

**KHIND HOLDINGS BERHAD (380310-D)**

(Incorporated in Malaysia)

The directors are pleased to announce the unaudited condensed consolidated quarterly report for the twelve months period ended 31 December 2011

**Condensed Consolidated Statement of Comprehensive Income  
For the twelve months period ended 31 December 2011**

	Individual Period		Cumulative Period	
	31 December		31 December	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Revenue	53,276	49,419	241,850	196,025
Cost of sales	35,740	35,765	168,642	133,256
Gross profit	17,536	13,654	73,208	62,769
Other operating income	402	1,047	3,419	1,893
Interest income	78	85	261	288
Operating expenses	16,817	11,573	64,208	50,140
Finance cost	589	584	2,426	2,062
Profit before tax	610	2,629	10,254	12,748
Tax expense	163	1,735	2,881	4,430
Net profit for the period	447	894	7,373	8,318
Other comprehensive income				
Foreign exchange translation difference	(57)	124	443	(557)
Reserve on Consolidation	463	-	494	-
Total comprehensive income	853	1,018	8,310	7,761
Profit attributable to:				
Equity holders of the parent	447	894	7,373	8,318
Minority interest	-	-	-	-
	447	894	7,373	8,318
Basic earning per share attributable to equity holders of the parent (sen)	1.12	2.23	18.41	20.76

(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 December 2011

	Unaudited as at 31 December 2011 RM'000	Audited as at 31 December 2010 RM'000
<b>ASSETS</b>		
<i>Non-current assets</i>		
Property, plant and equipment	37,908	28,890
Prepaid lease payments	2,694	2,892
Investment property	5,934	4,945
Intangible assets	2,051	2,031
Deferred Tax Assets	2,332	2,931
	<u>50,919</u>	<u>41,689</u>
<i>Current assets</i>		
Other Investment	1,050	157
Trade and other receivables	49,288	44,301
Inventories	49,451	37,387
Current tax assets	475	0
Cash and cash equivalents	26,897	23,841
Assets classified as held for sale	-	3,575
	<u>127,161</u>	<u>109,261</u>
<b>TOTAL ASSETS</b>	<u>178,080</u>	<u>150,950</u>
<b>EQUITY AND LIABILITIES</b>		
<i>Capital and reserves</i>		
Share capital	40,059	40,059
Translation reserve	(256)	(699)
Reserves	42,199	37,136
<b>Total equity attributable to owner of the Company</b>	<u>82,002</u>	<u>76,496</u>
<i>Non Current liabilities</i>		
Borrowings	22,018	14,725
Deferred tax liabilities	1,541	3,096
	<u>23,559</u>	<u>17,821</u>
<i>Current liabilities</i>		
Trade and other payables	42,052	27,065
Dividend Payable	-	2,904
Loans and borrowings	28,521	25,292
Current tax liabilities	1,946	1,372
	<u>72,519</u>	<u>56,633</u>
<b>Total liabilities</b>	<u>96,078</u>	<u>74,454</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>178,080</u>	<u>150,950</u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<u>2.05</u>	<u>1.91</u>

(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 December 2011

	←	Attributable to Equity Holders of the Parent			→	
	Share Capital RM'000	Non Distributable Translation Reserve RM'000	Distributable Retained Earnings RM'000	Total	Minority Interest RM'000	Total Equity RM'000
<u>12 months ended 31 December 2010</u>						
At 1 January 2010	40,059	(142)	31,666	71,583	0	71,583
Effect of adopting FRS 139	0	0	56	56	0	56
At 1 January 2010 (as restated)	40,059	(142)	31,722	71,639	0	71,639
Total comprehensive income for the period	0	(557)	8,318	7,761	0	7,761
Dividends to shareholders	0	0	(2,904)	(2,904)	0	(2,904)
At 31 December 2010	40,059	(699)	37,136	76,496	0	76,496
<u>12 months ended 31 December 2011</u>						
At 1 January 2011	40,059	(699)	37,136	76,496	0	76,496
Total comprehensive income for the year	0	443	7,373	7,816	0	7,816
Reserve on consolidation	0	0	494	494	0	494
Dividends to shareholders	0	0	(2,804)	(2,804)	0	(2,804)
At 31 December 2011	40,059	(256)	42,199	82,002	0	82,002

(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 twelve months period ended 31 December 2011

	31 December 2011 RM'000	31 December 2010 RM'000
Profit before taxation	10,254	12,748
Adjustment for :		
Depreciation & amortisation	2,663	2,339
Finance cost	2,426	2,062
Interest income	(261)	(288)
Net gain on disposal of property, plant and equipment	(79)	(10)
Change in fair value of financial assets	87	(550)
<b>Operating profit before changes in working capital</b>	<b>15,090</b>	<b>16,301</b>
Changes in working capital :		
Inventories	(5,080)	(5,102)
Receivables, deposits and prepayments	(1,475)	(5,997)
Payables and accruals	9,383	1,952
<b>Cash generated from operations</b>	<b>17,918</b>	<b>7,154</b>
Tax refunded	12	650
Tax paid	(3,637)	(3,157)
<b>Net cash generated from operating activities</b>	<b>14,293</b>	<b>4,647</b>
Cash flows from investing activities		
Acquisition of subsidiaries' net assets	(4,993)	0
Interest income	261	288
Acquisition of property, plant and equipment	(9,768)	(4,638)
Acquisition of leasehold land	0	(2,975)
Acquisition of other investments	(980)	(2,102)
Acquisition of investment property	(989)	(4,945)
Acquisition of intangible assets	(24)	(89)
Proceeds from disposal of :		
- asset held for sale	3,575	0
- property, plant and equipment	90	99
<b>Net cash used in investing activities</b>	<b>(12,828)</b>	<b>(14,362)</b>
Cash flows from financing activities		
Dividend paid to shareholders	(5,708)	(2,003)
Finance cost	(2,426)	(2,062)
Drawdown of bank borrowings	10,290	13,968
Repayment of hire purchase liabilities	(1,053)	(797)
<b>Net cash generated from financing activities</b>	<b>1,103</b>	<b>9,106</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2,568</b>	<b>(609)</b>
Cash and cash equivalents at beginning of financial period	23,167	24,333
Effect of exchange rate changes	443	(557)
<b>Cash and cash equivalents at end of financial period</b>	<b>26,178</b>	<b>23,167</b>
Cash and cash equivalents at the end of the financial period comprise the following:		
	As at 31 December 2011 RM'000	As at 31 December 2010 RM'000
Cash and bank balances	26,897	23,841
Bank overdrafts	(719)	(674)
	<b>26,178</b>	<b>23,167</b>

(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 forth financial quarter ended 31 December 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)

# KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the forth financial quarter ended 31 December 2011

## 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 financial year ended 31.12.2010 was paid on 18 February 2011 2,904

A first interim tax-exempt dividend of 7 cents per ordinary share of RM1.00 in respect of financial year ended 31.12.2011 was paid on 28 October 2011 2,804

# KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the forth financial quarter ended 31 December 2011

## 9. Segment reporting

The Group's financial information analysed by operating segments is as follows:

	Investment holding		Trading & service		Manufacturing		Elimination		Total	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2011 RM'000	2011 RM'000	2011 RM'000
<b>Turnover</b>										
External										
Local	-	-	162,506	133,331	1,634	4,019			164,140	137,350
Overseas	-	-	68,846	52,288	8,864	6,388			77,710	58,676
Internal	13,337	10,058	8,163	2,823	51,756	58,821	(73,256)	(71,702)	-	-
Total revenue	13,337	10,058	239,515	188,442	62,254	69,228	(73,256)	(71,702)	241,850	196,026
Segment results	1,654	3,494	9,453	11,596	6,354	6,530	(5,042)	(7,099)	12,419	14,521
Interest expense	(227)	-	(1,520)	(1,411)	(679)	(651)			(2,426)	(2,062)
Interest income	86	59	163	213	11	17			261	289
Profit before tax	1,513	3,553	8,096	10,398	5,686	5,896	(5,043)	(7,098)	10,254	12,748
Tax expense									(2,881)	(4,430)
Net profit									7,373	8,318

Year 2011 refers to 12 months period ended 31.12.2011 as compare to the corresponding 12 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

KHB has on 5 January 2012 entered into a conditional Sale and Purchase Agreement with Chiang Hong Private Limited ("CHPL") for the proposed acquisition of 100% equity interest in Mayer Marketing Pte Ltd ("MMPL") comprising 2,800,000 ordinary shares of SGD1.00 each representing the entire issued and paid-up share capital of MMPL for a cash consideration of SGD2,800,000 [equivalent to RM6,829,760 as at 5 January 2012].

## 12. Changes in the composition of the group

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

## 13. Contingent liabilities

As at 31.12.2011, the company has given corporate guarantee for banking facilities obtained by subsidiaries to meet the liabilities and financial obligations of its subsidiaries amounting to RM98.16 million. The contingent liabilities of its subsidiaries pertaining to utilise trade line facilities amounted to RM2.16 million.

## 14. Capital and other commitment

	RM'000
<u>Plant and equipment</u>	
Contracted but not provided	659

## KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the forth financial quarter ended 31 December 2011

### 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:

	31/12/11 RM'000	31/12/10 RM'000
Directors of the Company	1,794	1,865
Other key management personnel	5,916	4,026

### 16. Related party transactions

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

	Transaction value 12 months ended		Balance as at	
	31/12/11 RM'000	31/12/10 RM'000	31/12/11 RM'000	31/12/10 RM'000
<i>Sales to :-</i>				
HSL E & E Corp (M) Sdn Bhd (formerly known as HSL Electrical & Electronics Sdn Bhd)	670	751	622	172
<i>Purchase from :-</i>				
E & E Sales & Services Sdn Bhd	-	-	-	-

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



# **KHIND HOLDINGS BERHAD**

Quarterly Report on unaudited consolidated results for the fourth financial quarter ended 31 December 2011

## **ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

### **1. Review of Performance**

#### **Quarter on quarter review**

The Group recorded revenue of RM53.28 million for the current quarter under review representing an increase of 8% from RM49.42 million of previous corresponding period. This increase was wholly attributable to the incorporation of sales volume from the newly acquired companies.

The Group's profit before tax decreased from RM2.63 million to RM0.61 million in the fourth quarter, as a result of high operating expenses and lower operating income from the trading and service division despite higher sales revenue.

#### **Year on year review**

The Group's revenue for the financial year ended 31 December 2011 rose to RM241.85 million, representing 23.4% increase in revenue as compared to the previous financial year of RM196.03 million.

The Group's profit before tax for the financial year ended 31 December 2011 recorded at RM10.25 million representing a decrease of 19.6% as compared to the previous same corresponding financial year of RM12.75 million.

The performance of the business segment for financial year 2011 as compared to previous year as below:

#### **1) Manufacturing Division**

Revenue decreased by 10.0% mainly due to softer local market on home electrical appliances resulting in lower profit before tax by 3.6%.

#### **2) Trading and Service Division**

The increase in Revenue of 27.1% was wholly attributed to the incorporation of the sales volume from the newly acquired companies. Despite higher sales revenue, the profit before tax decreased by 22.1% as a result of drop in sales of high margin products due to change in product mix that has eroded the gross profit margin and increase in operating expenses.

### **2. Variation of results against immediate preceding quarter**

The Group recorded revenue of RM53.28 million for the current quarter under review, representing a decrease of 5.1% as compared to RM56.17 million in the immediate preceding quarter. Meanwhile, the Group recorded profit before tax of RM0.61 million, representing a decrease of 71.2% as compared to the preceding quarter of RM2.12 million.

### **3. Commentary on prospect**

Despite the current economic challenges, the Group will continue with its effort to carry out aggressive marketing strategies as well as taking necessary measures to improve profit margin. As announced on 31 January 2011, the latest acquisition will contribute positively to the Group's performance.

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.

## KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the forth financial quarter ended 31 December 2011

### 5. Tax expense

	<u>Individual period</u>		<u>Cumulative period</u>	
	31/12/11	31/12/10	31/12/11	31/12/10
	RM'000	RM'000	RM'000	RM'000
- Current tax expense	743	889	3,650	3,133
- Deferred tax expense	(580)	846	(769)	1,297
Total	<u>163</u>	<u>1,735</u>	<u>2,881</u>	<u>4,430</u>

The group's effective tax rate for the period ended 31 December 2011 is 28.1%.

### 6. Status of corporate proposals

- (a) 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. The acquisition has been completed on 30 December 2011.

### 7. 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	31/12/11 RM'000	Foreign Currency '000	31/12/10 RM'000
<b>Bank Overdrafts</b>				
Secured		413		463
Unsecured		305		211
<b>Banker Acceptances</b>				
Unsecured – denominated in Ringgit Malaysia		24,810		21,162
Unsecured – denominated in foreign currency	SGD433	<u>1,059</u>	SGD832	<u>1,989</u>
Total		<u>26,587</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.

# KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the forth financial quarter ended 31 December 2011

## 7. Borrowings and debt securities (Continued)

### (b) Term Loans

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

	Foreign Currency '000	31/12/11 RM'000	Foreign Currency '000	31/12/10 RM'000
<b>Current Term Loans</b>				
Secured – Denominated in Ringgit Malaysia		526		513
Secured – Denominated in foreign currency	SGD241	591	SGD40	96
Total		<u>1,117</u>		<u>609</u>
<b>Non-Current Term Loans</b>				
Secured – Denominated in Ringgit Malaysia		18,074		11,301
Secured – Denominated in foreign currency	SGD1,119	2,738	SGD1,023	2,446
Total		<u>20,812</u>		<u>13,747</u>
Grand Total		<u>21,929</u>		<u>14,356</u>

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	21,929	1,117	973	1,815	18,024
Total	<u>21,929</u>	<u>1,117</u>	<u>973</u>	<u>1,815</u>	<u>18,024</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:-

	31/12/11 RM'000	31/12/10 RM'000
Hire Purchase Creditors	2,222	1,994
Less: Interest in suspense	200	159
Balance	<u>2,022</u>	<u>1,835</u>
Repayable within one year	816	853
Repayable one to five years	1,206	982
Balance	<u>2,022</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.

## **KHIND HOLDINGS BERHAD**

Quarterly Report on unaudited consolidated results for the forth financial quarter ended 31 December 2011

### **8. 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 now fixed for case management on 22 August 2011.

The appeal has been withdrawn on 12 December 2011 and the case is now deemed final.

**(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 July 2009.

The Second Defendant has filed an appeal against the above decision to the Court of Appeal on 21 July 2010. The Court has on 8 February 2012 struck out the said appeal.

As such, the Judgement against the Defendants are now final and enforceable.

## **KHIND HOLDINGS BERHAD**

Quarterly Report on unaudited consolidated results for the forth financial quarter ended 31 December 2011

### **8. 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 1<sup>st</sup> Plaintiff which are now in the Defendant's possession as listed;
- (b) permission given to the employers, agents or the workers of the 1<sup>st</sup> Plaintiff to enter the Defendant's business premises to recover all the tools of the 1<sup>st</sup> 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 2<sup>nd</sup> Plaintiff to pay RM100,000.00 being security for costs to the Defendant within 14 days from 23 July 2009.

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

The 2<sup>nd</sup> 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 2<sup>nd</sup> 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 2<sup>nd</sup> Plaintiff's solicitors on 13 October 2010.

The 1<sup>st</sup> Plaintiff's claim was deemed struck out due to its failure to pay the security for costs by 6 August 2009.

The Defendant have filed an application to strike out the 2<sup>nd</sup> Plaintiff's claim on 28 April 2011. The Court has on 26 August 2011 strike out the 2<sup>nd</sup> Plaintiff's claim with costs of RM3,000.00 to be paid by the 2<sup>nd</sup> Plaintiff to the Defendant.

There was no further appeal and as such, the entire case has deemed to be dismissed.

## KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the forth financial quarter ended 31 December 2011

### 8. 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 4<sup>th</sup> and 5<sup>th</sup> 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 6 March 2012.

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

Quarterly Report on unaudited consolidated results for the forth financial quarter ended 31 December 2011

### 9. Dividend

A first interim tax exempt dividend of 7 cents per share in respect of the financial year ended 31 December 2011 was recommended and paid on 28 October 2011.

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

### 10. Earnings per share

	Individual Period		Cumulative Period	
	Current Quarter 31.12.11	Preceding year corresponding quarter 31.12.10	Twelve Months to 31.12.11	Twelve Months to 31.12.10
Net profit attributable to ordinary equity holders of the parent (RM'000)	447	894	7,373	8,318
Weighted average number of ordinary shares ('000)	40,059	40,059	40,059	40,059
Basic earning per share (sen)	1.12	2.23	18.41	20.76

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.

### 11. Disclosure of realised and unrealised retained profits

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

	As at 31.12.11 (RM'000)	As at 31.12.10 (RM'000)
Total retained profits of the Company and its subsidiaries:		
- Realised	38,348	47,020
- Unrealised	4,278	3,415
Less: Consolidation adjustments	(427)	(13,299)
Total Group retained profits as per consolidated accounts	42,199	37,136

### 12. Profit for the period is arrived at after (charging)/crediting:-

	Individual Quarterly Ended 31.12.11 (RM'000)	Cumulative Quarterly Ended 31.12.11 (RM'000)
Depreciation & Amortisation	670	2,659
Bad debts written off	64	103