

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

The directors are pleased to announce the unaudited condensed consolidated quarterly report for the nine months period ended 30 September 2013

Condensed Consolidated Statement of Comprehensive Income
For the nine months period ended 30 September 2013 - Unaudited

	Individual Period		Cumulative Period	
	30 September		30 September	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Revenue	86,913	76,031	244,457	211,720
Cost of sales	59,895	52,310	165,335	146,184
Gross profit	27,018	23,721	79,122	65,536
Other operating income	2,322	427	5,905	1,224
Interest income	87	43	210	196
Operating expenses	22,206	20,478	66,149	55,905
Finance cost	922	724	2,423	2,149
Profit before tax	6,299	2,989	16,665	8,902
Tax expense	1,467	719	3,598	2,207
Net profit for the period	4,832	2,270	13,067	6,695
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss				
<i>Foreign exchange translation difference</i>	1,057	(86)	861	310
Total comprehensive income	5,889	2,184	13,928	7,005
Profit attributable to:				
Equity holders of the parent	4,832	2,270	13,067	6,695
Non-controlling interest	-	-	-	-
	4,832	2,270	13,067	6,695
Basic earning per share attributable to equity holders of the parent (sen)	12.06	5.67	32.62	16.71

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012)

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

Condensed Consolidated Statement of Financial Position
As at 30 September 2013 - Unaudited

	As at 30 September 2013 RM'000	As at 31 December 2012 RM'000
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	48,376	36,589
Prepaid lease payments	2,347	2,496
Investment property	3,090	3,090
Intangible assets	3,974	3,927
Deferred Tax Assets	2,437	4,100
	<u>60,224</u>	<u>50,202</u>
<i>Current assets</i>		
Other Investment	1,249	1,164
Trade and other receivables	74,053	62,580
Inventories	67,406	57,119
Current tax assets	547	105
Cash and cash equivalents	36,246	34,513
Assets classified as held for sale	0	5,292
	<u>179,501</u>	<u>160,773</u>
TOTAL ASSETS	<u>239,725</u>	<u>210,975</u>
EQUITY AND LIABILITIES		
<i>Capital and reserves</i>		
Share capital	40,059	40,059
Translation reserve	1,194	333
Reserves	59,464	50,402
Total equity attributable to owner of the Company	<u>100,717</u>	<u>90,794</u>
Total equity	<u>100,717</u>	<u>90,794</u>
<i>Non Current liabilities</i>		
Borrowings	23,796	21,639
Deferred tax liabilities	1,450	3,314
	<u>25,246</u>	<u>24,953</u>
<i>Current liabilities</i>		
Trade and other payables	59,830	49,359
Loans and borrowings	51,628	45,066
Current tax liabilities	2,304	803
	<u>113,762</u>	<u>95,228</u>
Total liabilities	<u>139,008</u>	<u>120,181</u>
TOTAL EQUITY AND LIABILITIES	<u>239,725</u>	<u>210,975</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>2.51</u>	<u>2.27</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012)

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

Condensed Consolidated Statement of Changes in Equity
For the nine months ended 30 September 2013 - Unaudited

	← Attributable to Equity Holders of the Parent →			
	Share Capital RM'000	Non Distributable Translation Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000
<u>9 months ended 30 September 2012</u>				
At 1 January 2012	40,059	(256)	42,199	82,002
Total comprehensive income for the period	0	310	6,695	7,005
Dividends to shareholders	0	0	0	0
At 30 September 2012	40,059	54	48,894	89,007
<u>9 months ended 30 September 2013</u>				
At 1 January 2013	40,059	333	50,402	90,794
Total comprehensive income for the period	0	861	13,067	13,928
Dividends to shareholders	0	0	(4,005)	(4,005)
At 30 September 2013	40,059	1,194	59,464	100,717

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012)

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

Condensed Consolidated Statement of Cash Flows
For the nine months period ended 30 September 2013 - Unaudited

	30 September 2013 RM'000	30 September 2012 RM'000
Profit before taxation	16,665	8,902
Adjustment for :		
Depreciation & amortisation	2,494	2,243
Finance cost	2,423	2,149
Interest income	(210)	(196)
Net gain on disposal of property, plant and equipment	(3,922)	(28)
Change in fair value of financial assets	(85)	(1)
Operating profit before changes in working capital	17,365	13,069
Changes in working capital :		
Inventories	(10,287)	4,143
Trade and other receivables	(11,473)	(9,932)
Payables and accruals	10,470	(5,047)
Cash generated from operations	6,075	2,233
Tax refunded	98	132
Tax paid	(2,728)	(3,719)
Net cash generated from / (used in) operating activities	3,445	(1,354)
Cash flows from investing activities		
Acquisition of subsidiaries' net assets	0	(4,399)
Interest income	210	196
Acquisition of property, plant and equipment	(6,090)	(2,016)
Acquisition of intangible assets	(58)	(4)
Proceeds from disposal of :		
- asset held for sale	8,003	0
- property, plant and equipment	3,142	38
Net cash generated from / (used in) investing activities	5,207	(6,185)
Cash flows from financing activities		
Dividend paid to shareholders	(4,005)	0
Finance cost	(2,423)	(2,149)
(Repayment) / drawdown of bank borrowings	(239)	8,202
Repayment of hire purchase liabilities	(764)	(774)
Net cash (used in) / generated from financing activities	(7,431)	5,279
Net increase / (decrease) in cash and cash equivalents	1,221	(2,260)
Cash and cash equivalents at beginning of financial period	33,023	26,178
Effect of exchange rate changes	575	213
Cash and cash equivalents at end of financial period	34,819	24,131

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

	As at 30 September 2013 RM'000	As at 30 September 2012 RM'000
Cash and bank balances	36,246	25,380
Bank overdrafts	(1,427)	(1,249)
	34,819	24,131

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012)

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the third financial quarter ended 30 September 2013

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 should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012.

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 2012.

2. Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group as at 30 September 2013 are consistent with those adopted in audited financial statements for the year ended 31 December 2012.

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
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009 – 2011 Cycle)
Amendments to MFRS 101	Presentation of Financial Statements (Annual Improvements 2009 – 2011 Cycle)
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2009 -2011 Cycle)
Amendments to MFRS 132	Financial Instruments: Presentation (Annual Improvements 2009 – 2011 Cycle)

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the third financial quarter ended 30 September 2013

2. Significant Accounting Policies (continued)

Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2009 – 2011 Cycle)
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance

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
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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)
Amendments to MFRS 7	Disclosures – Mandatory effective date of MFRS 9 and transition disclosures

3. Audit qualification

The auditor's report on the financial statements of the Group and the Company for the year ended 31 December 2012 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 10.00 sen per ordinary share totalling RM4,005,900.00 in respect of the year ending 31 December 2013 on 30 September 2013.

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the third financial quarter ended 30 September 2013

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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Turnover										
External										
Local	-	-	129,362	120,030	10,147	3,672		-	139,509	123,702
Overseas	-	-	93,749	78,843	11,199	9,175			104,948	88,018
Internal	15,564	5,499	5,502	3,940	55,957	43,686	(77,023)	(53,125)	-	-
Total revenue	15,564	5,499	228,613	202,813	77,303	56,533	(77,023)	(53,125)	244,457	211,720
Segment Profit	9,374	(774)	11,638	9,749	6,509	3,893	(12,811)	(2,013)	14,710	10,855
Other Income									4,168	
Finance cost									(2,423)	(2,149)
Interest income									210	196
Profit before tax									16,665	8,902
Tax expense									(3,598)	(2,207)
Net profit									13,067	6,695

Year 2013 refers to 9 months period ended 30.9.2013 as compare to the corresponding 9 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

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

13. Contingent liabilities

As at 30.9.2013, the company has given corporate guarantee for banking facilities obtained by subsidiaries to meet the liabilities and financial obligations of its subsidiaries amounting to RM145.68 million. The contingent liabilities of its subsidiaries pertaining to utilise trade line facilities amounted to RM11.11 million.

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the third financial quarter ended 30 September 2013

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:

	30/9/13 RM'000	30/9/12 RM'000
Directors of the Company	1,588	1,453
Other key management personnel	4,937	4,651

16. Related party transactions

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

	Transaction value 9 months ended		Balance as at	
	30/9/13 RM'000	30/9/12 RM'000	30/9/13 RM'000	30/9/12 RM'000
<i>Sales to :-</i>				
HSL E & E Corp (M) Sdn Bhd	-	65	14	14
<i>Purchase from :-</i>				
- Hupson Industries Sdn Bhd	-	125	-	-

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 third financial quarter ended 30 September 2013

ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

1. Review of Performance

Comparison results of current quarter and previous corresponding quarter

The Group recorded revenue of RM86.91 million for the current quarter under review representing an increase of 14.3% over revenue of RM76.03 million of previous corresponding quarter.

The Group recorded profit before tax of RM6.30 million for the current quarter under review representing an increase of 110.7% over profit before tax of RM2.99 million of previous corresponding quarter. The outstanding third quarter profit was mainly boosted by gain on disposal of investment property from the Holding Division as well as the increase in revenue.

Comparison results of current year-to-date and previous year-to-date

The Group's revenue for the current period rose to RM244.46 million, representing 15.5% increase in revenue as compared to RM211.72 million in the preceding financial period. The increase was mainly due to improvement in both local and middle east market.

The Group's profit before tax for the current period rose to RM16.67 million, representing 87.3% increase profit as compared to RM8.90 million in the preceding financial period. The increase mainly attributed to higher overall revenue coupled with improved gross profit margin resulted from increase in sales of high margin products and gains from disposing of investment properties by the Company and its subsidiary.

The performance of the business segments for the current period is described as below:

- 1) Investment Holdings Division
The Division recorded a substantial increase in revenue and profit in the current period mainly due to higher dividend received from subsidiaries.
- 2) Trading and Service Division
The revenue in Trading and Service Division recorded an increase of 12.7% as compared to previous corresponding period mainly due to the market improvement from both local and overseas market.

In tandem with the increase in revenue, profit increased by 19.4% as compared to last corresponding period.

- 3) Manufacturing Division
The 36.7% increase in revenue of Manufacturing Division attributed to higher demand from both local and export market as well as stronger support from inter companies.

Profit improved by 67.2% as compared to previous corresponding period mainly due to higher revenue and effective cost controlling.

2. Variation of results against immediate preceding quarter

The Group recorded revenue of RM86.91 million for the current quarter under review, representing a decrease of 9.7% as compared to RM96.21 million in the immediate preceding quarter. Meanwhile, the Group recorded profit before tax of RM6.30 million, representing a decrease of 20.5% as compared to the preceding quarter of RM7.92 million.

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the third financial quarter ended 30 September 2013

3. Commentary on prospect

Despite the challenging and competitive business condition, the BOD is pleased with the good performance achieved in the current quarter, which was mainly attributed to the Group's adoption of right measures and aggressive marketing strategies coupled with the contribution from newly acquired companies.

The BOD is optimistic on the Group's outlook for this year.

4. Profit forecast

Not applicable as no profit forecast was published.

5. Tax expense

	<u>Individual period</u>		<u>Cumulative period</u>	
	30/9/13	30/9/12	30/9/13	30/9/12
	RM'000	RM'000	RM'000	RM'000
- Current tax expense	1,685	665	3,771	2,055
- Deferred tax expense	(218)	54	(173)	152
Total	<u>1,467</u>	<u>719</u>	<u>3,598</u>	<u>2,207</u>

The group's effective tax rate for the quarter ended 30 September 2013 is 21.6%. The low tax rate is mainly due to the capital gain from disposing of properties in one of the oversea subsidiary and the Company.

6. Status of corporate proposals

As announced on 27 and 30 September 2013, the Company's wholly-owned subsidiary, Khind-Mistral (Borneo) Sdn Bhd had on 27 September 2013 entered into a Supplemental Amended Sale and Purchase Agreement with Scope Enterprise Sdn Bhd, extend the completion date of for the acquisition of the land held under individual title Lot No. 1214 Section 66 Kuching Town Land District State of Sarawak bearing postal address of Lot 1214 Section 66 Jalan Perbadanan, Off Bintawa Industrial Estate, 93450 Kuching containing an area of approximately 4,269 square metres erected thereon an extended 2 storey warehouse for Phase 1 and 2½ storey warehouse for Phase 2 for another 6 months.

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the third financial quarter ended 30 September 2013

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	30/9/13 RM'000	Foreign Currency '000	31/12/12 RM'000
Bank Overdrafts				
Secured		402		415
Unsecured		1,025		1,075
Banker Acceptances				
Unsecured – denominated in Ringgit Malaysia		36,627		27,439
Unsecured – denominated in foreign currency	SGD1,368	3,549	SGD2,743	6,977
Revolving Credit				
Denominated in Ringgit Malaysia		2,250		1,650
Denominated in foreign currency	SGD2,200	5,706	SGD2,200	5,595
Total		<u>49,559</u>		<u>43,151</u>

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

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 8.09% - 11.25% (2012 – 8.09% to 11.25%) per annum. The banker acceptances bear interest at rates ranging from 3.53% to 5.89% (2012 – 3.53% to 5.89%) per annum.

(b) Term Loans

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

	Foreign Currency '000	30/9/13 RM'000	Foreign Currency '000	31/12/12 RM'000
Current Term Loans				
Secured – Denominated in Ringgit Malaysia		801		669
Secured – Denominated in foreign currency	SGD143	372	SGD177	451
Total		<u>1,173</u>		<u>1,120</u>
Non-Current Term Loans				
Secured – Denominated in Ringgit Malaysia		14,275		18,025
Secured – Denominated in foreign currency	SGD3,199	8,299	SGD940	2,392
Total		<u>22,574</u>		<u>20,417</u>
Grand Total		<u>23,747</u>		<u>21,537</u>

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the third financial quarter ended 30 September 2013

7. 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	23,747	1,173	1,121	3,462	17,991
Total	<u>23,747</u>	<u>1,173</u>	<u>1,121</u>	<u>3,462</u>	<u>17,991</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 2.61% to 5.34% (2012 – 2.61% to 5.34%) per annum.

c) Hire Purchase Creditors

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

	30/9/13 RM'000	31/12/12 RM'000
Hire Purchase Creditors	2,295	2,213
Less: Interest in suspense	179	196
Balance	<u>2,116</u>	<u>2,017</u>
Repayable within one year	895	795
Repayable one to five years	1,221	1,222
Balance	<u>2,116</u>	<u>2,017</u>

The hire purchase liabilities bear interest at rates ranging from 5.33% to 6.56% (2012 – 5.33% to 6.56%) per annum.

8. Dividend

The Company paid an interim tax exempt dividend of 10.00 sen per ordinary share totalling RM4,005,900 in respect of the year ending 31 December 2013 on 30 September 2013.

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 30.9.13	Preceding year corresponding quarter 30.9.12	Nine Months to 30.9.13	Nine Months to 30.9.12
Net profit attributable to ordinary equity holders of the parent (RM'000)	4,832	2,270	13,067	6,695
Weighted average number of ordinary shares ('000)	40,059	40,059	40,059	40,059
Basic earning per share (sen)	12.06	5.67	32.62	16.71

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 third financial quarter ended 30 September 2013

10. Disclosure of realised and unrealised retained profits

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

	As at 30.9.13 (RM'000)	As at 31.12.12 (RM'000)
Total retained profits of the Company and its subsidiaries:		
- Realised	60,840	47,678
- Unrealised	(104)	(655)
Consolidation adjustments	(1,273)	3,379
Total Group retained profits as per consolidated accounts	59,463	50,402

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

	Individual Period		Cumulative Period	
	30.9.13 RM '000	30.9.12 RM '000	Nine Months to 30.9.13 RM '000	Nine Months to 30.9.12 RM '000
Depreciation & Amortisation	898	773	2,494	2,243
Net (gain)/loss on disposal of property, plant and equipment	(1,485)	2	(3,922)	(28)
Foreign exchange gain	(297)	(269)	(474)	(708)