

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 2012

Condensed Consolidated Statement of Comprehensive Income
For the twelve months period ended 31 December 2012 - Unaudited

	Individual Period		Cumulative Period	
	31 December		31 December	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Revenue	76,871	53,276	288,591	241,850
Cost of sales	51,510	34,599	197,694	167,501
Gross profit	<u>25,361</u>	<u>18,677</u>	<u>90,897</u>	<u>74,349</u>
Other operating income	631	(275)	1,855	2,773
Interest income	70	78	266	261
Operating expenses	20,981	16,818	76,886	64,209
Finance cost	585	589	2,734	2,426
Profit before tax	<u>4,496</u>	<u>1,073</u>	<u>13,398</u>	<u>10,748</u>
Tax expense	585	163	2,792	2,881
Net profit for the period	<u>3,911</u>	<u>910</u>	<u>10,606</u>	<u>7,867</u>
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss				
<i>Foreign exchange translation difference</i>	281	(57)	591	443
Total comprehensive income	<u>4,192</u>	<u>853</u>	<u>11,197</u>	<u>8,310</u>
Profit attributable to:				
Equity holders of the parent	3,911	910	10,606	7,867
Non-controlling interest	-	-	-	-
	<u>3,911</u>	<u>910</u>	<u>10,606</u>	<u>7,867</u>
Basic earning per share attributable to equity holders of the parent (sen)	9.76	2.27	26.48	19.64

(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 31 December 2012 - Unaudited

	As at 31 December 2012 RM'000	As at 31 December 2011 RM'000
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	38,378	37,908
Prepaid lease payments	2,496	2,694
Investment property	3,090	5,934
Intangible assets	3,927	2,051
Deferred Tax Assets	2,381	4,144
	<u>50,272</u>	<u>52,731</u>
<i>Current assets</i>		
Other Investment	1,164	1,050
Trade and other receivables	62,630	49,287
Inventories	57,119	49,451
Current tax assets	105	475
Cash and cash equivalents	34,463	26,633
Assets classified as held for sale	3,503	0
	<u>158,984</u>	<u>126,896</u>
TOTAL ASSETS	<u>209,256</u>	<u>179,627</u>
EQUITY AND LIABILITIES		
<i>Capital and reserves</i>		
Share capital	40,059	40,059
Translation reserve	335	(256)
Reserves	50,401	42,199
Total equity attributable to owner of the Company	<u>90,795</u>	<u>82,002</u>
Non-controlling interests	1	0
Total equity	<u>90,796</u>	<u>82,002</u>
<i>Non Current liabilities</i>		
Borrowings	21,639	22,044
Deferred tax liabilities	1,567	3,352
	<u>23,206</u>	<u>25,396</u>
<i>Current liabilities</i>		
Trade and other payables	49,359	42,052
Loans and borrowings	45,066	28,231
Current tax liabilities	829	1,946
	<u>95,254</u>	<u>72,229</u>
Total liabilities	<u>118,460</u>	<u>97,625</u>
TOTAL EQUITY AND LIABILITIES	<u>209,256</u>	<u>179,627</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>2.27</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 twelve months ended 31 December 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	
<u>12 months ended 31 December 2011</u>					
At 1 January 2011	40,059	(699)	37,136	0	76,496
Total comprehensive income for the period	0	443	7,867	0	8,310
Dividends to shareholders	0	0	(2,804)	0	(2,804)
At 31 December 2011	<u>40,059</u>	<u>(256)</u>	<u>42,199</u>	<u>0</u>	<u>82,002</u>
<u>12 months ended 31 December 2012</u>					
At 1 January 2012	40,059	(256)	42,199	0	82,002
Total comprehensive income for the period	0	591	10,606	0	11,197
Dividends to shareholders	0	0	(2,404)	0	(2,404)
At 31 December 2012	<u>40,059</u>	<u>335</u>	<u>50,401</u>	<u>0</u>	<u>90,795</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 twelve months period ended 31 December 2012 - Unaudited

	31 December 2012 RM'000	31 December 2011 RM'000
Profit before taxation	13,398	10,748
Adjustment for :		
Depreciation & amortisation	2,619	2,670
Finance cost	2,734	2,426
Interest income	(266)	(261)
Net gain on disposal of property, plant and equipment	(27)	(79)
Change in fair value of financial assets	(116)	87
Negative goodwill recognised	0	(494)
Operating profit before changes in working capital	<u>18,342</u>	<u>15,097</u>
Changes in working capital :		
Inventories	5,152	(5,080)
Trade and other receivables	(7,334)	(1,474)
Payables and accruals	(186)	9,383
Cash generated from operations	<u>15,974</u>	<u>17,926</u>
Tax refunded	1,054	12
Tax paid	(4,613)	(3,637)
Net cash generated from operating activities	<u>12,415</u>	<u>14,301</u>
Cash flows from investing activities		
Acquisition of subsidiaries' net assets	(4,399)	(4,993)
Interest income	266	261
Acquisition of property, plant and equipment	(1,480)	(9,647)
Acquisition of other investments	0	(980)
Acquisition of investment property	0	(989)
Acquisition of intangible assets	(14)	(24)
Proceeds from disposal of :		
- asset held for sale	0	3,575
- property, plant and equipment	38	89
Net cash used in investing activities	<u>(5,589)</u>	<u>(12,708)</u>
Cash flows from financing activities		
Dividend paid to shareholders	(2,404)	(5,708)
Finance cost	(2,734)	(2,426)
Drawdown of bank borrowings	5,643	10,290
Repayment of hire purchase liabilities	(994)	(1,053)
Net cash used in financing activities	<u>(489)</u>	<u>1,103</u>
Net increase in cash and cash equivalents	<u>6,337</u>	<u>2,696</u>
Cash and cash equivalents at beginning of financial period	26,178	23,166
Effect of exchange rate changes	458	316
Cash and cash equivalents at end of financial period	<u><u>32,973</u></u>	<u><u>26,178</u></u>
Cash and cash equivalents at the end of the financial period comprise the following:		
	As at 31 December 2012 RM'000	As at 31 December 2011 RM'000
Cash and bank balances	34,463	26,633
Bank overdrafts	(1,490)	(455)
	<u><u>32,973</u></u>	<u><u>26,178</u></u>
	0	

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

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

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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

The Company paid an interim tax exempt dividend of 6.00 sen per ordinary share totalling RM2,403,540 in respect of the year ended 31 December 2012 on 31 October 2012.

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Quarterly Report on unaudited consolidated results for the third financial quarter ended 31 December 2012

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
Turnover										
External										
Local	-	-	157,664	162,506	6,664	1,634			164,328	164,140
Overseas	-	-	110,859	68,846	13,404	8,864			124,263	77,710
Internal	14,842	13,337	5,915	7,614	56,369	51,756	(77,126)	(72,707)	-	-
Total revenue	14,842	13,337	274,438	238,966	76,437	62,254	(77,126)	(72,707)	288,591	241,850
Segment results	5,898	4,632	12,973	12,140	5,165	4,436	(8,170)	(8,789)	15,866	12,419
Finance cost									(2,734)	(2,426)
Interest income									266	261
Gain on negative goodwill									-	494
Profit before tax									13,398	10,748
Tax expense									(2,792)	(2,881)
Net profit									10,606	7,867

Year 2012 refers to 12 months period ended 31.12.2012 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

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.

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13. Contingent liabilities

As at 31.12.2012, the company has given corporate guarantee for banking facilities obtained by subsidiaries to meet the liabilities and financial obligations of its subsidiaries amounting to RM127.18 million. The contingent liabilities of its subsidiaries pertaining to utilise trade line facilities amounted to RM8.06 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 during the quarter under review are as follows:

	31/12/12 RM'000	31/12/11 RM'000
Directors of the Company	1,783	1,794
Other key management personnel	5,931	5,916

16. Related party transactions

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

	Transaction value 12 months ended		Balance as at	
	31/12/12 RM'000	31/12/11 RM'000	31/12/12 RM'000	31/12/11 RM'000
<i>Sales to :-</i>				
HSL E & E Corp (M) Sdn Bhd	65	670	14	622
<i>Purchase from :-</i>				
- E & E Sales & Services Sdn Bhd	-	-	-	-
- Hupson Industries Sdn Bhd	188	-	1	-

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

Quarter on quarter review

The Group recorded revenue of RM76.87 million for the current quarter under review representing an increase of 44.3% from RM53.28 million of previous corresponding period. This increase was attributable primarily to the growth of the Group's existing business mainly derived from overseas demand and the incorporation of sales volume from the newly acquired companies, Mayer Marketing Pte Ltd.

In tandem with the increase in revenue, the Group's profit before tax for current quarter under review increase significantly by 320.5% to RM4.50 million as compared to RM1.07 million for the previous corresponding quarter.

Year on year review

The Group's revenue for the financial year ended 31 December 2012 rose to RM288.59 million, representing 19.3% increase in revenue as compared to the previous financial year of RM241.85 million.

The Group's profit before tax for the financial year ended 31 December 2012 rose to RM13.40 million representing an increase of 24.65% as compared to the previous same corresponding financial year of RM10.75 million.

The performance of the business segment for financial year 2012 as compared to previous year as below:

1) Investment Holdings Division

The revenue and profit in Investment Holdings Division for the period increased due to higher dividend declared by subsidiaries companies.

2) Trading and Service Division

The revenue in Trading and Service Division recorded an increase of 14.6% as compared to last financial year end mainly due to the incorporation of sales volume from the newly acquired companies.

Profit before tax improved marginally by 6.9% in line with higher revenue and partially offset by lower margin products resulted from the changes in product mix.

3) Manufacturing Division

The significant increase in revenue of Manufacturing Division attributed to higher demand from both local and overseas market coupled with stronger support from inter companies.

Profit for the period improved by 16.4% as compared to previous corresponding period mainly due to higher revenue.

2. Variation of results against immediate preceding quarter

The Group recorded revenue of RM76.87 million for the current quarter under review, representing a marginally increase of 1.0% as compared to RM76.03 million in the immediate preceding quarter. Meanwhile, the Group recorded profit before tax of RM4.50 million, representing an increase of 50.5% as compared to the preceding quarter of RM2.99 million.

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3. Commentary on prospect

Despite the challenging and competitive business condition, the BOD is pleased with the credible performance achieved in the current financial year, which was mainly attributed to the Group's adoption of right measures and aggressive marketing strategies coupled with the contribution from newly acquired companies as announced on 31 January 2011 and 2 April 2012. The BOD expects the two (2) acquisitions continue to contribute positively to the Group's performance.

Barring unforeseen circumstance, the BOD is confident that the Group will continue to perform well in the next financial year.

4. Profit forecast

Not applicable as no profit forecast was published.

5. Tax expense

	<u>Individual period</u>		<u>Cumulative period</u>	
	31/12/12	31/12/11	31/12/12	31/12/11
	RM'000	RM'000	RM'000	RM'000
- Current tax expense	762	743	2,817	3,650
- Deferred tax expense	(177)	(580)	(25)	(769)
Total	<u>585</u>	<u>163</u>	<u>2,792</u>	<u>2,881</u>

The group's effective tax rate for the period ended 31 December 2012 is 20.8%.

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	31/12/12 RM'000	Foreign Currency '000	31/12/11 RM'000
Bank Overdrafts				
Secured		415		413
Unsecured		1,075		42
Banker Acceptances				
Unsecured – denominated in Ringgit Malaysia		27,439		24,810
Unsecured – denominated in foreign currency	SGD2,743	6,977	SGD433	1,059
Revolving Credit				
Denominated in Ringgit Malaysia		1,650		-
Denominated in foreign currency	SGD2,200	5,595		-
Total		<u>43,151</u>		<u>26,324</u>

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Quarterly Report on unaudited consolidated results for the third financial quarter ended 31 December 2012

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.

(b) Term Loans

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

	Foreign Currency '000	31/12/12 RM'000	Foreign Currency '000	31/12/11 RM'000
Current Term Loans				
Secured – Denominated in Ringgit Malaysia		669		524
Secured – Denominated in foreign currency	SGD177	451	SGD241	591
Total		<u>1,120</u>		<u>1,115</u>
Non-Current Term Loans				
Secured – Denominated in Ringgit Malaysia		18,025		18,076
Secured – Denominated in foreign currency	SGD940	2,392	SGD1,119	2,738
Total		<u>20,417</u>		<u>20,814</u>
Grand Total		<u>21,537</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	21,537	1,120	608	2,393	17,416
Total	<u>21,537</u>	<u>1,120</u>	<u>608</u>	<u>2,393</u>	<u>17,416</u>

The term loans are secured by :-

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

The term loans bear interest at 2.44% to 5.10% (2011 – 2.44% to 5.10%) per annum.

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Quarterly Report on unaudited consolidated results for the third financial quarter ended 31 December 2012

7. Borrowings and debt securities (Continued)

c) Hire Purchase Creditors

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

	31/12/12 RM'000	31/12/11 RM'000
Hire Purchase Creditors	2,213	2,222
Less: Interest in suspense	196	200
Balance	<u>2,017</u>	<u>2,022</u>
Repayable within one year	795	792
Repayable one to five years	1,222	1,230
Balance	<u>2,017</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.

8. Dividend

The Company paid an interim tax exempt dividend of 6.00 sen per ordinary share totalling RM2,403,540 in respect of the year ended 31 December 2012 on 31 October 2012.

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

9. Earnings per share

	Individual Period		Cumulative Period	
	Current Quarter 31.12.12	Preceding year corresponding quarter 31.12.11	Nine Months to 31.12.12	Nine Months to 31.12.11
Net profit attributable to ordinary equity holders of the parent (RM'000)	3,911	910	10,606	7,867
Weighted average number of ordinary shares ('000)	40,059	40,059	40,059	40,059
Basic earning per share (sen)	9.76	2.27	26.48	19.64

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.

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10. Disclosure of realised and unrealised retained profits

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

	As at 31.12.12 (RM'000)	As at 31.12.11 (RM'000)
Total retained profits of the Company and its subsidiaries:		
- Realised	48,142	38,348
- Unrealised	(655)	4,279
Less: Consolidation adjustments	2,914	(428)
Total Group retained profits as per consolidated accounts	50,401	42,199

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

	Individual Period		Cumulative Period	
	31.12.12 RM '000	31.12.11 RM '000	Twelve Months to 31.12.12 RM '000	Twelve Months to 31.12.11 RM '000
Depreciation & Amortisation	376	674	2,619	2,663
Net gain on disposal of property, plant and equipment	1	(79)	(27)	(79)
Foreign exchange gain	(201)	1,138	(909)	(1,447)