

**KHIND HOLDINGS BERHAD (380310-D)**

(Incorporated in Malaysia)

The directors are pleased to announce the unaudited condensed consolidated quarterly report for the twelve months period ended 31 December 2015

**Condensed Consolidated Statement of Comprehensive Income**

For the twelve months period ended 31 December 2015 - Unaudited

	Individual Period		Cumulative Period	
	31 December		31 December	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Revenue	90,153	79,069	337,768	319,051
Cost of sales	(61,950)	(54,342)	(230,064)	(218,514)
Gross profit	28,203	24,727	107,704	100,537
Other operating income	608	285	1,624	2,720
Interest income	65	110	295	322
Operating expenses	(25,230)	(20,728)	(97,002)	(85,877)
Finance cost	(709)	(862)	(3,460)	(2,988)
Profit before tax	2,937	3,532	9,161	14,714
Tax expense	(1,583)	(465)	(2,982)	(2,553)
Net profit for the period	1,354	3,067	6,179	12,161
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss				
Foreign exchange translation difference	(1,758)	1,299	5,607	1,030
Total comprehensive income	(404)	4,366	11,786	13,191
Profit attributable to:				
Equity holders of the parent	1,353	3,067	6,178	12,161
Non-controlling interest	1	0	1	0
	1,354	3,067	6,179	12,161
Basic earning per share attributable to equity holders of the parent (sen)	3.38	7.66	15.42	30.36

(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 December 2015 - Unaudited**

	As at 30 December 2015 RM'000	As at 31 December 2014 RM'000
<b>ASSETS</b>		
<i>Non-current assets</i>		
Property, plant and equipment	58,034	58,622
Prepaid lease payments	1,901	2,099
Investment property	2,905	2,966
Intangible assets	3,998	3,989
Deferred Tax Assets	3,344	3,636
	<u>70,182</u>	<u>71,312</u>
<i>Current assets</i>		
Land and development expenditure	5,979	0
Other Investment	1,477	1,804
Trade and other receivables	70,257	74,139
Inventories	66,600	63,677
Current tax assets	1,672	1,978
Cash and cash equivalents	37,459	39,674
	<u>183,444</u>	<u>181,272</u>
<b>TOTAL ASSETS</b>	<u>253,626</u>	<u>252,584</u>
<b>EQUITY AND LIABILITIES</b>		
<i>Capital and reserves</i>		
Share capital	40,059	40,059
Translation reserve	7,944	2,337
Reserves	74,161	70,787
Total equity attributable to owner of the Company	<u>122,164</u>	<u>113,183</u>
Non-controlling interests	2	0
<b>Total equity</b>	<u>122,166</u>	<u>113,183</u>
<i>Non Current liabilities</i>		
Borrowings	29,925	28,953
Deferred tax liabilities	1,881	1,911
	<u>31,806</u>	<u>30,864</u>
<i>Current liabilities</i>		
Trade and other payables	49,705	55,748
Loans and borrowings	49,139	51,952
Current tax liabilities	810	837
	<u>99,654</u>	<u>108,537</u>
<b>Total liabilities</b>	<u>131,460</u>	<u>139,401</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>253,626</u>	<u>252,584</u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<u>3.05</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 twelve months ended 31 December 2015 - 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
<b><u>12 months ended 31 December 2014</u></b>				
<b>At 1 January 2014</b>	<b>40,059</b>	<b>1,307</b>	<b>62,632</b>	<b>103,998</b>
Total comprehensive income for the period	0	1,030	12,161	13,191
Dividends to shareholders	0	0	(4,006)	(4,006)
<b>At 31 December 2014</b>	<b>40,059</b>	<b>2,337</b>	<b>70,787</b>	<b>113,183</b>
<b><u>12 months ended 31 December 2015</u></b>				
<b>At 1 January 2015</b>	<b>40,059</b>	<b>2,337</b>	<b>70,787</b>	<b>113,183</b>
Total comprehensive income for the period	0	5,607	6,178	11,785
Dividends to shareholders	0	0	(2,804)	(2,804)
<b>At 31 December 2015</b>	<b>40,059</b>	<b>7,944</b>	<b>74,161</b>	<b>122,164</b>

(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 twelve months period ended 31 December 2015 - Unaudited**

	31 December 2015 RM'000	31 December 2014 RM'000
Profit before taxation	9,161	14,714
Adjustment for :		
Depreciation & amortisation	4,943	4,359
Finance cost	3,460	2,988
Interest income	(295)	(322)
Net gain on disposal of property, plant and equipment	9	(145)
Change in fair value of financial assets	(186)	9
Operating profit before changes in working capital	17,092	21,603
Changes in working capital :		
Inventories	(2,923)	(1,963)
Trade and other receivables	3,882	(5,093)
Payables and accruals	(6,043)	2,151
Cash (used in) / generated from operations	12,008	16,698
Tax refunded	1,242	63
Tax paid	(3,747)	(5,431)
Net cash (used in) / generated from operating activities	9,503	11,330
Cash flows from investing activities		
Interest income	295	322
Land and development expenditure	(5,979)	0
Acquisition of property, plant and equipment	(4,339)	(4,973)
Acquisition of intangible assets	(33)	(39)
Withdrawal / (placement) of fixed deposits	513	(513)
Proceeds from disposal of :		
- property, plant and equipment	55	251
Net cash used in investing activities	(9,488)	(4,952)
Cash flows from financing activities		
Dividend paid to shareholders	(2,804)	(4,006)
Finance cost	(3,460)	(2,988)
(Repayment)/ Drawdown of bank borrowings	(4,840)	3,090
Repayment of hire purchase liabilities	(1,144)	(1,174)
Net cash used in financing activities	(12,248)	(5,078)
Net decrease in cash and cash equivalents	(12,233)	1,300
Cash and cash equivalents at beginning of financial period	38,586	36,162
Effect of exchange rate changes	8,705	1,124
Cash and cash equivalents at end of financial period	35,058	38,586

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

	As at 31 December 2015 RM'000	As at 31 December 2014 RM'000
Cash and bank balances	37,459	39,674
Bank overdrafts	(2,401)	(1,088)
	35,058	38,586

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

# KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the third financial quarter ended 31 December 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 December 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, MFRS 12, Disclosures of Interest in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception

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## 2. Significant Accounting Policies (continued)

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 2018***

MFRS 9	Financial Instruments (2014)
MFRS 15	Revenue from Contracts with Customers

## 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.

## 8. Dividend paid

The company paid a tax exempt interim dividend of 7.00 sen per ordinary share totalling RM2,804,130 in respect of the year ended 31 December 2015 on 26 October 2015.

# KHIND HOLDINGS BERHAD

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

## 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
<b>Turnover</b>										
External										
Local	-	-	157,236	149,972	14,082	12,121			171,318	162,093
Overseas	-	-	156,297	146,544	10,153	10,414			166,450	156,958
Internal	19,600	25,555	6,849	8,372	52,934	57,050	(79,383)	(90,977)	-	-
Total revenue	19,600	25,555	320,382	304,888	77,169	79,585	(79,383)	(90,977)	337,768	319,051
Segment results	11,408	15,937	5,722	15,358	8,316	8,012	(13,120)	(21,927)	12,327	17,380
Finance cost									(3,460)	(2,988)
Interest income									295	322
Profit before tax									9,161	14,714
Tax expense									(2,982)	(2,553)
Net profit									6,179	12,161

Year 2015 refers to 12 months period ended 31.12.2015 as compare to the corresponding 12 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 31.12.2015, the company has given corporate guarantee for banking facilities obtained by subsidiaries to meet the liabilities and financial obligations of its subsidiaries amounting to RM168.42 million. The contingent liabilities of its subsidiaries pertaining to utilise trade line facilities amounted to RM12.77 million.

## 14. Capital and other commitments

RM'000

### Land and building

Contracted but not provided for

-

# KHIND HOLDINGS BERHAD

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## 15. Key management personnel compensation

Total compensation to Directors of the Company and other members of key management during the year under review are as follows:

	31/12/15 RM'000	31/12/14 RM'000
Directors of the Company	1,990	2,126
Other key management personnel	7,627	6,648

## 16. Related party transactions

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

	Transaction value 12 months ended		Balance as at	
	31/12/15 RM'000	31/12/14 RM'000	31/12/15 RM'000	31/12/14 RM'000
<i>Sales to :-</i>				
HSL E & E Corp (M) Sdn Bhd	-	-	14	14

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 31 December 2015

## **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 RM90.15 million for the current quarter under review representing an increase of 14.0% over revenue of RM79.07 million of previous corresponding quarter.

The Group recorded profit before tax of RM2.94 million for the current quarter under review representing a decrease of 16.7% over profit before tax of RM3.53 million of previous corresponding quarter.

#### **Comparison results of current period and previous corresponding period**

The Group recorded revenue of RM337.77 million for the current period under review representing an increase of 5.9% over revenue of RM319.05 million of previous corresponding period.

The Group recorded profit before tax of RM9.16 million for the current period under review representing a decrease of 37.7% over profit before tax of RM14.71 million of previous corresponding period.

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

1) Investment Holdings Division

Included in the current period profit before tax is a 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 5.08% as compared to previous corresponding period. However, the division's results decreased by 73.9% as compared to last corresponding period. This is mainly attributed by increase in operating cost, adverse fluctuation in exchange rate and provision for doubtful debts made.

3) Manufacturing Division

The revenue in Manufacturing Division has decrease by 3.04% as compared to previous corresponding period which is mainly due to lower demand from inter-companies. However, this was cushioned by higher local revenue driven by the increase of local OEM customers.

The division's result has increased by 2.2% which is attributable to improved gross margin as a result of cost efficiency.

### **2. Variation of results against immediate preceding quarter**

The Group recorded revenue of RM90.15 million for the current quarter under review, representing an increase of 4.6% as compared to RM86.21 million in the immediate preceding quarter. Meanwhile, the Group recorded profit before tax of RM2.94 million, representing an increase of 9.3% as compared to the preceding quarter of RM2.69 million.

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## 3. Commentary on prospect

The Board of Directors noted the performance achieved in the financial year despite of the softening business conditions and competitive environment.

The Board expects the outlook of financial year 2016 to remain challenging.

## 4. Profit forecast

Not applicable as no profit forecast was published.

## 5. Tax expense

	<u>Individual period</u>		<u>Cumulative period</u>	
	31/12/15 RM'000	31/12/14 RM'000	31/12/15 RM'000	31/12/14 RM'000
- Current tax expense	856	466	2,677	2,213
- Deferred tax expense	727	(1)	305	340
Total	1,583	465	2,982	2,553

The group's effective tax rate for the period ended 31 December 2015 is 32.5%.

## 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	31/12/15 RM'000	Foreign Currency '000	31/12/14 RM'000
<b>Bank Overdrafts</b>				
Secured		389		772
Unsecured		2,012		304
<b>Banker Acceptances</b>				
Unsecured – denominated in Ringgit Malaysia		28,728		31,049
Unsecured – denominated in foreign currency	SGD2,182	6,626	SGD3,866	10,237
<b>Revolving Credit</b>				
Denominated in Ringgit Malaysia		2,050		1,250
Denominated in foreign currency	SGD2,200	6,680	SGD2,200	5,825
Total		46,485		49,437

# KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the third financial quarter ended 31 December 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	31/12/15 RM'000	Foreign Currency '000	31/12/14 RM'000
<b>Current Term Loans</b>				
Secured – Denominated in Ringgit Malaysia		1,189		1,000
Secured – Denominated in foreign currency	SGD181	550	SGD193	512
Total		<u>1,739</u>		<u>1,512</u>
<b>Non-Current Term Loans</b>				
Secured – Denominated in Ringgit Malaysia		16,778		16,956
Secured – Denominated in foreign currency	SGD3,875	11,767	SGD4,055	10,737
Total		<u>28,545</u>		<u>27,693</u>
Grand Total		<u><u>30,284</u></u>		<u><u>29,205</u></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	30,284	1,739	1,246	5,791	21,508
Total	<u>30,284</u>	<u>1,739</u>	<u>1,246</u>	<u>5,791</u>	<u>21,508</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.

# KHIND HOLDINGS BERHAD

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

## 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:-

	31/12/15 RM'000	31/12/14 RM'000
Hire Purchase Creditors	2,527	2,459
Less: Interest in suspense	232	196
Balance	<u>2,295</u>	<u>2,263</u>
Repayable within one year	916	1,003
Repayable one to five years	1,379	1,260
Balance	<u>2,295</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. Material Litigation

Khind Electrical (Malaysia) Sdn Bhd ("KEMSB"), a wholly owned subsidiary of the Company had on 13 July 2015, through its solicitors, filed a winding-up petition against Maha Tenaga Jaya Technology Sdn Bhd ("MTJTSB") at the High Court of Malaya at Kuala Lumpur as MTJTSB has failed to settle a sum of RM2,036,653.78 to KEMSB being the outstanding amount due and owing for the goods sold and delivered to MTJTSB. The matter has been fixed for case management on 27 August 2015.

The hearing of the Petition was held on 8 October 2015 and the Winding-up Order was granted. The Notice of Winding-up Order was advertised in the newspaper on 22 October 2015 and the Government Gazette on 5 November 2015.

## 9. Dividend

The company paid a tax exempt interim dividend of 7.00 sen per ordinary share totalling RM2,804,130 in respect of the year ended 31 December 2015 on 26 October 2015. The Board of Directors does not recommend any payment of dividend in respect of the quarter under review.

## 10. Earnings per share

	Individual Period		Cumulative Period	
	Current Quarter 31.12.15	Preceding year corresponding quarter 31.12.14	Twelve Months to 31.12.15	Twelve Months to 31.12.14
Net profit attributable to ordinary equity holders of the parent (RM'000)	1,353	3,067	6,178	12,161
Weighted average number of ordinary shares ('000)	40,059	40,059	40,059	40,059
Basic earning per share (sen)	3.38	7.66	15.42	30.36

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

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## 11. Disclosure of realised and unrealised retained profits

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

	As at 31.12.15 (RM'000)	As at 31.12.14 (RM'000)
Total retained profits of the Company and its subsidiaries:		
- Realised	72,181	68,789
- Unrealised	(328)	1,219
Consolidation adjustments	2,308	779
Total Group retained profits as per consolidated accounts	74,161	70,787

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

	Individual Period		Cumulative Period	
	31.12.15	31.12.14	Twelve Months to 31.12.15	Twelve Months to 31.12.14
	RM '000	RM '000	RM '000	RM '000
Depreciation & Amortisation	1,297	1,342	4,943	4,359
Net loss / (gain) on disposal of property, plant and equipment	7	3	9	(145)
Foreign exchange loss / (gain)	(495)	(846)	650	(1,179)