

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 2015

Condensed Consolidated Statement of Comprehensive Income

For the three months period ended 31 March 2015 - Unaudited

	Individual Period		Cumulative Period	
	31 March		31 March	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Revenue	74,129	68,569	74,129	68,569
Cost of sales	(52,485)	(47,306)	(52,485)	(47,306)
Gross profit	21,644	21,263	21,644	21,263
Other operating income	966	1,409	966	1,409
Interest income	92	79	92	79
Operating expenses	(22,538)	(20,256)	(22,538)	(20,256)
Finance cost	(804)	(641)	(804)	(641)
(Loss) / Profit before tax	(640)	1,854	(640)	1,854
Tax income / (expense)	138	(482)	138	(482)
Net (loss) / profit for the period	(502)	1,372	(502)	1,372
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss				
Foreign exchange translation difference	1,060	(112)	1,060	(112)
Total comprehensive income	558	1,260	558	1,260
(Loss) / Profit attributable to:				
Equity holders of the parent	(502)	1,372	(502)	1,372
Non-controlling interest	0	0	0	0
	(502)	1,372	(502)	1,372
Basic (loss) / earning per share attributable to equity holders of the parent (sen)	-1.25	3.42	-1.25	3.42

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014)

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

Condensed Consolidated Statement of Financial Position
As at 31 March 2015 - Unaudited

	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	58,881	58,622
Prepaid lease payments	2,049	2,099
Investment property	2,966	2,966
Intangible assets	3,987	3,989
Deferred Tax Assets	3,561	3,636
	<u>71,444</u>	<u>71,312</u>
<i>Current assets</i>		
Other Investment	1,369	1,804
Trade and other receivables	64,639	74,139
Inventories	57,060	63,677
Current tax assets	3,187	1,978
Cash and cash equivalents	35,290	39,674
	<u>161,545</u>	<u>181,272</u>
TOTAL ASSETS	<u>232,989</u>	<u>252,584</u>
EQUITY AND LIABILITIES		
<i>Capital and reserves</i>		
Share capital	40,059	40,059
Translation reserve	3,397	2,337
Reserves	70,285	70,787
Total equity attributable to owner of the Company	<u>113,741</u>	<u>113,183</u>
Total equity	<u>113,741</u>	<u>113,183</u>
<i>Non Current liabilities</i>		
Borrowings	28,819	28,953
Deferred tax liabilities	1,840	1,911
	<u>30,659</u>	<u>30,864</u>
<i>Current liabilities</i>		
Trade and other payables	44,499	55,748
Loans and borrowings	43,348	51,952
Current tax liabilities	742	837
	<u>88,589</u>	<u>108,537</u>
Total liabilities	<u>119,248</u>	<u>139,401</u>
TOTAL EQUITY AND LIABILITIES	<u>232,989</u>	<u>252,584</u>
 Net assets per share attributable to equity holders of the parent (RM)	 <u>2.84</u>	 <u>2.83</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014)

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

Condensed Consolidated Statement of Changes in Equity
For the three months ended 31 March 2015 - Unaudited

	← Attributable to Equity Holders of the Parent →			
	Share Capital	Non Distributable [▲] Translation Reserve	Distributable Retained Earnings	Total
	RM'000	RM'000	RM'000	RM'000
<u>3 months ended 31 March 2014</u>				
At 1 January 2014	40,059	1,307	62,632	103,998
Total comprehensive income for the period	0	(112)	1,372	1,260
Dividends to shareholders	0	0	0	0
At 31 March 2014	40,059	1,195	64,004	105,258
<u>3 months ended 31 March 2015</u>				
At 1 January 2015	40,059	2,337	70,787	113,183
Total comprehensive income for the period	0	1,060	(502)	558
Dividends to shareholders	0	0	0	0
At 31 March 2015	40,059	3,397	70,285	113,741

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014)

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

Condensed Consolidated Statement of Cash Flows
For the three months period ended 31 March 2015 - Unaudited

	31 March 2015 RM'000	31 March 2014 RM'000
(Loss) / Profit before taxation	(640)	1,854
Adjustment for :		
Depreciation & amortisation	1,112	963
Finance cost	804	641
Interest income	(92)	(79)
Net gain on disposal of property, plant and equipment	(7)	(141)
Change in fair value of financial assets	(77)	(6)
Operating profit before changes in working capital	1,100	3,232
Changes in working capital :		
Inventories	6,618	5,609
Trade and other receivables	9,500	2,170
Payables and accruals	(11,251)	(8,475)
Cash generated from operations	5,967	2,536
Tax refunded	13	32
Tax paid	(1,012)	(955)
Net cash generated from operating activities	4,968	1,613
Cash flows from investing activities		
Interest income	92	79
Acquisition of property, plant and equipment	(730)	(419)
Acquisition of intangible assets	(3)	(9)
Proceeds from disposal of :		
- property, plant and equipment	27	219
Net cash used in investing activities	(614)	(130)
Cash flows from financing activities		
Finance cost	(804)	(641)
Drawdown / (Repayment) of bank borrowings	(8,545)	(10,929)
Repayment of hire purchase liabilities	(280)	(333)
Net cash used in financing activities	(9,629)	(11,903)
Net decrease in cash and cash equivalents	(5,275)	(10,420)
Cash and cash equivalents at beginning of financial period	39,099	36,162
Effect of exchange rate changes	507	(172)
Cash and cash equivalents at end of financial period	34,331	25,570

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

	As at 31 March 2015 RM'000	As at 31 March 2014 RM'000
Cash and bank balances	35,290	27,782
Bank overdrafts	(959)	(2,212)
	34,331	25,570

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014)

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Quarterly Report on unaudited consolidated results for the third financial quarter ended 31 March 2015

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 2014.

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 2014.

2. Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group as at 31 March 2015 are consistent with those adopted in audited financial statements for the year ended 31 December 2014.

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 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 Combination (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 Property (Annual Improvements 2011 – 2013 Cycle)

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

Amendments to MFRS 5	Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)
Amendments to MFRS 7	Financial Instruments: Disclosures (Annual Improvements 2012-2014 cycle)
Amendments to MFRS 10	Consolidated Financial Statements and MFRS 128, Investment in Associates and Joint Ventures – Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture

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2. Significant Accounting Policies (continued)

Amendments to MFRS 10	Consolidated Financial Statements, MFRS 12, Disclosures of Interest in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 11	Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure Initiative
Amendments to MFRS 116	Property, Plant and Equipment and MFRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116	Property, Plant and Equipment and MFRS 141, Agriculture – Agriculture: Bearer Plants
Amendments to MFRS 119	Employee Benefits (Annual Improvements 2012-2014 Cycle)
Amendments to MFRS 127	Separate Financial Statements – Equity Method in Separate Financial Statements
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

MFRS 15	Revenue from Contracts with Customers
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MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

MFRS 9	Financial Instruments (2014)
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3. Audit qualification

The auditor's report on the financial statements of the Group and the Company for the year ended 31 December 2014 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.

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Quarterly Report on unaudited consolidated results for the third financial quarter ended 31 March 2015

8. Dividend paid

There were no dividends paid in the current quarter.

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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover										
External										
Local	-	-	34,746	30,391	2,569	2,436			37,315	32,827
Overseas	-	-	33,644	33,850	3,170	1,892			36,814	35,742
Internal	1,876	1,277	1,466	1,307	8,133	10,358	(11,475)	(12,942)	-	-
Total revenue	1,876	1,277	69,856	65,548	13,872	14,686	(11,475)	(12,942)	74,129	68,569
Segment results	1,958	(935)	1,284	2,951	(172)	193	(2,998)	(207)	72	2,416
Finance cost									(804)	(641)
Interest income									92	79
(Loss) / Profit before tax									(640)	1,854
Tax expense									138	(482)
Net (loss)/profit									(502)	1,372

Year 2015 refers to 3 months period ended 31.3.2015 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 31.3.2015, the company has given corporate guarantee for banking facilities obtained by subsidiaries to meet the liabilities and financial obligations of its subsidiaries amounting to RM142.73 million. The contingent liabilities of its subsidiaries pertaining to utilise trade line facilities amounted to RM6.70 million.

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14. 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:

	31/3/15 RM'000	31/3/14 RM'000
Directors of the Company	853	1,019
Other key management personnel	3,519	2,973

15. Related party transactions

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

	Transaction value 3 months ended		Balance as at	
	31/3/15 RM'000	31/3/14 RM'000	31/3/15 RM'000	31/3/14 RM'000
<i>Sales to :-</i>				
HSL E & E Corp (M) Sdn Bhd	-	-	14	14
<i>Purchase from :-</i>				
- Hupson Industries Sdn Bhd	-	-	-	-

These transactions had been entered into in the normal course of business and had been established under negotiated terms.

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

1. Review of Performance

Comparison results of current quarter and previous corresponding quarter

The Group recorded revenue of RM74.13 million for the current quarter under review representing an increase of 8.1% over revenue of RM68.57 million of previous corresponding quarter.

The Group recorded loss before tax of RM0.64 million for the current quarter under review representing a significant decrease of 134.6% over profit before tax of RM1.85 million of previous corresponding quarter.

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

1) Investment Holdings Division

The division recorded positive profit before tax for the current quarter mainly due to one-off gain on controlled transferred property, plant and equipment to one of its subsidiary.

2) Trading and Service Division

The revenue in Trading and Service Division recorded an increase of 6.5% as compared to previous corresponding period. The increase is mainly derived from local revenue which is due to higher local demand during pre GST era. However, with the marginal improvement in revenue, the division's results decreased substantially by 56.5% as compared to last corresponding period. This is mainly attributed by increase in operating cost and adverse fluctuation in exchange rate.

3) Manufacturing Division

The revenue in Manufacturing Division has dropped by 5.5% as compared to previous corresponding period which is mainly due to slow demand from inter-companies. However, this was cushioned by higher overseas revenue driven by the increase of overseas demand.

The division's result has substantially decreased by 189.16% which is attributed by lower sales, fixed manufacturing cost incurred and fluctuation in exchange rate

2. Variation of results against immediate preceding quarter

The Group recorded revenue of RM74.13 million for the current quarter under review, representing a decrease of 6.2% as compared to RM79.07 million in the immediate preceding quarter. Meanwhile, the Group recorded loss before tax of RM0.64 million, representing a significant decrease of 118.1% as compared to the preceding quarter of RM3.53 million.

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3. Commentary on prospect

In view of the weakening Ringgit Malaysia and softening market sentiments, the Board is cautious on the outlook of the Group for the remaining financial year.

4. Profit forecast

Not applicable as no profit forecast was published.

5. Tax (income) / expense

	Individual period		Cumulative period	
	31/3/15 RM'000	31/3/14 RM'000	31/3/15 RM'000	31/3/14 RM'000
- Current tax expense	(148)	226	(148)	226
- Deferred tax expense	10	256	10	256
Total	(138)	482	(138)	482

The group's effective tax rate for the period ended 31 March 2015 is 21.5%.

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	31/3/15 RM'000	Foreign Currency '000	31/12/14 RM'000
Bank Overdrafts				
Secured		654		772
Unsecured		305		304
Banker Acceptances				
Unsecured – denominated in Ringgit Malaysia		25,594		31,049
Unsecured – denominated in foreign currency	SGD2,486	6,710	SGD3,866	10,237
Revolving Credit				
Denominated in Ringgit Malaysia		1,750		1,250
Denominated in foreign currency	SGD2,200	5,938	SGD2,200	5,825
Total		<u>40,951</u>		<u>49,437</u>

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Quarterly Report on unaudited consolidated results for the third financial quarter ended 31 March 2015

7. Borrowings and debt securities (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 7.28% to 8.10% (2014 – 7.28% to 8.10%) per annum. The banker acceptances bear interest at rates ranging from 1.63% to 5.75% (2014 – 1.63% to 5.75%) per annum.

(b) Term Loans

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

	Foreign Currency '000	31/3/15 RM'000	Foreign Currency '000	31/12/14 RM'000
Current Term Loans				
Secured – Denominated in Ringgit Malaysia		1,009		1,000
Secured – Denominated in foreign currency	SGD159	430	SGD193	512
Total		<u>1,439</u>		<u>1,512</u>
Non-Current Term Loans				
Secured – Denominated in Ringgit Malaysia		16,676		16,956
Secured – Denominated in foreign currency	SGD4,039	10,902	SGD4,055	10,737
Total		<u>27,578</u>		<u>27,693</u>
Grand Total		<u>29,017</u>		<u>29,205</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	29,017	1,439	1,441	4,297	21,840
Total	<u>29,017</u>	<u>1,439</u>	<u>1,441</u>	<u>4,297</u>	<u>21,840</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 1.88% to 8.10% (2014 – 1.88% to 8.10%) per annum.

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7. Borrowings and debt securities (Continued)

c) Finance lease liabilities

Details of the Group's finance lease liabilities as at the end of this reporting period:-

	31/3/15 RM'000	31/12/14 RM'000
Hire Purchase Creditors	2,398	2,459
Less: Interest in suspense	199	196
Balance	<u>2,199</u>	<u>2,263</u>
Repayable within one year	959	1,003
Repayable one to five years	1,240	1,260
Balance	<u>2,199</u>	<u>2,263</u>

The finance lease liabilities bear interest at rates ranging from 2.38% to 6.56% (2014 – 2.38% to 6.56%) per annum.

8. Dividend

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

9. Earnings per share

	Individual Period		Cumulative Period	
	Current Quarter 31.3.15	Preceding year corresponding quarter 31.3.14	Three Months to 31.3.15	Three Months to 31.3.14
Net (loss) / profit attributable to ordinary equity holders of the parent (RM'000)	(502)	1,372	(502)	1,372
Weighted average number of ordinary shares ('000)	40,059	40,059	40,059	40,059
Basic (loss) / earning per share (sen)	(1.25)	3.42	(1.25)	3.42

Basic earnings per share of the Group is calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the financial period.

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10. Disclosure of realised and unrealised retained profits

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

	As at 31.3.15 (RM'000)	As at 31.12.14 (RM'000)
Total retained profits of the Company and its subsidiaries:		
- Realised	70,763	68,789
- Unrealised	1,226	1,219
Consolidation adjustments	(1,705)	779
Total Group retained profits as per consolidated accounts	70,284	70,787

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

	Individual Period		Cumulative Period	
	31.3.15	31.3.14	Three Months to 31.3.15	Three Months to 31.3.14
	RM '000	RM '000	RM '000	RM '000
Depreciation & Amortisation	1,112	963	1,112	963
Net (gain) on disposal of property, plant and equipment	(7)	(141)	(7)	(141)
Foreign exchange loss / (gain)	624	(17)	624	(17)