

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

The directors are pleased to announce the unaudited condensed consolidated quarterly report for the six months period ended 30 June 2012

**Condensed Consolidated Statement of Comprehensive Income**  
**For the six months period ended 30 June 2012 - Unaudited**

	Individual Period		Cumulative Period	
	30 June		30 June	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Revenue	80,782	62,350	135,689	132,407
Cost of sales	56,094	43,345	93,874	95,301
Gross profit	24,688	19,005	41,815	37,106
Other operating income	513	1,834	797	2,740
Interest income	73	38	153	115
Operating expenses	20,311	15,665	35,427	31,141
Finance cost	861	625	1,425	1,197
Profit before tax	4,102	4,587	5,913	7,623
Tax expense	1,041	888	1,488	1,917
Net profit for the period	3,061	3,699	4,425	5,706
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss				
<i>Foreign exchange translation difference</i>	626	296	396	246
Total comprehensive income	3,687	3,995	4,821	5,952
Profit attributable to:				
Equity holders of the parent	3,061	3,699	4,425	5,706
Non-controlling interest	-	-	-	-
	3,061	3,699	4,425	5,706
Basic earning per share attributable to equity holders of the parent (sen)	7.64	9.23	11.05	14.24

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011)

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

Condensed Consolidated Statement of Financial Position  
As at 30 June 2012 - Unaudited

	As at 30 June 2012 RM'000	As at 31 December 2011 RM'000
<b>ASSETS</b>		
<i>Non-current assets</i>		
Property, plant and equipment	39,136	37,908
Prepaid lease payments	2,595	2,694
Investment property	6,593	5,934
Intangible assets	3,914	2,051
Deferred Tax Assets	2,333	4,144
	<u>54,571</u>	<u>52,731</u>
<i>Current assets</i>		
Other Investment	1,066	1,050
Trade and other receivables	69,276	49,287
Inventories	59,995	49,451
Current tax assets	515	475
Cash and cash equivalents	22,727	26,633
	<u>153,579</u>	<u>126,896</u>
<b>TOTAL ASSETS</b>	<u>208,150</u>	<u>179,627</u>
<b>EQUITY AND LIABILITIES</b>		
<i>Capital and reserves</i>		
Share capital	40,059	40,059
Translation reserve	140	(256)
Reserves	46,624	42,199
Total equity attributable to owner of the Company	<u>86,823</u>	<u>82,002</u>
Non-controlling interests	1	0
<b>Total equity</b>	<u>86,824</u>	<u>82,002</u>
<i>Non Current liabilities</i>		
Borrowings	22,066	22,044
Deferred tax liabilities	1,642	3,352
	<u>23,708</u>	<u>25,396</u>
<i>Current liabilities</i>		
Trade and other payables	49,306	42,052
Loans and borrowings	46,516	28,231
Current tax liabilities	1,796	1,946
	<u>97,618</u>	<u>72,229</u>
<b>Total liabilities</b>	<u>121,326</u>	<u>97,625</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>208,150</u>	<u>179,627</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>2.17</u>	<u>2.05</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011)

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

**Condensed Consolidated Statement of Changes in Equity**  
For the six months ended 30 June 2012 - Unaudited

	← Attributable to Equity Holders of the Parent →				Total RM'000
	Share Capital RM'000	Non Distributable Translation Reserve RM'000	Distributable Retained Earnings RM'000	Non-controlling Interest RM'000	
<b><u>6 months ended 30 June 2011</u></b>					
At 1 January 2011	40,059	(699)	37,136	0	76,496
Total comprehensive income for the period	0	246	5,706	0	5,952
At 30 June 2011	<u>40,059</u>	<u>(453)</u>	<u>42,842</u>	<u>0</u>	<u>82,448</u>
<b><u>6 months ended 30 June 2012</u></b>					
At 1 January 2012	40,059	(256)	42,199	0	82,002
Total comprehensive income for the period	0	396	4,425	0	4,821
At 30 June 2012	<u>40,059</u>	<u>140</u>	<u>46,624</u>	<u>0</u>	<u>86,823</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011)

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

**Condensed Consolidated Statement of Cash Flows**  
**For the six months period ended 30 June 2012 - Unaudited**

	30 June 2012 RM'000	30 June 2011 RM'000
Profit before taxation	5,913	7,523
Adjustment for :		
Depreciation & amortisation	1,470	1,259
Finance cost	1,425	1,197
Interest income	(153)	(115)
Net gain on disposal of property, plant and equipment	(30)	0
Change in fair value of financial assets	(16)	(48)
Operating profit before changes in working capital	<u>8,609</u>	<u>9,816</u>
Changes in working capital :		
Inventories	2,276	338
Trade and other receivables	(13,853)	(5,098)
Payables and accruals	(358)	2,111
Cash (used in) / generated from operations	<u>(3,326)</u>	<u>7,167</u>
Tax refunded	132	0
Tax paid	(1,707)	(1,645)
Net cash (used in) / generated from operating activities	<u>(4,901)</u>	<u>5,522</u>
Cash flows from investing activities		
Acquisition of subsidiaries' net assets	(4,399)	(2,370)
Interest income	153	115
Acquisition of property, plant and equipment	(1,516)	(822)
Acquisition of other investments	0	(980)
Acquisition of intangible assets	(3)	0
Proceeds from disposal of :		
- asset held for sale	0	3,575
- property, plant and equipment	38	0
Net cash used in investing activities	<u>(5,727)</u>	<u>(482)</u>
Cash flows from financing activities		
Dividend paid to shareholders	0	(2,904)
Finance cost	(1,425)	(1,197)
Drawdown of bank borrowings	7,779	4,849
Repayment of hire purchase liabilities	(519)	(672)
Net cash generated from financing activities	<u>5,835</u>	<u>76</u>
Net (decrease) / increase in cash and cash equivalents	<u>(4,793)</u>	<u>5,116</u>
Cash and cash equivalents at beginning of financial period	26,178	23,166
Effect of exchange rate changes	184	246
Cash and cash equivalents at end of financial period	<u><u>21,569</u></u>	<u><u>28,528</u></u>
Cash and cash equivalents at the end of the financial period comprise the following:		
	As at 30 June 2012 RM'000	As at 30 June 2011 RM'000
Cash and bank balances	22,727	29,828
Bank overdrafts	(1,158)	(1,300)
	<u><u>21,569</u></u>	<u><u>28,528</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 2011)

# KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the second financial quarter ended 30 June 2012

## 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 Malaysian Financial Reporting Standard (“MFRS”) 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 also comply with IAS 34, Interim Financial Reporting, issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2011.

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 2011.

These are the Group’s condensed consolidated interim financial statements for part of the period covered by the Group’s first MFRS framework annual financial statements and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied. The transition to MFRS framework does not have any financial impact to the financial statements of the Group.

### 2. Significant Accounting Policies

The interim financial statements have been prepared in accordance with MFRS 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 2011.

The following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group :

#### **MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012**

Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
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#### **MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013**

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosures of Interest in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)
MFRS 127	Separate Financial Statements (as amended by IASB in May 2011)
MFRS 128	Investment in Associates and Joint Ventures (as amended by IASB in May 2011)
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
IC Interpretation 20	Stripping costs in the Production Phase of a Surface Mine
Amendments to MFRS 1	Government Loans

## **KHIND HOLDINGS BERHAD**

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### **2. Significant Accounting Policies (continued)**

**MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014**

Amendments to MFRS 132            Offsetting Financial Assets and Financial Liabilities

**MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015**

MFRS 9    Financial Instruments (IFRS 9 issued by IASB in November 2009)  
MFRS 9    Financial Instruments (IFRS 9 issued by IASB in October 2010)

### **3. Audit qualification**

The auditor's report on the financial statements of the Group and the Company for the year ended 31 December 2011 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**

There were no dividends paid during the current quarter.

## KHIND HOLDINGS BERHAD

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### 9. Segment reporting

The Group has three reportable segments, as described below, which are the Group's strategic business units.

- (i) Investment holdings – includes the holding of investment in subsidiaries
- (ii) Trading and service – includes trading of electrical products and providing general repair and rework services
- (iii) Manufacturing – includes manufacturing and distribution of electrical products

	Investment holding		Trading & service		Manufacturing		Elimination		Total	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Turnover</b>										
External										
Local	-	-	76,964	94,364	2,719	1,163			79,683	95,527
Overseas	-	-	49,020	32,716	6,986	4,164			56,006	36,880
Internal	2,642	3,724	2,247	1,892	27,486	25,120	(32,375)	(30,736)	-	-
Total revenue	<u>2,642</u>	<u>3,724</u>	<u>128,231</u>	<u>128,972</u>	<u>37,191</u>	<u>30,447</u>	<u>(32,375)</u>	<u>(30,736)</u>	<u>135,689</u>	<u>132,407</u>
Segment results	(1,329)	(524)	5,728	8,616	2,613	2,480	(13)	(1,967)	6,999	8,605
Finance cost									(1,215)	(1,197)
Interest income									129	115
Gain on negative goodwill									-	100
Profit before tax									<u>5,913</u>	<u>7,623</u>
Tax expense									<u>(1,488)</u>	<u>(1,917)</u>
Net profit									<u>4,425</u>	<u>5,706</u>

Year 2012 refers to 6 months period ended 30.6.2012 as compare to the corresponding 6 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 5 January 2012, the Company has completed the acquisition of entire equity interest of Mayer Marketing Pte Ltd and its associated company, namely Mayer Marketing Sdn Bhd on 2 April 2012.

On the same day, Mayer Marketing Pte Ltd has subscribed for an additional 998 ordinary shares of B\$1.00 each in the capital of Mayer Marketing Sdn Bhd, a company incorporated in Negara Brunei Darussalam. As a result, Mayer Marketing Sdn Bhd is now 99.9% owned subsidiary of Mayer Marketing Pte Ltd, and hence an indirect subsidiary of the Company.

## KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the second financial quarter ended 30 June 2012

### 13. Contingent liabilities

As at 30.6.2012, the company has given corporate guarantee for banking facilities obtained by subsidiaries to meet the liabilities and financial obligations of its subsidiaries amounting to RM98.58 million. The contingent liabilities of its subsidiaries pertaining to utilise trade line facilities amounted to RM2.08 million.

### 14. Capital and other commitment

	RM'000
<u>Property, plant and equipment</u>	
Contracted but not provided	<u>3,840</u>

### 15. Key management personnel compensation

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

	30/6/12 RM'000	30/6/11 RM'000
Directors of the Company	1,124	1,148
Other key management personnel	3,527	3,552

### 16. Related party transactions

Transactions with related parties are as follows:-

	Transaction value 6 months ended		Balance as at	
	30/6/12 RM'000	30/6/11 RM'000	30/6/12 RM'000	30/6/11 RM'000
<i>Sales to :-</i>				
HSL E & E Corp (M) Sdn Bhd	65	294	14	348
<i>Purchase from :-</i>				
- E & E Sales & Services Sdn Bhd	-	-	-	-
- Hupson Industries Sdn Bhd	30	-	30	-

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



## **KHIND HOLDINGS BERHAD**

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

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

The Group recorded revenue of RM80.78 million for the current quarter under review representing an increase of 29.5% from RM62.35 million of previous corresponding period. This increase was attributable primarily to the growth of the Group's existing business and the incorporation of sales volume from the newly acquired companies.

The Group's profit before tax of RM4.10 million for the current quarter under review representing a decrease of 10.7% from RM4.59 million for the previous corresponding quarter as a result of higher operating expenses.

The performance of the business segments are described as below:

1) **Investment Holdings Division**

The revenue and profit in Investment Holdings Division for the current period dropped due to no dividend declared by subsidiaries companies during the period.

2) **Manufacturing Division**

Profit before tax increased marginally by 5% as compared to previous corresponding period in tandem with the increase in turnover, mainly contributed by overseas sales.

3) **Trading and Service Division**

The division is the major revenue contributor, representing approximately 90% of the Group Revenue registered in the current period. The division recorded a decrease of 2.8% in revenue and 33.5% in profit before tax for the current period, mainly resulted from the recognition of revenue from project sales in the same period last year. The negative impact on profitability was mainly due to substantial increase in operating expenses.

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

The Group recorded revenue of RM80.78 million for the current quarter under review, representing an increase of 47.1% as compared to RM54.91 million in the immediate preceding quarter. Meanwhile, the Group recorded profit before tax of RM4.10 million, representing an increase of 126.5% as compared to the preceding quarter of RM1.81 million.

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

Despite the challenging and competitive business condition, the BOD is pleased with the performance achieved in the current quarter under review, which was mainly attributed to the Group's adoption of right measures and strategies.

Barring unforeseen circumstances, The BOD is confident that the Group will be able to achieve satisfactory results for the remaining period of financial year.

#### **4. Profit forecast**

Not applicable as no profit forecast was published.

## KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the second financial quarter ended 30 June 2012

### 5. Tax expense

	<u>Individual period</u>		<u>Cumulative period</u>	
	30/6/12	30/6/11	30/6/12	30/6/11
	RM'000	RM'000	RM'000	RM'000
- Current tax expense	703	857	1,390	1,886
- Deferred tax expense	338	31	98	31
Total	<u>1,041</u>	<u>888</u>	<u>1,488</u>	<u>1,917</u>

The group's effective tax rate for the period ended 30 June 2012 is 25.2%.

### 6. Status of corporate proposals

There were no corporate proposals during the current quarter.

### 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	30/6/12 RM'000	Foreign Currency '000	31/12/11 RM'000
<b>Bank Overdrafts</b>				
Secured		432		413
Unsecured		726		42
<b>Banker Acceptances</b>				
Unsecured – denominated in Ringgit Malaysia		30,353		24,810
Unsecured – denominated in foreign currency	SGD4,532	11,121	SGD433	1,059
<b>Revolving Credit</b>		<u>1,750</u>		<u>-</u>
Total		<u>44,382</u>		<u>26,324</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 7.60% - 8.10% (2011 – 7.60% to 8.10%) per annum. The banker acceptances bear interest at rates ranging from 3.07% to 5.75% (2011 – 3.07% to 5.75%) per annum.

## KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the second financial quarter ended 30 June 2012

### 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	30/6/12 RM'000	Foreign Currency '000	31/12/11 RM'000
<b>Current Term Loans</b>				
Secured – Denominated in Ringgit Malaysia		673		524
Secured – Denominated in foreign currency	SGD244	613	SGD241	591
Total		<u>1,286</u>		<u>1,115</u>
<b>Non-Current Term Loans</b>				
Secured – Denominated in Ringgit Malaysia		18,311		18,076
Secured – Denominated in foreign currency	SGD998	2,511	SGD1,119	2,738
Total		<u>20,822</u>		<u>20,814</u>
Grand Total		<u>22,108</u>		<u>21,929</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	22,108	1,286	821	2,318	17,683
Total	<u>22,108</u>	<u>1,286</u>	<u>821</u>	<u>2,318</u>	<u>17,683</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 2.44% to 5.10% (2011 – 2.44% to 5.10%) per annum.

#### c) Hire Purchase Creditors

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

	30/6/12 RM'000	31/12/11 RM'000
Hire Purchase Creditors	2,283	2,222
Less: Interest in suspense	191	200
Balance	<u>2,092</u>	<u>2,022</u>
Repayable within one year	848	792
Repayable one to five years	1,244	1,230
Balance	<u>2,092</u>	<u>2,022</u>

The hire purchase liabilities bear interest at rates ranging from 3.40% to 7.00% (2011 – 3.40% to 7.00%) per annum.

## **KHIND HOLDINGS BERHAD**

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### **8. Pending material litigation as at the date of this quarterly report**

**(i) 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.

The Court has granted an Order for sale of the First Defendant’s components / toolings and equipments on 9 July 2012.

**(ii) 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.

## KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the second financial quarter ended 30 June 2012

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

- (ii) 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 (Continued)

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 obtained leave to appeal from the Federal Court on 7 March 2012. The Petitioners have filed the Notice of Appeal and Record of Appeal vide Civil Appeal No. 02-22-04/2012 (B). The Federal Court has now fixed 27 September 2012 for hearing of the appeal.

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.

### 9. Dividend

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

### 10. Earnings per share

	Individual Period		Cumulative Period	
	Current Quarter 30.6.12	Preceding year corresponding quarter 30.6.11	Six Months to 30.6.12	Six Months to 30.6.11
Net profit attributable to ordinary equity holders of the parent (RM'000)	3,061	3,699	4,425	5,706
Weighted average number of ordinary shares ('000)	40,059	40,059	40,059	40,059
Basic earning per share (sen)	7.64	9.23	11.05	14.24

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.

## KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the second financial quarter ended 30 June 2012

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

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

	As at 30.6.12 (RM'000)	As at 31.12.11 (RM'000)
Total retained profits of the Company and its subsidiaries:		
- Realised	41,366	38,348
- Unrealised	4,065	4,279
Less: Consolidation adjustments	1,193	(428)
Total Group retained profits as per consolidated accounts	46,624	42,199

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

	Individual Period		Cumulative Period	
	30.6.12 RM '000	30.6.11 RM '000	Six Months to 30.6.12 RM '000	Six Months to 30.6.11 RM '000
Depreciation & Amortisation	783	620	1,470	1,259
Net gain on disposal of property, plant and equipment	(50)	-	(30)	-
Foreign exchange gain	(244)	(1,699)	(439)	(2,294)