

KHIND HOLDINGS BERHAD (380310-D)**(Incorporated in Malaysia)****The directors are pleased to announce the unaudited condensed consolidated quarterly report for the three months period ended 31 March 2011****Condensed Consolidated Statement of Comprehensive Income****For the three months period ended 31 March 2011**

	Individual Period		Cumulative Period	
	31 March		31 March	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Revenue	70,057	43,432	70,057	43,432
Cost of sales	51,955	29,150	51,955	29,150
Gross profit	18,102	14,282	18,102	14,282
Other operating income	911	259	911	259
Operating expenses	15,476	11,845	15,476	11,845
Finance cost	572	376	572	376
Profit before tax	2,965	2,320	2,965	2,320
Tax expense	1,029	933	1,029	933
Net profit for the period	1,936	1,387	1,936	1,387
Other comprehensive income				
Foreign exchange translation difference	(50)	(399)	(50)	(399)
Reserve on Consolidation	71	-	71	-
Total comprehensive income	1,957	988	1,957	988
Profit attributable to:				
Equity holders of the parent	1,936	1,387	1,936	1,387
Minority interest	-	-	-	-
	1,936	1,387	1,936	1,387
Basic earning per share attributable to equity holders of the parent (sen)	4.83	3.46	4.83	3.46

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)

KHIND HOLDINGS BERHAD (380310-D)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position
As at 31 March 2011

	Unaudited as at 31 March 2011 RM'000	Audited as at 31 December 2010 RM'000
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	29,586	28,890
Prepaid lease payments	2,843	2,892
Investment property	4,945	4,945
Intangible assets	2,022	2,031
Deferred Tax Assets	1,392	2,931
	40,788	41,689
<i>Current assets</i>		
Other Investment	199	157
Trade and other receivables	65,179	44,301
Inventories	44,011	37,387
Cash and cash equivalents	29,807	23,841
Assets classified as held for sale	-	3,575
	139,196	109,261
TOTAL ASSETS	179,984	150,950
EQUITY AND LIABILITIES		
<i>Capital and reserves</i>		
Share capital	40,059	40,059
Translation reserve	(749)	(699)
Reserves	39,143	37,136
Total equity attributable to owner of the Company	78,453	76,496
<i>Non Current liabilities</i>		
Borrowings	14,872	14,725
Deferred tax liabilities	1,543	3,096
	16,415	17,821
<i>Current liabilities</i>		
Trade and other payables	50,493	27,065
Dividend Payable	-	2,904
Loans and borrowings	32,787	25,292
Current tax liabilities	1,836	1,372
	85,116	56,633
Total liabilities	101,531	74,454
TOTAL EQUITY AND LIABILITIES	179,984	150,950
Net assets per share attributable to equity holders of the parent (RM)	1.96	1.91

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)

KHIND HOLDINGS BERHAD (380310-D)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity
For the twelve months ended 31 March 2011

	← Attributable to Equity Holders of the Parent →			Minority Interest	Total Equity
	Share Capital	Non Distributable Translation Reserve	Distributable Retained Earnings		
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>3 months ended 31 March 2010</u>					
At 1 January 2010	40,059	(142)	31,666	0	71,583
Effect of adopting FRS 139	0	0	56	0	56
At 1 January 2010 (as restated)	40,059	(142)	31,722	0	71,639
Total comprehensive income for the period	0	(399)	1387	0	988
At 31 March 2010	40,059	(541)	33,109	0	72,627
<u>3 months ended 31 March 2011</u>					
At 1 January 2011	40,059	(699)	37,136	0	76,496
Total comprehensive income for the year	0	(50)	1,936	0	1,886
Reserve on Consolidation			71		71
At 31 March 2011	40,059	(749)	39,143	0	78,453

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)

KHIND HOLDINGS BERHAD (380310-D)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Cash Flows
For the three months period ended 31 March 2011

	31 March 2011 RM'000	31 March 2010 RM'000
Net cash (used in) / generated from operating activities	(4,424)	2,536
Net cash used in investing activities	(4,726)	(555)
Net cash generated from financing activities	9,252	127
Net increase in cash and cash equivalents	<u>102</u>	<u>2,108</u>
Cash and cash equivalents at beginning of financial period	28,796	24,333
Effect of exchange rate changes	(50)	(399)
Cash and cash equivalents at end of financial period	<u><u>28,848</u></u>	<u><u>26,042</u></u>

Cash and cash equivalents at the end of the financial period comprise the following:

	As at 31 March 2011 RM'000	As at 31 March 2010 RM'000
Cash and bank balances	29,807	26,054
Bank overdrafts	(959)	(12)
	<u><u>28,848</u></u>	<u><u>26,042</u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the first financial quarter ended 31 March 2011

Notes to the Interim Financial Report

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010.

The following notes explain the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2010.

2. Changes in Accounting Policies

The interim financial statements have been prepared in accordance with FRS 134, interim Financial Reporting and paragraph 9.22 of the Bursa Securities Main Market Listing Requirements.

The accounting policies and methods of computation are consistent with those adopted in audited financial statements for the year ended 31 December 2010 except for the adoption of the following :

FRS, Interpretations and amendments effective for annual periods beginning on or after 1 March 2010

Amendments to FRS 132 Financial Instruments: Presentation – Classification of Rights Issues

FRS, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

FRS 1 First-time Adoption of Financial Reporting Standards

FRS 3 Business Combinations

FRS 127 Consolidated and Separate Financial Statements

IC Interpretation 12 Service Concession Arrangements

Amendments to FRS 2 Share-based Payment

Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS 138 Intangible Assets

IC Interpretation 12, Services Concession Agreements

IC Interpretation 16, Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17, Distributions of Non-cash Assets to Owners

Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives

FRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

Amendment to FRS 1, First-time Adoption of Financial Reporting Standards

Amendment to FRS 2, Group Cash-settled Share Based Payment Transactions

Amendment to FRS 7, Financial Instruments

IC Interpretation 14, Determining whether an Arrangement contains a Lease

IC Interpretation 18, Transfers of Assets from Customers

Improvements to FRSs (2010)

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2. Changes in Accounting Policies (continued)

FRS, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14, Prepayments of a Minimum Funding Requirement

FRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

FRS 124, Related Party Disclosures (revised)
IC Interpretation 15, Agreement for the Construction of Real Estate

The adoption of the above standards does not have significant impact on the financial statements of the Group.

3. Audit qualification

The auditor's report on the financial statements of the Group and the Company for the year ended 31 December 2010 was not subject to any qualification.

4. Seasonal or cyclical factors

Generally, sales of our products are enhanced during festive seasons celebrated in Malaysia.

5. Unusual items

Other than those stated in the notes, there were no other items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

6. Changes in estimates

There were no changes in estimates for the financial period under review.

7. Issuance or repayment of debts and equity securities

There were no other issuance and repayment of debt and equity securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to date.

8. Dividend paid

A first interim dividend of 7% less 25% income tax and tax-exempt dividend of 2% per ordinary share of RM1.00 in respect of current financial year was paid on 18 February 2011

2,904

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9. Segment reporting

Segment information is presented in respect of the Group's geographical segments by location of customer. Inter-segment pricing is determined based on negotiated terms. No business segment analysis is prepared as the Group is primarily engaged in the manufacturing, assembly and trading of electrical home appliances and wiring accessories.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	Malaysia		Rest of the world		Elimination		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue								
External revenue	56,937	30,572	13,120	12,860	-	-	70,057	43,432
Inter-segment revenue	7,423	7,857	4,048	4,599	(11,471)	(12,456)	-	-
Total revenue	<u>64,360</u>	<u>38,429</u>	<u>17,168</u>	<u>17,459</u>	<u>(11,471)</u>	<u>(12,456)</u>	<u>70,057</u>	<u>43,432</u>
Segment Results								
Operating profit	2,591	1,563	869	1,071	-	-	3,460	2,634
Interest expense							(572)	(376)
Interest income							77	62
Profit before tax							<u>2,965</u>	<u>2,320</u>
Tax expense							(1,029)	(933)
Net profit for the period							<u>1,936</u>	<u>1,387</u>

Rest of the world relates primarily to Asia, Africa, Middle East and Europe. Year 2011 refers to 3 months period ended 31.3.2011 as compare to the corresponding 3 months in the preceding year.

10. Valuation of property, plant and equipment

The valuations of land and buildings have been brought forward, without amendment from the previous annual financial statements.

11. Material subsequent events

As at the date of issue of this quarterly report, there were no material events subsequent to the end of this period reported on that have not been reflected in the financial statement for the said period.

12. Changes in the composition of the group

In relation to the announcement dated 27 January 2011, the Company has completed the acquisition of entire equity interest of Ancom Electrical (Malaysia) Sdn Bhd and Ancom Systems (Singapore) Pte Ltd and its wholly-owned subsidiaries namely Ancom Electrical & Environmental (Singapore) Pte Ltd, Ancom Electrical (Hong Kong) Limited and Ancom Electrical (Guangzhou) Limited on 31 January 2011.

13. Contingent liabilities

As at 31.3.2011, the company has given corporate guarantee for banking facilities obtained by subsidiaries to meet the liabilities and financial obligations of its subsidiaries amounting to RM72.27 million. The contingent liabilities of its subsidiaries pertaining to utilise trade line facilities amounted to RM2.16 million.

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14. Capital and other commitment

	RM'000
<u>Plant and equipment</u>	
Contracted but not provided	<u>8,704</u>

15. Key management personnel compensation

Total compensation to Directors of the Company and other members of key management during the quarter under review are as follows:

	31/3/11 RM'000	31/3/10 RM'000
Directors of the Company	306	258
Other key management personnel	1,202	717

16. Related party transactions

Transactions with related parties during the quarter under review are as follows:-

	Transaction value 3 months ended		Balance as at	
	31/3/11 RM'000	31/3/10 RM'000	31/3/11 RM'000	31/3/10 RM'000
<i>Sales to :-</i>				
HSL E & E Corp (M) Sdn Bhd (formerly known as HSL Electrical & Electronics Sdn Bhd)	282	7	428	287
Hupson Industries Sdn Bhd	-	-	-	5
<i>Purchase from :-</i>				
E & E Sales & Services Sdn Bhd	-	-	-	58

These transactions had been entered into in the normal course of business and had been established under negotiated terms.

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

1. Review of Performance

The Group's revenue for the period ended 31 March 2011 rose to RM70.06 million from RM43.43 million, representing 61.3% increase in revenue as compared to the previous same corresponding quarter. The increase was wholly attributed to the new acquisitions completed on 31 January 2011.

The Group's profit before tax for the period ended 31 March 2011 has recorded at RM2.97 million representing an increase of 28.0% as compared to the previous same corresponding quarter of RM2.32 million, resulted from the growth in revenue.

2. Variation of results against immediate preceding quarter

The Group recorded revenue of RM70.06 million for the current quarter under review, representing an increase of 41.8% as compared to RM49.42 million in the immediate preceding quarter. Meanwhile, the Group recorded profit before tax of RM2.97 million, representing an increase of 12.9% as compared to the preceding quarter of RM2.63 million.

3. Commentary on prospect

The latest acquisition has strengthened the Group's revenue and earnings, enabled the Group to access new market and new sources.

Barring unforeseen circumstance, the Board is confident that the prospects for the coming quarters continue to look promising.

4. Profit forecast

Not applicable as no profit forecast was published.

5. Tax expense

	<u>Individual period</u>		<u>Cumulative period</u>	
	31/3/11 RM'000	31/3/10 RM'000	31/3/11 RM'000	31/3/10 RM'000
- Current tax expense	998	919	998	919
- Deferred tax expense	31	14	31	14
Total	<u>1,029</u>	<u>933</u>	<u>1,029</u>	<u>933</u>

The group's effective tax rate for the period ended 31 March 2011 is 34.7%.

6. Profits on sale of unquoted investments and/or properties

There was no sale of unquoted investments and / or properties for the current quarter and financial year to date.

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7. Other investments

- A) Particulars of purchased quoted securities other than securities in existing subsidiaries:-
- (a) Total purchase consideration for current quarter is NIL. There was no disposal of share as at 31.3.11.
 - (b) Cumulative investments in quoted securities as at this reporting period:-
 - (i) at cost =RM196,159
 - (ii) at carrying value/book value =RM156,509; and
 - (iii) at market value = RM199,302
- B) Investment in private fund:-
During the current quarter, the Company has disposed its entire investment in private fund with cost of RM3,001,347 for a total proceed of RM3,614,818, resulting a total gain of 613,471

8. Status of corporate proposals

- (a) On 15 January 2010, the Company had entered into two (2) sale and purchase agreement with Multi Synergy Group Sdn Bhd ("MSG") for the acquisition of two (2) units of 3-storey semi detached factory known as Lot 29 and Lot 30 to be built on part of the land held under issue document of titles geran 58823 Lot 64237 and geran 58824 Lot 64238, both of Mukim Damansara Daerah Petaling Negeri Selangor (collectively "the Properties"). The purchase price are approximately RM309.22 per square feet for Lot 29 and RM245.48 per square feet for Lot 30, with aggregate purchase consideration of RM6,593,000 only upon terms and conditions therein stated. The construction of the Properties is expected to be completed within thirty-six (36) months from the date the sale and purchase agreement is entered.
- (b) Khind-Mistral (Borneo) Sdn Bhd (the purchaser), a wholly owned subsidiary of the Company, had on 28 April 2010 entered into a Sale and Purchase Agreement (SPA) with Lai Ngit Foh and Jong Suk Chin (the vendor) to purchase a piece of leasehold land known as Lot 745, Block 16, Kuching Central Land District measuring 5496 square metres, for a purchase consideration of RM2,900,000 only. The acquisition has been completed on 8 July 2010.
- (c) The Company had on 1 June 2010 entered into a Sale and Purchase Agreement (SPA) with Bandar Setia Alam Sdn Bhd (the vendor) to purchase a piece of freehold land forming part of the Master Title Land held under HS(D) 204098, PT 7725, Mukim Bukit Raja, Daerah Petaling, Negeri Selangor Darul Ehsan (Master Title) measuring approximately 65340 square feet in area, within a commercial development known as Setia City at Precinct 1 of Setia Alam, for a purchase price of RM7,840,800 only.
- (d) KHB has on 27 January 2011 entered into a share sale agreement with Ancom Logistics Berhad ("ALB") for the proposed acquisition of 100% equity interest in Ancom Electrical (Malaysia) Sdn Bhd ("AEM") and Ancom Systems (Singapore) Pte Ltd ("ASS") and its wholly-owned subsidiaries, namely Ancom Electrical & Environmental (Singapore) Pte Ltd ("AEE"), Ancom Electrical (Hong Kong) Limited ("AEH") and Ancom Electrical (Guangzhou) Limited ("AEG") for a cash consideration of RM8,000,000.00. The proposed acquisition has completed on 31 January 2011

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Quarterly Report on unaudited consolidated results for the first financial quarter ended 31 March 2011

9. Borrowings and debt securities

(a) Bank Borrowings (current and repayable within 1 year)

Details of the Group's bank borrowings as at the end of this reporting period: -

	Foreign Currency '000	31/3/11 RM'000	Foreign Currency '000	31/12/10 RM'000
Bank Overdrafts				
Secured		413		463
Unsecured		546		211
Banker Acceptances				
Secured		-		-
Unsecured – denominated in Ringgit Malaysia		27,337		21,162
Unsecured – denominated in foreign currency	SGD1,279	3,070	SGD832	1,989
Total		<u>31,366</u>		<u>23,825</u>

Secured bank borrowings are secured by fixed charges over the long term leasehold or freehold land and building of certain subsidiary company and are guaranteed by the Company. Unsecured bank overdraft and bankers' acceptances are guaranteed by the Company.

The bank overdrafts bear interest at rates ranging from 7.05% - 8.05% (2010 – 7.05% to 8.05%) per annum. The banker acceptances bear interest at rates ranging from 3.06% to 6.80% (2010 – 3.06% to 6.80%) per annum.

(b) Term Loans

Details of the Group's term loans as at the end of this reporting period :-

	Foreign Currency '000	31/3/11 RM'000	Foreign Currency '000	31/12/10 RM'000
Current Term Loans				
Secured – Denominated in Ringgit Malaysia		520		513
Secured – Denominated in foreign currency	SGD40	97	SGD40	96
Total		<u>617</u>		<u>609</u>
Non-Current Term Loans				
Secured – Denominated in Ringgit Malaysia		11,168		11,301
Secured – Denominated in foreign currency	SGD1,014	2,434	SGD1,023	2,446
Total		<u>13,602</u>		<u>13,747</u>
Grand Total		<u>14,219</u>		<u>14,356</u>

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Quarterly Report on unaudited consolidated results for the first financial quarter ended 31 March 2011

9. Borrowings and debt securities (Continued)

Term loans repayment schedule:

	Total RM'000	Under 1 year RM'000	1-2 year RM'000	2-5 year RM'000	Over 5 year RM'000
Secured	14,219	617	639	1,821	11,142
Total	<u>14,219</u>	<u>617</u>	<u>639</u>	<u>1,821</u>	<u>11,142</u>

The term loans are secured by :-

- fixed charges over the respective subsidiary's long term leasehold or freehold land and building, and
- corporate guarantee from the Company.

The term loans bear interest at 4.05% to 8.45% (2010 – 4.05% to 8.45%) per annum.

c) Hire Purchase Creditors

Details of the Group's hire purchase creditors as at the end of this reporting period:-

	31/3/11 RM'000	31/12/10 RM'000
Hire Purchase Creditors	2,270	1,994
Less: Interest in suspense	195	159
Balance	<u>2,075</u>	<u>1,835</u>
Repayable within one year	806	853
Repayable one to five years	1,269	982
Balance	<u>2,075</u>	<u>1,835</u>

The hire purchase liabilities bear interest at rates ranging from 2.50% to 4.50% (2010 – 2.50% to 4.50%) per annum.

10. Off balance sheet financial instruments

There are no financial instruments with off balance sheet risk at date of issue of this quarterly report.

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11. Pending material litigation as at the date of this quarterly report

(i) Legal suit by Ming Kee Manufactory Ltd. ("MKML") against Khind Marketing (M) Sdn Bhd ("KMM")

On 21 April 2000, Ming Kee Manufacturing Limited ("MKML") served on Khind Customer Service Sdn Bhd ("KCS") (formerly known as Khind Marketing (M) Sdn Bhd ("KMM")) a writ of summons in relation to its claim for damages for trademark infringement and passing off. The case has now been fixed for decision on 24 November 2008 after having gone through full trial and submission.

On 24 November 2008, the High Court of Kuala Lumpur dismissed MKML's action.

On 22 December 2008, MKML through its solicitors filed an appeal to the Court of Appeal against the decision of the High Court. The Court of Appeal has yet to fix a hearing date for the appeal.

The damages are unquantifiable as they relate not only to the value of trademark to MKML but also, goodwill and reputation, to be assessed and valued. The solicitors are of the view that KCS has a good chance of success in the matter.

(ii) Legal suit by Khind Industries Sdn Bhd ("KISB") against Panache Manufacturing Pty Ltd ("Panache") and Richard Harold Rubin ("RHR")

On 8 September 2006, an application to issue writ of summons has been filed by Khind Industries Sdn Bhd ("KISB") against Panache Manufacturing Pty Ltd ("Panache") and Richard Harold Rubin ("RHR") claiming among others, for payment of the sum of RM900,000.00 together with interest arising from breach of the terms and conditions of Deed of Settlement dated 11 May 2005. Pursuant to this, KISB has obtained an Order from the High Court of Malaya to issue a writ of summons on 4 October 2006.

On 19 January 2007, KISB has obtained a Judgement against the above named First and Second Defendants for the payment of RM900,000 and interest at 8% per annum, to be calculated from 12 May 2006 until full settlement thereof.

The Second Defendant has filed an application to set aside the said Judgment and the Court has dismissed with costs the said application on 24.7.2009.

The Second Defendant has filed an appeal against the above decision to the Court of Appeal on 21.7.2010. No hearing date has been fixed for the appeal.

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11. Pending material litigation as at the date of this quarterly report (Continued)

(iii) Legal suit by Alpha Global Holdings Ltd("AGH") and Panache Global Holdings Ltd("PGH") vs Khind Industries Sdn Bhd("KISB")

On and/or the 15 June 2007, a copy of the Writ of Summons bearing Kuala Lumpur High Court Civil Suit No. S6-22-577-2007 was served by Solicitors of Alpha Global Holdings Ltd ("AGH") and Panache Global Holdings Pty Ltd ("PGH") against Khind Industries Sdn.Bhd. ("KISB"), a wholly-owned subsidiary of Khind, claiming for:-

- (a) a mandatory injunction to compel the directors, employees, agent, servants workers of the Defendant and/or other related parties to transfer and/or return all the tools of the 1st Plaintiff which are now in the Defendant's possession as listed;
- (b) permission given to the employers, agents or the workers of the 1st Plaintiff to enter the Defendant's business premises to recover all the tools of the 1st Plaintiff which are now in the possession of the Defendant;
- (c) damages of RM2 million or such other sum deemed appropriate by the Court;
- (d) interests; and
- (e) costs.

The Board of Directors of Khind, with the advice of its solicitors, are of the view that KISB has strong grounds to defend the case by the Plaintiffs.

The Court has on 23 July 2009 granted the Defendant's application for security for costs and the Court has ordered that the 2nd Plaintiff to pay RM100,000.00 being security for costs to the Defendant within 14 days from 23 July 2009.

The 2nd Defendant subsequently filed an application to set-aside the said order and the said application was dismissed with costs on 1 September 2009.

The 2nd Defendant filed an appeal to the Judge-in-Chambers against the above decision and the appeal was allowed on 16 December 2009 with costs of RM5,000.00 to the Defendant. The Court has ordered that the application for security for costs to be reheard and a Consent Order has been entered on 1 July 2010 whereby the 2nd Plaintiff was ordered to pay RM60,000.00 into Court as security for costs within 30 days from 1 July 2010. A copy of the sealed Order was served on the 2nd Plaintiff's solicitors on 13 October 2010.

The Defendant have filed an application to strike out the 2nd Plaintiff's claim on 28 April 2011 and the Court has now fixed 22 July 2011 for case management.

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11. Pending material litigation as at the date of this quarterly report (Continued)

(iv) Legal suit by Great Partners Industries Ltd & Apex Leader (HK) Ltd against Kee Hin Ventures Sdn Bhd, Khind Holdings Berhad, Cheng Ping Keat, Cheng King Fa, Ong Yoong Nyock, TNTT Realty Sdn Bhd, Nordin Bin Mohamad Desa, Kamil Bin Datuk Haji Abdul Rahman, Tan Lay Kuan @ Tan Lay Wah, Md. Azmi Bin Lop Yusof & Lee Ah Lan @ Lee Keok Hooi

On 29 May 2008, a copy of the Petition bearing Shah Alam High Court Petition No. MT2-26-8-2008 was served on Khind Holdings Berhad ("the Company") by Great Partners Industries Ltd and Apex Leader (HK) Ltd (formerly known as Sony Investment (HK) Ltd) (collectively "the Petitioners") claiming among others:-

- (i) an order that receivers and managers be appointed over the assets of Kee Hin Ventures Sdn Bhd ("KHV");
- (ii) an order to reinstate the Petitioners' nominees to the board of directors of the Company;
- (iii) an order restraining the exercise of the voting rights attached to the shares of the Company held among others by KHV; and
- (iv) an order restraining the act on or putting into effect of any resolution passed by the Company's Annual General Meeting on 29 May 2008 or any similar resolution passed at any meeting of the Company.

The subject matter in dispute includes among others, the breach of the terms and conditions of a Shareholders Agreement dated 5 July 2003 entered into between the Petitioners, Ong Wan Bing, Cheng King Fa ("CKF") and Cheng Ping Keat ("CPK") in relation to KHV and oppression of the Petitioners as minority shareholders of KHV by CKF and CPK.

The Petitioners have obtained an Order (Ad Interim Injunction) on 28 May 2008 and the solicitors for the 4th and 5th Respondents have obtained an order to amend the said order till hearing of the inter parte application herein. Subsequently the Court has on 26 November 2008 dismissed the Petitioners' inter-parte injunction application with costs and the Petitioners have filed an appeal against the said decision to the Court of Appeal on 28 November 2008. The said appeal has been withdrawn on 15 October 2010.

The Respondents have filed an application for stay of proceedings in the Petition to refer to arbitration and the said application was allowed by the Court on 23 April 2009. The Petitioners have filed an appeal against the said decision to the Court of Appeal on 13 May 2009. The said appeal was dismissed with costs by the Court on 30 March 2011.

The Petitioners have filed an application to the Federal Court for an order for leave to appeal. This application is now fixed for hearing on 19 July 2011.

Presently, the Board of Directors is of the view that the legal suit does not have any adverse financial effect on the Company.

The Board of Directors of the Company is seeking advice on this legal suit and shall file in the necessary defence within the prescribed period upon advice from its solicitors.

KHIND HOLDINGS BERHAD

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12. Dividend

The Board of Directors does not recommend any interim dividend for the current quarter and the current financial year to date.

13. Earnings per share

	Individual Period		Cumulative Period	
	Current Quarter 31.3.2011	Preceding year corresponding quarter 31.3.10	Three Months to 31.3.2011	Three Months to 31.3.10
Net profit attributable to ordinary equity holders of the parent (RM'000)	1,935	1,387	1,935	1,387
Weighted average number of ordinary shares ('000)	40,059	40,059	40,059	40,059
Basic earning per share (sen)	4.83	3.46	4.83	3.46

Basic earnings per share of the Group is calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the financial period.

14. Disclosure of realised and unrealised retained profits

The Group's realised and unrealised retained profits disclosures are as follows:

	Current quarter ended 31.3.2011 (RM'000)
Total retained profits of the Company and its subsidiaries:	
- Realised	44,402
- Unrealised	4,340
Less: Consolidation adjustments	(9,599)
Total Group retained profits as per consolidated accounts	39,143