

KHIND HOLDINGS BERHAD (380310-D)

(Incorporated in Malaysia)

The directors are pleased to announce the unaudited condensed consolidated quarterly report for the three months period ended 31 March 2013

Condensed Consolidated Statement of Comprehensive Income

For the three months period ended 31 March 2013 - Unaudited

	Individual Period		Cumulative Period	
	31 March		31 March	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Revenue	61,339	54,907	61,339	54,907
Cost of sales	40,590	37,780	40,590	37,780
Gross profit	20,749	17,127	20,749	17,127
Other operating income	1,670	284	1,670	284
Interest income	68	80	68	80
Operating expenses	19,301	15,116	19,301	15,116
Finance cost	740	564	740	564
Profit before tax	2,446	1,811	2,446	1,811
Tax expense	636	447	636	447
Net profit for the period	1,810	1,364	1,810	1,364
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss				
Foreign exchange translation difference	(206)	(230)	(206)	(230)
Total comprehensive income	1,604	1,134	1,604	1,134
Profit attributable to:				
Equity holders of the parent	1,810	1,364	1,810	1,364
Non-controlling interest	-	-	-	-
	1,810	1,364	1,810	1,364
Basic earning per share attributable to equity holders of the parent (sen)	4.52	3.40	4.52	3.40

(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 31 March 2013 - Unaudited

	As at 31 March 2013 RM'000	As at 31 December 2012 RM'000
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	47,849	36,589
Prepaid lease payments	2,446	2,496
Investment property	3,090	3,090
Intangible assets	3,940	3,927
Deferred Tax Assets	2,112	4,100
	<u>59,437</u>	<u>50,202</u>
<i>Current assets</i>		
Other Investment	1,171	1,164
Trade and other receivables	54,657	62,580
Inventories	55,370	57,119
Current tax assets	528	105
Cash and cash equivalents	27,355	34,513
Assets classified as held for sale	3,503	5,292
	<u>142,584</u>	<u>160,773</u>
TOTAL ASSETS	<u>202,021</u>	<u>210,975</u>
EQUITY AND LIABILITIES		
<i>Capital and reserves</i>		
Share capital	40,059	40,059
Translation reserve	127	333
Reserves	52,212	50,402
Total equity attributable to owner of the Company	<u>92,398</u>	<u>90,794</u>
Total equity	<u>92,398</u>	<u>90,794</u>
<i>Non Current liabilities</i>		
Borrowings	28,024	21,639
Deferred tax liabilities	1,566	3,314
	<u>29,590</u>	<u>24,953</u>
<i>Current liabilities</i>		
Trade and other payables	39,041	49,359
Loans and borrowings	40,135	45,066
Current tax liabilities	857	803
	<u>80,033</u>	<u>95,228</u>
Total liabilities	<u>109,623</u>	<u>120,181</u>
TOTAL EQUITY AND LIABILITIES	<u>202,021</u>	<u>210,975</u>
 Net assets per share attributable to equity holders of the parent (RM)	 <u>2.31</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 three months ended 31 March 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>3 months ended 31 March 2012</u>				
At 1 January 2012	40,059	(256)	42,199	82,002
Total comprehensive income for the period	0	(230)	1,364	1,134
Dividends to shareholders	0	0	0	0
At 31 March 2012	<u>40,059</u>	<u>(486)</u>	<u>43,563</u>	<u>83,136</u>
<u>3 months ended 31 March 2013</u>				
At 1 January 2013	40,059	333	50,402	90,794
Total comprehensive income for the period	0	(206)	1,810	1,604
At 31 March 2013	<u>40,059</u>	<u>127</u>	<u>52,212</u>	<u>92,398</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 2012)

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

Condensed Consolidated Statement of Cash Flows
For the three months period ended 31 March 2013 - Unaudited

	31 March 2013 RM'000	31 March 2012 RM'000
Profit before taxation	2,446	1,811
Adjustment for :		
Depreciation & amortisation	795	687
Finance cost	740	564
Interest income	(68)	(80)
Net (gain) / loss on disposal of property, plant and equipment	(1,189)	20
Change in fair value of financial assets	(7)	(23)
Operating profit before changes in working capital	2,717	2,979
Changes in working capital :		
Inventories	1,749	483
Trade and other receivables	7,922	(11,915)
Payables and accruals	(10,318)	5,296
Cash generated from / (used in) operations	2,070	(3,157)
Tax refunded	0	5
Tax paid	(764)	(843)
Net cash generated from / (used in) operating activities	1,306	(3,995)
Cash flows from investing activities		
Interest income	68	80
Acquisition of property, plant and equipment	(3,105)	(475)
Acquisition of intangible assets	(16)	(2)
Proceeds from disposal of :		
- asset held for sale	2,979	0
- property, plant and equipment	1	0
Net cash used in investing activities	(73)	(397)
Cash flows from financing activities		
Finance cost	(740)	(564)
(Repayment) / drawdown of bank borrowings	(6,501)	4,798
Repayment of hire purchase liabilities	(233)	(264)
Net cash (used in) / generated from financing activities	(7,474)	3,970
Net decrease in cash and cash equivalents	(6,241)	(422)
Cash and cash equivalents at beginning of financial period	33,023	26,178
Effect of exchange rate changes	(212)	(186)
Cash and cash equivalents at end of financial period	26,570	25,570

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

	As at 31 March 2013 RM'000	As at 31 March 2012 RM'000
Cash and bank balances	27,355	26,994
Bank overdrafts	(785)	(1,424)
	26,570	25,570
	0	

(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 first financial quarter ended 31 March 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 31 March 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)
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2009 – 2011 Cycle)

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the first financial quarter ended 31 March 2013

2. Significant Accounting Policies (continued)

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

There were no dividends paid during the current quarter.

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the first financial quarter ended 31 March 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	2012	2013	2012	2013	2012	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover										
External										
Local	-	-	32,235	34,928	1,794	381			34,029	35,309
Overseas	-	-	25,472	17,173	1,838	2,425			27,310	19,598
Internal	1,216	1,252	1,887	1,219	13,864	12,029	(16,967)	(14,500)	-	-
Total revenue	1,216	1,252	59,594	53,320	17,496	14,835	(16,967)	(14,500)	61,339	54,907
Segment results	(1,234)	(776)	2,300	2,380	833	700	4	(9)	1,903	2,295
Other income									1,215	
Finance cost									(740)	(564)
Interest income									68	80
Profit before tax									2,446	1,811
Tax expense									(636)	(447)
Net profit									1,810	1,364

Year 2013 refers to 3 months period ended 31.3.2013 as compare to the corresponding 3 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 31.3.2013, the company has given corporate guarantee for banking facilities obtained by subsidiaries to meet the liabilities and financial obligations of its subsidiaries amounting to RM126.74 million. The contingent liabilities of its subsidiaries pertaining to utilise trade line facilities amounted to RM11.57 million.

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the first financial quarter ended 31 March 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:

	31/3/13 RM'000	31/3/12 RM'000
Directors of the Company	914	794
Other key management personnel	2,181	2,166

16. Related party transactions

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

	Transaction value 3 months ended		Balance as at	
	31/3/13 RM'000	31/3/12 RM'000	31/3/13 RM'000	31/3/12 RM'000
<i>Sales to :-</i>				
HSL E & E Corp (M) Sdn Bhd	-	45	-	512
<i>Purchase from :-</i>				
- E & E Sales & Services Sdn Bhd	-	-	-	-
- Hupson Industries Sdn Bhd	-	62	-	-

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 first financial quarter ended 31 March 2013

ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

1. Review of Performance

The Group recorded revenue of RM61.34 million for the current quarter under review representing an increase of 11.7% over revenue of RM54.91 million of previous corresponding quarter. The increase was due mainly to contributions from newly acquired subsidiary, Mayer Marketing Pte Ltd and improvement in Middle East Market.

The Group recorded profit before tax of RM2.45 million for the current quarter under review representing an increase of 35.1% over profit before tax of RM1.81 million of previous corresponding quarter. The increase mainly attributed to the gain on disposal of office building in Mistral (Singapore) Pte Ltd of RM1.2 million.

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

1) Investment Holdings Division

While maintaining the rate of management fees charged, the Investment Holdings Division has incurred higher expenses in providing management services to subsidiaries, therefore resulted a higher losses suffered in this current quarter.

2) Trading and Service Division

The revenue in Trading and Service Division recorded an increase of 11.8% as compared to last corresponding quarter mainly due to the incorporation of sales volume from the newly acquired companies.

Despite the increase in revenue, profit before tax slightly dropped by 3.3% as compared to last corresponding quarter mainly due to lower margin products resulted from changes in products mix.

3) Manufacturing Division

The 17.9% increase in revenue of Manufacturing Division attributed to higher demand from local market as well as stronger support from inter companies.

Profit before tax improved by 23.5% as compared to previous corresponding period mainly due to higher revenue.

2. Variation of results against immediate preceding quarter

The Group recorded revenue of RM61.34 million for the current quarter under review, representing a decrease of 20.2% as compared to RM76.87 million in the immediate preceding quarter. Meanwhile, the Group recorded profit before tax of RM2.45 million, representing a decrease of 45.6% as compared to the preceding quarter of RM4.50 million.

3. Commentary on prospect

Despite the challenging and competitive business condition, the Board 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 Board is optimistic on the company's outlook for this financial year. Barring any unforeseen circumstances, the Board is confident that the Group will continue to perform well in the coming quarter.

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the first financial quarter ended 31 March 2013

4. Profit forecast

Not applicable as no profit forecast was published.

5. Tax expense

	<u>Individual period</u>		<u>Cumulative period</u>	
	31/3/13 RM'000	31/3/12 RM'000	31/3/13 RM'000	31/3/12 RM'000
- Current tax expense	367	687	367	687
- Deferred tax expense	269	(240)	269	(240)
Total	636	447	636	447

The group's effective tax rate for the quarter ended 31 March 2013 is 26.0%.

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	31/3/13 RM'000	Foreign Currency '000	31/12/12 RM'000
Bank Overdrafts				
Secured		-		415
Unsecured		785		1,075
Banker Acceptances				
Unsecured – denominated in Ringgit Malaysia		24,888		27,439
Unsecured – denominated in foreign currency	SGD2,084	5,240	SGD2,743	6,977
Revolving Credit				
Denominated in Ringgit Malaysia		1,250		1,650
Denominated in foreign currency	SGD2,200	5,532	SGD2,200	5,595
Total		37,695		43,151

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.

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the first financial quarter ended 31 March 2013

7. Borrowings and debt securities (Continued)**(b) Term Loans**

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

	Foreign Currency '000	31/3/13 RM'000	Foreign Currency '000	31/12/12 RM'000
Current Term Loans				
Secured – Denominated in Ringgit Malaysia		908		669
Secured – Denominated in foreign currency	SGD261	656	SGD177	451
Total		<u>1,564</u>		<u>1,120</u>
Non-Current Term Loans				
Secured – Denominated in Ringgit Malaysia		17,554		18,025
Secured – Denominated in foreign currency	SGD3,693	9,285	SGD940	2,392
Total		<u>26,839</u>		<u>20,417</u>
Grand Total		<u>28,403</u>		<u>21,537</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	28,403	1,564	1,283	3,865	21,691
Total	<u>28,403</u>	<u>1,564</u>	<u>1,283</u>	<u>3,865</u>	<u>21,691</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:-

	31/3/13 RM'000	31/12/12 RM'000
Hire Purchase Creditors	2,244	2,213
Less: Interest in suspense	184	196
Balance	<u>2,060</u>	<u>2,017</u>
Repayable within one year	876	795
Repayable one to five years	1,184	1,222
Balance	<u>2,060</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.

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the first financial quarter ended 31 March 2013

9. Dividend

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

10. Earnings per share

	Individual Period		Cumulative Period	
	Current Quarter 31.3.13	Preceding year corresponding quarter 31.3.12	Three Months to 31.3.13	Three Months to 31.3.12
Net profit attributable to ordinary equity holders of the parent (RM'000)	1,810	1,364	1,810	1,364
Weighted average number of ordinary shares ('000)	40,059	40,059	40,059	40,059
Basic earning per share (sen)	4.52	3.40	4.52	3.40

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.

11. Disclosure of realised and unrealised retained profits

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

	As at 31.3.13 (RM'000)	As at 31.12.12 (RM'000)
Total retained profits of the Company and its subsidiaries:		
- Realised	49,395	47,678
- Unrealised	(652)	(655)
Less: Consolidation adjustments	3,469	3,379
Total Group retained profits as per consolidated accounts	52,212	50,402

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

	Individual Period		Cumulative Period	
	31.3.13 RM '000	31.3.12 RM '000	Three Months to 31.3.13 RM '000	Three Months to 31.3.12 RM '000
Depreciation & Amortisation	795	687	795	687
Net (gain) / loss on disposal of property, plant and equipment	(1,189)	20	(1,189)	20
Foreign exchange gain	(24)	(195)	(24)	(195)