

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

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the 4th quarter and financial year ended 30 April 2015 - unaudited

<i>In thousands of RM</i>	Note	3 Months Ended		Financial Year Ended	
		30 Apr 2015	30 Apr 2014	30 Apr 2015	30 Apr 2014
Revenue		<u>50,103</u>	<u>40,726</u>	<u>193,635</u>	<u>159,813</u>
Operating profit		2,639	991	9,046	5,906
Investment income		34	114	277	308
Finance costs		(706)	(495)	(2,260)	(1,931)
Share of profit/(loss) of equity-accounted associate, net of tax		-	(156)	-	153
Profit before tax		<u>1,967</u>	<u>454</u>	<u>7,063</u>	<u>4,436</u>
Income tax expense	B6	(574)	(925)	(1,841)	(1,843)
Profit/(loss) for the period	B5	<u>1,393</u>	<u>(471)</u>	<u>5,222</u>	<u>2,593</u>
Other comprehensive income, net of tax					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Share of capital reserve by a non-controlling interest of a subsidiary		-	-	114	-
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences for foreign operations		(340)	(305)	2,167	1,433
Fair value of available-for-sale financial assets		-	(1)	3	-
Total comprehensive income for the period		<u>1,053</u>	<u>(777)</u>	<u>7,506</u>	<u>4,026</u>
Profit/(loss) attributable to:					
Owners of the Company		1,031	(591)	3,807	1,160
Non-controlling interests		362	120	1,415	1,433
Profit/(loss) for the period		<u>1,393</u>	<u>(471)</u>	<u>5,222</u>	<u>2,593</u>
Total comprehensive income attributable to:					
Owners of the Company		817	(776)	5,218	2,111
Non-controlling interests		236	(1)	2,288	1,915
Total comprehensive income for the period		<u>1,053</u>	<u>(777)</u>	<u>7,506</u>	<u>4,026</u>
Earnings/(loss) per share attributable to owners of the Company (sen):					
Basic/ Diluted	B11	<u>1.04</u>	<u>(0.60)</u>	<u>3.85</u>	<u>1.17</u>

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited consolidated financial statements for the year ended 30 April 2014 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 30 April 2015 – unaudited

<i>In thousands of RM</i>	Note	As at 30 Apr 2015	As at 30 Apr 2014 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		91,241	83,653
Prepaid lease payments		6,478	3,981
Investment properties		6,340	-
Other investments		198	696
		<u>104,257</u>	<u>88,330</u>
Current assets			
Trade and other receivables		35,886	28,468
Inventories		24,104	18,069
Cash and bank balances		11,889	16,960
Assets classified as held for sale		-	1,400
		<u>71,879</u>	<u>64,897</u>
TOTAL ASSETS		<u>176,136</u>	<u>153,227</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		49,500	49,500
Reserves		41,845	37,617
		<u>91,345</u>	<u>87,117</u>
Non-controlling interests		9,868	8,002
Total equity		<u>101,213</u>	<u>95,119</u>
Non-current liabilities			
Loans and borrowings	B8	12,652	8,973
Trade and other payables		1,302	1,014
Deferred tax liabilities		4,178	4,081
		<u>18,132</u>	<u>14,068</u>
Current liabilities			
Loans and borrowings	B8	24,900	19,611
Trade and other payables		31,676	23,580
Current tax liabilities		215	849
		<u>56,791</u>	<u>44,040</u>
Total liabilities		<u>74,923</u>	<u>58,108</u>
TOTAL EQUITY AND LIABILITIES		<u>176,136</u>	<u>153,227</u>
Net assets per share attributable to owners of the Company (RM)		<u><u>0.92</u></u>	<u><u>0.88</u></u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements for the year ended 30 April 2014 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 30 April 2015 – unaudited

	Attributable to Owners of the Company							Non-controlling interests	Total equity
	Non-distributable				Distributable		Total		
	Share capital	Share premium	Translation reserve	Fair value reserve	Retained earnings				
<i>In thousands of RM</i>									
At 1 May 2014	49,500	2,669	802	(3)	34,149	87,117	8,002	95,119	
Profit for the year	-	-	-	-	3,807	3,807	1,415	5,222	
Other comprehensive income for the year, net of tax	-	-	1,408	3	-	1,411	873	2,284	
Total comprehensive income for the year	-	-	1,408	3	3,807	5,218	2,288	7,506	
Dissolution of a subsidiary	-	-	-	-	-	-	(422)	(422)	
Dividends paid	-	-	-	-	(990)	(990)	-	(990)	
At 30 April 2015	49,500	2,669	2,210	-	36,966	91,345	9,868	101,213	
At 1 May 2013	49,500	2,669	(149)	(3)	34,006	86,023	6,063	92,086	
Profit for the year	-	-	-	-	1,160	1,160	1,433	2,593	
Other comprehensive income for the year, net of tax	-	-	951	-	-	951	482	1,433	
Total comprehensive income for the year	-	-	951	-	1,160	2,111	1,915	4,026	
Acquisition and disposal of non-controlling interests	-	-	-	-	(27)	(27)	24	(3)	
Dividends paid	-	-	-	-	(990)	(990)	-	(990)	
At 30 April 2014	49,500	2,669	802	(3)	34,149	87,117	8,002	95,119	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited consolidated financial statements for the year ended 30 April 2014 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the financial year ended 30 April 2015 – unaudited

<i>In thousands of RM</i>	Financial Year Ended	
	30 Apr 2015	30 Apr 2014
Cash flows from operating activities		
Profit before tax	7,063	4,436
Adjustments for:		
Non-cash items	11,918	11,513
Non-operating items	1,983	1,623
Operating profit before changes in working capital	20,964	17,572
Changes in working capital:		
Inventories	(6,035)	(3,402)
Trade and other receivables	(7,840)	(2,800)
Trade and other payables	4,996	2,719
Cash generated from operations	12,085	14,089
Income tax paid	(2,378)	(495)
Net cash generated from operating activities	9,707	13,594
Cash flows from investing activities		
Acquisition of non-controlling interests' share in a subsidiary	-	(3)
Acquisition of property, plant and equipment	(9,956)	(6,753)
Acquisition of prepaid lease payments	(2,298)	-
Acquisition of investment properties	(4,450)	-
Proceeds from disposal of asset held for sales	1,400	-
Proceeds from disposal of property, plant and equipment	197	48
Proceeds from disposal of other investment	495	-
Dividend received	-	50
Interest received	186	222
Increase in pledged deposits with licensed banks	(4)	(4)
Net cash used in investing activities	(14,430)	(6,440)
Cash flows from financing activities		
Advances from a non-controlling interest in a subsidiary	196	-
Proceeds from term loans	4,818	2,651
Repayment of advances to Directors	(989)	(1,238)
Repayment of term loans	(2,806)	(2,177)
(Repayment of)/Proceeds from other borrowings	(1,643)	2,552
Repayment of finance lease liabilities	(2,822)	(3,286)
Dividends paid	(990)	(990)
Interest paid	(2,082)	(1,763)
Net cash used in financing activities	(6,318)	(4,251)
Net (decrease)/increase in cash and cash equivalents	(11,041)	2,903
Exchange differences on translation of the financial statements of foreign operations	471	58
Cash and cash equivalents at beginning of financial year	10,345	7,384
Cash and cash equivalents at end of financial year	(225)	10,345
Cash and cash equivalents at end of financial year comprise:		
Cash & bank balances	7,549	8,449
Deposits with licensed banks (excluding pledged deposits)	4,203	8,377
Bank overdraft	(11,977)	(6,481)
	(225)	10,345

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited consolidated financial statements for the year ended 30 April 2014 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

PART A: NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A1. Basis of preparation

First-time adoption of Malaysian Financial Reporting Standards (“MFRS”)

The condensed consolidated interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of *MFRS 134: Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities’ Listing Requirements”).

The condensed consolidated interim financial statements should also be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 30 April 2014. These explanatory notes attached to the condensed consolidated 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 2014.

The supplementary information set out in Note B13, which is not part of the financial statements, is disclosed in accordance with the Guidance of *Special Matter No.1, Determination of Realised and Unrealised Profits or Losses* in the context of Disclosure Pursuant to Bursa Securities’ Listing Requirements.

A2. Changes in accounting policies

The Group has adopted the MFRSs, Amendments to MFRSs and IC Interpretation (if applicable) which become effective during the current financial year. The adoption of these pronouncements did not have any impact on the financial statements of the Group:

At the date of authorization of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*

- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Properties (Annual Improvements 2011-2013 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 11, *Joint Arrangements (Accounting for Acquisitions of Interests in Joint Operations)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Clarification of Acceptable Methods of Depreciation)*
- Amendments to MFRS 138, *Intangible Assets (Clarification of Acceptable Methods of Amortisation)*
- Amendment to MFRS 127, *Equity Method in Separate Financial Statement*
- Amendments to MFRS 10 and MFRS 128, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRSs contained in the document entitled “*Annual Improvements to MFRSs 2012 – 2014 Cycle*”
- Amendments to MFRS 101, *Disclosure Initiative*
- Amendments to MFRS 10, MFRS 12 and MFRS 128, *Investment Entities: Applying the Consolidation Exception*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (IFRS 9 Financial Instruments as issued by IASB in July 2014)*

The initial applications of these MFRSs, Amendments and Interpretations, if applicable, are not expected to have any material financial impacts to the current and prior periods' consolidated financial statements upon their first adoption.

The MFRSs, Amendments and Interpretations which were issued but not yet effective have not been early adopted by the Group.

A3. Seasonal and cyclical factors

The Group's business operation results were not materially affected by any major seasonal and/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 ended 30 April 2015.

A5. Material changes in estimates

There were no changes in estimates that have had material effect for the current quarter and financial year ended 30 April 2015.

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 under review.

A7. Dividend Paid

The first and final single tier dividend of 1 sen per share or 2% totaling RM990,000 in respect of the last financial year ended 30 April 2014 had been paid by the Company to the entitled shareholders of the Company on 20 November 2014.

No interim dividend was paid during the current quarter and financial year ended 30 April 2015.

A8. Segmental information

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

Results for the financial year ended 30 April 2015

	<u>Manufacturing</u>	<u>Trading</u>	<u>Investment</u>	<u>Adjustment</u>	<u>Consolidated</u>
	RM'000	RM'000	Holding RM'000	RM'000	RM'000
Revenue from external customers	184,839	8,796	-	-	193,635
Inter-segment	8,525	403	-	(8,928)	-
Total revenue	<u>193,364</u>	<u>9,199</u>	<u>-</u>	<u>(8,928)</u>	<u>193,635</u>
Segment results	<u>8,544</u>	<u>594</u>	<u>1,150</u>	<u>(1,242)</u>	<u>9,046</u>
Investment income					277
Finance costs					(2,260)
Profit before tax					<u>7,063</u>
Income tax expense					(1,841)
Profit for the year					<u>5,222</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 under review.

A10. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year ended 30 April 2015 save as disclosed below.

- (a) The Company had on 11 November 2014 incorporated a wholly-owned subsidiary company namely Kein Hing Thai Nguyen (Vietnam) Co., Ltd. ("KHTV") in Vietnam. The principal activities of KHTV will be sheet metal stamping, precision machining, assembly of components and manufacturing and fabrication of tools and dies. Subsequently, KHTV had on 6 February 2015 entered into a Land Lease Agreement with a third party to acquire a vacant industrial land in Vietnam measuring approximately 17,900 square meters at a cash consideration of VND13,699,944,000 or equivalent to approximately RM2,298,000

(b) The Company had on 26 November 2014 received a written approval from the Hanoi Industrial and Export Processing Zone Authority ("HIZA"), Vietnam that Kein Hing Polychrome (Vietnam) Co. Ltd. ("KHPV"), an 80% owned subsidiary of the Company, had been dissolved on a voluntary basis by its shareholders and the dissolution took effect from 25 November 2014.

A11. Changes in contingent liabilities

There were no changes in contingent liabilities or contingent assets of a material nature since the last annual reporting period.

A12. Capital commitments

Capital commitments for the purchase of property, plant and equipment and investment properties not provided for in the interim financial statements as at end of the reporting period were as follows:-

	As at 30.4.2015 RM'000
Approved and contracted for	9,705
Approved but not contracted for	648
Total	<u>10,353</u>

A13. Fair Value Information

The Group uses the following hierarchy for determining the fair value of financial instruments carried at fair value and amortised cost, the different levels have been identified as follows:

Level 1 – Fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 – Fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Level 3 – Fair value is estimated using unobservable inputs for the financial assets and liabilities.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the Statement of Financial Position as at 30 April 2015.

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
Financial assets								
Other investments	-	-	-	-	-	-	-	-
Financial liabilities								
Amount due to a non-controlling interest	-	-	-	-	-	1,302	1,302	1,302
Secured term loans	-	-	-	-	-	11,271	11,271	11,271
Unsecured term loans	-	-	-	-	-	336	336	336
Finance lease liabilities	-	-	-	-	-	7,467	7,467	7,467
	-	-	-	-	-	20,376	20,376	20,376

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

B1. Review of performance

The Group registered revenue of RM50.1 million and RM193.6 million for the 4th quarter and financial year ended 30 April 2015 as compared to RM40.7 million and RM159.8 million reported in the corresponding quarter and last financial year, representing an increase in sales by RM9.4 million or 23% and RM33.8 million or 21% respectively. The growth in sales was mainly attributed to the increase in orders for components of TV, automotive parts and printer's components in Malaysia and Vietnam respectively.

In tandem with the increase in revenue during the current 4th quarter, the Group reported a higher profit before tax ("PBT") of RM1.9 million, representing an improvement of RM1.5 million or 333% as compared to the PBT of RM0.4 million reported in the corresponding 4th quarter last year. Despite the initial costs and expenses incurred for new items of both existing and new customers during the gestation period, the Group was able to achieve higher PBT of RM7.0 million for the financial year ended 30 April 2015 as compared to the PBT of RM4.4 million reported last year, representing an increase of RM2.6 million or 59% mainly attributed to stronger customer demand.

B2. Variation of results against preceding quarter

The Group reported a PBT of RM1.9 million for the 4th quarter as compared to PBT of RM1.1 million reported in the immediate preceding 3rd quarter of the current financial year, representing an increase of RM0.8 million or 71%. The Group achieved higher PBT mainly attributed to the increase in revenue during the current quarter under review.

B3. Prospects

The world economy remains uncertain in view of the revised global growth forecast by the International Monetary Fund from 3.8% down to 3.5% in 2015, along with prolonged below-target inflation, it is challenging for policymakers across Europe and Asia to come up with fresh measures to stimulate demand more than six years after the global financial crisis.

Nevertheless, in Malaysia, it is expected that customers' orders will be sustainable at the current level going forward. Whereas, the growth prospects in Vietnam is expected to be better than previous financial year in view of stronger customers' demand. Against the above backdrop, the Board of Directors foresees that the Group will achieve a satisfactory result for the financial year ending 30 April 2016.

B4. Variance of actual and forecast profit

The Group did not provide any profit forecast or profit guarantee for the financial year ended 30 April 2015.

B5. Profit for the period

	3 Months Ended 30.4.2015 RM'000	Year Ended 30.4.2015 RM'000
Profit for the period is arrived at after charging/(crediting):-		
Depreciation and amortisation	2,973	11,411
Finance costs	706	2,260
Property, plant and equipment written off	12	369
Loss on disposal of property, plant and equipment	-	130
Loss on disposal of other investment	-	5
Bad debts written off	11	11
Net foreign exchange (gain)/loss	(276)	(639)
Investment income	(34)	(277)

B.6 Income tax expense

	3 Months Ended 30.4.2015 RM'000	Year Ended 30.4.2015 RM'000
Current tax expense		
- <i>Malaysian income tax</i>	397	1,167
- <i>Foreign income tax</i>	50	641
- <i>Under provision in prior year</i>	(45)	(64)
	<u>402</u>	<u>1,744</u>
Deferred tax expense	<u>172</u>	<u>97</u>
Total	<u><u>574</u></u>	<u><u>1,841</u></u>

The effective tax rates of the Group for the current quarter was higher than the statutory income tax rate of 25% mainly due to non-availability of group relief.

B7. Status of corporate proposal announced

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

B8. Group loans and borrowings

The Group loans and borrowings as at 30 April 2015 were as follows:

	Short Term RM'000	Long Term RM'000
<u>Unsecured</u>		
Bank overdraft	3,669	-
Bankers' acceptance	-	-
Term loans	247	89
	<u>3,916</u>	<u>89</u>
<u>Secured</u>		
Bank overdraft	8,308	-
Bills payable	6,501	-
Term loans	3,061	8,210
Finance lease liabilities	3,114	4,353
	<u>20,984</u>	<u>12,563</u>
Total borrowings	<u>24,900</u>	<u>12,652</u>

The loans and borrowings are denominated in Ringgit Malaysia except for certain term loans and bills payable amounting to approximately RM7.8 million which are denominated in US Dollar.

B9. 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.

B10. Dividend payable

The Board of Directors proposes a first and final single tier dividend of 2% or 1 sen per share totalling RM990,000 in respect of the current financial year ended 30 April 2015 (2014: 2% or 1 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 2015 (2014 : NIL).

B11. Basic earnings/(loss) per share

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

	3 Months Ended 30.4.2015 RM'000	3 Months Ended 30.4.2014 RM'000
Earnings/(loss)		
Profit/(loss) attributable to owners of the Company	<u>1,031</u>	<u>(591)</u>
Weighted average number of ordinary shares in issue ('000)	<u>99,000</u>	<u>99,000</u>
Basic earnings/(loss) per share (sen)	<u>1.04</u>	<u>(0.60)</u>

B12. Auditors' report on preceding annual financial statements

The independent auditors' report on the audited annual financial statements of the Group and of the Company for the last financial year ended 30 April 2014 was not qualified.

B13. Retained earnings

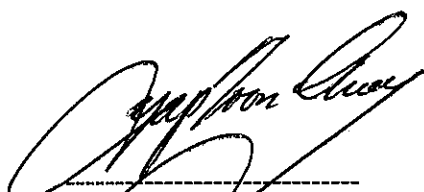
The breakdown of the retained earnings of the Group as at 30 April 2015, into realised and unrealised profits, is as follows:

	As at 30.4.2015 RM'000
The retained earnings of the Company and its subsidiaries:	
- Realised	49,642
- Unrealised	<u>(6,604)</u>
	43,038
Consolidation adjustments	<u>(6,072)</u>
Total retained earnings of the Group	<u><u>36,966</u></u>

B14. Authorisation for issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 June 2015.

By Order of the Board,



Yap Toon Choy
Group Managing Director
26 June 2015