

**KEIN HING INTERNATIONAL BERHAD**  
(Company No. 616056-T)

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE THREE MONTHS AND FINANCIAL YEAR ENDED 30 APRIL 2009**

	Note	3 Months Ended		12 Months Ended	
		30-Apr-09 (Unaudited) RM'000	30-Apr-08 (Unaudited) RM'000	30-Apr-09 (Unaudited) RM'000	30-Apr-08 (Restated) RM'000
Revenue		<u>29,002</u>	<u>34,184</u>	<u>150,847</u>	<u>142,514</u>
Operating profit		1,212	1,179	7,353	6,949
Interest income		13	31	98	195
Finance costs		(586)	(563)	(2,398)	(2,465)
Share of net results in associates		3	236	322	599
<b>Profit before tax</b>		<u>642</u>	<u>883</u>	<u>5,375</u>	<u>5,278</u>
Tax expense	B5	(172)	676	(602)	(1)
<b>Profit for the period</b>		<u>470</u>	<u>1,559</u>	<u>4,773</u>	<u>5,277</u>
<b>Attributable to:</b>					
Shareholders of the Company		504	1,366	4,904	5,401
Minority interests		(34)	193	(131)	(124)
		<u>470</u>	<u>1,559</u>	<u>4,773</u>	<u>5,277</u>
<b>Earnings per share attributable to Shareholders of the Company (sen):</b>					
Basic / Diluted	B13	<u>0.51</u>	<u>1.38</u>	<u>4.95</u>	<u>5.46</u>

*The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the financial year ended 30 April 2008 and the accompanying explanatory notes attached to the interim financial statements.*

**KEIN HING INTERNATIONAL BERHAD**  
(Company No. 616056-T)

**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 30 APRIL 2009**

(The figures have not been audited)

	Note	As at 30-Apr-09 RM'000	Restated As at 30-Apr-08 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		85,022	83,712
Prepaid lease payments		5,447	5,518
Investment in associates		3,484	3,298
Other investments	B7	802	802
		<u>94,755</u>	<u>93,330</u>
<b>Current assets</b>			
Receivables, deposits and prepayments		24,122	25,739
Inventories		11,250	12,284
Cash and cash equivalents		7,470	6,217
		<u>42,842</u>	<u>44,240</u>
<b>TOTAL ASSETS</b>		<u><b>137,597</b></u>	<u><b>137,570</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to Shareholders of the Company</b>			
Share capital		49,500	49,500
Reserves	A2	23,400	19,925
		<u>72,900</u>	<u>69,425</u>
Minority interests		2,678	2,766
<b>Total equity</b>		<u><b>75,578</b></u>	<u><b>72,191</b></u>
<b>Non-current liabilities</b>			
Loans and borrowings	B9	16,040	16,589
Amount due to Directors		3,432	3,671
Deferred tax liabilities	A2	4,945	5,166
		<u>24,417</u>	<u>25,426</u>
<b>Current liabilities</b>			
Payables and accruals		14,987	19,238
Current tax liabilities		221	48
Loans and borrowings	B9	22,394	20,667
		<u>37,602</u>	<u>39,953</u>
<b>Total liabilities</b>		<u><b>62,019</b></u>	<u><b>65,379</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>137,597</b></u>	<u><b>137,570</b></u>
<b>Net assets per share attributable to Shareholders of the Company (RM)</b>		<u><b>0.74</b></u>	<u><b>0.70</b></u>

*The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 30 April 2008 and the accompanying explanatory notes attached to the interim financial statements.*

**KEIN HING INTERNATIONAL BERHAD**  
(Company No. 616056-T)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2009**

	Attributable to Shareholders of the Company						Total Equity RM'000
	Non-distributable			Distributable		Minority Interests RM'000	
	Share Capital RM'000	Share Premium RM'000	Translation reserve RM'000	Retained Profits RM'000	Total RM'000		
<b><u>Unaudited</u></b>							
<b>At 1 May 2008</b>	49,500	2,669	(562)	17,306	68,913	2,766	71,679
Effect of adopting FRS 112	A2	-	-	512	512	-	512
<b>At 1 May 2008 (Restated)</b>	49,500	2,669	(562)	17,818	69,425	2,766	72,191
Foreign exchange translation differences	-	-	56	-	56	43	99
Net gain recognised directly in equity	-	-	56	-	56	43	99
Profit / (Loss) for the year	-	-	-	4,904	4,904	(131)	4,773
Total recognised income and expense for the period	-	-	56	4,904	4,960	(88)	4,872
Dividends to shareholders	-	-	-	(1,485)	(1,485)	-	(1,485)
<b>At 30 April 2009</b>	49,500	2,669	(506)	21,237	72,900	2,678	75,578
<b><u>Restated</u></b>							
<b>At 1 May 2007</b>	49,500	2,669	(316)	12,849	64,702	3,043	67,745
Effect of adopting FRS 112	A2	-	-	1,053	1,053	-	1,053
<b>At 1 May 2007 (Restated)</b>	49,500	2,669	(316)	13,902	65,755	3,043	68,798
Foreign exchange translation differences	-	-	(246)	-	(246)	(187)	(433)
Net loss recognised directly in equity	-	-	(246)	-	(246)	(187)	(433)
Profit / (Loss) for the year	-	-	-	5,401	5,401	(124)	5,277
Total recognised income and expense for the period	-	-	(246)	5,401	5,155	(311)	4,844
Issuance of shares to minority shareholders	-	-	-	-	-	34	34
Dividends to shareholders	-	-	-	(1,485)	(1,485)	-	(1,485)
<b>At 30 April 2008 (Restated)</b>	49,500	2,669	(562)	17,818	69,425	2,766	72,191

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 April 2008 and the accompanying explanatory notes attached to the interim financial statements.*

**KEIN HING INTERNATIONAL BERHAD**  
(Company No. 616056-T)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL ENDED 30 APRIL 2009**

	12 Months Ended	
	30-Apr-09 (Unaudited) RM'000	30-Apr-08 (Audited) RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	5,375	5,278
Adjustments for:		
Non-cash items	11,088	10,085
Non-operating items	2,303	2,270
Operating profit before working capital changes	18,766	17,633
Changes in working capital:		
Inventories	1,053	(2,129)
Receivables, deposits and prepayments	1,975	(2,988)
Payables and accruals	(4,521)	2,066
Cash generated from operations	17,273	14,582
Tax paid	(650)	(728)
<b>Net cash generated from operating activities</b>	<b>16,623</b>	<b>13,854</b>
<b>Cash flows from investing activities</b>		
Acquisition of other investments	-	(224)
Dividend received	27	30
Proceeds from issuance of shares to minority shareholders	-	34
Proceeds from disposal of an associate	-	370
Proceeds from disposal of property, plant and equipment	885	911
Purchase of property, plant and equipment	(5,086)	(6,169)
Interest received	94	195
Increase in pledged deposits with licensed banks	(4)	(11)
<b>Net cash used in investing activities</b>	<b>(4,084)</b>	<b>(4,864)</b>
<b>Cash flows from financing activities</b>		
Proceeds from term loans	2,736	4,193
Repayment of advances to a Director	(239)	(671)
Repayment of term loans	(5,645)	(5,182)
Drawdown/(Repayment) of other borrowings	453	222
Repayment of hire purchase liabilities	(5,669)	(5,062)
Dividends paid	(1,485)	(1,485)
Interest paid	(2,398)	(2,465)
<b>Net cash used in financing activities</b>	<b>(12,247)</b>	<b>(10,450)</b>
Exchange differences on translation of the financial statements of foreign operations	666	(9)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>958</b>	<b>(1,469)</b>
<b>Cash and cash equivalents at beginning of financial year</b>	<b>(447)</b>	<b>1,167</b>
<b>Foreign exchange differences on opening balance</b>	<b>54</b>	<b>(145)</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>565</b>	<b>(447)</b>
<b>Cash and cash equivalents at end of financial period comprise:</b>		
Cash & bank balances	5,153	3,965
Deposits with licensed banks (excluding deposits pledged)	2,201	2,140
Bank overdrafts	(6,789)	(6,552)
	<b>565</b>	<b>(447)</b>

*The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 30 April 2008 and the accompanying explanatory notes attached to the interim financial statements.*

**KEIN HING INTERNATIONAL BERHAD**  
(Company No. 616056-T)

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134: Interim Financial Reporting 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 financial year ended 30 April 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last financial year ended 30 April 2008.

**A2. Changes in accounting policies**

The accounting policies and method of computation adopted for interim financial statements are consistent with those of the audited financial statements of the Group for the financial year ended 30 April 2008 except for the adoption of the following FRSs and Interpretations, where applicable, that are effective for its financial period beginning on 1 May 2008:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 <sub>2004</sub> Financial Reporting in Hyperinflationary Economics
IC Interpretation 8	Scope of FRS 2

The initial application of these FRSs and Interpretations, where applicable, are not expected to have any material impact on the financial statements of the Group other than the change discussed below:

**FRS 112: Income Taxes**

FRS 112 addresses the accounting treatment for income taxes. However, FRS 112 does not prescribe the accounting treatment for reinvestment allowance and investment tax allowance

(tax incentives). In the current accounting policy for income taxes, reinvestment allowance or investment tax allowance is treated as the tax base of an asset. On adoption of FRS 112, the Group intends to account for these tax incentives by applying the analogy of the accounting treatment for unused tax losses in FRS 112. The change in accounting policy is applied retrospectively and as disclosed below, certain comparative amounts as at 30 April 2008 have been restated:-

	As previously reported RM'000	Prior year adjustment RM'000	As restated RM'000
<b>Consolidated Balance Sheet</b>			
<b>As at 30 April 2008</b>			
Retained profits	17,306	512	17,818
Deferred tax liabilities	5,678	(512)	5,166
<b>Consolidated Income Statement</b>			
<b>For the year ended 30 April 2008</b>			
Profit for the year	5,818	(541)	5,277

At the date of authorisation of these interim financial statements, the following FRSs and Interpretations were issued but not yet effective and have not been applied by the Group:-

<b>FRSs and Interpretations</b>	<b>Effective for Financial Periods beginning on or after</b>
FRS 4 Insurance Contracts	1 January 2010
FRS 7 Financial Instruments : Disclosure	1 January 2010
FRS 8 Operating Segments	1 July 2009
FRS 123 Borrowing Costs	1 January 2010
FRS 139 Financial Instruments : Recognition and Measurement	1 January 2010
Amendments to Share-based Payment: Vesting FRS 2 Conditions and Cancellations	1 January 2010
Amendments to First-time Adoption of Financial FRS 1 & FRS 127 Reporting Standards; and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13 Customer Loyalty Programmes	1 January 2010
IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

The impact of applying FRS 139 on the financial statements upon first adoption is not disclosed by virtue of the exemption given in FRS 139.103AB. The initial application of the other FRSs and Interpretations, where applicable, are not expected to have any material impact on the Group's financial statements.

**A3. Seasonal and cyclical factors**

The Group's business operation results were not materially affected by any major seasonal or cyclical factors.

**A4. Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial year-to-date.

**A5. Material changes in estimates**

There were no changes in estimates that have had material effect in the current quarter and financial year-to-date.

**A6. Issuances and repayment of debt and equity securities**

There were no issuance, repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares or resale of treasury shares during the current quarter and financial year-to-date.

**A7. Dividend Paid**

The first and final tax exempt dividend of 1.5 sen per share or 3% totaling RM1,485,000 in respect of the financial year ended 30 April 2008 was paid by the Company to the entitled shareholders of the Company on 21 November 2008.

**A8. Segmental information**

Segmental information is presented in respect of the Group's business segments:-

**Results for the financial year ended 30 April 2009**

	<u>Manufacturing</u>	<u>Trading</u>	<u>Investment Holding</u>	<u>Adjustment</u>	<u>Consolidated</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	146,025	4,822	-	-	150,847
Inter-segment	3,169	251	-	(3,420)	-
<b>Total revenue</b>	<u>149,194</u>	<u>5,073</u>	<u>-</u>	<u>(3,420)</u>	<u>150,847</u>
<b>Segment results</b>	<u>7,797</u>	<u>(9)</u>	<u>(291)</u>	<u>(144)</u>	<u>7,353</u>
Interest income					98
Finance costs					(2,398)
Share of net results in associates					322
<b>Profit before tax</b>					<u>5,375</u>
Tax expense					(602)
<b>Profit for the year</b>					<u>4,773</u>

**A9. Material events subsequent to the end of the interim period**

There were no material events subsequent to the end of the current quarter ended 30 April 2009.

**A10. Changes in the composition of the Group**

There were no material changes in the composition of the Group for the current quarter and financial year-to-date save as disclosed below:-

The Company had on 5 September 2008 acquired 2 ordinary shares of RM1.00 each in the share capital of Zenne Appliances Sdn. Bhd. ("ZASB") at a total purchase consideration of RM2.00 only. Upon the transfer of shares, ZASB has become a wholly-owned subsidiary of the Company.

**A11. Changes in contingent liabilities**

There were no changes in contingent liabilities or contingent assets of a material nature since the last audited financial statements for the financial year ended 30 April 2008.

**A12. Capital commitments**

There were no capital commitments as at the latest practicable date prior to issue of this report.

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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of performance**

The Group registered revenue of RM29.0 million for the current 4<sup>th</sup> quarter as compared to RM34.2 million reported in the preceding year corresponding quarter, representing a decrease of RM5.2 million or -15%. The decrease in revenue was mainly due to lower customers' order and reduction in selling price in line with the decrease in material costs.

However, for the financial year ended 30 April 2009, the Group registered higher revenue of RM150.8 million compared with RM142.5 million reported in the last financial year, representing an increase of RM8.3 million or 6%. The growth in revenue was mainly attributed to the increase in selling price and stronger customers' demand in the first half of the current financial year.

In tandem with the decline in revenue, the Group reported profit before tax ("PBT") of RM0.6 million for the current 4<sup>th</sup> quarter, a decrease of RM0.2 million or -27% compared with RM0.8 million recorded in the corresponding quarter last year. The cost reduction measures implemented during the current global economic crisis have been effective and contributed to the positive results for the current quarter under review.

Against the above backdrop, the Group reported PBT of RM5.4 million for the financial year ended 30 April 2009 as compared to RM5.3 million registered in the last financial year, representing a marginal increase of RM0.1 million or 2%.



**B2. Variation of results against preceding quarter**

The Group registered PBT of RM0.6 million for the current 4<sup>th</sup> quarter as compared to PBT of RM0.3 million reported in the immediate preceding quarter, representing an increase of RM0.3 million or 86%. The increase in PBT was mainly attributed to lower material costs and overhead as a result of the effective cost reduction measures taken by the Group.

**B3. Prospects**

The financial crisis has dragged the world into a recession. Although there are hopes for a global economic recovery, it is difficult to predict what lies ahead in today's challenging economic environment. Nevertheless, barring any unforeseen circumstances, the Board cautiously expects the Group to achieve a satisfactory performance for the next financial year ending 30 April 2010.

**B4. Variance of actual and forecast profit**

The Group has not provided any profit forecast or profit guarantee for the current financial year ended 30 April 2009.

**B5. Tax expense**

	<b>3 Months Ended 30.4.2009</b>	<b>12 Months Ended 30.4.2009</b>
Current tax expense		
- Malaysian income tax	279	892
- Overprovision in prior year	(8)	(69)
	<u>271</u>	<u>823</u>
Deferred tax expense	(99)	(221)
<b>Total</b>	<u><u>172</u></u>	<u><u>602</u></u>

The effective tax rate of the Group for the current financial year-to-date was lower than the statutory income tax rate of 25% mainly due to utilization of reinvestment allowance available to a wholly-owned subsidiary of the Company.

**B6. Unquoted investments and/or properties**

The Group has not disposed of any unquoted investments and/or properties in the current quarter and financial year-to-date.

**B7. Quoted and marketable investments**

The details of quoted investments as at 30 April 2009 are as follows:

	<b>As at 30.4.2009 RM'000</b>
At cost	528
At book value	528
At market value	613

**B8. Status of corporate proposal announced**

There were no corporate proposals announced but not completed as at the date of this report.

**B9. Group loans and borrowings**

The Group loans and borrowings as at 30 April 2009 are as follows:

	Short Term RM'000	Long Term RM'000
<b><u>Unsecured</u></b>		
Bills payable	1,305	-
Bankers' acceptance	1,811	-
	<u>3,116</u>	<u>-</u>
<b><u>Secured</u></b>		
Bank overdrafts	6,789	-
Bills payable	1,873	-
Term loans	5,702	10,574
Hire purchase liabilities	4,914	5,466
	<u>19,278</u>	<u>16,040</u>
<b>Total borrowings</b>	<b><u>22,394</u></b>	<b><u>16,040</u></b>

The loans and borrowings are denominated in Ringgit Malaysia except for certain term loans and bills payable amounting to RM13.5 million which are denominated in US Dollar.

**B10. Off balance sheet financial instrument**

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

**B11. Changes in material litigation**

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or any of its subsidiaries and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries.

**B12. Dividend payable**

The Board of Directors proposed a final tax exempt dividend of 1.5 sen per share totalling RM1,485,000 in respect of the current financial year ended 30 April 2009 (2008 : tax exempt dividend of 1.5 sen per share). The entitlement and payment dates will be announced at a date to be determined later by the Board of Directors. No interim dividend was declared during the financial year ended 30 April 2009 (2008 : NIL).

**B13. Basic earnings per share**

The basic earnings per share are calculated by dividing profit for the period attributable to Shareholders of the Company by the weighted average number of ordinary shares in issue during the current 4<sup>th</sup> quarter under review as follows:-

	<b>3 Months Ended 30.4.2009 RM'000</b>	<b>3 Months Ended 30.4.2008 RM'000</b>
Earnings		
Profit attributable to Shareholders of the Company	<u>504</u>	<u>1,366</u>
Weighted average number of ordinary shares in issue ('000)	<u>99,000</u>	<u>99,000</u>
<b>Basic earnings per share (sen)</b>	<u>0.51</u>	<u>1.38</u>

**B14. Auditors' report on preceding annual financial statements**

The independent auditors' report on the financial statements of the Group and of the Company for the financial year ended 30 April 2008 was unqualified.

**B15. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 June 2009.

By Order of the Board

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**Yap Toon Choy**  
Group Managing Director  
26 June 2009