

Chairman's and Group Chief Executive Officer's (CEO) Statement



Cheng King Fa
Founder & chairman



Cheng Ping Keat
Group CEO

Dear Shareholders

On behalf of the Board of Directors of Khind Holdings Berhad and its Group of Companies, we are pleased to present the Annual Report for the financial year ended December 31, 2005.

Overview of the Malaysian Economy in 2005

Notwithstanding high oil prices and a softer global electronics cycle in the first half of the year, the country registered a 5.3 per cent (5.3%) growth rate in 2005. Much of the growth was underscored by continued accommodative macroeconomic policies, a stronger than expected global growth, and an improved financial sector.

How the electrical and electronics (E&E) sector fared?

According to the Malaysian External Trade Development Corporation (MATRADE), the manufacturing sector contributed approximately RM413.1 billion in terms of exports, with the electrical and electronics (E&E) sector contributing approximately RM264.7 billion. Domestically, the E&E sector in 2005 continued to be faced with tighter margins coupled with a growing appetite by consumers for more advanced and well-designed products; while on the export front, many Malaysian E&E companies sought to expand their markets.

2005 performance

The Group registered a marginally higher performance in terms of revenue, registering RM155.86 million, or a four per cent (4%) increase over the previous year's performance of RM149.95 million. However, profit before tax declined by 37 per cent to RM3.26 million (2004 profit before tax: RM5.13 million) as a result of higher raw material and operational costs.

Dividends

The Board declared an interim/final dividend of 5.0 sen which was paid out on 28 October 2005.

Significant Corporate Developments in 2005

On July 2, 2005, the Company and Mistral International Pty Ltd, Australia inked a Memorandum of Understanding (MoU) for the formation of a strategic alliance to jointly develop, market and promote the 'Mistral' brand in their respective markets. The MoU provided Khind with an opportunity to benefit from an alliance with a leading distributor of electronic and electrical products in Australia.

A joint-venture shareholders agreement was also signed on October 14, 2005 between Khind and Mr Hsu Cheng-Wu in relation to their shareholdings in Khind Home Appliances Sdn. Bhd.

Khind Home Appliances is a 50 per cent subsidiary of Khind Holdings. The joint-venture shareholders agreement allowed for Khind to penetrate untapped markets in the South-East Asian region, specifically Vietnam where Mr Hsu has similar businesses to assist in the development and growth of new markets.

Chairman's and Group Chief Executive Officer's (CEO) Statement (continued)

Operations review

With increasing margin squeeze, we embarked on a series of internal exercises to bring greater effectiveness and efficiency to our core operational business units.

In East Malaysia, the Group consolidated all its Sabah and Sarawak operations into one company – Khind-Mistral (Borneo) Sdn Bhd. The move was to facilitate better cross-state synergy and control of our business where previously each state operated independently of the other.

Recognising the need to derive better cohesiveness and savings, the Group also made the decision to merge two subsidiaries – Khind Marketing (Malaysia) Sdn Bhd (KMM) and Mistral Marketing (Malaysia) Sdn Bhd (MMM) into a new entity called Khind-Mistral (M) Sdn Bhd. The aim was to integrate all marketing functions; to ensure that brand budgets were not duplicated; and our products reached our trade customers effectively.

With the merger of our domestic marketing units, the Group also expanded its International Trade Division (ITD). We wanted to make this business unit fully accountable for driving forward the Group's export contribution to overall revenues. Within this context, we made the strategic decision to also establish a full-fledged operating company in the Middle East to meet the growing demand for our products in the region.

Staffed by a team of eight, the wholly-owned subsidiary is called Khind Middle East FZE located at the Jebel Ali Free Trade Zone in Dubai. We are confident that this subsidiary will become a key contributor to our revenues over time.

The Group envisions that with these operational changes in place, overall business performance should be better going forward.

Marketing Review

The 'Khind' brand continues to appeal to the middle income market, predominantly semi-urban and rural customers who find the brand affordable and durable. We will continue to strengthen our market position with these customers.

The Group's core product – fans, remains a leading item in its entire product portfolio with an approximate market share of 30 to 35 per cent. This makes us the leading manufacturer of fans in the country.

The 'Mistral' brand continues to be a niche premium brand focusing on offering products of distinctive designs and quality to fit into the lifestyle needs of an increasingly affluent consumer.

The Group also continued to enjoy a fruitful relationship with BonusLink, the country's largest loyalty-based rewards programme. The relationship which began with 'Khind' as a brand partner, expanded to include the 'Mistral' brand in the later half of 2005.

Momentum to build better understanding and obtaining more accurate feedback from the market, Khind established a Customer Advisory Council (CAC) comprising some of its trade customers. The aim of the council was to establish a consistent dialogue channel with our trade partners to help us better improve our brand and product offerings to the market.

Locally, multinational brands continued to invest large sums in marketing and promotions efforts to capture a bigger market share, specifically in the semi-urban market centres. This was cause for the Group to be ever more vigilant against any further erosion of our market share as we stepped up efforts to protect and strengthen our position.

Looking forward

Next year marks another important milestone in the Company's history as we celebrate our 45th Anniversary. Despite the many challenges, it is certainly a significant achievement for a home grown company to have built its market share locally, and grown its presence to over 50 countries worldwide.

The Company will continue to evolve so that we remain relevant to our customers, locally and worldwide. With increasingly shorter product lifecycles, we will also improve our ability to market our brands more effectively.

A key initiative in 2006 will be our focus on opening untapped markets around the globe. Early indications point to growing sales in the Indian sub-continent. Similarly, we want to further deepen our presence in our traditional markets in the Middle East so that we become the brand of choice for consumers in that region. Closer to home, we will reinforce our ASEAN presence as we see much potential of a rapidly growing affluent region with higher disposable incomes.

Note of thanks

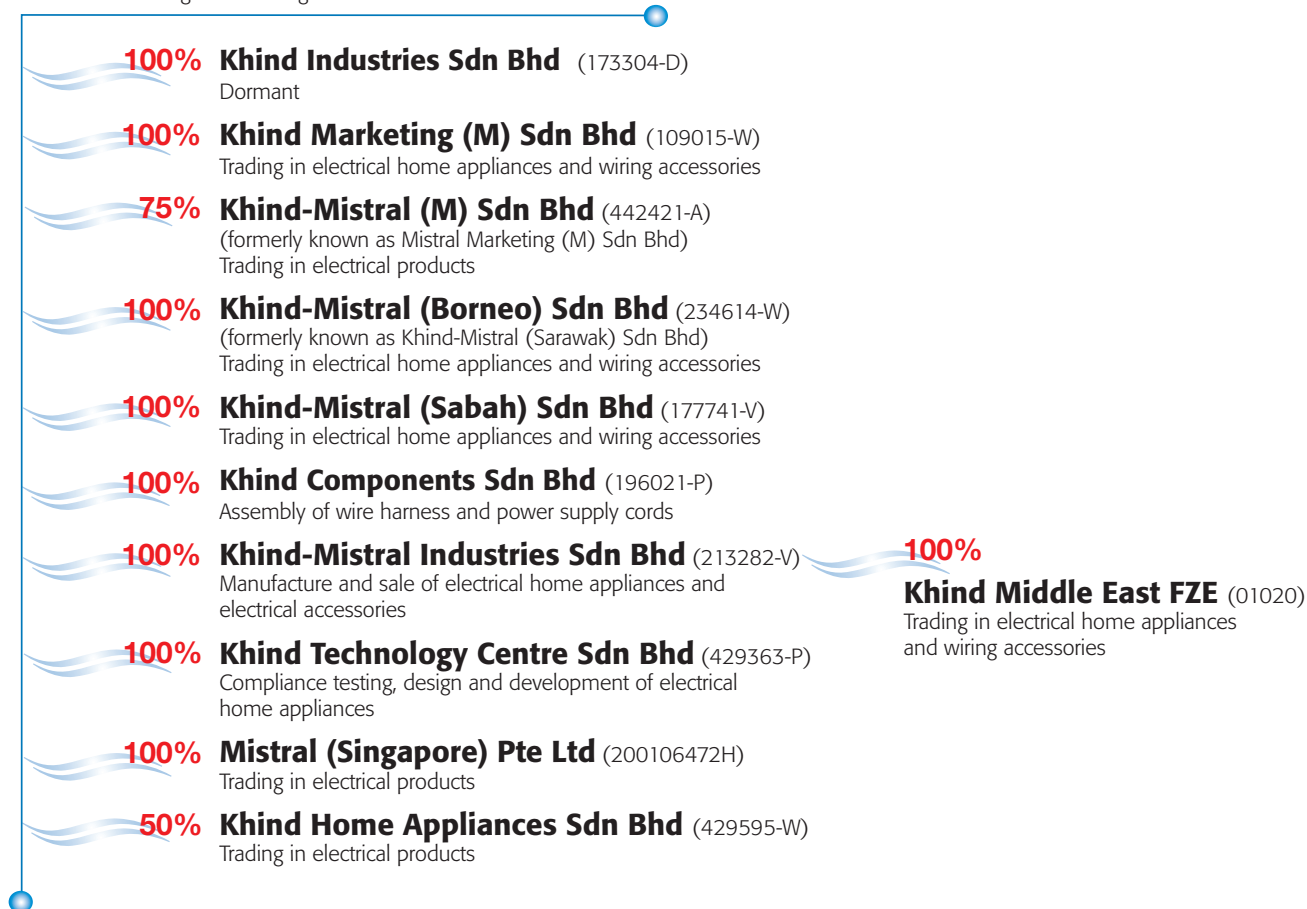
Our upcoming 45th Anniversary is also a great opportunity to reflect back on the enduring relationships that we have built with our shareholders, trade and business partners, government agencies, employees and customers over the years.

Without your encouragement, we would not be able to celebrate this milestone! For that, the Board, management and entire Khind team thanks each and every one of you for your loyal and continued support over the years.

We look forward to partnering all of you to a successful 45th year in business.

KHIND HOLDINGS BERHAD (380310-D)

Investment holdings and management services



Corporate Information

- | | | | |
|---------------------------|--|----------------------|---|
| 1. Registered Office | : No. 2, Jalan Astaka U8/82, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor.
Tel: 603-7847 1900
Fax: 603-7845 4560 | 6. External Auditors | : KPMG
Chartered Accountants
(AF 0758) |
| 2. Website Address | : www.khind.com
www.mistral.com.my | 7. Internal Auditors | : Deloitte Enterprise Risk Services Sdn. Bhd. |
| Email Address | : khb@khindmistral.com | | |
| 3. Share Registrars | : PFA Registration Services Sdn. Bhd.
Level 13, Uptown 1,
No. 1 Jalan SS21/58,
Damansara Uptown,
47400, Petaling Jaya, Selangor.
Tel: 603-7725 4888
Fax: 603-7722 2311 | 8. Principal Bankers | : Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
Public Bank Berhad
Ambank Berhad
United Overseas Bank (M) Berhad |
| 4. Company Secretaries | : Kam Kooi Hua (MACS 00152)
Khoo Guan Kiat (MIA 20886) | 9. Solicitors | : Ong & Partnership
Shearn Delamore & Co
Edward Soo & Co
Khor, Anuar & Khong
Mak, Ong & Ng |
| 5. Stock Exchange Listing | : Second Board of Bursa Malaysia Securities Berhad (Bursa Securities) | | |

Profile of Board of Directors



1. MR. CHENG KING FA – 67 years, Malaysian. **- Founder/Chairman**

Mr. Cheng King Fa is the Founder of the KHIND group, which commenced as a small family business 45 years ago. Under his vision and guidance, the business has grown into one of Malaysia's leading local electrical products manufacturer. With more than 40 years experience in the electrical industry, he provides invaluable advice to the Group on production, marketing, new product research and development.

He was appointed Executive Chairman of the Group on 20th April 1998 prior to the Company's listing on the Second Board of Bursa Malaysia Securities Berhad on 12th August 1998. On 1st March 2005, he was re-designated as Founder /Chairman.

He is a major shareholder of Kee Hin Ventures Sdn. Bhd. (429373-U), the ultimate holding company of KHIND. He is the father of Mr. Cheng Ping Keat. In 2005, he attended all the four meetings held by the Board.

He has no convictions for any offence within the past ten (10) years and has no conflict of interest with KHIND, other than those disclosed in the 2005 financial statements in respect of related party transactions.

He has an indirect interest of 20,030,737 shares (50.00%) via Kee Hin Ventures Sdn. Bhd. (429373-U).



2. MR. CHENG PING KEAT – 45 years, Malaysian. **- Group Chief Executive Officer**

Mr. Cheng Ping Keat was appointed Executive Director of KHIND on 20th April 1998. He graduated with a Bachelor of Commerce degree from the University of Melbourne, Australia in 1984. Post graduation, he had a short stint in audit, accountancy and receivership exposure, both locally and abroad. He joined the KHIND group in September 1987. In 1996, he obtained his Master of Business Administration from Bath University, U.K.

He was appointed and designated the Group Chief Executive Officer of the KHIND Group on 18 November 2003. He is now responsible for the overall strategic planning and operations relating to manufacturing, marketing, financial, export management and brand building for the KHIND Group.

He is a Director and major shareholder of Kee Hin Ventures Sdn. Bhd. (429373-U) KHIND's ultimate holding company. He is the son of Mr. Cheng King Fa and the only Executive member of the Audit Committee since 10th August 1998.

He has no convictions for any offence within the past ten (10) years and has no conflict of interest with KHIND, other than those disclosed in the 2005 financial statements in respect of related party transactions. In 2005, he attended all the four meetings of the Board.

He has a direct interest of 1,750,420 shares (4.37%) in KHIND and an indirect interest of 20,030,737 shares via Kee Hin Ventures Sdn. Bhd. (429373-U), which owns a 50.00% stake in KHIND.



3. MR. SOEKARDI THEDJOISWORO – 42 years, Indonesian. **- Executive Director**

Mr. Soekardi Thedjoisworo was appointed an Executive Director of KHIND on 18 November 2003. He has about 15 years experience in banking, finance, credit control and auditing. He has held senior positions as a Central Credit Department Head, Finance Controller, Internal Auditor and as General Manager in various financial organizations and businesses in Indonesia.

In 1987, he graduated with a Bachelor of Science in Finance degree, with minor in Accounting and Economics from the Oklahoma State University, U.S.A. and also obtained his Masters of Business Administration, with major focus in Finance from the Oklahoma City University in 1988.

He has no family relationship with any Director and or major shareholder of the Company, no conflict of interest with KHIND and has no convictions for any offence within the past ten (10) years. He attended all the four board meetings held in 2005.

He does not have any direct or indirect shareholdings in KHIND.

Mr. Soekardi Thedjoisworo will retire pursuant to Article 100 of the Company's Articles of Association and will seek re-election at KHIND's Tenth (10th) Annual General Meeting.



4. MR. ONG WAN BING alias KIE TJHAN – 41 years, Indonesian **- Non-Independent / Non-executive Director**

Mr. Ong Wan Bing alias Kie Tjhan was appointed a Non-Independent/ Non-Executive Director of KHIND on 5 November 2004. He is an established businessman with more than 20 years experience in the textile and electronics businesses in Indonesia. He also sits on the board of some private limited companies in Malaysia and Indonesia.

He has no family relationship with any Director and or major shareholder of the Company, no conflict of interest with KHIND and has no convictions for any offence within the past ten (10) years. He attended all the four meetings held in 2005.

He is a director and has a 6.5% stake in Kee Hin Ventures Sdn. Bhd. (KHVSB) which is deemed the ultimate holding company of KHIND by virtue of its 50.00% stake therein.



**5. MR. NORDIN BIN MOHAMAD DESA – 50 years, Malaysian.
- Independent Director**

Mr. Nordin bin Mohamad Desa became an Independent Non-Executive Director of KHIND on 20th April 1998 and has been the Chairman of the Audit Committee since its inception on 10th August 1998. He graduated with a Bachelor of Science in Electrical and Electronic Engineering degree from the University of Leeds, UK in 1979. He obtained a Master of Business Administration degree from the University of Hull, UK in 1993. He started his career as an Engineer with Jabatan Telekom Malaysia from 1979 to 1985. He then served as a Technical Manager with Ericsson Telecommunication Sdn. Bhd. from 1985 to 1990. He later became the Engineering Manager of Perkom Sdn. Bhd. and was with the company from 1990 to 1992.

In 1992, he joined the Malaysian Technology Development Corporation Sdn. Bhd.- a government-initiated company established to promote technology based industries, provide venture capital, as well as commercialize indigenous R&D. He held several senior managerial positions in the company and was its Senior General Manager when he left at the end of 2001. He is now an independent business and technology consultant.

He has no family relationship with any Director and /or major shareholder of KHIND, no conflict of interest with KHIND and has no convictions for any offence for the past ten (10) years. He attended all the four meetings of the Board in 2005.

He has a direct interest of 13,333 shares (0.03%) in KHIND.



**6. MR. KAMIL BIN DATUK HJ. ABDUL RAHMAN – 57 years, Malaysian.
- Independent Director**

Mr. Kamil A. Rahman was appointed an Independent Non-Executive Director of KHIND on 30 July 2001. At the same time, he became an independent member of the KHIND Audit Committee. He is the Chairman of the Nomination and Remuneration Committee formed on 15 November 2001. His area of specialization is in corporate governance and corporate finance.

He graduated with a Bachelor of Commerce degree from the University of Otago, New Zealand and subsequently qualified as a Chartered Accountant of the Institute of Chartered Accountants of New Zealand. He is also a Fellow Chartered Secretary of the Institute of Chartered Secretaries and Administrators, United Kingdom, and a Chartered Accountant of the Malaysian Institute of Accountants.

He is currently the Chairman of Marska Sdn. Bhd., an investment holding company. His previous positions were as Senior Vice President of Bank of Commerce (M) Berhad and as Executive Director of Commerce International Merchant Bankers Berhad. Kamil is also a Director of Global Carriers Berhad, Bukit Katil Resources Berhad, PJBumi Berhad, WDM Holdings Berhad (not listed on Bursa Malaysia), and the Malaysia South Africa Business Council (company limited by guarantee).

He has no family relationship with any Director and or major shareholder of the Company, no conflict of interest with KHIND and has no convictions for any offence within the past ten (10) years. He attended all the four meetings of the Board in 2005.

He does not have any direct or indirect shareholdings in KHIND.

Mr. Kamil bin Datuk Haji Abdul Rahman will retire pursuant to Article 100 of the Company's Articles of Association and will seek re-election at KHIND's Tenth (10th) Annual General Meeting.



**7. MDM. TAN LAY KUAN @ TAN LAY WAH – 59 years, Malaysian.
- Independent Director**

Mdm. Tan Lay Wah has been an Independent Non-Executive Director of KHIND since 20th April 1998. She is highly experienced in company secretarial practice and management consultancy and specializes in industrial management, corporate finance and development of manufacturing industries. She is currently Founder/Executive Director of Champion Die-Casting Sdn. Bhd.– a company involved in the manufacture and trading of zinc and aluminium with high pressure moulded die-casting products.

She has no family relationship with any Director and/or major shareholder of KHIND, no conflict of interest with KHIND and has no convictions for any offence within the past ten years.

She has been an independent member of the Audit Committee since 10th August 1998 and is also a member of the Nomination and Remuneration Committee formed on 15th November 2001. She attended all the four meetings of the Board in 2005.

She has a direct interest of 13,333 shares (0.03%) in KHIND.

Profile of Board of Directors (continued)



8. MR. MD. AZMI BIN LOP YUSOF – 51 years, Malaysian. - Non-independent / Non-executive Director

Mr. Md. Azmi bin Lop Yusof was appointed a Non-independent/Non-Executive Director of KHIND on 20th April 1998. He obtained a Diploma in Agriculture from Kolej Pertanian Malaysia in 1975 and graduated with a degree in Agricultural Business from Louisiana State University, USA in 1979. He is a former State Assemblyman for Terengganu and also sits on the board of some private limited companies.

He has no family relationship with any Director and/or major shareholder of KHIND. He is also a member of the Nomination and Remuneration Committee. He has no conflict of interest with KHIND and has no convictions for any offence within the past ten years. He attended all the four meetings of the Board in 2005.

He has beneficial interests in 1,520,935 shares (3.80%) and 134,139 shares (0.33%), of KHIND - which are pledged to Maju Nominees (Tempatan) Sdn. Bhd. and Mayban Nominees (Tempatan) Sdn. Bhd. respectively.

Mr. Md. Azmi bin Lop Yusof will retire pursuant to Article 100 of the Company's Articles of Association and will seek re-election at KHIND's Tenth (10th) Annual General Meeting.



9. MR. LEE AH LAN @ LEE KEOK HOOI – 59 years, Malaysian. - Non-independent / Non-executive Director

Mr. Lee Keok Hooi was appointed as a Non-independent/Non-Executive Director of KHIND on 26 March 1999. He graduated from the University of Western Australia in 1973 with a Bachelor of Commerce degree in Accounting. He is an Associate Member of the Australian Society of Certified Practising Accountants and also a Member of the Malaysian Institute of Accountants.

He is the Group Managing Director of Hock Sin Leong Group Berhad – a company listed on the Main Board of Bursa Malaysia Securities Berhad, and a premier home-grown consumer electrical and electronic products player and he has been involved in the group activities since 1976. He is also a member of the Nomination and Remuneration Committee of KHIND.

He has no family relationship with any Director and/or major shareholder of KHIND and has no convictions for any offence within the past ten (10) years and does not hold any shares in KHIND.

He does not have any conflict of interest with KHIND, other than that disclosed in the 2005 financial statements pertaining to related party transactions. He attended three of the four meetings of the Board in 2005.

Financial Calendar

Date	Event
17 May 2005	Announcement of unaudited results for the First Quarter ended 31 March 2005.
31 May 2005	Ninth Annual General Meeting.
2 July 2005	Signing of Memorandum of Understanding with Mistral International Pty Ltd of Victoria, Australia for promoting the "Mistral" brand in their respective market.
23 August 2005	Announcement of unaudited results for the Second Quarter ended 30 June 2005.
14 September 2005	Notice of interim dividend of 5% (net of 28% income tax) payable on 28 October 2005 for the financial year ended 31 December 2005.
14 October 2005	Signing of a Joint Venture cum Shareholders' Agreement between Khind Home Appliances Sdn. Bhd. with Mr. Hsu Cheng-Wu, as part of KHIND's expansion plans into Vietnam market.
23 November 2005	Announcement of unaudited results for the Third Quarter ended 30 September 2005.
23 February 2006	Announcement of unaudited results for the Final Quarter ended 31 December 2005.

Events Highlights

Date	Event
23-Feb-05	MRC (Million Ringgit Club) Incentive Trip - Qualified Overseas Dealers' visit to Malaysia.
11-Mar-05	Khind-Mistral Community Service at Pantai Bagan, Sekinchan.
2-Apr-05	Larian Mesra organised by Khind Sports and Welfare Club held at Sekinchan for Khind staff.
20-24 June-05	Participation in the OIC Trade Exhibition in Putrajaya.
14-Jul-05	Opening of KME office in Dubai, UAE.
31-Jul-05	Fishing competition organised by Khind Sports and Welfare Club held at Ijok for Khind staff.
3-Sep-05	Seminar Pertolongan Cemas - Safety & Health Training for factory staff held in Sekinchan Factory.
15-Sep-05	Factory visit and business meeting by representatives of 20 companies from Bukina Faso, Africa.
9-11 Sep-05	Re-Launching of Mistral new logo at The Curve, Damansara.
10-14 Dec-05	Participation in the East Asia Business Exhibition (EABEX 05) held in KLCC.
30 Dec-05	Participation in the 2nd BonusLink Family Carnival in MidValley, Kuala Lumpur.

Statement on Corporate Governance

The Board of Directors of Khind Holdings Berhad recognises the importance of adopting high standards of corporate governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and financial performance of the Group.

The Board is therefore committed to the maintenance of high standards of corporate governance by supporting and implementing the prescriptions of the principles and best practices set out in the Malaysian Code of Corporate Governance (the "Code") for its financial year ended 31st December 2005.

During the year, four (4) Ordinary Board Meetings were held and the attendance record is reflected as follows :-

DIRECTORS' BOARD MEETINGS IN YEAR 2005		
Directors	Total Number of Meetings	Total Number Attended by Directors
1. Mr. Cheng King Fa	4	4
2. Mr. Cheng Ping Keat	4	4
3. Mr. Soekardi Thedjoisworo	4	4
4. Mr. Nordin bin Mohamad Desa	4	4
5. Mdm. Tan Lay Kuan @ Tan Lay Wah	4	4
6. Mr. Md. Azmi bin Lop Yusof	4	4
7. Mr. Lee Ah Lan @ Lee Keok Hooi	4	3
8. Mr. Kamil bin Datuk Hj. Abdul Rahman	4	4
9. Mr. Ong Wan Bing @ Kie Tjhan	4	4

Board Composition and Balance

The Board currently comprises nine (9) members, of whom three (3) are of Executive capacity. Three (3) out of six (6) Non-Executive Directors are independent, which is in compliance with Paragraph 15.02 of the Listing Requirements of Bursa Securities, that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors. All Independent Non-Executive Directors are independent of management and free of any relationship that could interfere with their exercise of independent judgement.

In totality, the Directors share a wide exposure in the legal, business, financial and technical fields. This blend of knowledge and experience is vital to determine an objective outlook of the Group. A brief profile of each Director is set out in pages 5 to 7 of the Annual Report.

The Executive Directors are responsible for determining and implementing operational decisions, whilst the Non-Executive Directors complement with their skills and experiences. The role of these independent Non-Executive Directors is crucial in ensuring that the strategies proposed by the management are fully deliberated and examined.

The Independent Non-Executive Directors fulfill a pivotal role in corporate accountability as they provide unbiased and independent views, advice and judgement on issues pertaining to the shareholders, employees, customers, suppliers and the various communities in which the Group conducts its business.

In accordance with Part 2 AA.VII of the Code, Encik Nordin bin Mohamad Desa has been appointed as the Senior Independent Non-Executive Director.

Supply of Information to the Board

All Directors have full access to information concerning the Company and the Group. The agenda for every Board meeting, together with a comprehensive set of board papers are furnished to all Directors for their perusal in advance of the Board meeting date. This is to ensure sufficient time is given to enable the Directors to review and consider the agenda items to be deliberated at the Board Meetings. The Board papers include, amongst others quarterly financial reports, year-end financial statements of the Group, annual budget, other major operational, financial and legal issues.

Corporate plans and annual budgets, acquisitions and disposals of undertakings and properties of a substantial value, major investments and financial decisions, including key policies and procedures and delegated authority limits are subject to Board approval.

Statement on Corporate Governance (continued)

The directors have full and unrestricted access to advice and services of the company secretary, senior management and independent professional advisers including the external auditors. The Directors can utilise the professional services when necessary to fulfill their duties and specific responsibilities as enumerated in Best Practices Provisions AAI of the code.

Board Committees

The Board delegates certain responsibility to Board Committees, mainly the Audit Committee, the Nomination and Remuneration Committee and the ESOS Committee. Prior to the establishment of these committees, their functions were assumed by the Board as a whole. The Chairman of the three (3) Committees will report to the Board the outcome of their Committee decisions.

a) Audit Committee

The Audit Committee was appointed by the Board and formed on 10 August 1998 to assist its duty of maintaining a sound system of internal controls and risk management to safeguard shareholders' interest and the Company's assets.

A full Audit Committee report enumerating its membership, its role and its activities during the year is set out in page 17 to 18 of this annual report.

b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee which was established on 15 November 2001 comprises of two Independent Non-Executive Directors and two Non-Independent Non-Executive Directors.

The Committee is responsible for developing a formal and transparent remuneration policy and packages of Executive Directors and in recommending to the Board for approval. The remuneration of the Non-Executive Directors is decided by the entire Board. The Group has complied with the Malaysian Code on Corporate Governance to review the remuneration for Directors such that the Group attracts and retains the right Director mix.

The members of the Nomination and Remuneration Committee who served during the financial year are :-

Chairman

Kamil bin Datuk Haji Abdul Rahman (Independent and Non-Executive Director)

Members

Tan Lay Kuan @ Tan Lay Wah (Independent and Non-Executive Director)

Lee Ah Lan @ Lee Keok Hooi (Non-Independent and Non- Executive Director)

Md. Azmi bin Lop Yusof (Non-Independent and Non-Executive Director)

c) ESOS Committee

The ESOS Committee was established on 13 May 2003 to administer the ESOS of the Group in accordance with the objectives and regulations thereof and to determine the participation eligibility, option offers and share allocations (based on the performance, length of service, competency and discipline of eligible employees) and to attend to such other matters as may be required. The ESOS Committee meets when necessary.

The composition of the ESOS Committee comprises the following Directors :-

Chairman

Kamil bin Datuk Haji Abdul Rahman (Independent and Non-Executive Director)

Members

Tan Lay Kuan @ Tan Lay Wah (Independent and Non-Executive Director)

Cheng Ping Keat (Group Chief Executive Officer)

Appointments to the Board

It is the responsibility of the Nomination and Remuneration Committee to recommend new appointees to the Board after reviewing their skills, qualifications, experiences and other special qualities. This Committee will assist the Board in reviewing the required mix of skills and experiences of the Non-Executive Directors.

Directors' Training

All Directors have attended and successfully completed the Mandatory Accreditation Programme ("MAP") in compliance with the Listing Requirements.

At the date of this Annual Report, all the Directors of the Board had completed, complied and acquired their respective CEP points in accordance with the provisions of the CEP requirements for 2003 and 2004.

Statement on Corporate Governance (continued)

In 2005, the Directors continued with their corporate training programmes to enhance their corporate governance skills and business acumen, relating to international currency risk management and new investment instruments; company valuation, restructuring & funding on new techniques & applications; off-balance sheet items, offshore accounts & derivatives; managing corporate turnaround and change management; modern internal auditing for auditors, audit committees, senior management & auditors and fundamental principles of deferred taxation; effective controlling of organization as part of corporate governance; bond markets / forensic accounting and investigation and meeting pre & post Listing Requirements of Bursa Securities.

Re-Election of Directors

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to re-election by shareholders at the next Annual General Meeting immediately after their appointment. The Articles of Association also provide that each of the Directors be subject to re-election by rotation at least once in every three years during Annual General Meeting.

In accordance with the Articles, one-third of the remaining Directors, including the Managing Director, are required to submit themselves for re-election by rotation at each Annual General Meeting. The Nomination and Remuneration Committee reviews the rotation of the directors.

Directors' Remuneration

The Remuneration Committee recommends to the Board the remuneration framework and remuneration package of the Executive Directors. The level of remuneration reflects the experience and level of responsibilities undertaken by the Executive Directors. The determination of the fees of the Non-Executive Directors is decided by the Board as a whole.

The details of the aggregate amount of remuneration of Directors of the Group during the year were as follows :-

Directors' Remuneration & Benefits in Kind

Directors	Fees (RM)	Salaries (RM)	Bonus (RM)	EPF-Employer Contribution @ 12% (RM)	Benefits- in-Kind (RM)	Grand Total (RM)
Executive Directors	72,000	897,320	261,338	78,057	160,914	1,469,629
Non Executive Directors	25,000	-	-	-	-	25,000
TOTAL	97,000	897,320	261,338	78,057	160,914	1,494,629

On the recommended disclosure of detail of the remuneration of each Director, the Board is of the view that the transparency and accountability aspects of corporate governance as applicable to Directors' remuneration are appropriately served by the "Band Disclosure" made.

The number of Directors whose total remuneration falls into the following bands are tabulated below, as follows :-

Remuneration Bands	Number of Directors		Total
	Executive	Non-Executive	
√ Up to RM50,000	-	5	5
RM200,001 – RM250,000	1	-	1
RM550,001 – RM600,000	1	-	1
RM650,001 – RM700,000	1	-	1
TOTAL	3	5	8

Relations with Shareholders and Investors

The Board recognises the importance of transparency and accountability to its shareholders through proper communication with its shareholders. Announcements and release of financial results on a quarterly basis provide the shareholders and the investing public with an overview of the Group's performance and operations. In addition, regular press releases are held to inform the public on the latest business development.

Statement on Corporate Governance (continued)

The AGM

The Annual General Meeting (AGM), remains the principal form for dialogue and an avenue for direct interaction between the shareholders and investors where they are given the opportunity to raise questions on the operational, financial performance and major developments of the Group as well as on the resolutions being proposed. The AGM is usually held in May and it has been the Company's practice to send the Notice of AGM and the Annual Report to shareholders at least 21 days before the meeting.

Dialogue between Companies and Investors

Press conferences are normally held after the Annual General Meeting where the media is advised on the status of resolutions that were considered and the key events of the Company. The Group CEO is present at the press conference to clarify and explain issues raised by the press media.

In addition, the Group CEO meets with fund managers, institutional investors and investment analysts as and when requested.

The shareholders and investors are also able to access the corporate, financial and market information of the Company from the Bursa Malaysia Securities Berhad listed companies information at the Bursa Malaysia Securities Berhad website as well as the Company's website at www.khind.com.

Accountability and Audit

Financial Reporting

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects.

The Directors consider that in preparing the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. All accounting standards which the Board considers to be applicable have been followed, subject to any explanations and material departures disclosed in the notes to the financial statements.

The Board is assisted by the Audit Committee to oversee the Group's financial reporting process and the quality of the financial reporting.

Statement of Internal Control

The Group's Statement of Internal Control is set out in pages 16 of this Annual Report.

Relationship with the Auditors

An appropriate and transparent relationship is maintained with the Company's Auditors through the Audit Committee. The Audit Committee has been explicitly accorded the power to communicate directly with both the External Auditors and Internal Auditors. Both the External Auditors and Internal Auditors are invited to attend the Audit Committee Meetings to facilitate the exchange of views on issues requiring attention.

A full Audit Committee report enumerating its role in relation to the Auditors is set out in pages 17 to 18 of this Annual Report.

Directors' Responsibility Statement in Respect of the Preparation of the Audited Financial Statements

The Directors are required by the Companies Act 1965 to ensure that financial statements prepared for each financial year give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2005 and of the results of their operations and cash flows for the year ended on that date.

The Board has reviewed and approved the Annual Audited Financial Statements for the financial year ended 31 December 2005 and collectively and individually accept full responsibility for the accuracy of the information given and confirmed that after making reasonable enquiries to the best of their knowledge and belief, there are no other facts the omission of which would make any statement of information therein misleading.

The Directors consider that in preparing the financial statements :-

- The Group used appropriate accounting policies which are consistently applied;
- Reasonable and prudent judgements and estimates were made;
- All applicable approved Accounting Standards, regulatory and legal requirements have been complied, save and except otherwise disclosed in the notes of the accounts;
- On going concern basis as the Directors have a reasonable expectation, having made enquiries that the Group have adequate resources to continue in operational existence or the foreseeable future.

Statement on Corporate Governance (continued)

The Directors are also responsible for ensuring that the Company maintains accounting records, registered and related information, including minutes of all management and shareholder's meetings.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities.

The Audit Committee and the Board review and approve all statutory accounts before its release to the Bursa Malaysia Securities Berhad.

Statement of Compliance with the Best Practices of the Code

The Company is committed to achieve high standards of corporate governance throughout the Group and high level of integrity and ethics in its business dealings. The Board is of the view that all best practices have been adopted and complied as prescribed in the Malaysian Code of Corporate Governance.

Additional Compliance Information

The following information is provided in compliance with the Bursa Malaysia Securities Berhad Listing Requirements :-

1. Utilisation of proceeds

There were no corporate proposals announced at the date of this annual report.

2. Share Buybacks

During the financial year, there were no share buybacks by the Company.

3. Options, Warrants or Convertible Securities

The Company had on 01 April 2003, granted approval by Securities Commission ("SC") on its proposed establishment of an Employees' Share Option Scheme ("Proposed ESOS").

4. American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

During the year under the review, the Company did not sponsor any ADR or GDR programmes.

5. Sanctions/ Penalties

There were no sanctions and/or penalties (that were made public) imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

6. Non-audit fees

The non-audit fees paid and payable to the external auditors are amounted to RM8,866 by the Company and its subsidiaries for the financial year ended 31 December 2005.

7. Profits estimates, forecast or projection

There is no variance between the results for the financial year and the unaudited results previously released by the Company. The Company did not release any profit estimate, forecast or projection for the financial year.

8. Profit guarantee

No profit guarantee had been given by the Company in respect of the financial year.

9. Material Contracts

Save as disclosed below, there are no other material contracts (not being contracts entered into in the ordinary course of business), which are or may be material which have been entered into by Khind and its subsidiaries, within the two (2) years immediately preceding the date of this Circular.

- (i) Sale and Purchase Agreement dated 31 May 2004 between Khind Industries Sdn Bhd ("KISB") and Khind-Mistral Industries Sdn Bhd ("KMISB") in relation to the sale and transfer by KISB to KMISB of properties, plant and machinery, stocks and vehicles for a total cash consideration of RM28,366,377.00 upon terms and conditions therein stated.
- (ii) Shareholders Agreement dated 24 August 2004 between the Company and three (3) other Indonesian shareholders in relation to the investment by the Company of Rp800,000,000.00 comprising of 8,000 ordinary share of Rp100,000.00 each, which is equivalent to 40% equity interests in PT Mistral Indonesia upon terms and conditions therein stated.
- (iii) Sale and Purchase Agreement dated 10 September 2004 between Khind-Mistral (Borneo) Sdn Bhd (formerly known as Khind-Mistral (Sarawak) Sdn Bhd) ("KMB") and Cheng Tuck Sdn Bhd ("CTSB") in relation to the purchase by KMB of the Properties for an aggregate cash consideration of RM860,000.00 upon terms and conditions therein stated.
- (iv) Memorandum of Understanding dated 2 July 2005 between the Company and Mistral International Pty Ltd of Victoria, Australia ("MIPL") for promoting the "Mistral" brand in their respective market.
- (v) Shareholders Agreement via Shareholder's Agreement dated 14 October 2005 between the Company and Mr. Hsu Cheng-Wu in relation to their shareholdings in Khind Home Appliances Sdn. Bhd. (KHA).

Statement on Corporate Governance (continued)**10. Revaluation of Landed Properties**

Save as disclosed in Note 1c (Significant Accounting Policies) and Note 2 (Property, Plant and Equipment) of the Notes to the Financial Statements, the Company does not adopt a policy on regular revaluation of its landed properties.

11. Recurrent Related Party Transactions (RRPT)

The Company had made full disclosures on the Related Party Transactions of which consists of the RRPT of a revenue or trading in nature and will be seeking mandate from the shareholders in the forthcoming Tenth Annual General Meeting. The details of the Recurrent Related Party Transaction (RRPT) are disclosed in Note 27 of the Financial Statement.

Statement on Internal Control

Introduction

Pursuant to paragraph 15.27(b) of the Bursa Malaysia Securities Berhad ("BMSB") Listing Requirements, the Board of Directors of Khind Holdings Berhad is pleased to provide the following statement on the state of internal control of the Group for the financial year ended 31 December 2005, which has been prepared in accordance with the Statement on Internal Control – Guidance for Directors of Public Listed Companies issued by the Institute of Internal Auditors Malaysia and adopted by BMSB.

Internal Control

The Board recognises the importance of good practice of corporate governance and is committed to maintaining a sound system of internal controls. This includes the establishment of an appropriate control environment and framework, and review of the effectiveness, adequacy and integrity of the system to safeguard shareholders' investment and the Group's assets.

Because of changing circumstances and conditions, the effectiveness of an internal control system may vary over time. The rationale of the system of internal controls is to enable the Group to achieve its corporate objectives within an acceptable risk profile and is not be expected to eliminate all risks. The key processes that have been established in reviewing the adequacy and integrity of the system of internal control are as follows :-

Organisational Structure with Defined Roles and Responsibilities

The Group has a defined organisational structure which stipulates the reporting functions of business units and employees. Key responsibilities are clearly defined and there are clear reporting lines up to various management committees and the Board.

Reporting and Monitoring

The Group's management team carries out monthly monitoring and reviews operational and financial results for all businesses within the Group against targets and plans. Action plans are formulated to address any areas of concern.

All business units prepare annual budgets and business plans, which are in line with the Group's Vision and Mission. The Board approves the business plan and annual budget and reviews the results on a quarterly basis against its annual targets.

Quality Control

The Group emphasises continuous effort in maintaining the quality of products. The Directors have ensured that safety and health regulations, environmental controls and related legislations in connection with the industry are complied with.

An MS ISO 9001 : 2000 Quality Management System is in place to monitor and ensure the quality of the Group's products and services meet customers' expectation.

Documented Policies and Procedures

The Group is in the process of developing and compiling a set of Group policies and procedures covering major functions within the Group. The documented policies and procedures will form part of a comprehensive standard operating manual.

Internal audit

The Group has outsourced its internal audit function to a professional services firm whose primary responsibility is to independently provide assessment on effectiveness and reliability of the Group's systems of internal control. The internal audit function is to advise executives and management on areas for improvement and subsequently reviews the extent to which its recommendations have been implemented. The reports are submitted to the Audit Committee and risk and control issues are discussed in the Audit Committee meetings.

Conclusion

The Board is of the view that there are no significant breakdown or weaknesses in the system of internal control of the Group that may result in material losses incurred by the Group for the financial year ended 31 December 2005. The Group continues to take the necessary measures to strengthen its internal controls.

Report on Audit Committee

The Board of Directors is pleased to present its report on the Audit Committee and the activities carried out during the financial year ended 31 December 2005.

1. Constitution

On 10 August 1998, the Board set up the Khind Audit Committee (KAC) as a best practice in corporate governance.

2. Members and Meetings in 2005

In the year under review, Mr. Nordin bin Mohamad Desa is the KAC's Chairman. He is supported by a majority of independent members. Mr. Kamil bin Datuk Haji Abdul Rahman is the member with an accounting qualification.

The KAC met four (4) times during the financial year. The attendance details and status of members are as follows :-

Name	Attendance	
Independent		
Nordin bin Mohamad Desa (Chairman)	4/4	(100%)
Kamil bin Datuk Hj. Abdul Rahman	4/4	(100%)
Tan Lay Kuan @ Tan Lay Wah (f)	4/4	(100%)
Non-Independent		
Cheng Ping Keat	4/4	(100%)

3. Terms of Reference

The Terms of Reference for the Committee, remain unchanged since approval by the Board in 1998 and are as follows :-

3.1 Composition

- The Khind Audit Committee (KAC) shall have a minimum of three (3) members, a majority of whom shall be independent directors;
- The members shall be appointed by the Board from amongst its directors;
- No alternate director shall be a member.
- The Chairman shall be an Independent Non-Executive Director and shall be elected by the Audit Committee.

3.2 Secretary

- The secretary of the KAC shall be the Company Secretary.

3.3 Objectives

- To assure the Company's shareholders that specified financial standards and Bursa Malaysia Securities Berhad ("Bursa Securities") disclosure requirements have been complied with;
- To ensure consistency with Bursa Securities' commitment towards a high standard of corporate disclosure;
- To adopt practices aimed at maintaining appropriate standards of responsibility, integrity and accountability to shareholders.

3.4 Duties and Responsibilities

- To recommend the nomination of person/persons as external auditors and to consider their fees;
- To review and report to the Board – issues pertaining to the termination/resignation of external auditors;
- To report to the Board after review with external auditors on audit plan and report, evaluation of internal control system and Management letters and Management responses;
- To review and report to the Board on the adequacy and effectiveness of internal audit functions performed;
- To review and report to the Board on the quarterly results of financial statements, focusing on major accounting policy changes, significant and unusual events, accounting standards and legal requirements and the going concern assumption;
- To review and report to the Board on conflict of interest in related party transactions;
- To inform the Board on breaches of Bursa Securities requirements;

3.5 Powers and Authority

In the discharge of its duties, the KAC has the following rights:-

- Is authorized to investigate any matter within its terms of reference;
- Has full and unrestricted access to any information and resources to perform its function;
- Has direct communication to both internal and external auditors and able to meet in the absence of executive members of KAC;
- Able to obtain independent professional advice, when necessary.

3.6 Meetings

- The KAC shall meet at least four (4) times a year;
- The Group Financial Controller and representatives of both external and internal auditors shall be invited to attend the meetings;
- The quorum for the KAC meetings shall be the presence of a majority of independent members;
- The Chairman shall call for a meeting to discuss any material issue requiring shareholders' attention, if so requested by the external auditors.

4. Internal Audit Function

The internal audit function is currently out-sourced to Messrs. Deloitte Enterprise Risk Services Sdn. Bhd. Our internal auditors conduct periodic audits on internal control matters relating to systems, standard operating procedures, credit control and risks management and monitor compliance by the various subsidiaries within the Group.

Specific areas of concern to follow-up on high risk areas are identified in the progress reports and are highlighted to the KAC. Five (5) audit reports were issued and presented to the KAC with the recommended corrective actions acted upon.

During the financial year under review, our internal auditors presented an Internal Audit Charter, of the Khind group of companies, which had been approved by the KAC. The Charter aims to define and establish the formal mission statement and the objectives and scope of the internal audit function.

5. Activities of the Committee

In 2005, the KAC held four (4) meetings scheduled in their corporate calendar, to discuss and consider each of the draft quarterly result announcements, final accounts and the 2004 annual report before recommending for approval by the Board.

Similarly, the statutory accounts for the previous year and the various accounting provisions required were reviewed to ensure due compliance with group policies and the appropriate accounting standards.

As part of the process, the KAC also discussed the annual audited financial statements with the external auditors as well as their findings and recommendations. The KAC also assess the effectiveness of the system of internal controls in the areas audited and discussions are held before approval of the Annual Internal Audit Plan.

In addition, the KAC also reviewed the terms and procedures of the Recurrent Transactions to ensure that such Recurrent Transactions would be carried out on normal commercial terms which were not prejudicial to the interests of minority shareholders at regular intervals during their meetings.

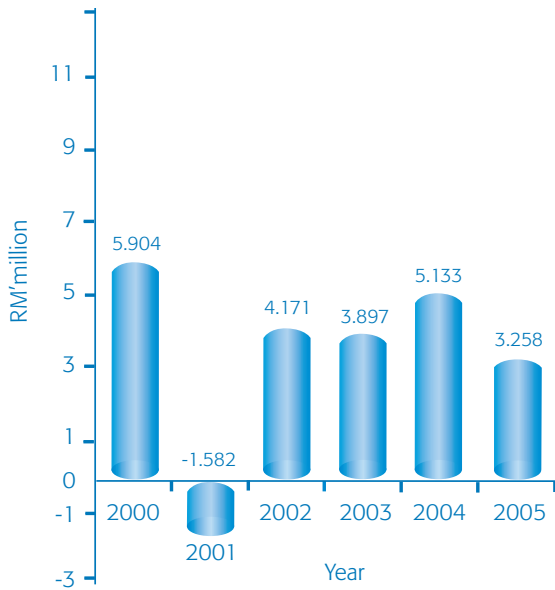
During the financial year, the KAC focused on the following internal auditable functions relating to marketing & business development; inventory management & logistics; procurement of materials & services; quality assurance; sales order processing and credit control and collections.

During financial years ended 31.12.2004 and 31.12.2005, no options had been exercised by eligible employees of the Khind group. As at 31 December 2005, a total of 2,569,000 options had been granted but not exercised.

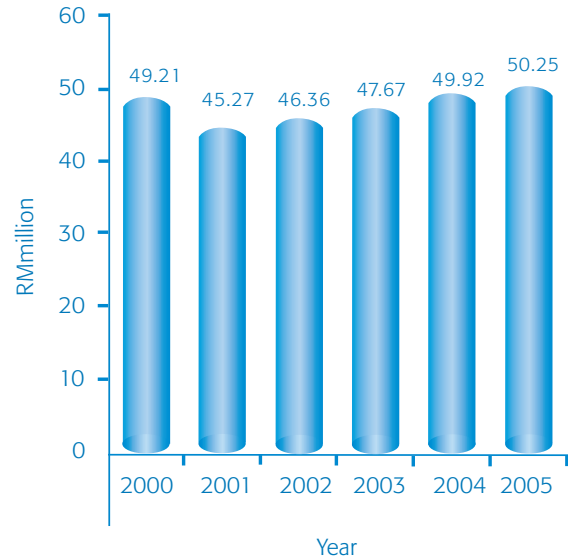
On 7 September 2005, the amendments cited as the Securities Commission (Amendment of Schedule 1) Order 2005 were gazetted. However, new options to non-executive directors and eligible employees of the Khind group have been deferred for the time being, pending a review and assessment of the financial and accounting impact arising from the implementation of the new Financial Reporting Standards (FRS) 2 relating to share-based payments.

Financial Statements

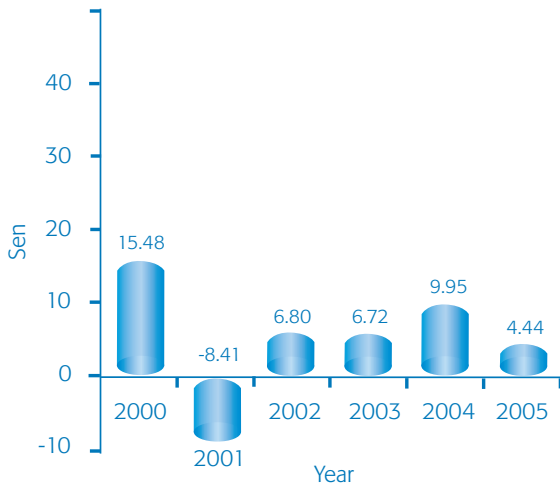
Profit Before Income Taxation



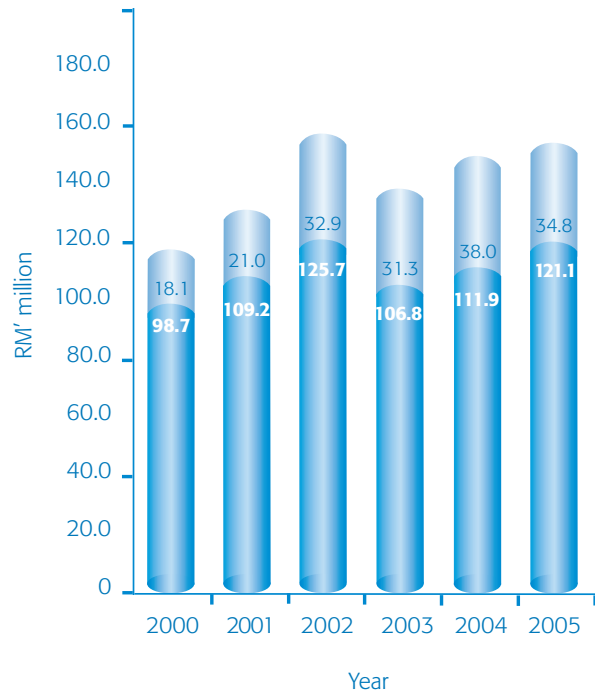
Shareholders' Funds*



Earnings Per Share**



Group Turnover



* The shareholders' funds have been restated to conform with the current year's presentation.

** The audited Earnings Per Share for year 2002 was restated due to the adoption of MASB 25. Earnings Per Share for years prior to 2002 were not restated due to the immateriality.

Directors' report for the year ended 31 December 2005

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2005.

Principal activities

The Company is principally engaged in investment holding and provision of management services, whilst the principal activities of the subsidiaries are as stated in Note 3 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Net profit for the year	1,780	9,311

Reserves and provisions

There were no material transfers to or from reserves and provisions during the year except as disclosed in the financial statements.

Dividend

Since the end of the previous financial year, the Company paid an interim dividend of 5% less tax at 28% totalling RM1,442,000 in respect of the year ended 31 December 2005 on 28 October 2005.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2005.

Directors of the Company

Directors who served since the date of the last report are :-

Cheng King Fa
Cheng Ping Keat
Nordin Bin Mohamad Desa
Tan Lay Kuan @ Tan Lay Wah
Md Azmi Bin Lop Yusof
Lee Ah Lan @ Lee Keok Hooi
Kamil Bin Datuk Haji Abdul Rahman
Soekardi Thedjoisworo
Ong Wan Bing alias Kie Tjhan

Directors' interests

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations (other than wholly owned subsidiaries) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows :-

	Number of ordinary shares of RM1 each			
	At 1.1.2005	Bought	Sold	At 31.12.2005
Shareholdings in which Directors have direct interests in the holding company, Kee Hin Ventures Sdn. Bhd.:				
Cheng King Fa	1,944,000	-	-	1,944,000
Cheng Ping Keat	1,647,421	-	-	1,647,421
Ong Wan Bing alias Kie Tjhan	457,730	-	-	457,730
Shareholdings in which Directors have direct interests in the Company:				
Cheng King Fa	1,750,420	-	(1,750,420)	-
Nordin Bin Mohamad Desa	13,333	-	-	13,333
Tan Lay Kuan @ Tan Lay Wah	13,333	-	-	13,333
Md Azmi Bin Lop Yusof	2,050,474	-	(36,000)	2,014,474
Cheng Ping Keat	-	1,750,420	-	1,750,420

**Directors' report
for the year ended 31 December 2005 (continued)**

	Number of ordinary shares of RM1 each			
	At 1.1.2005	Bought	Sold	At 31.12.2005
Shareholdings in which Directors have indirect interests in the Company:				
Cheng King Fa	20,007,737	23,000	-	20,030,737
Cheng Ping Keat	20,007,737	23,000	-	20,030,737
Ong Wan Bing alias Kie Tjhan	20,007,737	23,000	-	20,030,737

	Number of options over ordinary shares of RM1 each in the Company				
	At 1.1.2005	Granted	Lapsed	Exercised	At 31.12.2005
Cheng King Fa	150,000	-	-	-	150,000
Cheng Ping Keat	150,000	-	-	-	150,000

By virtue of their interests in the shares of the Company, Cheng King Fa, Cheng Ping Keat, Nordin Bin Mohamad Desa, Tan Lay Kuan @ Tan Lay Wah, Md Azmi Bin Lop Yusof and Ong Wan Bing alias Kie Tjhan are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Khind Holdings Berhad has an interest.

None of the other Directors holding office at 31 December 2005 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who have financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed on Note 27 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the issue of options pursuant to the Employees' Share Option Scheme.

Issue of shares and debentures

There were no changes in the issued and paid-up share capital of the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Employees' Share Option Scheme.

At an extraordinary general meeting held on 30 May 2003, the Company's shareholders approved the establishment of an Employees' Share Option Scheme ("ESOS") of not more than 10% of the issued share capital of the Company to eligible Directors and employees of the Group. Subsequent to that, the Company's shareholders had approved that the total number of the Company's shares which may be made available under the Scheme be amended to not exceed 15% of the issued and paid-up share capital of the Company at an extraordinary general meeting held on 25 October 2004.

The options offered to take up unissued ordinary shares of RM1.00 each and the option price are as follows :-

Date of offer	Option price	Number of options over ordinary shares of RM1.00 each				At 31.12.2005
		At 1.1.2005	Granted	Lapsed	Exercised	
7.7.2003	RM1.00	2,420,000	-	(124,000)	-	2,296,000
19.5.2004	RM1.00	331,000	-	(58,000)	-	273,000

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders who have been granted options of less than 100,000. In relation to this, there was no option holder who has been granted options more than 100,000 during the year.

The salient features of the Scheme are as follows :-

- i) Eligible employees are those who have been confirmed in writing as employees of the Group for at least one year on or prior to the date of the offer.
- ii) The major groupings of eligible employees to participate in the Scheme and the maximum number of new shares that shall be allotted to any one of them in total during the entire duration of the Scheme are set out as follows :-

Major groupings of eligible employees	Maximum allowable allotment Number of ordinary shares
Directors	300,000
Senior managers	200,000
Managers	100,000
Senior executives	60,000
Executives	40,000
Senior clericals	30,000
Clerks/Technicians	20,000
Operatives	15,000

- iii) The option is personal to the grantee and is non-assignable.
- iv) The option price shall, at the discretion of the ESOS committee, be determined based on a discount of not more than 10% from the five (5)-day weighted average market price of the ordinary shares of the Company as shown in the daily official list issued by the Bursa Malaysia Securities Berhad for the five (5) market days preceding the date of offer or the par value of the shares, whichever is the higher.
- v) The options granted may be exercised at any time within the duration of the scheme which will expire on 26 June 2008.
- vi) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 100 shares.
- vii) The new shares to be allotted upon the exercise of any option shall upon allotment rank pari passu in all respects with the then existing shares except that the new shares allotted under the Scheme shall not rank for any dividends or other distribution declared, made or paid to shareholders prior to the date of allotment of the new shares.

The persons to whom the option have been granted have no right to participate by virtue of the options in any share issue of any other company.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that :

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances :

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist :

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

**Directors' report
for the year ended 31 December 2005 (continued)**

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 December 2005 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:



.....
Cheng King Fa



.....
Cheng Ping Keat

Kuala Lumpur,
Date: 3 April 2006

**Statutory declaration pursuant to
Section 169 (15) & (16) of the Companies Act, 1965**

Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 26 to 46 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2005 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:


.....
Cheng King Fa
.....
Cheng Ping Keat

Kuala Lumpur,
Date: 3 April 2006

I, **Cheng Ping Keat**, the Director primarily responsible for the financial management of Khind Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 26 to 46 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Shah Alam on 3 April 2006.


.....
Cheng Ping Keat

Before me:



Mohd Yacob Karim
(Registration No. B029)
Commissioner For Oaths

Report of the auditors to the members of Khind Holdings Berhad

We have audited the financial statements set out on pages 26 to 46. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion :-

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of :-
 - i) the state of affairs of the Group and of the Company at 31 December 2005 and of the results of their operations and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors is identified in Note 3 to the financial statements and we have considered the financial statements and the auditors' report thereon.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

KPMG

Firm Number: AF 0758
Chartered Accountants

Lim Hun Soon @ David Lim

Partner
Approval Number: 1514/05/06(J)

Kuala Lumpur,
Date: 3 April 2006

Balance sheets at
31 December 2005

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Property, plant and equipment	2	27,454	28,273	260	36
Investments in subsidiaries	3	-	-	24,887	24,837
Other investments	4	96	96	78	78
Intangible assets	5	1,974	2,083	501	600
Deferred tax assets	15	295	733	-	-
Current assets					
Inventories	6	28,234	24,342	-	-
Trade and other receivables	7	43,217	35,415	25,101	22,922
Tax recoverable		2,386	1,592	915	765
Cash and cash equivalents	8	7,588	9,593	348	325
		81,425	70,942	26,364	24,012
Current liabilities					
Trade and other payables	9	17,567	17,615	910	6,252
Borrowings	10	33,880	25,306	-	-
Taxation		325	146	-	-
		51,772	43,067	910	6,252
Net current assets		29,653	27,875	25,454	17,760
		59,472	59,060	51,180	43,311
Financed by :					
Capital and reserves					
Share capital	11	40,059	40,059	40,059	40,059
Reserves	12	10,193	9,866	11,121	3,252
		50,252	49,925	51,180	43,311
Negative goodwill	13	4,683	5,024	-	-
Minority shareholders' interests	14	356	207	-	-
Long term and deferred liabilities					
Borrowings	10	2,402	2,344	-	-
Deferred tax liabilities	15	1,779	1,560	-	-
		4,181	3,904	-	-
		59,472	59,060	51,180	43,311

The financial statements were approved and authorised for issue by the Board of Directors on 3 April 2006.

The notes set out on pages 31 to 46 form an integral part of, and should be read in conjunction with, these financial statements.

Income statements
for the year ended 31 December 2005

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Revenue	17	155,866	149,952	12,583	7,309
Operating profit	17	4,701	6,175	9,522	4,568
Interest expense		(1,451)	(1,064)	-	-
Interest income		8	22	1	2
Profit before taxation		3,258	5,133	9,523	4,570
Tax expense	19	(1,379)	(942)	(212)	(1,272)
Profit after taxation		1,879	4,191	9,311	3,298
Less: Minority interests		(99)	(207)	-	-
Net profit for the year		1,780	3,984	9,311	3,298
Basic earnings per ordinary share (sen)	20	4.44	9.95		
Dividends per ordinary share - net (sen)	21	3.60	4.32	3.60	4.32

The notes set out on pages 31 to 46 form an integral part of, and should be read in conjunction with, these financial statements.

Statements of changes in equity
for the year ended 31 December 2005

Group	Note	Share capital RM'000	Non-	Distributable	Total RM'000
			distributable Translation reserve RM'000	Retained profits RM'000	
At 1 January 2004		40,059	1	7,612	47,672
Net profit for the year		-	-	3,984	3,984
Dividend	21	-	-	(1,731)	(1,731)
At 31 December 2004		40,059	1	9,865	49,925
Net profit for the year		-	-	1,780	1,780
Dividend	21	-	-	(1,442)	(1,442)
Exchange differences on translation of the financial statements of foreign entities		-	(11)	-	(11)
Net gains and losses not recognised in the income statement		-	(11)	-	(11)
At 31 December 2005		40,059	(10)	10,203	50,252
			Note 11		
Company					
	Note	Share capital RM'000	Distributable Retained profits RM'000	Total RM'000	
At 1 January 2004		40,059	1,685	41,744	
Net profit for the year		-	3,298	3,298	
Dividend	21	-	(1,731)	(1,731)	
At 31 December 2004		40,059	3,252	43,311	
Net profit for the year		-	9,311	9,311	
Dividend	21	-	(1,442)	(1,442)	
At 31 December 2005		40,059	11,121	51,180	
		Note 11	Note 12		

The notes set out on pages 31 to 46 form an integral part of, and should be read in conjunction with, these financial statements.

Cash flow statements

for the year ended 31 December 2005

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash flows from operating activities				
Profit before taxation	3,258	5,133	9,523	4,570
Adjustments for:				
Amortisation of negative goodwill	(341)	(341)	-	-
Amortisation of intangible assets	109	110	99	100
Depreciation	2,343	2,393	27	3
Interest expense	1,451	1,064	-	-
Interest income	(8)	(22)	(1)	(2)
Gain on disposal of property, plant and equipment	(51)	(72)	-	-
Property, plant and equipment written off	-	100	-	-
Unrealised gain on foreign exchange	(45)	(136)	-	-
Operating profit before working capital changes	6,716	8,229	9,648	4,671
(Increase)/Decrease in working capital:				
Inventories	(3,892)	(2,083)	-	-
Trade and other receivables	(7,759)	(3,348)	-	28
Trade and other payables	(48)	(387)	(203)	(41)
Provision for after sales services	-	(475)	-	-
Cash (used in)/generated from operations	(4,983)	1,936	9,445	4,658
Income taxes paid	(1,304)	(1,242)	(380)	(1,712)
Income taxes refunded	17	-	17	-
Net cash (used in)/generated from operating activities	(6,270)	694	9,082	2,946
Cash flows from investing activities				
Subscription of additional shares in a subsidiary	-	-	(50)	(4,950)
Interest received	8	22	1	2
Proceeds from disposal of property, plant and equipment	54	73	-	-
Purchase of investments	-	(1)	-	-
Purchase of property, plant and equipment (ii)	(1,214)	(2,278)	(251)	(32)
Net cash used in investing activities	(1,152)	(2,184)	(300)	(4,980)

Cash flow statements
for the year ended 31 December 2005 (continued)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash flows from financing activities				
Dividends paid to shareholders of the Company	(1,442)	(1,731)	(1,442)	(1,731)
Drawdowns of bankers' acceptances	14,191	11,152	-	-
Repayments of bankers' acceptances	(7,587)	(7,401)	-	-
Drawdowns of term loans	688	-	-	-
Repayments of term loans	(648)	(2,390)	-	-
(Advances to)/Repayment from subsidiaries	-	-	(7,319)	3,874
Repayments of hire purchase liabilities	(93)	(45)	-	-
Interest paid	(1,451)	(1,064)	-	-
Repayments by holding company	2	55	2	-
Net cash generated from/(used in) financing activities	3,660	(1,424)	(8,759)	2,143
Net (decrease)/increase in cash and cash equivalents	(3,762)	(2,914)	23	109
Cash and cash equivalents at beginning of year	7,452	10,366	325	216
Foreign exchange differences on opening balances	(11)	-	-	-
Cash and cash equivalents at end of year (i)	3,679	7,452	348	325

i) Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts :-

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash and bank balances	7,588	9,593	348	325
Bank overdrafts	(3,909)	(2,141)	-	-
	3,679	7,452	348	325

ii) Purchase of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM1,527,000 (2004 - RM2,365,000), of which RM313,000 (2004 - RM87,000) were acquired by means of hire purchases.

The notes set out on pages 31 to 46 form an integral part of, and should be read in conjunction with, these financial statements.

Notes to the financial statements

1. Summary of significant accounting policies

The accounting policies are adopted by the Group and by the Company and are consistent with those adopted in previous years.

(a) Basis of accounting

The financial statements of the Group and of the Company are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(b) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

A subsidiary is excluded from consolidation when either control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or negative goodwill as appropriate.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

(c) Property, plant and equipment

Long term leasehold land are amortised over the leasehold period of 99 years. All other property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation

Leasehold properties are depreciated on a straight-line basis over the period of the leases of fifty (50) years. The straight-line method is used to write off the cost of the other assets over the term of their estimated useful lives at the following principal annual rates :-

Freehold properties		2%
Factory buildings		2%
Plant and machinery	10% -	20%
Tools and moulds	10% -	20%
Furniture, fittings and office equipment	10% -	33.33%
Motor vehicles		20%
Renovations	10% -	20%

(d) Investments

Long term investments other than in subsidiaries are stated at cost. An allowance is made when the Directors are of the view that there is a diminution in their value, which is other than temporary.

(e) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the net identifiable assets acquired and is stated at cost less accumulated impairment losses, if any.

(ii) Negative goodwill

Negative goodwill represents the excess of the fair values of the net identifiable assets acquired over the cost of acquisition.

Negative goodwill is stated at cost less accumulated amortisation.

Negative goodwill is amortised over a period of twenty five years (25) from the date of acquisition.

(iii) Patents and trademarks

Costs associated with the acquisitions of product patents and trademarks, which derived a benefit or relationship to more than one accounting period are capitalised as intangible assets. Intangible assets are amortised on a straight-line basis over a period of ten (10) years. Should the products be abandoned or considered to be of no value, the costs capitalised will be written off to the income statement.

1. Summary of significant accounting policies (continued)

(f) Inventories

Raw materials, work-in-progress and manufactured inventories are stated at the lower of cost and net realisable value with the first-in-first-out (FIFO) basis being the main basis for cost. For work-in-progress and manufactured inventories, cost consists of materials, direct labour and an appropriate proportion of fixed and variable production overheads.

(g) Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and deposits.

(i) Liabilities

Borrowings and trade and other payables are stated at cost.

(j) Accounting for hire purchase

Assets acquired under hire purchase arrangements are capitalised at their purchase cost and are depreciated on the same basis as owned assets. The total amount payable under hire purchase agreements is shown under hire purchase liabilities.

(k) Impairment

The carrying amount of assets, other than inventories, deferred tax assets and financial assets (other than investments in subsidiaries), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value money and the risks specific to the assets. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement.

(l) Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Notes to the financial statements

1. Summary of significant accounting policies (continued)

(m) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by the employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

Obligations for contributions to defined contribution plan are recognised as an expense in the income statement as incurred.

(iii) Equity and equity-related compensation benefits

The share option programme allows eligible employees of the Group to acquire shares in the Company. When the options are exercised, equity is increased by the amount of the proceeds received.

(n) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

(ii) Financial statements of foreign operations

The Group's foreign operations are not considered an integral part of the Company's operations. Accordingly, the assets and liabilities of foreign operations are translated to Ringgit Malaysia at exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Ringgit Malaysia at average exchange rates applicable throughout the year. Foreign exchange differences arising on translation are recognised directly in equity.

The closing rates used in the translation of foreign currency monetary assets and liabilities and the financial statements of foreign operations are as follows :-

USD1	RM3.78	(2004: USD1	RM3.80)
SGD1	RM2.27	(2004: SGD1	RM2.32)
BND1	RM2.31	(2004: BND1	RM2.32)
GBP1	RM6.56	(2004: GBP1	RM7.31)
AED1	RM1.03	(2004: AED1	RM1.03)

(o) Revenue

(i) Goods sold

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iii) Rental income

Rental income is recognised based on value invoiced to customers during the year.

(iv) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

(v) Management fees

Management fees are recognised in the income statement on an accrual basis.

(p) Financing costs

All interest and other costs incurred in connection with borrowings are expensed as incurred. The interest component of hire purchase payments is recognised in the income statement so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.

2. Property, plant and equipment

Group	Long term leasehold land	Leasehold properties	Freehold properties	Factory buildings	Plant and machinery	Tools and moulds	Furniture, fittings and office equipment	Motor vehicles	Renovations	Total
Cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2005	3,000	5,393	6,742	10,143	5,308	10,547	5,496	2,345	1,465	50,439
Additions	-	20	-	-	16	332	523	378	258	1,527
Disposals	-	-	-	-	-	-	(8)	(133)	-	(141)
At 31 December 2005	3,000	5,413	6,742	10,143	5,324	10,879	6,011	2,590	1,723	51,825
Depreciation										
At 1 January 2005	35	615	533	1,894	4,340	8,799	3,382	1,704	864	22,166
Charge for the year	30	108	112	203	270	639	509	316	156	2,343
Disposals	-	-	-	-	-	-	(5)	(133)	-	(138)
At 31 December 2005	65	723	645	2,097	4,610	9,438	3,886	1,887	1,020	24,371
Net book value										
At 31 December 2005	2,935	4,690	6,097	8,046	714	1,441	2,125	703	703	27,454
At 31 December 2004	2,965	4,778	6,209	8,249	968	1,748	2,114	641	601	28,273
Depreciation charge for the year ended 31 December 2004	35	91	114	207	303	738	525	245	135	2,393

Company	Furniture, fittings and office equipment	Renovations	Total
Cost	RM'000	RM'000	RM'000
At 1 January 2005	39	-	39
Additions	140	111	251
At 31 December 2005	179	111	290
Depreciation			
At 1 January 2005	3	-	3
Charge for the year	21	6	27
At 31 December 2005	24	6	30
Net book value			
At 31 December 2005	155	105	260
At 31 December 2004	36	-	36
Depreciation charge for the year ended 31 December 2004	3	-	3

Title deeds to the long term leasehold land of RM2,935,000 (2004 - RM2,965,000), leasehold properties with a net book value of RM3,363,000 (2004 - RM3,417,000) and freehold properties with a net book value of RM5,778,000 (2004 - RM5,778,000) belonging to five (5) (2004 - five (5)) subsidiaries are in the process of being registered in the names of these companies.

Notes to the financial statements

2. Property, plant and equipment (continued)

Security

Long term leasehold land, leasehold properties and freehold properties of the Group with a net book value of RM10,272,000 (2004 - RM8,920,000) have been pledged as securities for the bank facilities granted to the Group (refer Note 10).

Assets under hire purchase

Included in property, plant and equipment of the Group are motor vehicles acquired under hire purchase arrangements with net book value of RM479,000 (2004 - RM201,000).

3. Investments in subsidiaries

	Company	
	2005 RM'000	2004 RM'000
Unquoted shares, at cost	24,887	24,837

The principal activities of the companies in the Group, their places of incorporation and the interest of Khind Holdings Berhad are as follows :-

Name of Company	Principal Activities	Country of Incorporation	Effective Ownership Interest	
			2005 %	2004 %
Khind Industries Sdn. Bhd.	Temporarily ceased operations	Malaysia	100	100
Khind Marketing (M) Sdn. Bhd.	Trading in electrical home appliances and wiring accessories. Subsequent to year end, the Company transferred its operations to Khind-Mistral (M) Sdn. Bhd.	Malaysia	100	100
Khind-Mistral (Sabah) Sdn. Bhd.	Trading in electrical home appliances and wiring accessories	Malaysia	100	100
Khind-Mistral (Borneo) Sdn. Bhd. (formerly known as Khind-Mistral (Sarawak) Sdn. Bhd.)	Trading in electrical home appliances and wiring accessories	Malaysia	100	100
Khind Components Sdn. Bhd.	Assembly of wire harness and power supply cords	Malaysia	100	100
Khind-Mistral Industries Sdn. Bhd.	Manufacture and sale of electrical home appliances and wiring accessories	Malaysia	100	100
Khind-Mistral (M) Sdn. Bhd. (formerly known as Mistral Marketing (M) Sdn. Bhd.)	Trading in electrical products	Malaysia	75	75
Khind Technology Centre Sdn. Bhd.	Compliance testing of electrical home appliances	Malaysia	100	100
Khind Home Appliances Sdn. Bhd.**	Intended to trade home appliances	Malaysia	50	100
Mistral (Singapore) Pte. Ltd.*	Trading in electrical products	Singapore	100	100
Khind Middle East FZE * #	Trading in home appliances	Dubai	100	-

* Audited by other firm of accountants.

** The Directors consider Khind Home Appliances Sdn. Bhd. as a subsidiary on the basis that, inter alia, the Group has board control of the company.

The entire equity interest is held by the Company's subsidiary, Khind-Mistral Industries Sdn. Bhd.

4. Other investments

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Long term				
Quoted shares, at cost	96	96	78	78
Quoted shares, at market value	46	67	20	38

The quoted investments have not been written down to market value because the Directors are of the view that the diminution in value of these investments is temporary.

5. Intangible assets

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Goodwill				
At 1 January/At 31 December	1,433	1,433	-	-
Patent and trademarks				
At 1 January/At 31 December	1,100	1,100	1,000	1,000
Amortisation				
At 1 January	(450)	(340)	(400)	(300)
Amortisation during the year (Note 17)	(109)	(110)	(99)	(100)
At 31 December	(559)	(450)	(499)	(400)
	541	650	501	600
	1,974	2,083	501	600

6. Inventories

	Group	
	2005 RM'000	2004 RM'000
Raw materials	5,755	3,486
Work-in-progress	12	556
Manufactured inventories	22,467	20,300
	28,234	24,342

Raw materials of RM235,000 (2004 – Nil) is carried at net realisable value.

7. Trade and other receivables

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade receivables	36,218	30,684	-	-
Other receivables, deposits and prepayments	6,491	4,221	495	495
Amount due from holding company	508	510	508	510
Amount due from subsidiaries	-	-	24,098	21,917
	43,217	35,415	25,101	22,922

Included in trade receivables is an amount of RM 1,144,000 (2004 - RM800,000) due from a related party, HSL Electrical & Electronics Sdn. Bhd.

Notes to the financial statements

7. Trade and other receivables (continued)

Included in other receivables, deposits and prepayments of the Group is an amount of RM2,401,000 (2004 - Nil) being advances for the purchases of inventories.

Amount due from holding company is in respect of advances, which are unsecured, interest free and have no fixed terms of repayment.

Amount due from subsidiaries are in respect of advances, which are unsecured, interest free and have no fixed terms of repayment.

8. Cash and cash equivalents

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash and bank balances	7,588	9,593	348	325

9. Trade and other payables

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade payables	10,102	8,403	-	-
Other payables and accrued expenses	7,465	9,212	201	405
Amount due to subsidiaries	-	-	709	5,847
	17,567	17,615	910	6,252

Amount due to subsidiaries are in respect of advances, which are unsecured, interest free and have no fixed terms of repayment.

10. Borrowings

	Group	
	2005 RM'000	2004 RM'000
Current:		
Term loans - secured	742	637
Bank overdrafts - secured	591	432
- unsecured	3,318	1,709
Bankers' acceptances - unsecured	29,075	22,471
Hire purchase liabilities	154	57
	33,880	25,306
Non-current:		
Term loans - secured	2,210	2,275
Hire purchase liabilities	192	69
	2,402	2,344

Terms and debt repayment schedule

Group	Total RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
Secured term loans - fixed at 8.50% (2004 - fixed at 8.50%)	960	180	180	540	60
Secured term loans - variable at 3.66% to 7.95 % (2004 - 7.25% to 8.50%)	1,992	562	506	794	130

10. Borrowings (continued)

Group	Total RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
Secured bank overdrafts - variable at 7.75% (2004 - 7.50% to 7.75%)	591	591	-	-	-
Unsecured bank overdrafts - variable at 7.50% to 8.55% (2004 - 7.50% to 8.55%)	3,318	3,318	-	-	-
Unsecured bankers' acceptances - variable at 3.75% to 5.45% (2004 - 2.17% to 4.11%)	29,075	29,075	-	-	-
Hire purchase liabilities - fixed at 2.50% to 4.50% (2004 - 3.40% to 7.60%)	346	154	136	56	-
	<u>36,282</u>	<u>33,880</u>	<u>822</u>	<u>1,390</u>	<u>190</u>

The secured term loans are secured by way of :-

- fixed charges over the Group's long term leasehold land, leasehold properties and freehold properties (Note 2) and
- corporate guarantee from the Company.

Secured bank overdrafts are secured by way of fixed charges over the Group's long term leasehold land, leasehold properties and freehold properties (Note 2) and are guaranteed by the Company.

Unsecured bank overdrafts and bankers' acceptances are guaranteed by the Company.

Significant covenants for the term loans granted to the Group

In connection with the term loans agreements, the Group has agreed on the following significant covenants :

- not to create or permit to exist any security over the leasehold properties and freehold properties; and
- not to allow any change in the majority shareholders or the majority shareholders' shareholdings without the prior consents of the lenders.

Hire purchase liabilities

Hire purchase liabilities are payable as follows :-

Group	Payments 2005 RM'000	Interest 2005 RM'000	Principal 2005 RM'000	Payments 2004 RM'000	Interest 2004 RM'000	Principal 2004 RM'000
Less than one year	171	17	154	64	7	57
Between one and five years	202	10	192	74	5	69
	<u>373</u>	<u>27</u>	<u>346</u>	<u>138</u>	<u>12</u>	<u>126</u>

11. Share capital

	Group and Company 2005 RM'000	2004 RM'000
Authorised Ordinary shares of RM1.00 each	50,000	50,000
Issued and fully paid Ordinary shares of RM1.00 each	<u>40,059</u>	<u>40,059</u>

12. Reserves

Retained profits

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all its distributable reserves at 31 December 2005, if paid out as dividends.

Notes to the financial statements

13. Negative goodwill

	Group	
	2005 RM'000	2004 RM'000
At 1 January/At 31 December, at cost	7,411	7,411
Amortisation		
At 1 January	(2,387)	(2,046)
Charge for the year	(341)	(341)
At 31 December	(2,728)	(2,387)
	<u>4,683</u>	<u>5,024</u>

14. Minority shareholders' interests

This consists of minority shareholders' proportion of share capital and reserves of a subsidiary. Minority shareholders' share of post-acquisition reserves, profit or losses are recognised to the extent of the minority shareholders' interests in the equity of the subsidiary.

15. Deferred tax

The amounts, determined after appropriate offsetting, are as follows :

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Deferred tax liabilities	1,779	1,560	-	-
Deferred tax assets	(295)	(733)	-	-
	<u>1,484</u>	<u>827</u>	<u>-</u>	<u>-</u>

Deferred tax liabilities and assets are offset above where there is a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relate to the same taxation authority.

The recognised deferred tax assets and liabilities (before offsetting) are as follows :-

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Property, plant and equipment				
- capital allowances	1,167	1,310	-	-
- revaluation	1,056	1,063	-	-
Unutilised tax losses	(79)	(376)	-	-
Unabsorbed capital allowances	(295)	(367)	-	-
Provisions	(365)	(803)	-	-
	<u>1,484</u>	<u>827</u>	<u>-</u>	<u>-</u>

No deferred tax has been recognised for the following items :-

	Group	
	2005 RM'000	2004 RM'000
Deductible temporary differences	(1,914)	(427)

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of this item because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

The Group has tax losses carried forward of RM283,000 (2004 - RM1,343,000), which give rise to the recognised deferred tax assets in respect of unutilised tax losses above.

16. Employee benefits

Equity compensation benefits

Employees' Share Option Scheme

The Group offers vested share options over ordinary shares to Directors and other employees with more than one year's service. Movements in the number of share options held by employees are as follows :-

	Group and Company	
	2005	2004
	'000	'000
Outstanding at 1 January	2,751	2,633
Issued	-	347
Exercised	-	-
Lapsed	(182)	(229)
	<u>2,569</u>	<u>2,751</u>

Terms of the options outstanding at 31 December :-

Expiry date	Exercise price	Number
	RM	
26 June 2008	1.00	2,569,000

17. Operating profit

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Revenue - sale of goods	155,866	149,952	-	-
- dividends	-	-	10,380	6,057
- management fees	-	-	2,203	1,252
	<u>155,866</u>	<u>149,952</u>	<u>12,583</u>	<u>7,309</u>
Cost of sales	(119,508)	(112,246)	-	-
Gross profit	36,358	37,706	12,583	7,309
Distribution costs	(19,294)	(19,287)	-	-
Administration expenses	(14,198)	(12,871)	(3,069)	(2,740)
Other operating expenses	(122)	(11)	(1)	(3)
Other operating income	1,957	638	9	2
Operating profit	<u>4,701</u>	<u>6,175</u>	<u>9,522</u>	<u>4,568</u>

Operating profit is arrived at after charging:

Auditors' remuneration				
- Holding company auditors	95	80	20	11
- Other auditors	24	7	-	-
Allowance for doubtful debts	227	308	-	-
Amortisation of intangible assets (Note 5)	109	110	99	100
Bad debts written off	-	217	-	-
Depreciation (Note 2)	2,343	2,393	27	3
Directors' emoluments				
- remuneration	1,237	1,065	1,232	1,060
- fees	97	93	25	25
- benefits-in-kind	161	160	35	38
Inventories written off	66	18	-	-
Loss on foreign exchange - realised	11	2	-	-
Property, plant and equipment written off	-	100	-	-
Provision for after sales services	-	210	-	-
Rental of premises	316	124	54	-

Notes to the financial statements

17. Operating profit (continued)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
and after crediting :				
Amortisation of negative goodwill	341	341	-	-
Allowance for doubtful debts written back	74	-	-	-
Dividend income from subsidiaries	-	-	10,380	6,057
Gain on disposal of property, plant and equipment	51	72	-	-
Gain on foreign exchange				
- realised	174	189	-	-
- unrealised	45	136	-	-
Rental income	355	285	-	-
Reversal of provision for after sales services	-	393	-	-
Reversal of written down of inventories to net realisable value	537	-	-	-

18. Employee information

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Staff costs	16,478	16,155	2,104	1,937

The number of employees of the Group and of the Company (including Directors) at the end of the year was 613 (2004 - 562) and 24 (2004 - 23) respectively.

Staff costs of the Group and the Company include contributions to the Employees' Provident Fund RM1,793,000 (2004 - RM1,704,000) and RM179,000 (2004 - RM146,000) respectively.

19. Tax expense

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Current tax expense				
Malaysian - current year	653	1,103	179	1,324
- Under/(over) provision in prior years	25	(183)	33	(52)
Overseas - current year	38	6	-	-
- Underprovision in prior years	6	-	-	-
	722	926	212	1,272
Deferred tax expense				
Origination of temporary differences	657	16	-	-
	1,379	942	212	1,272

19. Tax expense (continued)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Reconciliation of effective tax expense				
Profit before taxation	3,258	5,133	9,523	4,570
Income tax using Malaysian tax rate	912	1,437	2,666	1,280
Reversal of deferred tax due to crystallisation of revaluation of reserve	(7)	(5)	-	-
Effect of using different tax rate for chargeable income of up to RM500,000 of certain subsidiaries	(145)	(156)	-	-
Effect of deferred tax assets recognised	-	(714)	-	-
Effect of deferred tax assets not recognised	416	-	-	-
Non-deductible expenses	328	337	40	44
Tax incentives	(149)	(288)	-	-
Tax exempt income	(76)	(25)	(2,534)	-
Other items	69	539	7	-
	1,348	1,125	179	1,324
Under/(Over) provision of tax in prior years	31	(183)	33	(52)
Tax expense	1,379	942	212	1,272

20. Earnings per ordinary share - Group

Basic earnings per share

The calculation of basic earnings per ordinary share is based on the net profit attributable to ordinary shareholders of RM1,780,000 (2004 - RM3,984,000) and the weighted average number of ordinary shares outstanding during the year of 40,059,000 (2004 - 40,059,000).

The diluted earnings per share is not shown as the exercise price of options under ESOS is higher than the Company's share price at the balance sheet date.

21. Dividends

	Company	
	2005 RM'000	2004 RM'000
Ordinary		
Interim paid 5% (2004- 6%) less tax at 28%	1,442	1,731

22. Segmental information

Segment information is presented in respect of the Group's geographical segments by location of customers. Inter-segment pricing is determined based on negotiated terms.

No business segment analysis is prepared as the Group is primarily engaged in the manufacturing, assembly and trading of electrical and home appliances and wiring accessories.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are also based on the geographical location of customers.

Notes to the financial statements

22. Segmental information (continued)

	Malaysia		Outside Malaysia *		Eliminations		Total	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Geographical segments by location of customers								
Revenue from external customers	121,042	112,000	34,824	37,952	-	-	155,866	149,952
Inter-segment revenue	60,437	69,189	9,790	3,940	(70,227)	(73,129)	-	-
Total revenue	181,479	181,189	44,614	41,892	(70,227)	(73,129)	155,866	149,952
Segment result	3,435	4,453	1,266	1,722	-	-	4,701	6,175
Interest expense							(1,451)	(1,064)
Interest income							8	22
Profit before taxation							3,258	5,133
Tax expense							(1,379)	(942)
Profit after taxation							1,879	4,191
Minority interests							(99)	(207)
Net profit for the year							1,780	3,984
Geographical segments by location of customers								
Segment assets	92,621	89,719	15,942	10,083			108,563	99,802
Unallocated assets							2,681	2,325
Total assets							111,244	102,127
Segment liabilities	50,180	39,456	3,670	5,809			53,850	45,265
Unallocated liabilities							2,103	1,706
Total liabilities							55,953	46,971
Capital expenditure	1,318	2,365	209	-			1,527	2,365
Depreciation and amortisation	2,418	2,472	34	31			2,452	2,503
Non-cash expenses other than depreciation and amortisation	207	1,050	20	430			227	1,480

* Primarily to Asia and Middle East regions.

23. Contingent liabilities - unsecured

	Company	
	2005 RM'000	2004 RM'000
Guarantees and contingencies relating to borrowings of subsidiaries	72,945	69,026

Litigations**Group**

- i) A subsidiary had received a letter of demand from a supplier's solicitor claiming a sum of RM270,000 as consequential loss suffered due to cancellation of a purchase order. Based on the legal advice obtained, the subsidiary had filed the statement of defence and counter claimed losses resulting from poor quality of the products supplied by the supplier. The case is now fixed for pre-trial case management on 13 September 2006.
- ii) A third party has filed a claim against two subsidiaries of the Company ("defendants"). This third party claimed that the defendants have manufactured, imported and distributed the electrical plugs fitted with its trademark without its authority. The case is now fixed for case management on 3 July 2006.
The Directors do not expect any material losses to arise from the above cases and therefore, no provision has been made in the financial statements.

24. Holding company

The Company regards Kee Hin Ventures Sdn. Bhd., a company incorporated in Malaysia, as the holding company and ultimate holding company.

25. Deemed disposal of a subsidiary

On 27 October 2005, Khind Home Appliances Sdn. Bhd. ("KHA") issued 99,998 ordinary shares of RM1 each, of which 50,000 ordinary shares have been subscribed by a third party for RM50,000. As a result, the Group's effective shareholding in the subsidiary decreased from 100% to 50%. There is no material impact to the Group as KHA has not commenced operations.

26. Commitments

	Group	
	2005 RM'000	2004 RM'000
Property, plant and equipment		
Authorised but not contracted for	1,591	3,211
Contracted for but not provided for in the financial statements	-	176
	-	3,387

27. Related parties

Controlling related party relationships are as follows :-

- i) The holding company and ultimate holding company as disclosed in Note 24.
- ii) Its subsidiaries as disclosed in Note 3.
- iii) The entire shareholders of the holding company, namely Cheng King Fa, Cheng Ping Keat, Great Partner Industries Limited, Sony Investment (HK) Ltd and Ong Wan Bing alias Kie Tjhan.

Significant related party transactions of the Group and of the Company during the year other than those disclosed elsewhere in the financial statements are as follows :-

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
With companies in which Lee Ah Lan @ Lee Keok Hooi, a Director of the Company, has interest:				
HSL Electrical & Electronics Sdn. Bhd.				
Sales	(3,535)	(2,714)	-	-
E & E Sales & Services Sdn. Bhd.				
Purchases	20	495	-	-
With a company in which Cheng King Fa, a Director of the Company, has interest :				
Cheng Tuck Sdn. Bhd.				
Purchase of leasehold property	-	860	-	-
With subsidiaries:				
Rental expense	-	-	54	6
Management fees	-	-	2,203	1,252
	-	-	2,257	1,258

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

28. Financial instruments

Financial risk management objectives and policies

Exposure to credit, interest rate, currency and liquidity risks arises in the normal course of the Group and the Company's business. The Board and management reviews and agrees policies for managing each of these risks and they are summarised below :-

Notes to the financial statements

28. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all new customers requiring credit over a certain amount to mitigate the exposure to credit risk. Credit exposure of overseas customers is minimal as most of the overseas customers transact via letter of credits, which are guaranteed by banks before the shipment of goods.

All new investment, if any in quoted and unquoted securities need to be approved by the Board of Directors. All investments in quoted securities are held for long-term purposes, and therefore, any temporary diminution in value will not have any significant impact to the Group and the Company.

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Foreign currency risk

The Group incurs foreign currency risk on sales and purchases and foreign deposits that are denominated in currencies other than Ringgit Malaysia. Approximately 19% (2004 - 20%) of the Group's sales are from export market and 45% (2004 - 45%) of the Group purchases are sourced from overseas. Most of the foreign currency transactions are denominated in US Dollars, except for 8% (2004 - 7%) of the foreign currency transactions are denominated in other foreign currencies. The Group does not hedge this exposure to the US dollars. The transactions in other foreign currencies are insignificant. The Group ascertains that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short term imbalances.

The Group and the Company are also exposed to foreign currency risk in respect of their investment in a foreign subsidiary. The Group does not hedge this exposure by having foreign currency borrowings in view of the insignificant amount of investment in the foreign subsidiary. However, the Board and management will keep this policy under review and will take necessary action to minimise the exposure of the risk.

Liquidity risk

The Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows.

Interest rate risk

The Group utilises short-term borrowings for working capital purposes and borrows term loans to finance capital expenditure. In view of the low interest rate scenario, exposure to fluctuation of interest rate risk is minimised.

The following table shows information about the Group's exposure to interest rate risk.

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or mature, whichever is earlier.

Group 2005	Effective interest	Total RM'000	Within 1 year RM'000	1 - 5 years RM'000	After 5 years RM'000
	rate %				
Financial liabilities					
Secured bank overdrafts	7.75	1,187	1,187	-	-
Unsecured bank overdrafts	7.61	2,722	2,722	-	-
Secured term loans (fixed rate)	8.50	960	180	720	60
Secured term loans (variable rate)	7.60	1,992	561	1,300	131
Unsecured bankers' acceptances	3.80	29,075	29,075	-	-
2004					
Financial liabilities					
Secured bank overdrafts	6.45	1,149	1,149	-	-
Unsecured bank overdrafts	7.50	992	992	-	-
Secured term loans (fixed rate)	8.50	1,140	180	720	240
Secured term loans (variable rate)	7.52	1,772	1,772	-	-
Unsecured bankers' acceptances	4.45	22,471	22,471	-	-

28. Financial instruments (continued)

Fair values

Recognised financial instruments

The aggregate fair values of the financial assets and liabilities carried on the balance sheet as at 31 December are shown below :

Group	2005		2004	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets				
Quoted shares – long term	96	46	96	67
Financial liabilities				
Secured term loans (fixed rate)	960	789	1,140	905
Company				
Financial assets				
Quoted shares - long term	78	20	78	38

The fair value of quoted shares is their quoted bid price at the balance sheet date. For the other financial instruments listed above, fair value has been determined by discounting the relevant cash flows using current interest rates for similar instruments at the balance sheet date.

In respect of cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings, the carrying amounts approximate fair values due to the relatively short term nature of these financial instruments.

In respect of other long-term borrowings with variable interest rates, the carrying amounts approximate fair values as they are on floating rates and reprice to market interest rates for liabilities with similar risk profiles.

29. Comparative figures

The following comparatives have been restated to conform current year's presentation.

	Group	
	As restated RM'000	As previously stated RM'000
Balance sheet		
Negative goodwill	5,024	3,591
Intangible assets	2,083	650

Shareholdings Statistics

as at March 31, 2006

Substantial Shareholders

Names of Substantial Shareholders	Direct	Percentage (%)	Indirect	Percentage (%)
1. Kee Hin Ventures Sdn. Bhd. (KHVSB) (429373-U) (Note 1)	20,030,737	50.00	-	-
2. Cheng Ping Keat (Note 2)	1,750,420	4.37	20,030,737	50.00
3. Cheng King Fa (Note 2)	-	-	20,030,737	50.00
4. Great Partner Industries Limited (Note 3)	-	-	20,030,737	50.00
5. Sony Investment (HK) Limited (Note 4)	-	-	20,030,737	50.00

Notes :-

- (1) Includes pledged account of 9,100,000 shares with Amsec Nominees (Tempatan) Sdn. Bhd. via AmBank (M) Berhad.
- (2) Mr. Cheng King Fa and Mr. Cheng Ping Keat are deemed interested in KHVSB by virtue of their directorships and substantial shareholdings in KHVSB.
- (3) Great Partner Industries Limited (Co. No: 541965) has a deemed interest by virtue of its substantial stake in KHVSB.
- (4) Sony Investment (HK) Limited (Co. No:617636) has a deemed interest by virtue of its substantial stake in KHVSB.

Analysis of Shareholdings

Size of Shareholdings

Authorised Share Capital	: RM 50,000,000.00
Fully paid and issued shares	: RM 40,059,000.00
Class of Shares	: Ordinary shares of RM 1.00 each
Voting Rights	: 1 vote per Ordinary Share
No. of Shareholders	: 1,436

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares held	% of issued capital
Less than 100	86	5.99	3,702	0.01
100 - 1,000	128	8.91	104,918	0.26
1,001 - 10,000	1,028	71.59	3,328,514	8.31
10,001 - 100,000	167	11.63	4,213,448	10.52
100,001 to > 5% of issued shares	25	1.74	12,714,551	31.74
5% and above of issued shares	2	0.14	19,693,867	49.16
TOTAL	1,436	100.00	40,059,000	100.00

Shareholdings Statistics (continued)
as at March 31, 2006

Thirty Largest Shareholders
- per Register of Depositors

	Names of Shareholders	No. of Shares held	% of issued capital
1	Kee Hin Ventures Sdn. Bhd. (KHVSB) (429373-U)	10,593,867	26.45
2	Amsec Nominees (Tempatan) Sdn. Bhd. (102918-T) (AmBank (M) Berhad for Kee Hin Ventures Sdn. Bhd.)	9,100,000	22.72
3	Cheng Ping Keat	1,750,420	4.37
4	Airex Industries Sdn. Bhd. (455346-A)	1,570,667	3.92
5	Imartech Industries Sdn. Bhd. (270026-X)	1,568,000	3.91
6	Maju Nominees (Tempatan) Sdn. Bhd. (33863-K) (Pledged Account for Md. Azmi bin Lop Yusof)	1,520,935	3.80
7	Dato' Cheng Hup	1,485,069	3.71
8	Cheng Kin Yet	552,300	1.38
9	Mayban Nominees (Tempatan) Sdn. Bhd. (258939-H) (Pledged Account for Then Nyong Fah)	421,000	1.05
10	ABB Nominee (Tempatan) Sdn. Bhd. (37645-P) (Pledged Account for Yayasan Terengganu)	400,000	1.00
11	Kee Hin Ventures Sdn. Bhd. (429373-U)	336,870	0.84
12	Southern Nominees (Tempatan) Sdn. Bhd. (8424-H) (Pledged Account for Then Nyong Fah)	320,000	0.80
13	Perbadanan Kemajuan Negeri Kedah (ECT 51965)	294,000	0.73
14	Yayasan Sarawak (41971)	294,000	0.73
15	Cheng Yoke Leng	262,034	0.65
16	Yayasan Kelantan Darulnaim (KELENTBIL980)	245,000	0.61
17	Cheing Boon Ngoun @ Chean Puan In	242,667	0.61
18	Chua Ching Geh	227,400	0.57
19	Koh Eng Thye	189,100	0.47
20	Choah Yoke Moi	166,241	0.42
21	Mai Yin @ Leong Mai Lin	160,209	0.40
22	Abdul Muis bin Hassan	136,000	0.34
23	Mayban Nominees (Tempatan) Sdn. Bhd. (258939-H) (Pledged Account for Md. Azmi bin Lop Yusof)	134,139	0.33
24	Koh Cheng Kiat	125,333	0.31
25	Khind Industries Sdn. Bhd. (173304-D)	112,000	0.28
26	Malaysian Technology Development Corporation Sdn. Bhd. (235796-U)	100,667	0.25
27	Soh Kok Heng	100,500	0.25
28	Cheah See Han	96,000	0.24
29	Koh Guat Kuan	89,300	0.22
30	Tan Jin Tuan	79,000	0.20
		32,672,718	81.56

Directors' Shareholdings

as at March 31, 2006

Names of Directors	Direct Shareholdings	Percentage %	Indirect Shareholdings	Percentage %
1. Mr. Cheng King Fa (Note 1)	-	-	*20,030,737	50.00
2. Mr. Cheng Ping Keat (Note 1)	1,750,420	4.37	*20,030,737	50.00
3. Mr. Md. Azmi bin Lop Yusof (Note 2)	1,655,074	4.13	-	-
4. Mr. Nordin bin Mohamad Desa	13,333	0.03	-	-
5. Mdm.Tan Lay Kuan @ Tan Lay Wah	13,333	0.03	-	-
6. Mr. Lee Ah Lan @ Lee Keok Hooi	-	-	-	-
7. Mr. Kamil bin Datuk Hj. Abdul Rahman	-	-	-	-
8. Mr. Soekardi Thedjoisworo	-	-	-	-
9. Mr. Ong Wan Bing alias Kie Tjhan (Note 3)	-	-	*20,030,737	50.00

Notes:-

- (1) Messrs. Cheng King Fa and Cheng Ping Keat are deemed interested in the *20,030,737 shares beneficially-owned by Kee Hin Ventures Sdn. Bhd. (429373-U) (KHVSB), by virtue of their substantial stake in KHVSB.
- (2) Mr. Md. Azmi bin Lop Yusof is the beneficial owner for 1,520,935 and 134,139 shares which are pledged to and registered in the names of Maju Nominees (Tempatan) Sdn. Bhd. and Mayban Nominees (Tempatan) Sdn. Bhd. respectively.
- (3) Mr. Ong Wan Bing alias Kie Tjhan is deemed to be interested in the *20,030,737 shares beneficially-owned by KHVSB, by virtue of his direct interest of 6.5% in KHVSB.

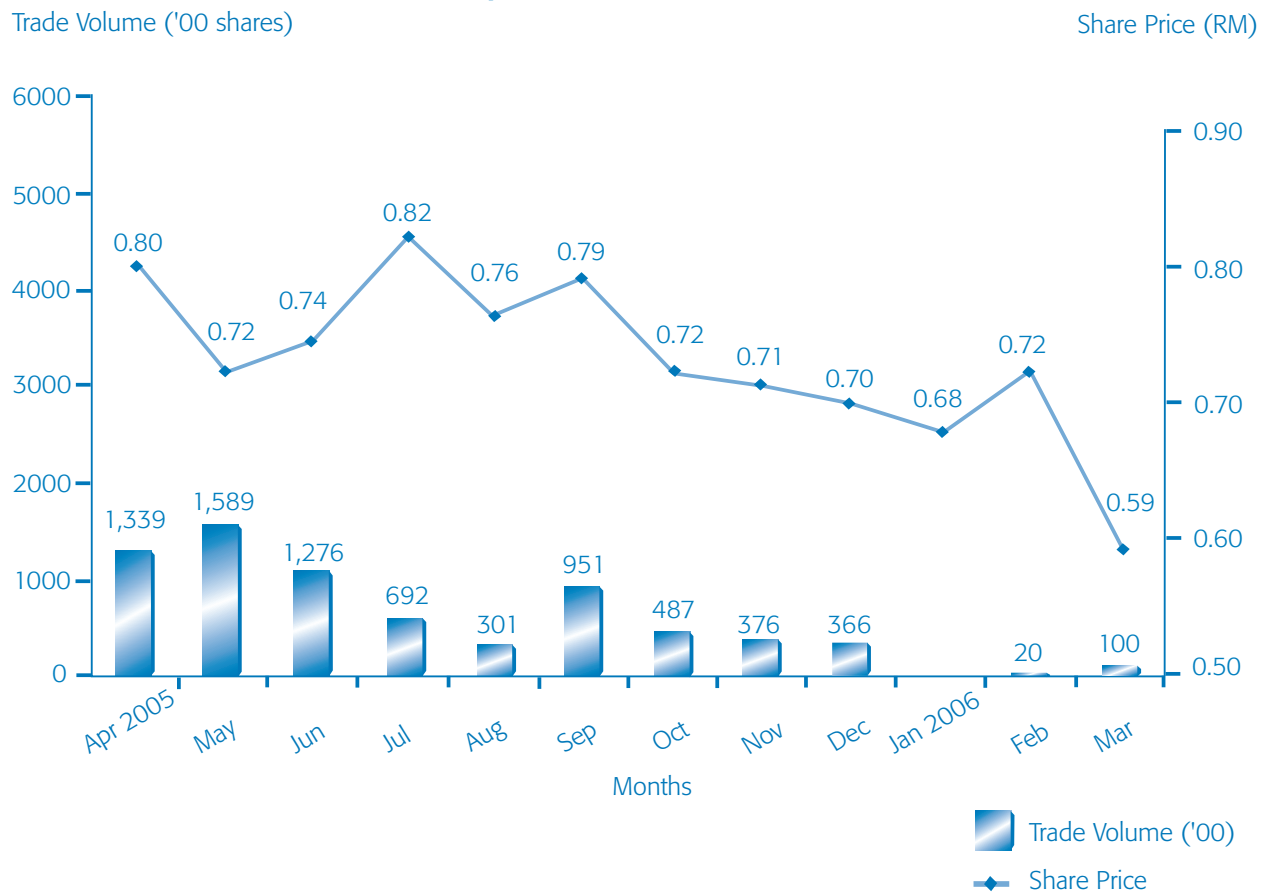
List of Properties Held by the Group

as at 31 December 2005

Location/Address	Built-up (sq. feet)	Tenure	Existing use of Properties	Date of Acquisition/Completion	Approx. age (months/years)	Net Book Value @ 31.12.05 (RM'000)
PT124 No. 2, Jalan Perusahaan 2, Off Jalan Bernam, 45400 Sekinchan, Selangor Darul Ehsan.	192,853	Leasehold 99 years expiring on 2102.	Factory, warehouse and office for Khind Industries Sdn Bhd, Khind Components Sdn Bhd, Khind-Mistral Industries Sdn Bhd and Khind Technology Centre Sdn Bhd.	(Land) 24.01.1989	17 years	13,322
				(Building) 15.01.1991 - 01.07.1998	7 – 15 years	
No. 15, Jalan PJS 11/8, Bandar Sunway, (Phase 13), Mukim of Damansara, District of Petaling, Selangor Darul Ehsan.	7,433	Leasehold 99 years expiring on 2096.	Rented out.	26.05.1993	12 – 13 years	1,326
Lot 8243, No. 15, Lee Chong Lin Industrial Estate, Jalan Pending, 93450 Kuching, Sarawak.	7,084	Leasehold 60 years expiring on 2045.	Office, service centre and warehouse for Khind-Mistral (Borneo) Sdn Bhd (formerly known as Khind-Mistral (Sarawak) Sdn Bhd).	31.03.1993	12 years	666
Lot 8245, No. 17, Lee Chong Lin Industrial Estate, Jalan Pending, 93450 Kuching, Sarawak.				19.08.1995	10 years	
Lot 160, Sublot 2180-2181 Block 3, Piasau Industrial Estate, 98000, Miri, Sarawak.	8,241	Expiring on 2053.	Office, service centre and warehouse for Khind-Mistral (Borneo) Sdn Bhd (formerly known as Khind-Mistral (Sarawak) Sdn Bhd).	10.09.2004	1 year	862
Lot 3, 4, 5, 6 Mogoputi Industrial Park, Kota Kinabalu, Sabah.	11,040	Leasehold 99 years expiring on 2097.	Office, service centre & warehouse for Khind-Mistral (Sabah) Sdn Bhd.	10.08.2000	5 – 6 years	1,836
Plot 120, Bandar Perda held under HS (D) 121, No. PT 123, Mukim 7, Daerah Seberang Prai Tengah, Penang.	3,670	Freehold	Branch Office and service centre for Khind Marketing (M) Sdn Bhd.	05.05.1999	6 – 7 years	515
PT No. 17671 held under HS (D) 142726 No. 2, Jalan Astaka U8/82, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor.	25,112	Freehold	Office and service centre for Khind Marketing (M) Sdn Bhd and Khind-Mistral (M) Sdn Bhd (formerly known as Mistral Marketing (M) Sdn Bhd.) Export office for Khind-Mistral Industries Sdn Bhd.	12.03.1999	6 – 7 years	3,337
Lot 64240 No. 4, Jalan Astaka U8/82, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor.	18,621	Freehold	Rented out.	20.08.2000	5 - 6 years	2,245

Investors' Information

Monthly Share Price and Trade Volume



Per Share Information

		31 December 2005	31 December 2004	31 December 2003	31 December 2002
Earnings per share (sen)	(a)	4.44	9.95	6.72	6.80
Gross Dividend per share (sen)		5.0	6.0	5.0	5.0
Net Dividend per share (sen)	(b)	3.60	4.32	3.60	3.60
Dividend Pay Out Ratio (%)	(b) ÷ (a)	81.08	43.42	53.57	52.94
Dividend Yield (%)		8.47	7.59	5.24	4.50
Net Assets per share (RM)		1.26	1.25	1.19	1.16

Share Capital Information

Price at 31-03-2006	:	RM 0.59
Market Capitalization at 31-03-2006	:	RM 23.63 Million
Share prices	:	Highest RM 4.35 on 10-02-2000
	:	Lowest RM 0.59 on 31-03-2006
Daily Trade Volume ('00 shares)	:	Highest 1,589
	:	Lowest 0

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Tenth Annual General Meeting of KHIND HOLDINGS BERHAD will be convened at Conference Room, Second Floor, No.2, Jalan Astaka U8/82, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan on Tuesday, 30 May 2006 at 10.00 a.m. to transact the following :-

AGENDA

Ordinary Business

1. To receive and adopt the Audited Financial Statements for the year ended 31 December, 2005 and the Reports of the Directors and Auditors thereon; (Resolution 1)
2. To re-elect the following Directors, who retire, pursuant to the provisions of Article 100 of the Company's Articles Association :-
Article 100
 - (i) Mr. Kamil bin Datuk Hj. Abdul Rahman (Resolution 2a)
 - (ii) Mr. Md. Azmi bin Lop Yusof (Resolution 2b)
 - (iii) Mr. Soekardi Thedjoisworo (Resolution 2c)
3. To approve Directors' Fees of RM97,000 for year ended 31 December, 2005 (Resolution 3)
4. To re-appoint Messrs. KPMG as Auditors of the Company for the year ending 31 December 2006 and to authorize the directors to fix their remuneration (Resolution 4)

Special Business:-

To consider and if thought fit, pass the following Ordinary Resolutions, with or without modifications :-

5. **Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.**
"THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approval from other relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next annual general meeting." (Resolution 5)
6. **Proposed Renewal of and Approval for Additional Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature with the following Related Parties :-**
 - a) HSL Electrical & Electronic Sdn. Bhd.; (Resolution 6a)
 - b) E & E Sales & Service Sdn. Bhd.; (Resolution 6b)
 - c) Co Hung Company Limited; (Resolution 6c)

(individually referred to as "the Related Party")

"THAT approval be and is hereby given to the Company and its subsidiaries ("KHIND Group") to renew and approve for additional Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature to be entered into and to give effect to the specified Recurrent Related Party Transactions with "the Related Party" as stated in Section 2.2 of the Circular to Shareholders dated 28 April 2006, which are necessary for the day to day operations of the Khind Group provided that :-

 - (i) the transactions are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to "the Related Party" than those generally available to the public and are not detrimental to the minority shareholders;
 - (ii) disclosure is made in the annual report, a breakdown of the aggregate value of transactions made with "the Related Party" during the financial year with particulars of the type of transactions made and the name of the related party involved in each type of transactions made and their relationship with the Company and that such approval shall continue to be in force until :-
 - a) the conclusion of the next annual general meeting of the Company;
 - b) the expiration of the period within which the next general meeting is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
 - c) revoked or varied by resolution passed by the shareholders in a general meeting; whichever occurs first;
 - (iii) the directors and/or any one of them be and are hereby authorized to complete and do all such acts and things to give effect to the transactions contemplated and/or authorized by this Ordinary Resolution."

Notice of Annual General Meeting

Others

7. To transact any other business for which due notice shall have been given in accordance with the Companies Act, 1965.

By Order of the Board

Kam Kooi Hua (MACS 00152)
Khoo Guan Kiat (MIA 20886)
Joint Company Secretaries

Shah Alam, Selangor.
28 April 2006.

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company.
2. In the case of a corporation, the proxy appointed must be in accordance with its Memorandum and Articles of Association, and this Form of Proxy shall be given under its Common Seal or under the hand of an officer or attorney duly authorized.
3. Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he/she thinks fit.
4. This Form of Proxy must be deposited with the Share Registrars, PFA Registration Services Sdn. Bhd., Level 13, Uptown 1, No.1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.

Explanatory Notes on Special Business :-

(a) **Ordinary Resolution 5 pursuant to Section 132D of the Companies Act, 1965.**

The proposed Ordinary Resolution 5, if passed, will empower the Directors to allot and issue up to a maximum of 10 per cent of the issued share capital of the Company at any time in their absolute discretion without convening a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company.

(b) **Ordinary Resolutions 6a and 6b on Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature.**

The proposed Ordinary Resolutions 6a and 6b, if passed, will empower the Directors from the date of the Tenth (10th) Annual General Meeting, to deal with the related party transactions including recurrent related party transactions of a revenue or trading nature which are necessary for its day to day operations. The **Recurrent Related Party Transactions** are in the ordinary course of business and on terms not more favourable to the related parties than those generally available to the public. This authority unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders in relation to the **Proposed Renewal of and Approval for Additional Shareholders' Mandate** for Recurrent Related Party Transactions of a revenue or trading nature dated 28 April 2006 for further information.

(c) **Ordinary Resolution 6c on Proposed Approval for Additional Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature.**

The proposed Ordinary Resolution 6c, if passed, will empower the Directors from the date of the Tenth (10th) Annual General Meeting, to deal with the related party transactions including recurrent **related party transactions** of a revenue or trading nature which are necessary for its day to day operations. The **Recurrent Related Party Transactions** are in the ordinary course of business and on terms not more favourable to the related parties than those generally available to the public. This authority unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders in relation to the **Proposed Renewal of and Approval for Additional Shareholders' Mandate** for Recurrent Related Party Transactions of a revenue or trading nature dated 28 April 2006 for further information.

Statement Accompanying the Notice of Annual General Meeting

STATEMENT ACCOMPANYING THE NOTICE OF THE TENTH (10TH) ANNUAL GENERAL MEETING OF KHIND HOLDINGS BERHAD – PURSUANT TO PARAGRAPH 8.28 (2) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD.

1. Re-election of Directors

The Directors, who are retiring pursuant to the provisions of Article 100 of the Company's Articles of Association are :-

Article 100

- a) Mr. Kamil bin Datuk Haji Abdul Rahman
- b) Mr. Md. Azmi bin Lop Yusof
- c) Mr. Soekardi Thedjoisworo

Further details of the abovenamed directors, who are all standing for re-election, are set out in the Profile of Directors on pages 5 to 7 of the Annual Report.

2. Details of Attendance of Directors at Board Meetings in 2005

The above information is provided in the Statement on Corporate Governance on page 10 of the Annual Report.

3. Particulars of the Tenth (10th) Annual General Meeting of the Company

Venue : Conference Room, 2nd Floor, No. 2, Jalan Astaka U8/82, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor.

Date : 30 May 2006 (Tuesday)

Time : 10.00 a.m.

Proxy Form

(Before completing this form, please refer to the notes below)

I/We _____
(FULL NAME IN BLOCK LETTERS)

of _____

being a member/members of KHIND HOLDINGS BERHAD (380310-D) hereby appoint _____

(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

or failing him/her, _____ (NRIC.No _____) of _____

as my/our proxy to attend and vote for me/us on my /our behalf at the TENTH ANNUAL GENERAL MEETING of the Company to be held at No.2, Jln. Astaka U8/82, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan on Tuesday, 30 May 2006 at 10.00 a.m.

My/Our proxy is to vote on all the Resolutions as indicated by an "X" in the appropriate space below. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he/she thinks fit.

Ordinary Business	For	Against
RESOLUTION 1 Adoption of Audited Financial Statements for year ended 31.12.2005		
RESOLUTION 2a Re-election of Mr. Kamil bin Datuk Hj. Abdul Rahman		
RESOLUTION 2b Re-election of Mr. Md. Azmi bin Lop Yusof		
RESOLUTION 2c Re-election of Mr. Soekardi Thedjoisworo		
RESOLUTION 3 Approval of Directors' Fees of RM97,000 for year ended 31.12.2005		
RESOLUTION 4 Re-appointment of KPMG as Auditors for year ending 31.12.2006		
Special Business - Ordinary Resolutions		
RESOLUTION 5 Section 132D Authority to Issue Shares		
RESOLUTION 6a Proposed Renewal of Shareholders' Mandate for RRPT with HSL Electrical & Electronic S/B		
RESOLUTION 6b Proposed Renewal of Shareholders' Mandate for RRPT with E&E Sales & Service S/B.		
RESOLUTION 6c Additional Approval of Shareholders' Mandate for RRPT with Co Hung Company Limited		

Signed this _____ day of _____ 2006

Signature/Common Seal

Notes:

- A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company.
- In the case of a corporation, the proxy appointed must be in accordance with its Memorandum and Articles of Association and this Form of Proxy shall be given under its Common Seal or under the hand of an officer or attorney duly authorized.
- Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he / she thinks fit.
- This Form of Proxy must be deposited with the PFA Registration Services Sdn. Bhd. of Level 13, Uptown 1, No. 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.
- Note on Special Business:-
The proposed Ordinary Resolution 5, if passed, will empower the Directors to allot and issue shares up to a maximum of 10% of the issued share capital of the Company at any time in their absolute discretion without convening a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.
- The proposed Ordinary Resolutions 6a, 6b, 6c, if passed, will empower the Directors from the date of the 10th Annual General Meeting, to deal with the related party transactions including recurrent related party transactions of a revenue or trading nature which are necessary for its day to day operations. The Recurrent Related Party Transactions are in the course of business and on terms not more favourable to the related parties than those generally available to the public. This authority unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. Please refer to the Circular dated 28 April 2006 for further information.

Affix
Stamp
Here

The Share Registrars
PFA Registration Services Sdn. Bhd.
Level 13, Uptown 1
No. 1, Jalan SS 21/58
Damansara Uptown
47400 Petaling Jaya, Selangor



Complaint Against Public Listed Company Form

This form is intended to facilitate the lodgement of complaints with BMSB, by investors against Public Listed Companies (PLCs) in Malaysia. Investors are encouraged, in the first instance, to amicably settle any differences directly with the PLC concerned .

Q: When can you make a complaint?

A: At anytime, preferably as soon as the problem occurs. Below are some instances when a complaint may be lodged against a PLC:

- Misleading/inaccurate/insufficient disclosure of information;
- Failure to disclose material information in financial statements or annual reports;
- Actions/lack of actions detrimental to the interest of shareholders;
- Directors of PLCs;
- Management of PLCs;
- Share Registrar of PLCs; and
- Others(to specify).

Q: What are the procedures to make a complaint?

A: Procedure is very simple. For clarity, it is best to be in written form and directed to the BMSB. You can use any of the following methods to submit your complaints:

- mail the attached Complaint Form to BMSB; or
- fax the Complaint Form to 603-2732 5258.

Q: How will BMSB handle the complaint?

A: BMSB will handle the matter promptly and in any event, will contact the complainant not later than 14 days from receipt of the complaint.

Details of Complainant

Name : _____

NRIC No : _____

CDS No : _____

Address : _____

Telephone No : House : _____

Business : _____

H/Phone : _____

Details of Public Listed Company

For BMSB's use : _____

Ref no : _____

Date Received : _____

Officer in charge : _____

Date of first contact with complainant: _____

Status after 14 days : _____

Resolved

Pending

Details:

Khind Holdings Berhad
No. 2, Jalan Astaka U8/82,
Seksyen U8, Bukit Jelutong,
40150 Shah Alam,
Selangor Darul Ehsan.

Details of Complaint

Have you tried to resolve this complaint with the relevant Public Listed Company?

YES

NO

If yes, kindly indicate the name of the person contacted and his/her department.

Type of Complaint

Misleading/inaccurate/insufficient disclosure of information;

Failure to disclose material information in financial statements or annual reports;

Action/lack of actions detrimental to the interest of shareholders;

Directors of PLCs;

Management of PLCs;

Share Registrars of PLCs; and

Others (to specify)

if others, please specify:

MY COMPLAINT IS AS FOLLOWS.

(Please provide: detailed account of the complaints in chronological order.)

You may type additional notes in a separate piece of paper.

Signature :

Date :

Contact Details :

Complaint Bureau

Bursa Malaysia Securities Berhad (BMSB),

Exchange Square, Bukit Kewangan,

50200 Kuala Lumpur, Malaysia

Tel : 603-2034 7000

Fax : 603-2732 5258

Complaint Bureau
Bursa Malaysia Securities Berhad
Exchange Square, Bukit Kewangan
50200 Kuala Lumpur, Malaysia

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Stamp
Here

Khind Holdings Berhad (380310-D)

No. 2, Jalan Astaka U8/82, Seksyen U8,
Bukit Jelutong, 40150 Shah Alam,
Selangor D.E., Malaysia
☎ 603-7847 1900 ☎ 603-7847 4560
khb@khindmistral.com

Marketing Headquarters

- **Khind-Mistral (M) Sdn. Bhd.** (442421-A)
(formerly known as Mistral Marketing (M) Sdn Bhd)
No. 2, Jalan Astaka U8/82, Seksyen U8,
Bukit Jelutong, 40150 Shah Alam,
Selangor D.E., Malaysia
☎ 603-7847 1900 ☎ 603-7847 6300
mm@khindmistral.com
- **Khind-Mistral Industries Sdn. Bhd.** (213282-V)
No. 2, Jalan Astaka U8/82, Seksyen U8,
Bukit Jelutong, 40150 Shah Alam,
Selangor D.E., Malaysia
☎ 603-7847 1900 ☎ 603-7845 0300
export@khindmistral.com

Overseas Offices

- **Mistral (Singapore) Pte Ltd** (200106472-H)
No. 116, Changi Road, #02-05, Singapore 419718
☎ 02-6346 5122 / 02-6346 5233 ☎ 02-6346 5560
km-spore@khindmistral.com
- **Khind Middle East FZE**
P.O. Box 261569, Jebel Ali, Dubai, United Arab Emirates
☎ 00971 4 8860492 ☎ 00971 4 8860493
khind@emirates.net.ae
- **Khind-Mistral Industries Sdn. Bhd.** (213282-V)
(Representative Office in P.R.C.)
Room 303, No. 13 Building, Hou Long 2 Street,
Changcheng, Foshan City, Guangdong, P.R.C. 528000
☎ +86 757-8333 4980 ☎ +86 757-8399 1493
fskhind@163.com

Peninsular Malaysia Offices

Khind-Mistral (M) Sdn. Bhd. (442421-A)
(formerly known as Mistral Marketing (M) Sdn Bhd)

Penang

- No. 2, Jalan Perda Timur, Bandar Perda 14000,
Bukit Mertajam
☎ 604-537 2803/ 537 2804/ 604-537 1703
☎ 604-537 0807/ 604-548 5991
kmmmbmo@khindmistral.com
mmbmo@khindmistral.com

Perak

- No. 44, Persiaran Bercham Selatan 2, Taman Desa Kencana,
31400 Bercham, Ipoh
☎ 605-545 6778/ 605-548 2991
☎ 605-549 6779/ 605-548 5991
kmmipo@khindmistral.com
mmipo@khindmistral.com

Johor

- No. 81, Jalan Ros Merah 2/3, Taman Johor Jaya,
81100 Johor Bahru
☎ 607-355 8991 ☎ 607-353 8992
kmmjbo@khindmistral.com
mmjbo@khindmistral.com

Melaka

- No. 21, Jalan Melaka Raya 11, Taman Melaka Raya,
75000 Melaka
☎ 606-281 5717 / 281 5723 ☎ 606-281 5849
kmmko@khindmistral.com
mmko@khindmistral.com

Pahang

- No. A63, Lorong Setali 2, Air Putih, 25300 Kuantan
☎ 609-568 9711 ☎ 609-568 9712
kmmkto@khindmistral.com
mmkto@khindmistral.com

Kelantan

- PT-396, Ground Floor, Jalan Dusun Raja,
Sri Cemerlang, 15300 Kota Bharu
☎ 609-744 8900 ☎ 609-744 5900
kmmkbo@khindmistral.com
mmkbo@khindmistral.com

East Malaysia Offices

- **Khind-Mistral (Borneo) Sdn. Bhd.** (234614-W)
(formerly known as Khind- Mistral (Sarawak) Sdn Bhd)

Kota Kinabalu

- Lot 3-6, Mogoputi Industrial Park,
Jalan Penampang Km 8, 89500 Penampang,
Kota Kinabalu, Sabah
☎ 088-718 117 ☎ 088-716 637
kkmkt@khindmistral.com

Tawau

- TB 2101, Ground Floor, Hua Dat Industrial Estate,
Miles 2.5, Jalan Apas, 91000 Tawau, Sabah
☎ 089-917 100 ☎ 089-917 102
tawaumkt@khindmistral.com

Kuching

- No.15, Lot 8243, Sect 64,
Lee Chong Lin Industrial Estate, Jalan Pending,
93450 Kuching, Sarawak
☎ 082-338 511 ☎ 082-339 039
kchmkt@khindmistral.com

Miri

- Lot 160, Sub Lot 2180-2181, Block 3,
Piasau Industrial Estate, 98000 Miri, Sarawak
☎ 085-662 533 ☎ 085-654 933
mirimkt@khindmistral.com

Factories

- **Khind-Mistral Industries Sdn. Bhd.** (213282-V)
- **Khind Components Sdn. Bhd.** (196021-P)
- **Khind Industries Sdn. Bhd.** (173304-D)
No. 2, Jalan Perusahaan 2, 45400 Sekinchan,
Selangor D.E., Malaysia
☎ 603-3241 1991 ☎ 603-3241 1500
kmi@khindmistral.com
- **Khind Technology Centre Sdn. Bhd.** (429363-P)
No. 2, Jalan Perusahaan 2, 45400 Sekinchan,
Selangor D.E., Malaysia
☎ 603-3241 1991 ☎ 603-3241 4100
tech@khindmistral.com