	279,940	43,718	24,144	(211,941)	(30,661)	- ⁽³⁾	345,666	450,866
Issuance of ordinary shares pursuant to private placement, net of related expenses	24,537	13,702	-	-	-	-	-	38,239
Deferred tax arising from undistributed profits of the PRC subsidiaries	-	-	-	-	-	-	(6,420)	(6,420)
Dividend	-	-	-	-	-	-	(8,834)	(8,834)
Total comprehensive income for the period	-	-	-	-	41,670	-	126,874	168,544
At 30 September 2011	304,477	57,420	24,144	(211,941)	11,009	- ⁽³⁾	457,286	642,395

Note:

- (1) The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.
- (2) The presentation currency of this unaudited interim financial report is Ringgit Malaysia ("RM"). Supplementary information in Renminbi ("RMB") is shown for reference only and has been translated at the exchange rate of RMB1 to RM0.4981 at 30 September 2011. This translation should not be construed as a representation that the RM amounts actually represented have been or could be converted into RMB at this or any other rate.
- (3) Represent RM480, equivalent to 1000 units of ordinary shares repurchased at an average price of RM0.48.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED

	Year to date ended	
	30.09.2011 ⁽¹⁾	30.09.2010
	RM'000	RM'000
Profit before tax	84,520	79,393
Adjustments for non-cash flow:-		
Non-cash items	840	1,799
Non-operating items	582	1,483
Operating profit before working capital changes	85,942	82,675
Changes in working capital		
Net change in current assets	(20,148)	(39,037)
Net change in current liabilities	9,350	31,589
Cash generated from operating activities	75,144	75,227
Income tax paid	(21,651)	(17,009)
Net cash generated from operating activities	53,493	58,218
Investing activities		
Interest received	315	253
Proceeds from disposal of property, plant and equipment	104	122
Purchase of property, plant and equipment	(44,403)	(51,928)
Net cash used in investing activities	(43,984)	(51,553)
Financing activities		
Proceeds from issuance of shares	19,047	-
Dividend paid to former equity holder of a subsidiary	-	(18,099)
Dividend paid to equity holders of the Company	(4,400)	(6,000)
Drawdown of borrowings	45,984	50,559
Net repayment of borrowings	(21,781)	(50,964)
Interest paid	(897)	(1,736)
Reduction in/(Placement) of deposits pledged to bank	-	25
Net cash generated from/(used in) financing activities	37,953	(26,215)
Net change in cash and cash equivalents	47,462	(19,550)
Cash and cash equivalents at beginning of financial period	79,280	115,265
Effect of changes in exchange rate	8,737	(8,404)
Cash and cash equivalents at end of financial period	135,479	87,311



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Quarterly Report on Consolidated Results for the Third Financial Quarter ended
30 September 2011

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS -- UNAUDITED
(continued)**

	Year to date ended	
	30.09.2011 ⁽¹⁾	30.09.2010
	RM'000	RM'000
Cash and cash equivalents at end of financial period		
Cash and bank balances	135,479	87,311
Deposits placed with financial institutions	<u>1,049</u>	<u>972</u>
	136,528	88,283
Less: Deposits pledged to financial institutions	<u>(1,049)</u>	<u>(972)</u>
	<u>135,479</u>	<u>87,311</u>

Note:

- (1) The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

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Quarterly Report on Consolidated Results for the Third Financial Quarter ended
30 September 2011**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED
(continued)**

	Year to date ended	
	30.09.2011 ⁽²⁾	30.09.2010 ⁽²⁾
	RMB'000	RMB'000
Profit before tax	169,685	159,392
Adjustments for non-cash flow:-		
Non-cash items	1,686	3,612
Non-operating items	1,168	2,977
Operating profit before working capital changes	172,539	165,981
Changes in working capital		
Net change in current assets	(40,450)	(78,372)
Net change in current liabilities	18,771	63,419
Cash generated from operating activities	150,860	151,028
Income tax paid	(43,467)	(34,148)
Net cash generated from operating activities	107,393	116,880
Investing activities		
Interest received	632	508
Proceeds from disposal of property, plant and equipment	209	245
Purchase of property, plant and equipment	(89,145)	(104,252)
Net cash used in investing activities	(88,304)	(103,499)
Financing activities		
Proceeds from issuance of shares	38,239	-
Dividend paid to former equity holder of a subsidiary	-	(36,336)
Dividend paid to equity holders of the Company	(8,834)	(12,046)
Drawdown of borrowings	92,319	101,504
Net repayment of borrowings	(43,728)	(102,317)
Interest paid	(1,801)	(3,485)
Reduction in/(Placement) of deposits pledged to bank	-	50
Net cash generated from/(used in) financing activities	76,195	(52,630)
Net change in cash and cash equivalents	95,284	(39,249)
Cash and cash equivalents at beginning of financial period	159,165	231,409
Effect of changes in exchange rate	17,541	(16,872)
Cash and cash equivalents at end of financial period	271,990	175,288



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Quarterly Report on Consolidated Results for the Third Financial Quarter ended
30 September 2011

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED
(continued)**

	Year to date ended	
	30.09.2011 ⁽²⁾ RMB'000	30.09.2010 ⁽²⁾ RMB'000
Cash and cash equivalents at end of financial period		
Cash and bank balances	271,990	175,288
Deposits placed with financial institutions	2,108	1,951
	<u>274,098</u>	<u>177,239</u>
Less: Deposits pledged to financial institutions	<u>(2,108)</u>	<u>(1,951)</u>
	<u>271,990</u>	<u>175,288</u>

Note:

- (1) The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.
- (2) The presentation currency of this unaudited interim financial report is Ringgit Malaysia ("RM"). Supplementary information in Renminbi ("RMB") is shown for reference only and has been translated at the exchange rate of RMB1 to RM0.4981 at 30 September 2011. This translation should not be construed as a representation that the RM amounts actually represented have been or could be converted into RMB at this or any other rate.

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Quarterly Report on Consolidated Results for the Third Financial Quarter ended
30 September 2011

**A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD
ENDED 30 SEPTEMBER 2011**

A1. Basis of Preparation

a) Basis of accounting

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements. The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report. 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 Group since the year ended 31 December 2010.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2010, except for the adoption of the new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations which are mandatory for annual periods beginning on or after 1 January 2011 as explained in Note A1 (c) below.

b) Basis of consolidation

The Group is regarded as continuing entity resulting from the reorganisation exercise since the management of all the entities, which took part in the reorganisation exercise were controlled by the same management and under the common controlling parties before and immediately after the reorganisation exercise. Consequently, there was a continuation of the control over the entities' financial and operating policy decision and risk and benefits to the ultimate controlling parties that existed prior to the reorganisation exercise. The reorganisation exercise has been accounted for as a restructuring under common control in a manner similar to pooling of interest or merger. Accordingly, consolidated financial statements have been prepared on the basis of merger accounting and comprised the financial statements of the subsidiaries, which were under common control of the ultimate controlling parties and management that existed prior to the reorganisation exercise during the relevant period or since their respective dates of incorporation.



A1. Basis of Preparation (cont'd)

c) Adoption of New FRSs, Amendments to FRSs and IC Interpretations

On 1 January 2011, the Group adopted the following FRSs, Amendments to FRSs and IC Interpretations:-

FRS 1	<i>First-time Adoption of Financial Reporting Standards</i>
Amendments to FRS 1	<i>Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters</i>
Amendments to FRS 1	<i>Additional Exemptions for First-time Adopters</i>
Amendments to FRS 2	<i>Share-based Payment</i>
Amendments to FRS 2	<i>Group Cash-settled Share-based Payment Transactions</i>
Amendments to FRS 5	<i>Non-current Assets Held for Sale and Discontinued Operations</i>
Amendments to FRS 7	<i>Improving Disclosures about Financial Instruments</i>
FRS 3	<i>Business Combinations</i>
FRS 127	<i>Consolidated and Separate Financial Statements</i>
Amendments to FRS 132	<i>Financial Instruments: Presentation – Classification of Rights Issues</i>
Amendments to FRS 138	<i>Intangible Assets</i>
IC Interpretation 4	<i>Determining Whether an Arrangement contains a Lease</i>
Amendments to IC Interpretation 9	<i>Reassessment of Embedded Derivatives</i>
IC Interpretation 12	<i>Service Concession Arrangements</i>
IC Interpretation 16	<i>Hedges of a Net Investment in a Foreign Operation</i>
IC Interpretation 17	<i>Distributions of Non-cash Assets to Owners</i>
IC Interpretation 18	<i>Transfer of Assets from Customers</i>
Amendments to FRSs contained in the document entitled " <i>Improvements to FRSs (2010)</i> "	

The adoption of the above FRSs, Amendments to FRSs and IC Interpretations do not have a material impact on the interim financial information of the Group.

A2. Auditors' Report

The audit report of the Group's most recent annual audited financial statements for the year ended 31 December 2010 was not qualified.



A3. Seasonality or Cyclicity of Operation

We experience some seasonality in our business. Generally, demand for sports shoes reaches its peak during the spring / summer and autumn / winter seasons. This is when we organise launches of each new season's collection of sports shoes and apparels for our existing and potential customers. This takes place twice a year, during the spring / summer and autumn / winter seasons. Customers and potential buyers (including distributors and retailers) will then indicate their intended three-month orders for our new collection of sports shoes and apparel. This is a common practice within the sports shoe industry in the Peoples' Republic of China.

A4. Unusual Items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the financial period under review.

A5. Changes in Estimates

There were no significant changes in estimates of amounts reported in prior financial years that have a material impact on the current financial quarter.

A6. Debts and Equity Securities

Issuance of shares

On 9 December 2010, the Company had proposed to undertake a private placement of up to 40,000,000 new ordinary shares of US\$0.10 each in the Company ("Placement Shares"), representing up to ten percent (10%) of the issued and paid-up share capital of the Company ("Proposed Private Placement"). Conditional approval was obtained from the Bursa Malaysia Securities Berhad on 27 December 2010 (relevant announcement had been made on 28 December 2010).

On 19 January 2011, the Company completed the listing and quotation of the first tranche of the Private Placement, which comprising 20,000,000 Placement Shares issued at an issue price of RM0.48 per Placement Share.

On 8 February 2011, the Company completed listing and quotation of the second and final tranche of the Private Placement, which comprising 19,999,900 Placement Shares issued at an issue price of RM0.48 per Placement Share.

The Private Placement is deemed completed on 8 February 2011.

Other than the above, there were no cancellation, repurchase, resale and repayment of debt and equity securities during the financial period under review.



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A7. Dividend paid

The final tax exempt dividend of 1.0 sen per ordinary share amounting to RM4.4 million in respect of the financial year ended 31 December 2010 was approved by shareholders at the last Annual General Meeting held on 24 June 2011, and paid on 5 September 2011.

A8. Segment information

The Group's activities are predominantly in designing, manufacturing and marketing of sports shoes as well as designing and marketing of sports apparel, accessories and equipment within the Peoples' Republic of China ("PRC"). The Group's operations are concentrated in Jinjiang City, Fujian Province of the PRC, which represents its principal place of business and in which the assets and liabilities of the Group are located.

As the Group's chief operating decision maker, the Group's Chief Executive Officer in this context, relies on internal reports which are similar to those currently disclosed externally, no further segmental analysis is available for disclosure except for the following entity-wide disclosures as required by FRS 8:

Sales revenue by region

During the financial period under review, the Group derived all of its revenue from the PRC. In view of the vast geographical areas within the PRC, customers can be stratified on a regional basis within the PRC, as disclosed below:

	Sales revenue by regions	
	Quarter ended	Year to date ended
	30.09.2011	30.09.2011
	RM'000	RM'000
Within the PRC:		
- Eastern region	13,249	48,602
- Southern region	51,131	130,036
- Western region	32,117	87,728
- Northern region	36,445	90,888
	<u>132,942</u>	<u>357,254</u>

In this context, the regions are grouped in the following manner by the Group:

- Eastern region includes Jiangsu, Zhejiang, Shandong and Shanghai.
- Southern region includes Fujian, Guangdong, Hubei, Hunan, Jiangxi and Anhui.
- Western region includes Sichuan, Guangxi, Guizhou, Yunnan, Chongqing, Gansu and Shaanxi.
- Northern region includes Beijing, Hebei, Henan, Heilongjiang, Liaoning, Shanxi and Tianjin.



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A8. Segment Information (cont'd)

Sales revenue by products

	Sales revenue by products	
	Quarter ended 30.09.2011 RM'000	Year to date ended 30.09.2011 RM'000
Sports shoes	67,662	191,507
Sports apparel, accessories and equipment	65,280	165,747
	<u>132,942</u>	<u>357,254</u>

A9. Property, Plant and Equipment

The valuation of property, plant and equipment, if any, has been brought forward without amendment from the previous audited financial statements.

A10. Subsequent Material Events

There are no material events subsequent to the end of the current quarter that will affect materially the results in the financial period under review as at the date of this report.

A11. Changes in the Composition of the Group

There are no changes in the composition of the Group during the financial period under review.

A12. Changes in Contingent Liabilities

There are no material contingent liabilities as at the date of this report.

A13. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 September 2011 is as follows:

	As at 30.09.2011 RM'000
Property, plant and equipment Approved but not contracted for	<u>4,981</u>



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A14. Significant Related Party Transactions

	Quarter ended 30.09.2011 RM'000	Year to date ended 30.09.2011 RM'000
Rental paid to related parties	303	909

These transactions have been entered into in the ordinary course of business and established under negotiated commercial terms.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of Performance**

The Group recorded revenue of RM132.9 million for the current quarter and RM357.3 million for the financial year to date, representing an increase of 6% and 5% respectively as compared to corresponding period ended 30 September 2010.

In tandem with that, the Group achieved PAT of RM24.0 million for the current quarter and RM63.2 million for the financial year to date, representing an increase of 9% and 7% respectively as compared to corresponding period ended 30 September 2010.

The Group's financial performance for the current financial year under review was largely boosted by the improvement in sales of the PRC subsidiaries due to the following reasons:

- (i) Increased brand awareness as a result of active advertising and promotion;
- (ii) Continuous research and development activities to keep abreast with the changing fashion trend and consumer taste, with new models being launched into the market periodically; and
- (iii) Increased consumer demands, primarily due to higher level of domestic consumption.

Comparison between performance in the current quarter and preceding quarter is covered under *Note (B2)* below.

B2. Variation of Results against Preceding Quarter

	Current quarter ended 30 September 2011 RM'000	Preceding quarter ended 30 June 2011 RM'000
Revenue	132,942	130,748
Profit before taxation ("PBT")	32,113	27,779

Revenue increased from RM130.7 million in the second quarter of 2011 by RM2.2 million, or 2%, to RM132.9 million in the third quarter of 2011. This was mainly attributed to stable demands for the Group's products, supported by the active advertising and promotion undertaken by the Group.

The increase in PBT from RM27.8 million in preceding quarter, by RM4.3 million, or 15%, to RM32.1 million in the third quarter of 2011 resulted mainly from the higher sales achieved, coupled with lower selling and distribution costs incurred, in the third quarter of 2011.

**B3. Next Year Prospects**

The rising affluence of China's population is expected to lead to continued growth in consumer expenditure on leisure activities, sporting activities, entertainment and sports shoes/apparels. This, coupled with rising health-consciousness and growing passion for sports as a result of PRC's government's efforts in promoting healthy lifestyle and successful organisation of major sport events, are expected to sustain further growth in consumption and market demands for sportswear.

In addition to that, following the gradual recovery of global economy after the financial crisis, demands from overseas markets are expected to rebound and on a growing track. This inevitably would benefit the PRC sportswear manufacturers in terms of increasing exports.

As such, our Board of Directors is optimistic that the Group's prospects and the outlook of the sportswear industry for the financial year ending 31 December 2011 would be favourable.

B4. Profit Forecast

Not applicable as no profit forecast was previously published.

B5. Income Tax Expense

Taxation comprises the following:-

	Quarter ended		Year to date ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM'000	RM'000	RM'000	RM'000
Income tax	8,135	7,668	21,324	20,385

The effective tax rate of the Group for the current quarter and year to date was 25.3% and 25.2% respectively, which was slightly higher than the statutory tax rate of 25% in the PRC. The difference was mainly due to non-deductible expenses.

B6. Sales of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties in the current financial quarter.

B7. Quoted Securities

There were no purchases or sales of quoted securities in the current financial quarter.



B8. Status of Corporate Proposals and Utilisation of Proceeds

(i) Initial Public Offering (“IPO”)

The status of the utilisation of gross proceeds from Public Issue is as follows:

	Purpose	Intended Timeframe	Proposed	Actual	Deviation		Remark
			utilisation RM'000	Utilisation RM'000	Amount RM'000	%	
i)	Advertising and branding	Within 12 months	9,200	9,200	-	-	-
ii)	Expansion of marketing and distribution network	Within 12 months	18,400	18,400	-	-	-
iii)	Research and extension of product portfolio	Within 12 months	2,300	1,779	521	23	N1
iv)	Expansion of production capacity	Within 12 months	16,100	16,100	-	-	-
v)	Working capital	On-going	4,000	4,350	(350)	(9)	N2
vi)	Estimated listing expenses	Immediate	8,000	7,650	350	4	N2
			58,000	57,479	521		

N1 The proceeds allocated have not been fully utilised within the stipulated timeframe due to our plan of moving into our new production facility and thereby investing extensively in research and extension of product portfolio has been deferred due to the delay in construction and renovation works arising from unforeseen weather conditions.

We expect to relocate our research department into the new production centre by end of 2011. As such, we envisage that by end of 2011, we would be able to fully utilise the amount allocated.

N2 The total listing and share issue expenses were RM7.65 million. The excess of RM350,000 as compared to budget of RM8 million was utilised for working capital purpose.

**B8. Status of Corporate Proposals and Utilisation of Proceeds (cont'd)****(ii) Private Placement**

On 9 December 2010, the Company proposed to undertake a private placement of up to 40,000,000 new ordinary shares of US\$0.10 each (including 1,000 treasury shares and assuming the 1,000 treasury shares are resold in the market) in the Company ("Placement Shares"), representing up to ten percent (10%) of the issued and paid-up share capital of the Company ("Proposed Private Placement"). Conditional approval was obtained from the Bursa Malaysia Securities Berhad on 27 December 2010 and the relevant announcement had been made on 28 December 2010.

On 19 January 2011, the Company completed the listing and quotation of the first tranche of the Private Placement, which comprising 20,000,000 Placement Shares issued at an issue price of RM0.48 per Placement Share.

On 8 February 2011, the Company completed listing and quotation of the second and final tranche of the Private Placement, which comprising 19,999,900 Placement Shares issued at an issue price of RM0.48 per Placement Share.

The Private Placement was deemed completed on 8 February 2011. The net proceeds raised were utilised for working capital purpose and has been utilised fully.

B9. Borrowings

Details of the Group's borrowings as at 30 September 2011 are as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Current			
Short term bank loans	10,211	4,981	15,192
Recourse factoring	31,978	-	31,978
	<u>42,189</u>	<u>4,981</u>	<u>47,170</u>

All the borrowings are denominated in RMB.

B10. Off Balance Sheet Financial Instruments

As at the date of this report, there were no financial instruments not recognised on the balance sheet.



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B11. Changes in Material Litigation

As at date of this report, there is no litigation or arbitration, which has a material effect on the financial position of the Group, and the Board of Directors are not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings.

B12. Dividends

The final tax exempt dividend of 1.0 sen per ordinary share amounting to RM4.4 million in respect of the financial year ended 31 December 2010 was approved by shareholders at the last Annual General Meeting held on 24 June 2011, and paid on 5 September 2011.

The Board of Directors does not recommend the payment of dividend in respect of the current financial quarter ended 30 September 2011.

B13. Earnings per Share

The basic earnings per share is calculated as follows:-

	Current quarter ended		Year to date ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM'000	RM'000	RM'000	RM'000
Basic earnings per share				
Profit attributable to ordinary equity holders of the parent	23,978	21,920	63,196	59,008
Weighted average number of ordinary shares in issue ('000)	439,999	400,000	435,896	400,000
	sen	sen	sen	sen
Basic earnings per share	5.45	5.48	14.50	14.75

The diluted earnings per share are not shown as there were no dilutive instruments as at reporting date.



B14. Disclosure on realised and unrealised profit/loss

The retained earnings of the Group as at 30 September 2011 are analysed as follows:

	As at 30.09.2011 RM'000
The retained earnings of the Company and its subsidiaries:	
- Realised	235,483
- Unrealised	5,140
	<hr/> 240,623
Add: Consolidation adjustments	(12,849)
	<hr/> 227,774

B15. Financial instruments

Derivatives

The Group does not have any derivative financial instruments.

Disclosures of Gains/Losses arising from Fair Value Changes of Financial Liabilities

There were no gains/losses arising from fair value changes of financial liabilities reported by the Group during the financial period under review.