

# Financial Calendar

Date	Event
12 March 2007	Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature
25 April 2007	Notice of Eleventh Annual General Meeting
22 May 2007	Announcement of unaudited results for the First Quarter ended 31 March 2007
25 May 2007	Proposed acquisition by the Company of 500,000 ordinary shares of RM1.00 each (representing 25% of the issued and paid-up share capital) in Khind-Mistral (M) Sdn Bhd for a total consideration of RM1,010,000.00
31 May 2007	Eleventh Annual General Meeting
21 June 2007	Completion of acquisition by the Company of 500,000 ordinary shares of RM1.00 each (representing 25% of the issued and paid-up share capital) in Khind-Mistral (M) Sdn Bhd for a total consideration of RM1,010,000.00
22 June 2007	Legal proceedings by Alpha Global Holdings Limited & Panache Global Holdings Pty Ltd against Khind Industries Sdn Bhd in the Kuala Lumpur High Court Civil Suit No. S6-22-577-2007
21 August 2007	Announcement of unaudited results for the Second Quarter ended 30 June 2007
20 November 2007	Announcement of unaudited results for the Third Quarter ended 30 September 2007
26 February 2008	Announcement of unaudited results for the Final Quarter ended 31 December 2007
10 March 2008	Proposed acquisition of land by the Company's wholly owned subsidiary Khind-Mistral Industries Sdn Bhd from Cheng Tuck Sdn Bhd, a piece of vacant land held under HS (D) 1854 No. PT 2531 Town Pekan Bagan Nakhoda Omar, District of Sabak Bernam Negeri Selangor for a total consideration of RM495,183.00 for future development.
24 March 2008	Proposed renewal of 2007 shareholders' mandate, proposed ratification and approval of the new shareholders' mandate on recurrent related party transaction and proposed amendments to the articles of association of the Company.
10 April 2008	Acquisition of Indesico (M) Sdn Bhd (811092-w) as wholly-owned subsidiary.

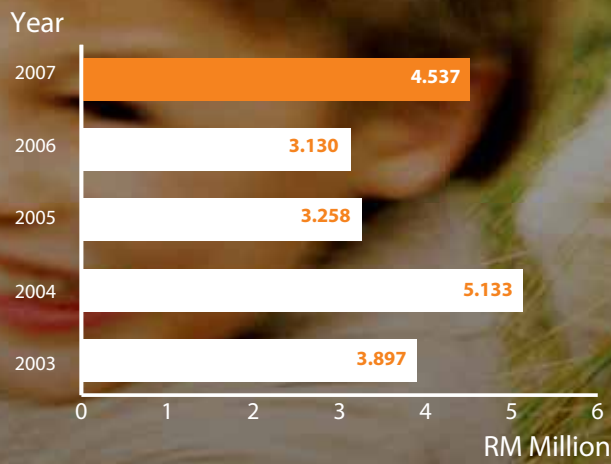
# Healthy Lifestyles

laporan tahunan 2007 annual report

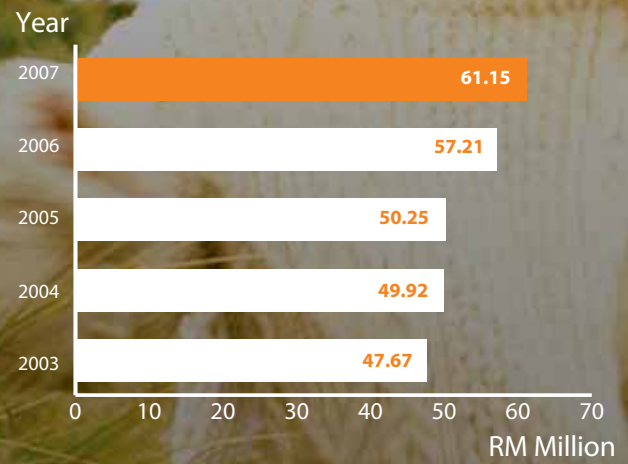


# Financial Statements

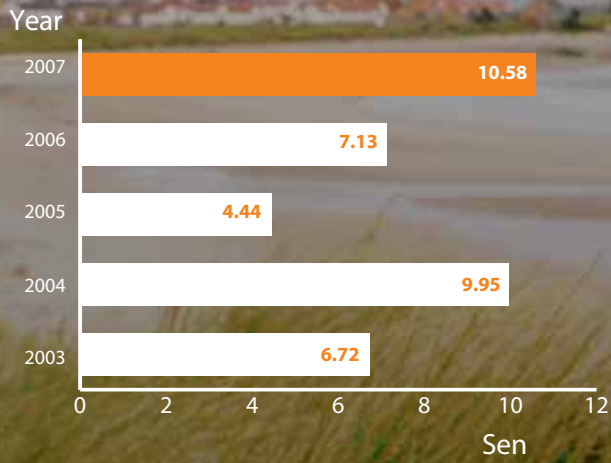
Profit Before Income Taxation



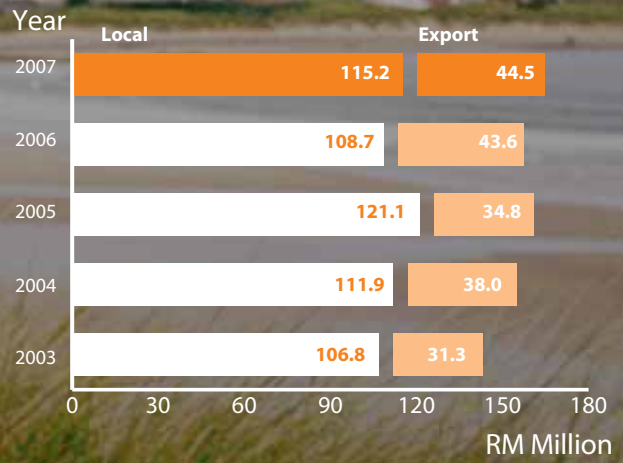
Shareholders' Funds



Earning Per Share



Group Turnover



# Directors' report

## for the year ended 31 December 2007

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 2007.

### 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 7 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

### Results

	<b>Group</b> <b>RM'000</b>	<b>Company</b> <b>RM'000</b>
Profit attributable to:		
Shareholders of the Company	4,240	92
Minority interest	(44)	-
	<u>4,196</u>	<u>92</u>

### Reserves and provisions

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

### Dividends

No dividend was paid during the year and the Directors do not recommend any dividend to be paid for the year under review.

### 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 (resigned on 31 October 2007)  
 Ong Wan Bing alias Kie Tjhan (ceased on 31 May 2007)

**Directors' interests**

The interests and deemed interests in the shares and options of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM1 each			At 31.12.2007
	At 1.1.2007	Bought	Sold	
<b>Cheng King Fa:</b>				
Interest in the Company:				
– own	979,967	-	-	979,967
– others*	47,791	720,967	-	768,758
Deemed interest in the Company				
– own	19,610,737	-	(1,701,900)	17,908,837
<b>Cheng Ping Keat:</b>				
Interest in the Company:				
– own	2,302,720	-	-	2,302,720
– others**	962,199	594,400	-	1,556,599
Deemed interest in the Company:				
– own	19,610,737	-	(1,701,900)	17,908,837
<b>Md Azmi Bin Lop Yusof:</b>				
Interest in the Company:				
– own	1,493,974	-	(24,000)	1,469,974
<b>Nordin Bin Mohamad Desa:</b>				
Interest in the Company:				
– own	13,333	-	-	13,333
<b>Tan Lay Kuan @ Tan Lay Wah:</b>				
Interest in the Company:				
– own	13,333	-	-	13,333
– others***	242,667	-	-	242,667

# Directors' Report

## for the year ended 31 December 2007 (Continued)

### Directors' interests (continued)

Company	Number of options over ordinary shares of RM1 each			
	At 1.1.2007	Granted	Exercised	At 31.12.2007
Cheng King Fa:				
– own	150,000	-	-	150,000
Cheng Ping Keat:				
– own	150,000	-	-	150,000

\* Cheng Yoke Leng, Cheng Yoke Kan and Lew Kuan Hwa are the daughters and spouse of Cheng King Fa. In accordance with Section 134(12)(c) of the Companies Act, 1965, the deemed interests of Cheng Yoke Leng, Cheng Yoke Kan and Lew Kuan Hwa in the shares of the Company shall be treated as the interests of Cheng King Fa.

\*\* Koh Guat Kuan is the spouse of Cheng Ping Keat. In accordance with Section 134(12)(c) of the Companies Act, 1965, the deemed interests of Koh Guat Kuan in the shares of the Company shall be treated as the interests of Cheng Ping Keat.

\*\*\* Cheing Boon Ngoun @ Chean Puan In is the spouse of Tan Lay Kuan @ Tan Lay Wah. In accordance with Section 134(12)(c) of the Companies Act, 1965, the deemed interests of Cheing Boon Ngoun @ Chean Puan In in the shares of the Company shall be treated as the interests of Tan Lay Kuan @ Tan Lay Wah.

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 and Md Azmi Bin Lop Yusof 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 2007 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 a Director who has significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in 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 the Employees' Share Option Scheme.

### Issue of shares and debentures

There were no changes in the authorised, 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 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 salient features of the ESOS 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 a period of five (5) years from the date of offer of the option or such shorter period as may be specifically stated in the offer upon giving notice in writing.
- 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.

# Directors' Report

## for the year ended 31 December 2007 (Continued)

### Options granted over unissued shares (continued)

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

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

Date of offer	Exercise price	Number of options over ordinary shares of RM1 each				
		At 1.1.2007	Granted	Lapsed	Exercised	At 31.12.2007
7.7.2003	RM1.00	2,183,000	-	(84,000)	-	2,099,000
19.5.2004	RM1.00	228,000	-	(45,000)	-	183,000
		2,411,000	-	(129,000)	-	2,282,000

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.

### Other statutory information

Before the balance sheets and income 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.

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**Other statutory information (continued)**

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.

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 2007 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 on behalf of the Board of Directors in accordance with a resolution of the Directors:

**CHENG KING FA**  
CHAIRMAN

**CHENG PING KEAT**  
GROUP CHIEF EXECUTIVE OFFICER (CEO)

Kuala Lumpur, Malaysia

Date: 21 March 2008

# Statement by Directors

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

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In the opinion of the Directors, the financial statements set out on 32 to 70 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2007 and of the results of their operations and cash flows for the year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

**CHENG KING FA**  
CHAIRMAN

**CHENG PING KEAT**  
GROUP CHIEF EXECUTIVE OFFICER (CEO)

Kuala Lumpur, Malaysia

Date: 21 March 2008

# Statutory Declaration

pursuant to Section 169(16) of the Companies Act, 1965

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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 32 to 70 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 ) **CHENG PING KEAT**  
CHENG PING KEAT )  
in Kuala Lumpur on 21 March 2008. )

Before me:

**P. THURIRAJOO**  
No. W438  
Commissioner for Oaths  
Kuala Lumpur

# Report of the auditors

## to the members of Khind Holdings Berhad

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We have audited the financial statements set out on 32 to 70. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. 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 Financial Reporting Standards issued by the Malaysian Accounting Standards Board 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 2007 and 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 are identified in Note 7 to the financial statements and we have considered their financial statements and, where audited, the auditors' reports 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

Kuala Lumpur, Malaysia

Date: 21 March 2008

**CHONG DEE SHIANG**  
Partner  
Approval Number: 2782/09/08(J)

# Balance Sheets

at 31 December 2007

	Note	Group		Company	
		2007 RM'000	2006 RM'000 restated	2007 RM'000	2006 RM'000
<b>Assets</b>					
Property, plant and equipment	3	18,957	19,723	220	257
Intangible assets	4	2,251	1,852	303	402
Prepaid lease payments	5	4,531	4,600	-	-
Investment property	6	1,600	1,600	-	-
Investments in subsidiaries	7	-	-	28,897	24,887
Other investments	8	97	100	78	78
Deferred tax assets	9	845	857	25	15
<b>Total non-current assets</b>		<b>28,281</b>	<b>28,732</b>	<b>29,523</b>	<b>25,639</b>
Receivables, deposits and prepayments	10	45,529	40,181	25,142	24,348
Inventories	11	31,691	25,588	-	-
Tax recoverable		1,947	1,796	985	723
Cash and cash equivalents	12	9,749	8,707	379	281
<b>Total current assets</b>		<b>88,916</b>	<b>76,272</b>	<b>26,506</b>	<b>25,352</b>
<b>Total assets</b>		<b>117,197</b>	<b>105,004</b>	<b>56,029</b>	<b>50,991</b>
<b>Equity</b>					
Share capital		40,059	40,059	40,059	40,059
Translation reserve		(341)	(44)	-	-
Retained earnings		21,433	17,193	10,582	10,490
<b>Total equity attributable to shareholders of the Company</b>		<b>61,151</b>	<b>57,208</b>	<b>50,641</b>	<b>50,549</b>
<b>Minority interest</b>		<b>38</b>	<b>571</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	13	<b>61,189</b>	<b>57,779</b>	<b>50,641</b>	<b>50,549</b>
<b>Liabilities</b>					
Loans and borrowings	14	1,544	1,661	-	-
Deferred tax liabilities	9	1,698	1,896	-	-
<b>Total non-current liabilities</b>		<b>3,242</b>	<b>3,557</b>	<b>-</b>	<b>-</b>
Current tax liabilities		273	202	-	-
Payables and accruals	16	23,761	16,785	5,388	442
Loans and borrowings	14	28,732	26,681	-	-
<b>Total current liabilities</b>		<b>52,766</b>	<b>43,668</b>	<b>5,388</b>	<b>442</b>
<b>Total liabilities</b>		<b>56,008</b>	<b>47,225</b>	<b>5,388</b>	<b>442</b>
<b>Total equity and liabilities</b>		<b>117,197</b>	<b>105,004</b>	<b>56,029</b>	<b>50,991</b>

The notes on 37 to 70 are an integral part of these financial statements.

# Income Statements

for the year ended 31 December 2007

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
<b>Continuing operations</b>					
Revenue	17	159,680	152,346	5,051	4,567
Cost of goods sold		(117,480)	(114,412)	-	-
<b>Gross profit</b>		42,200	37,934	5,051	4,567
Other income		810	2,198	15	4
Distribution expenses		(19,946)	(19,099)	-	-
Administrative expenses		(16,675)	(16,216)	(4,708)	(4,239)
Other operating expenses		(138)	(115)	-	-
<b>Operating profit</b>		6,251	4,702	358	332
Interest income		34	33	2	4
Finance costs		(1,748)	(1,605)	-	-
<b>Profit before tax</b>	18	4,537	3,130	360	336
Tax expense	20	(341)	(60)	(268)	(102)
<b>Profit for the year</b>		4,196	3,070	92	234
<b>Attributable to:</b>					
Shareholders of the Company		4,240	2,855	92	234
Minority interest		(44)	215	-	-
<b>Profit for the year</b>		4,196	3,070	92	234
<b>Basic earnings per ordinary share (sen):</b>	21	10.58	7.13		

The notes on 37 to 70 are an integral part of these financial statements.

# Consolidated Statement of Changes in Equity

## for the year ended 31 December 2007

Group	Note	----- Attributable to shareholders of the Company -----					Total equity RM'000
		--- Non-distributable ---		Distributable		Minority interest RM'000	
		Share capital RM'000	Translation reserve RM'000	Retained earnings RM'000	Total RM'000		
<b>At 1 January 2006</b>		40,059	(10)	15,203	55,252	356	55,608
Foreign exchange translation differences		-	(34)	-	(34)	-	(34)
Profit for the year		-	-	2,855	2,855	215	3,070
Total recognised income and expense for the year		40,059	(44)	18,058	58,073	571	58,644
Dividend to shareholders	22	-	-	(865)	(865)	-	(865)
<b>At 31 December 2006/1 January 2007</b>		40,059	(44)	17,193	57,208	571	57,779
Foreign exchange translation differences		-	(297)	-	(297)	-	(297)
Profit for the year		-	-	4,240	4,240	(44)	4,196
Total recognised income and expense for the year		40,059	(341)	21,433	61,151	527	61,678
Acquisition of minority interest	28	-	-	-	-	(489)	(489)
<b>At 31 December 2007</b>		40,059	(341)	21,433	61,151	38	61,189

# Statement of Changes in Equity

## for the year ended 31 December 2007

Company	Note	Non-distributable	Distributable	Total equity RM'000
		Share capital RM'000	Retained earnings RM'000	
<b>At 1 January 2006</b>		40,059	11,121	51,180
Profit for the year		-	234	234
Dividend to shareholders	22	-	(865)	(865)
<b>At 31 December 2006/1 January 2007</b>		40,059	10,490	50,549
Profit for the year		-	92	92
<b>At 31 December 2007</b>		40,059	10,582	50,641

The notes on 37 to 70 are an integral part of these financial statements.

# Cash flow Statements

for the year ended 31 December 2007

	Note	Group		Company	
		2007 RM'000	2006 RM'000 restated	2007 RM'000	2006 RM'000
<b>Cash flows from operating activities</b>					
Profit before tax		4,537	3,130	360	336
Adjustments for:-					
Amortisation of prepaid lease payments	5	69	69	-	-
Amortisation of intangible assets	4	122	122	99	99
Change in fair value of investment property		-	(100)	-	-
Depreciation of property, plant and equipment	3	2,049	2,147	71	65
Finance costs		1,748	1,605	-	-
Loss on disposal of other investments		1	-	-	-
Gain on disposal of property, plant and equipment		(84)	(16)	-	-
Interest income		(34)	(33)	(2)	(4)
Property, plant and equipment written off		10	-	-	-
		<u>8,418</u>	<u>6,924</u>	<u>528</u>	<u>496</u>
<b>Operating profit before changes in working capital</b>					
Changes in working capital:					
Inventories		(6,103)	2,646	-	-
Payables and accruals		6,976	(782)	394	104
Receivables, deposits and prepayments		(5,348)	3,036	325	(9)
		<u>3,943</u>	<u>11,824</u>	<u>1,247</u>	<u>591</u>
<b>Cash generated from operations</b>					
Tax refunded		371	295	-	76
Tax paid		(978)	(189)	(540)	(1)
		<u>3,336</u>	<u>11,930</u>	<u>707</u>	<u>666</u>
<b>Net cash generated from operating activities</b>					
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment	(ii), 3	(1,085)	(295)	(37)	(62)
Acquisition of other investment		-	(4)	-	-
Acquisition of minority interest	28	(1,010)	-	-	-
Increase in investment in subsidiary		-	-	(4,010)	-
Interest received		34	33	2	4
Increase in deposits pledged with licensed banks	12	(1,510)	-	-	-
Proceeds from disposal of property, plant and equipment		355	58	3	-
Proceeds from disposal of other investments		2	-	-	-
Repayment by subsidiaries		-	-	3,433	190
		<u>(3,214)</u>	<u>(208)</u>	<u>(609)</u>	<u>132</u>
<b>Net cash (used in)/generated from investing activities</b>					

# Cash flow Statements

## for the year ended 31 December 2007 (Continued)

	Note	Group		Company	
		2007 RM'000	2006 RM'000 restated	2007 RM'000	2006 RM'000
<b>Cash flows from financing activities</b>					
Dividend paid to shareholders of the Company	22	-	(865)	-	(865)
Interest paid		(1,748)	(1,605)	-	-
Drawdown/(Repayment) of bankers' acceptances		447	(3,408)	-	-
Repayment of term loans		(678)	(739)	-	-
Repayment of hire purchase liabilities		(211)	(207)	-	-
<b>Net cash used in from financing activities</b>		<u>(2,190)</u>	<u>(6,824)</u>	<u>-</u>	<u>(865)</u>
Net (decrease)/increase in cash and cash equivalents		(2,068)	4,898	98	(67)
Foreign exchange rate differences on opening balance		(287)	(34)	-	-
Cash and cash equivalents at 1 January	(i)	8,543	3,679	281	348
<b>Cash and cash equivalents at 31 December</b>	(i)	<u>6,188</u>	<u>8,543</u>	<u>379</u>	<u>281</u>

i) *Cash and cash equivalents*

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

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Cash and bank balances	12	7,888	8,707	379	281
Deposits with licensed bank	12	1,861	-	-	-
Bank overdraft repayable on demand - secured	14	-	(163)	-	-
Bank overdraft repayable on demand - unsecured	14	(2,051)	(1)	-	-
		<u>7,698</u>	<u>8,543</u>	<u>379</u>	<u>281</u>
Less: Deposits pledged	12	(1,510)	-	-	-
		<u>6,188</u>	<u>8,543</u>	<u>379</u>	<u>281</u>

ii) *Acquisition of property, plant and equipment*

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM1,574,000 (2006 - RM454,000), of which RM489,000 (2006 - RM159,000) were acquired by means of hire purchase plans.

The notes on 37 to 70 are an integral part of these financial statements.

# Notes to the Financial Statements

Khind Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Second Board of the Bursa Malaysia Securities Berhad. The address of its principal place of business which is also its registered office is as follow:

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

The consolidated financial statements of the Company as at and for the year ended 31 December 2007 comprise the Company and its subsidiaries. The financial statements of the Company as at and for the year ended 31 December 2007 do not include other entities.

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 7.

During the year, Kee Hin Ventures Sdn. Bhd., a company incorporated in Malaysia has ceased to become the holding company.

The financial statements were approved by the Board of Directors on 21 March 2008.

## 1. Basis of preparation

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ("FRS") issued by the Malaysian Accounting Standards Board ("MASB"), accounting principles generally accepted in Malaysia and the provisions of the Companies Act, 1965. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The MASB has also issued the following FRSs and Interpretations that have not been applied in preparing these financial statements:-

<b>FRSs / Interpretations</b>	<b>Effective date</b>
FRS 107, <i>Cash Flow Statements</i>	1 July 2007
FRS 111, <i>Construction Contracts</i>	1 July 2007
FRS 112, <i>Income Taxes</i>	1 July 2007
FRS 118, <i>Revenue</i>	1 July 2007
FRS 120, <i>Accounting for Government Grants and Disclosure of Government Assistance</i>	1 July 2007
Amendment to FRS 121, <i>The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation</i>	1 July 2007
FRS 134, <i>Interim Financial Reporting</i>	1 July 2007
FRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 July 2007
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	To be announced
IC Interpretation 1, <i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i>	1 July 2007
IC Interpretation 2, <i>Members' Shares in Co-operative Entities and Similar Instruments</i>	1 July 2007
IC Interpretation 5, <i>Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds</i>	1 July 2007
IC Interpretation 6, <i>Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment</i>	1 July 2007
IC Interpretation 7, <i>Applying the Restatement Approach under FRS 129, Financial Reporting in Hyperinflationary Economies</i>	1 July 2007
IC Interpretation 8, <i>Scope of FRS 2</i>	1 July 2007

# Notes to the Financial Statements (Continued)

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## 1. Basis of preparation (continued)

### (a) Statement of compliance (continued)

The Group and the Company plan to apply the abovementioned FRSs and Interpretations for the annual period beginning 1 January 2008.

The impact of applying FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemption given in FRS 139.103AB.

The initial application of the other FRSs and Interpretations are not expected to have any material impact on the financial statements of the Group and the Company.

In this set of financial statements, the Group has adopted FRS 117, *Leases* and FRS 124, *Related Party Disclosures*, which are effective for annual period beginning on or after 1 October 2006. There is no material impact on the financial statements of the Group and the Company except for the adoption of FRS 117, *Leases* which requires certain comparatives to be reclassified as set out in Note 29.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for investment property as explained in its accounting policy note.

### (c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

### (d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amount recognised in the financial statements other than those disclosed in the following notes:-

- *Note 6 - valuation of investment property*
- *Note 9 - recognition of unutilised tax losses and capital allowances*
- *Note 26 - contingencies*

## 2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

Certain comparative amounts have been reclassified to conform, to the current year's presentation (refer Note 29).

### (a) Basis of consolidation

#### (i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses.

#### (ii) Changes in Group composition

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the income statements.

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

#### (iii) Minority interest

Minority interests at the balance sheet date, being the portion of the net identifiable assets (excluding goodwill) of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

#### (iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

# Notes to the Financial Statements (Continued)

## 2. Significant accounting policies (continued)

### (b) Foreign currency

#### (i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statements.

#### (ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the balance sheet date except for goodwill and fair value adjustments arising from business combination before 1 January 2006, which are reported using the exchange rates at the dates of acquisitions. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in translation reserve. On disposal, accumulated translation differences are recognised in the consolidated income statements as part of the gain or loss on sale.

### (c) Property, plant and equipment

#### (i) Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other operating expenses" respectively in the income statements.

#### (ii) Reclassification to investment property

Property that is being constructed for future use as investment property is accounted for as property, plant and equipment until construction or development is complete, at which time it is remeasured to fair value and reclassified as investment property. Any gain or loss arising on remeasurement is recognised in the income statements.

## 2. Significant accounting policies (continued)

### (c) Property, plant and equipment (continued)

#### (iii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statements as incurred.

#### (iv) Depreciation

Depreciation is recognised in the income statements on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction and building-in-progress are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Freehold properties	50 years
• Office and factory buildings	50 years
• Plant and machinery	5 – 10 years
• Tools and moulds	5 – 10 years
• Furniture, fittings and office equipment	3 – 10 years
• Motor vehicles	5 years
• Renovations	5 – 10 years

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

### (d) Leased assets

#### (i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

# Notes to the Financial Statements (Continued)

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## 2. Significant accounting policies (continued)

### (d) Leased assets (continued)

#### (ii) Operating lease

Other leases are operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the Group's balance sheet. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments, except for leasehold land classified as investment property.

Payments made under operating leases are recognised in the income statements on a straight-line basis over the term of 50 – 99 years. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

The Group has previously classified lease of land as finance lease and had recognised the amount of prepaid lease payments as property within its property, plant and equipment. On adoption of FRS 117, *Leases* the Group treats such a lease as an operating lease, with the unamortised carrying amount classified as prepaid lease payments.

### (e) Intangible assets

#### (i) Goodwill

Goodwill arises on the acquisition of subsidiaries and is measured at cost less any accumulated impairment losses.

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

With the adoption of FRS 3 beginning 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statements.

#### (ii) 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.

#### (iii) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

#### (iv) Amortisation

Goodwill with indefinite useful lives is tested for impairment annually and whenever there is an indication that they may be impaired. Amortisation of patent and trademarks is charged to the income statements on a straight-line basis over a period of ten (10) years.

## 2. Significant accounting policies (continued)

### (f) Investments

#### *Investments in equity securities*

Investments in equity securities are recognised initially at cost plus attributable transaction costs.

Subsequent to initial recognition, investments in non-current equity securities other than investments in subsidiaries are stated at cost less allowance for diminution in value.

Where in the opinion of the Directors, there is a decline other than temporary in the value of non-current equity securities other than investment in subsidiaries, the allowance for diminution in value is recognised as an expense in the financial year in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statements.

All investments in equity securities are accounted for using settlement date accounting. Settlement date accounting refers to:

- a) the recognition of an asset on the day it is received by the entity, and
- b) the derecognition on an asset and recognition of any gain or loss on disposal on the date it is delivered.

### (g) Investment properties

#### *(i) Investment property carried at fair value*

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both. These include land held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment property are measured initially at cost and subsequently at fair value with any change therein recognised in the income statements.

#### *(ii) Reclassification to / from investment property*

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement. Upon disposal of the investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through the income statement.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

# Notes to the Financial Statements (Continued)

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## 2. Significant accounting policies (continued)

### (g) Investment properties (continued)

#### (iii) Determination of fair value

The Directors estimate the fair values of the Group's investment properties without involvement of independent valuers.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, where appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

Significant assumptions in arriving at the fair value of investment properties are disclosed in Note 6.

### (h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The fair value of inventory acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

### (i) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

### (j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments 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 pledged deposits.

## 2. Significant accounting policies (continued)

### (k) Impairment of assets

The carrying amounts of assets except for inventories, deferred tax assets, financial assets and investment property that is measured at fair value are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful life, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

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. Reversals of impairment losses are credited to the income statement in the year which the reversals are recognised.

### (l) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statements over the period of the loans and borrowings using the effective interest method.

### (m) Employee benefits

#### (i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contribution to statutory pension funds are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

#### (ii) Share-based payment transactions

The share option programme allows Group employees to acquire shares of the Company. Following the adoption of FRS 2, *Share-based Payment*, the grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The change in accounting policy is applied retrospectively only for those shares granted after 31 December 2004 and have not vested as of 1 January 2006 as provided in the transitional provision of FRS 2. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest. As all the share options were vested prior to 1 January 2006, the adoption of FRS 2 has no impact to financial statements.

# Notes to the Financial Statements (Continued)

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## 2. Significant accounting policies (continued)

### (n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

#### **Contingent liabilities**

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

### (o) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

### (p) Revenue recognition

#### (i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

#### (ii) Rental income

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

#### (iii) Dividend income

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

#### (iv) Management fees

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

### (q) Interest income and borrowing costs

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statements using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

## 2. Significant accounting policies (continued)

### (r) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### (s) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

### (t) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

# Notes to the Financial Statements (Continued)

## 3. Property, plant and equipment

<i>Group</i>	<b>Long term leasehold land</b>	<b>Leasehold properties</b>	<b>Freehold properties</b>	<b>Office and factory buildings</b>	<b>Plant and machinery</b>	<b>Tools and moulds</b>	<b>Furniture, fittings and office equipment</b>	<b>Motor vehicles</b>	<b>Renovations</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Cost</b>										
At 1 January 2006	3,000	5,413	6,742	10,143	5,324	10,879	6,011	2,590	1,723	51,825
Additions	-	-	-	-	5	-	287	162	-	454
Transfer to investment property	-	(1,683)	-	-	-	-	-	-	-	(1,683)
Disposals	-	-	-	-	-	-	(62)	(68)	-	(130)
Effect of movements in exchange rates	-	-	-	-	-	-	(3)	-	1	(2)
At 31 December 2006/ 1 January 2007	3,000	3,730	6,742	10,143	5,329	10,879	6,233	2,684	1,724	50,464
Effect of adopting FRS 117	(3,000)	(3,730)	-	1,800	-	-	-	-	-	(4,930)
At 31 December 2006/ 1 January 2007, restated	-	-	6,742	11,943	5,329	10,879	6,233	2,684	1,724	45,534
Additions	-	-	-	-	1	414	528	594	37	1,574
Disposals	-	-	-	-	(318)	(198)	(552)	(420)	-	(1,488)
Written off	-	-	-	-	(256)	(53)	(272)	-	-	(581)
Effect of movements in exchange rates	-	-	-	-	-	-	(13)	-	-	(13)
At 31 December 2007	-	-	6,742	11,943	4,756	11,042	5,924	2,858	1,761	45,026
<b>Depreciation</b>										
At 1 January 2006	65	723	645	2,097	4,610	9,438	3,886	1,887	1,020	24,371
Depreciation for the year	40	74	112	233	218	506	588	284	161	2,216
Offset of accumulated depreciation on property transferred to investment property	-	(356)	-	-	-	-	-	-	-	(356)
Disposals	-	-	-	-	-	-	(22)	(68)	-	(90)
At 31 December 2006, 1 January 2007	105	441	757	2,330	4,828	9,944	4,452	2,103	1,181	26,141
Effect of adopting FRS 117	(105)	(441)	-	216	-	-	-	-	-	(330)
At 31 December 2006/ 1 January 2007, restated	-	-	757	2,546	4,828	9,944	4,452	2,103	1,181	25,811
Depreciation for the year	-	-	112	272	177	445	552	317	174	2,049
Disposals	-	-	-	-	(308)	(198)	(290)	(421)	-	(1,217)
Written off	-	-	-	-	(256)	(53)	(262)	-	-	(571)
Effect of movements in exchange rates	-	-	-	-	-	-	(3)	-	-	(3)
At 31 December 2007 Accumulated depreciation	-	-	869	2,818	4,441	10,138	4,449	1,999	1,355	26,069

## 3. Property, plant and equipment (continued)

<i>Group</i>	Long term leasehold land RM'000	Leasehold properties RM'000	Freehold properties RM'000	Office and factory buildings RM'000	Plant and machinery RM'000	Tools and moulds RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Renovations RM'000	Total RM'000
<b>Carrying amounts</b>										
At 1 January 2006	2,935	4,690	6,097	8,046	714	1,441	2,125	703	703	27,454
At 31 December 2006/ 1 January 2007, restated	-	-	5,985	9,397	501	935	1,781	581	543	19,723
At 31 December 2007	-	-	5,873	9,125	315	904	1,475	859	406	18,957
<b>Company</b>										
							Furniture, fittings and office equipment RM'000	Renovations RM'000		Total RM'000
<b>Cost</b>										
At 1 January 2006							179	111		290
Additions							62	-		62
At 31 December 2006/1 January 2007							241	111		352
Additions							37	-		37
Disposals							(4)	-		(4)
At 31 December 2007							274	111		385
<b>Depreciation</b>										
At 1 January 2006:										
Accumulated depreciation							24	6		30
Depreciation for the year							43	22		65
At 31 December 2006/1 January 2007							67	28		95
Depreciation for the year							49	22		71
Disposals							(1)	-		(1)
At 31 December 2007							115	50		165
<b>Carrying amounts</b>										
At 1 January 2006							155	105		260
At 31 December 2006/1 January 2007							174	83		257
At 31 December 2007							159	61		220

Title deeds to the freehold properties with a carrying amount of RM5,370,000 (2006 - RM5,482,000) belonging to two (2) (2006 - two (2)) subsidiaries are in the process of being registered in the names of these companies.

# Notes to the Financial Statements (Continued)

## 3. Property, plant and equipment (continued)

### Security

At 31 December 2007, freehold properties and office buildings of the Group with a carrying amount of RM5,370,000 and RM1,548,000 (2006 – RM5,482,000 and RM1,583,000) respectively have been pledged as securities for the bank facilities granted to the Group (refer Note 14).

### Assets under hire purchase

Included in property, plant and equipment of the Group are motor vehicles acquired under hire purchase arrangements with a carrying amount of RM918,000 (2006 – RM506,000).

## 4. Intangible assets

Group	Note	Goodwill RM'000	Patents and trademarks RM'000	Total RM'000
<b>Cost</b>				
At 1 January/31 December 2006		1,433	1,100	2,533
Acquisition of minority interest	28	521	-	521
At 31 December 2007:		1,954	1,100	3,054
<b>Amortisation</b>				
At 1 January 2006:				
Accumulated amortisation		-	(559)	(559)
Amortisation for the year	18	-	(122)	(122)
At 31 December 2006/At 1 January 2007:				
Accumulated amortisation		-	(681)	(681)
Amortisation for the year	18	-	(122)	(122)
At 31 December 2007:				
Accumulated amortisation		-	803	803
<b>Carrying amounts</b>				
At 1 January 2006		1,433	541	1,974
At 31 December 2006/1 January 2007		1,433	419	1,852
At 31 December 2007		1,954	297	2,251

Goodwill of RM1,954,000 (2006 - RM1,433,000) represents the unamortised balance of goodwill arising from consolidation of Khind Mistral Industries Sdn. Bhd. and Khind Marketing (M) Sdn. Bhd. and the additional goodwill from acquisition of additional 25% equity interest in Khind Mistral (M) Sdn. Bhd. during the year (refer Note 28).

The recoverable amount of the investments in the subsidiaries are based on its value in use and the recoverable amount is higher than the carrying amount of the investments. There is no impairment loss recognised during the period.

Value in use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions:

- Cash flows were projected based on actual operating results.
- The subsidiaries will continue its operation indefinitely.
- The size of operation will remain with at least or not lower than the current results.

The key assumptions represent management's assessment of future trends in the consumer market and are based on both external sources and internal sources (historical data).

## 4. Intangible assets (continued)

<b>Company</b>	<b>Note</b>	<b>Patents and trademarks RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>			
At 1 January/31 December 2006/ 31 December 2007		1,000	1,000
<b>Amortisation</b>			
At 1 January 2006:			
Accumulated amortisation		(499)	(499)
Amortisation for the year	18	(99)	(99)
At 31 December 2006/1 January 2007:			
Accumulated amortisation		(598)	(598)
Amortisation for the year	18	(99)	(99)
At 31 December 2007:			
Accumulated amortisation		(697)	(697)
<b>Carrying amounts</b>			
At 1 January 2006		501	501
At 31 December 2006/1 January 2007		402	402
At 31 December 2007		303	303

## 5. Prepaid lease payments

<b>Group</b>	<b>Note</b>	<b>Unexpired period less than 50 years RM'000</b>	<b>Unexpired period more than 50 years RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>				
At 1 January 2006		-	-	-
Effect of adopting FRS 117	3	1,690	3,240	4,930
At 31 December 2006/ 1 January 2007, restated/ At 31 December 2007		1,690	3,240	4,930
<b>Amortisation</b>				
At 1 January 2006		-	-	-
Effect of adopting FRS 117	3	196	134	330
At 31 December 2006/ 1 January 2007, restated		196	134	330
Amortisation for the year		34	35	69
At 31 December 2007		230	169	399
<b>Carrying amounts</b>				
At 31 December 2006/1 January 2007, restated		1,494	3,106	4,600
At 31 December 2007		1,460	3,071	4,531

Title deeds to the leasehold land with a carrying amount of RM1,666,000 (2006 – RM1,705,000) belonging to two (2) (2006 – two (2)) subsidiaries are in the process of being registered in the names of these companies.

**Security**

Leasehold land of the Group amounting to RM1,666,000 (2006 – RM1,705,000) has been pledged as security for term loan facilities and bank overdraft granted to the Group (refer Note 14).

# Notes to the Financial Statements (Continued)

## 6. Investment property

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
At 1 January		1,600	-	-	-
Transfer from property, plant and equipment	3	-	1,327	-	-
Change in fair value		-	173	-	-
At 1 January 2007		1,600	1,500	-	-
Change in fair value		-	100	-	-
At 31 December		1,600	1,600	-	-
Included in the above are:					
Leasehold property with unexpired lease period of more than 50 years		1,600	1,600	-	-

The fair value of the investment property is determined by considering the aggregate of the estimated cash flows expected to be received from renting out the property using yield rate of 8% per annum.

The following are recognised in the income statement in respect of investment property:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Rental income	138	134	-	-
Direct operating expenses:				
- income generating investment properties	(5)	(5)	-	-

The investment property has been charged to secure banking facilities granted to the Group (refer Note 14).

## 7. Investments in subsidiaries

	Company	
	2007 RM'000	2006 RM'000
At cost:		
Unquoted shares	28,897	24,887

Details of the subsidiaries are as follows:

## 7. Investments in subsidiaries (continued)

Name of subsidiary	Principal activities	Country of incorporation	Effective ownership interest	
			2007 %	2006 %
Khind Industries Sdn. Bhd.	Temporarily ceased operations	Malaysia	100	100
Khind Marketing (M) Sdn. Bhd.	Renting of commercial properties	Malaysia	100	100
Khind-Mistral (Sabah) Sdn. Bhd.	Temporarily ceased operations	Malaysia	100	100
Khind-Mistral (Borneo) Sdn. Bhd.	Trading in electrical home appliances and wiring accessories	Malaysia	100	100
Khind Components Sdn. Bhd.	Temporarily ceased operations	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.	Trading in electrical products	Malaysia	100	75
Khind Technology Centre Sdn. Bhd.	Temporarily ceased operations	Malaysia	100	100
Khind Home Appliances Sdn. Bhd.**	Trading in electrical and home appliances	Malaysia	50	50
Mistral (Singapore) Pte. Ltd.*	Trading in electrical products	Singapore	100	100
Khind Middle East FZE * #	Trading in home appliances	Dubai	100	100

\* Audited by other firm of accountants.

\*\* Although the Group owns half of the voting power of Khind Home Appliances Sdn. Bhd., it is able to govern the financial and operating policies of the company by virtue of an agreement with the other investor of Khind Home Appliances Sdn. Bhd.. In addition, the Group has board control of the company. Consequently, the Group consolidates its investment in the company.

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

During the year, the Company acquired an additional 500,000 ordinary shares of RM1 each in Khind Mistral (M) Sdn. Bhd. ("KM(M)") for a total consideration of RM1,010,000. The said acquisition increased Khind Holdings Berhad's shareholdings in KM(M) from 1,500,000 ordinary shares or 75% equity interest to 2,000,000 ordinary shares or 100% equity interest. Subsequently, the Company subscribed an additional 3,000,000 ordinary shares of RM1 each in KM(M) for a total cash consideration of RM3,000,000.

# Notes to the Financial Statements (Continued)

## 8. Other investments

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
<b>Non-current</b>				
At cost:				
Quoted shares in Malaysia	97	100	78	78
Market value:				
Quoted shares in Malaysia	65	54	23	20

Details of disposed investments stated at cost are as follows:

Proceeds from disposal	2	-	-	-
Carrying amount of investments disposed	3	-	-	-
Loss on disposal of investments	(1)	-	-	-

## 9. Deferred tax assets and liabilities

### Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Property, plant and equipment	-	-	(1,748)	(1,927)	(1,748)	(1,927)
Investment property	-	-	(49)	(77)	(49)	(77)
Tax loss carry-forwards	-	63	-	-	-	63
Unutilised capital allowances carry- forwards	46	36	-	-	46	36
Provisions	898	866	-	-	898	866
Tax assets/(liabilities)	944	965	(1,797)	(2,004)	(853)	(1,039)
Set off of tax	(99)	(108)	99	108	-	-
Net tax assets/(liabilities)	845	857	(1,698)	(1,896)	(853)	(1,039)
<b>Company</b>						
Property, plant and equipment	-	-	(21)	(20)	(21)	(20)
Unutilised capital allowances carry- forwards	46	35	-	-	46	35
Tax assets/(liabilities)	46	35	(21)	(20)	25	15
Set off of tax	(21)	(20)	21	20	-	-
Net tax assets	25	15	-	-	25	15

**9. Deferred tax assets and liabilities (continued)****Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Deductible temporary differences	(357)	(601)	-	-
Tax loss carry-forwards	(375)	(144)	-	-
	<u>(732)</u>	<u>(745)</u>	<u>-</u>	<u>-</u>

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

**10. Receivables, deposits and prepayments**

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
<b>Current</b>					
<b>Trade</b>					
Trade receivables		39,111	34,850	-	-
Less: Allowance for doubtful debts		(1,927)	(1,807)	-	-
	10.1	<u>37,184</u>	<u>33,043</u>	<u>-</u>	<u>-</u>
<b>Non-trade</b>					
Other receivables		7,610	4,830	500	500
Less: Allowance for doubtful debts		(1,011)	(200)	-	-
	10.2	<u>6,599</u>	<u>4,630</u>	<u>500</u>	<u>500</u>
Amount due from former holding company	10.3	-	508	-	508
Amount due from subsidiaries	10.4	-	-	24,455	23,336
Deposits		344	397	-	-
Prepayments	10.5	1,402	1,603	187	4
		<u>8,345</u>	<u>7,138</u>	<u>25,142</u>	<u>24,348</u>
		<u>45,529</u>	<u>40,181</u>	<u>25,142</u>	<u>24,348</u>

**10.1 Trade receivables**

All trade receivables are denominated in the functional currency, which is in Ringgit Malaysia ("RM"). During the year, bad debts of RM58,000 (2006 - RM449,000) was written off against allowance for doubtful debts.

**10.2 Other receivables**

Included in other receivables is an amount of RM5,602,000 (2006 - RM3,764,000) being advances paid for the purchases of inventories.

**10.3 Amount due from former holding company**

In the previous year, amount due from former holding company was in respect of advances, which were unsecured, interest free and repayable on demand.

**10.4 Amount due from subsidiaries**

Amount due from subsidiaries are in respect of advances, which are unsecured, interest free and repayable on demand.

**10.5 Prepayments**

Prepayments are stated at cost less an allowance for doubtful debts of RM267,000 (2006 - RM Nil).

# Notes to the Financial Statements (Continued)

## 11. Inventories

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Raw materials	3,770	3,160	-	-
Work-in-progress	576	419	-	-
Manufactured inventories	27,345	22,009	-	-
	<u>31,691</u>	<u>25,588</u>	<u>-</u>	<u>-</u>

The write-down of inventories and reversal of write-down of inventories to net realisable value amounted to RM44,000 and RM512,000 (2006 – RM490,000 and RM19,000) respectively. The write-down and reversal are included in cost of sales.

## 12. Cash and cash equivalents

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Deposits are placed with licensed banks	1,861	-	-	-
Cash and bank balances	7,888	8,707	379	281
	<u>9,749</u>	<u>8,707</u>	<u>379</u>	<u>281</u>

### 12.1 Deposits placed with licensed banks pledged for bank facilities

Included in the deposits placed with licensed banks is RM1,510,000 (2006 – RM Nil) of the Group pledged for bank facilities granted to subsidiaries (refer Note 14).

## 13. Share capital and reserves

### Share capital

	Group and Company			
	Amount 2007 RM'000	Number of shares 2007 '000	Amount 2006 RM'000	Number of shares 2006 '000
Authorised:				
Ordinary shares of RM1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Issued and fully paid:				
Ordinary shares of RM1 each	<u>40,059</u>	<u>40,059</u>	<u>40,059</u>	<u>40,059</u>

The Company has also issued share options (refer Note 15).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

**13. Share capital and reserves (continued)****Translation reserve**

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

**Section 108 tax credit**

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all of its distributable reserves at 31 December 2007 if paid out as dividends.

The Malaysian Budget 2008 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 tax credit as at 31 December 2007 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

**14. Loans and borrowings**

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
<b>Non-current</b>				
Secured term loans	1,179	1,536	-	-
Hire purchase liabilities	365	125	-	-
	<u>1,544</u>	<u>1,661</u>	-	-
<b>Current</b>				
Secured term loans	356	677	-	-
Secured bank overdrafts	-	163	-	-
Unsecured bank overdrafts	2,051	1	-	-
Secured bankers' acceptances	2,786	-	-	-
Unsecured bankers' acceptances	23,328	25,667	-	-
Hire purchase liabilities	211	173	-	-
	<u>28,732</u>	<u>26,681</u>	-	-
	<u>30,276</u>	<u>28,342</u>	-	-

**Security**

The secured term loans are secured by way of:

- i) fixed charges over the Group's long term leasehold land (refer Note 5), freehold properties (refer Note 3) and investment property (refer Note 6) and
- ii) corporate guarantee from the Company.

# Notes to the Financial Statements (Continued)

## 14. Loans and borrowings (continued)

### Security (continued)

The secured bankers' acceptances are secured by way of:

- i) pledged over certain deposits placed with licensed banks of the Group (refer Note 12) and
- ii) corporate guarantee from the Company.

Secured bank overdrafts are secured by ways of fixed charges over the Group's long term leasehold land (refer Note 5), freehold properties (refer Note 3) and investment property (refer Note 6) are guaranteed by the Company.

Unsecured bank overdrafts and bankers' acceptances are supported by negative pledge executed by a subsidiary and guaranteed by the Company.

### Significant covenants for the term loans

The following are the significant covenants for the term loans applicable to the Group:

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

### Terms and debt repayment schedule

Group	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000	
<b>2007</b>							
Secured term loans							
	- fixed	2012	600	180	180	240	-
	- variable	2013	935	176	191	396	172
Unsecured bank overdrafts							
		2008	2,051	2,051	-	-	-
Secured bankers' acceptances							
		2008	2,786	2,786	-	-	-
Unsecured bankers' acceptances							
		2008	23,328	23,328	-	-	-
Hire purchase liabilities							
		2008					
	to						
		2011	576	211	185	180	-
			<u>30,276</u>	<u>28,732</u>	<u>556</u>	<u>816</u>	<u>172</u>
<b>2006</b>							
Secured term loans							
	- fixed	2012	780	180	180	420	-
	- variable	2013	1,433	497	310	401	225
Secured bank overdrafts							
		2007	163	163	-	-	-
Unsecured bank overdrafts							
		2007	1	1	-	-	-
Unsecured bankers' acceptances							
		2007	25,667	25,667	-	-	-
Hire purchase liabilities							
		2007					
	to						
		2009	298	173	118	7	-
			<u>28,342</u>	<u>26,681</u>	<u>608</u>	<u>828</u>	<u>225</u>

**14. Loans and borrowings (continued)****Hire purchase liabilities**

Hire purchase liabilities are payable as follows:

<b>Group</b>	<b>Minimum lease payments 2007 RM'000</b>	<b>Interest 2007 RM'000</b>	<b>Principal 2007 RM'000</b>	<b>Minimum lease payments 2006 RM'000</b>	<b>Interest 2006 RM'000</b>	<b>Principal 2006 RM'000</b>
Less than one year	244	33	211	186	13	173
Between one and five years	394	29	365	131	6	125
	<u>638</u>	<u>62</u>	<u>576</u>	<u>317</u>	<u>19</u>	<u>298</u>

**15. Employee benefits****Share-based payments**

On 30 May 2003, the Group established a share option programme that entitles Directors and employees to purchase shares in the Company. On 19 May 2004, a further grant on similar terms was offered to these employee groups. In accordance with these programmes options are exercisable at the market price of the shares at the date of grant.

Additionally, all share option arrangements were granted before 1 January 2005 and vested in 2005. As allowed by the transitional provisions in FRS 2, the recognition and measurement principles in FRS 2 have not been applied to these grants.

The terms and conditions of the grants are as follows; all options are to be settled by physical delivery of shares:

<b>Grant date / employees entitled</b>	<b>Number of instruments '000</b>	<b>Vesting conditions</b>	<b>Contractual life of options</b>
Option granted to Directors and Employees on 7 July 2003	2,296	Employees of the Group confirmed by writing for at least one year on prior to the date of the offer	5 years
Option granted to Directors and Employees on 19 May 2004	273	Employees of the Group confirmed by writing for at least one year on prior to the date of the offer	4 years
Total share options	<u>2,569</u>		

The number and weighted average exercise prices of share options are as follows:

	<b>Exercise price 2007 RM</b>	<b>Number of options 2007 '000</b>	<b>Exercise price 2006 RM</b>	<b>Number of options 2006 '000</b>
Outstanding at 1 January	1.00	2,411	1.00	2,569
Exercised during the year	1.00	-	1.00	-
Lapsed during the year	1.00	(129)	1.00	(158)
Outstanding at 31 December	<u>1.00</u>	<u>2,282</u>	<u>1.00</u>	<u>2,411</u>
Exercisable at 31 December	<u>1.00</u>	<u>2,282</u>	<u>1.00</u>	<u>2,411</u>

The options outstanding at 31 December 2007 have an exercise price at RM1.00 and an average contractual life of one and a half (1.5) years.

# Notes to the Financial Statements (Continued)

## 16. Payables and accruals

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
<b>Trade</b>					
Trade payables	16.1	13,019	8,425	-	-
<b>Non-trade</b>					
Amount due to subsidiaries	16.2	-	-	4,689	137
Amount due to a related party	16.3	250	250	-	-
Other payables		6,560	5,793	699	305
Accrued expenses		3,932	2,317	-	-
		10,742	8,360	5,388	442
		23,761	16,785	5,388	442

### 16.1 Trade payables

All trade payables are denominated in the functional currency, which is in Ringgit Malaysia ("RM").

### 16.2 Amount due to subsidiaries

Amount due to subsidiaries are in respect of advances, which are unsecured, interest free and repayable on demand.

### 16.3 Amount due to a related party

Amount due to a related party is in respect of advances, which are unsecured, interest free and repayable on demand.

## 17. Revenue

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Sales	159,542	152,346	-	-
Management fees	-	-	3,051	2,567
Rental income from investment property	138	134	-	-
Dividends	-	-	2,000	2,000
	159,680	152,480	5,051	4,567

## 18. Profit before tax

	Note	Group		Company	
		2007 RM'000	2006 RM'000 restated	2007 RM'000	2006 RM'000
<b>Profit before tax is arrived at after charging:</b>					
Allowance for doubtful debts		1,322	720	-	-
Amortisation on intangible assets	4	122	122	99	99
Amortisation of prepaid lease payments	5	69	69	-	-
Auditors' remuneration:					
- Audit services					
Auditors of the Company		111	98	20	20
Other auditors		29	28	-	-
Depreciation on property, plant and equipment	3	2,049	2,147	71	65
Interest expense on:					
- Bank overdrafts		67	110	-	-
- Loans		181	204	-	-
- Other borrowings		1,500	1,291	-	-
Loss on disposal of other investments		1	-	-	-
Personnel expenses (including key management personnel):					
- Contributions to Employees' Provident Fund		1,799	1,807	254	244
- Wages, salaries and others		17,483	17,000	3,188	2,378
Property, plant and equipment written off		10	-	-	-
Rental of premises		306	173	113	73
Foreign exchange loss					
- realised		94	-	4	-
- unrealised		3	-	-	-
Write-downs of inventories	11	44	490	-	-
<b>and after crediting:</b>					
Dividend income from subsidiaries (unquoted)		-	-	2,000	2,000
Foreign exchange gain					
- realised		-	1,145	-	-
- unrealised		-	38	-	-
Gain on disposal of property, plant and equipment		84	16	-	-
Inter-company management fees		-	-	3,051	2,567
Rental income		237	351	-	-
Reversal of allowance for doubtful debts		65	-	-	-
Reversal of write-downs of inventories	11	512	19	-	-

# Notes to the Financial Statements (Continued)

## 19. Key management personnel compensation

The key management personnel compensations are as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Directors:				
- Remunerations	1,490	1,357	1,171	1,120
- Fees	78	97	60	25
- Other short term employee benefits (including estimated monetary value of benefits-in-kind)	287	375	287	375
	<u>1,855</u>	<u>1,829</u>	<u>1,518</u>	<u>1,520</u>

## 20. Tax expense

### *Recognised in the income statement*

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
<b>Current tax expense</b>				
Malaysian - current year	561	822	195	97
- prior year	(152)	(583)	83	20
Overseas - current year	81	115	-	-
- prior year	-	7	-	-
	<u>490</u>	<u>361</u>	<u>278</u>	<u>117</u>
<b>Deferred tax expense</b>				
Origination and reversal of temporary differences	(204)	(178)	(10)	(15)
Under/(Over) provided in prior years	55	(123)	-	-
Total tax expense	<u>341</u>	<u>60</u>	<u>268</u>	<u>102</u>

**20. Tax expense (continued)**

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
<b>Reconciliation of effective tax expense</b>				
Profit for the year	4,196	3,070	92	234
Total tax expense	341	60	268	102
Profit excluding tax	4,537	3,130	360	336
Tax at Malaysian tax rate of 27% (2006 – 28%)	1,225	876	97	94
Effect of lower tax rates*	(98)	(129)	-	-
Effect of deferred tax assets (not recognised)/recognised	(13)	209	-	-
Non-deductible expenses	602	300	86	63
Tax exempt income	(433)	(408)	-	(70)
Tax incentives	(818)	(71)	-	-
Other items	(27)	(18)	2	(5)
	438	759	185	82
(Over)/Under provided in prior years	(97)	(699)	83	20
	341	60	268	102

\* With effect from year of assessment 2004, companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for a year of assessment are subject to corporate tax at 20% on chargeable income up to RM500,000.

With effect from year of assessment 2007, corporate tax rate is at 27%. The Malaysian Budget 2008 also announced the reduction of corporate tax rate to 26% with effect from year of assessment 2008 and to 25% with effect from year of assessment 2009 respectively. Consequently deferred tax assets and liabilities are measured using these tax rates.

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
<b>Tax savings arising from tax losses</b>				
Tax savings arising from utilisation of current year tax losses	74	144	-	-

**21. Earnings per share****Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share is based on the net profit attributable to ordinary shareholders of RM4,240,000 (2006 - RM2,855,000) and the weighted average number of ordinary shares outstanding during the year of 40,059,000 (2006 - 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.

# Notes to the Financial Statements (Continued)

## 22. Dividend

Dividend recognised in the previous year by the Company is:

2006	Sen per share (net of tax)	Total amount RM'000	Date of payment
Interim 2006 ordinary	2.16	865	27 December 2006

## 23. Segment reporting

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 year to acquire property, plant and equipment, and intangible assets, if any, other than goodwill.

Inter-segment pricing is determined on an arm's length basis.

### Geographical segments

The Group's operations are located in Malaysia and overseas.

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

	Malaysia		Outside Malaysia *		Eliminations		Total	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
<b>Geographical segments by location of customers</b>								
Total external revenue	115,151	108,712	44,529	43,634	-	-	159,680	152,346
Inter-segment revenue	54,124	53,736	23,825	22,681	(77,949)	(76,417)	-	-
Total segment revenue	169,275	162,448	68,354	66,315	(77,949)	(76,417)	159,680	152,346
Segment result	4,196	3,323	2,055	1,379	-	-	6,251	4,702
Interest expense							(1,748)	(1,605)
Interest income							34	33
Tax expense							(341)	(60)
Profit for the year							4,196	3,070

\* Primarily to Asia and Middle East regions.

**23. Segment reporting (continued)**

	Malaysia		Outside Malaysia *		Total	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
<b>Geographical segments by location of customers</b>						
Segment assets	93,277	86,431	21,128	15,920	114,405	102,351
Unallocated assets					2,792	2,653
Total assets					<u>117,197</u>	<u>105,004</u>
Segment liabilities	50,362	43,334	3,675	1,793	54,037	45,127
Unallocated liabilities					1,971	2,098
Total liabilities					<u>56,008</u>	<u>47,225</u>
Capital expenditure	1,554	360	20	94	1,574	454
Depreciation and amortisation	2,171	2,274	69	64	2,240	2,338
Non-cash expenses other than depreciation and amortisation	792	1,187	72	4	864	1,191

\* Primarily to Asia and Middle East regions.

**24. Financial instruments**

Exposure to credit, interest rate and currency risks arises in the normal course of the Group's business. Derivative financial instruments are not used to hedge exposure to fluctuations in foreign exchange rates and interest rates. The Board and management reviews and agrees policies for managing each of these and they are summarised below.

**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 investments, 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.

**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.

**Effective interest rates and repricing analysis**

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

## Notes to the Financial Statements (Continued)

## 24. Financial instruments (continued)

Group		Average effective interest rate	Total	Less than 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years
2007	Note	%	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Fixed rate instruments</b>									
Secured term loans	14	8.50	600	180	180	180	60	-	-
Hire purchase liabilities	14	4.23	576	211	185	78	64	38	-
<b>Floating rate instruments</b>									
Secured term loans	14	7.91	935	935	-	-	-	-	-
Unsecured bank overdrafts	14	8.25	2,051	2,051	-	-	-	-	-
Secured bankers' acceptances	14	5.09	2,786	2,786	-	-	-	-	-
Unsecured bankers' acceptances	14	5.15	23,328	23,328	-	-	-	-	-
			30,276	29,491	365	258	124	38	-

Group		Average effective interest rate	Total	Less than 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years
2006	Note	%	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Fixed rate instruments</b>									
Secured term loans	14	8.50	780	180	180	180	180	60	-
Hire purchase liabilities	14	4.46	298	173	118	7	-	-	-
<b>Floating rate instruments</b>									
Secured term loans	14	7.95	1,433	1,433	-	-	-	-	-
Secured bank overdrafts	14	8.25	163	163	-	-	-	-	-
Unsecured bank overdrafts	14	8.25	1	1	-	-	-	-	-
Unsecured bankers' acceptances	14	4.39	25,667	25,667	-	-	-	-	-
			28,342	27,617	298	187	180	60	-

**24. Financial instruments (continued)****Foreign currency risk**

The Group is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than Ringgit Malaysia. Approximately 28% (2006 - 17%) of the Group's sales are from export market and 27% (2006 - 36%) of the Group purchases are sourced from overseas. Most of the foreign currency transactions are denominated in US Dollars, except for 4% (2006 - 4%) 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.

**Fair values**

The carrying amounts of cash and cash equivalents, receivables, deposits and prepayments, other payables and accruals, and short term borrowings, approximate fair values due to the relatively short term nature of these financial instruments.

The Company provides financial guarantees to banks for credit facilities extended to certain subsidiaries. The fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

The fair value of other financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:-

	Note	2007		2006	
		Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
<b>Group</b>					
Quoted shares - long term	8	97	65	100	54
Secured term loans (fixed rate)	14	600	546	780	683
Hire purchase liabilities	14	576	624	298	341
<b>Company</b>					
Quoted shares - long term	8	78	23	78	20

**Estimation of fair values**

The following summarises the methods used in determining the fair values of financial instruments reflected in the table.

Fair value of quoted shares is based on quoted market prices at the balance sheet date without any deduction for transaction costs.

For other financial liabilities, fair value is determined using estimated future cash flows discounted using market related rate for a similar instrument at the balance sheet date.

	2007	2006
Secured term loans	8.50%	8.50%

# Notes to the Financial Statements (Continued)

## 25. Capital and other commitments

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
<b>Capital expenditure commitments</b>				
<b>Plant and equipment</b>				
Authorised but not contracted for	-	496	-	496

## 26. Contingencies

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

### Contingent liabilities not considered remote

#### Litigation - unsecured

- i) A third party has filed a claim on 21 April 2000 against two subsidiaries of the Company alleging that the subsidiaries of the Company have manufactured, imported and distributed the electrical plugs fitted with its trademark without its authority. The case is now fixed for case management from 2 June 2008 to 5 June 2008.
- ii) A third party ('plaintiff') has filed a claim against a subsidiary for the refund of approximately RM612,111 for breach of Deed of Settlement dated 11 May 2005 ("Deed of Settlement"). The Deed of Settlement stipulated that the third party has agreed to purchase goods from the subsidiary with a minimum value of RM1,500,000. However, this third party did not honour the said purchase. Based on the outcome of the hearing in the Supreme Court of Victoria at Melbourne on 31 January 2008, this litigation has been dismissed.

The subsidiary has counter-claimed against the third party for a payment of RM900,000 together with interest rate of 8% per annum arising from breach of the terms and conditions of the Deed of Settlement. The case is now fixed for hearing on 8 April 2008.

- iii) A third party connected to be the above plaintiff mentioned in item (ii) above has filed a claim on 29 December 2006 against the same subsidiary claiming losses and damages. Based on the outcome of the hearing in the Supreme Court of Victoria at Melbourne on 31 January 2008, this litigation has been dismissed.
- iv) Another third party also connected to be the above plaintiff mentioned in item (ii) above has filed a claim on 15 June 2007 against the same subsidiary claiming for damages of RM2 million and mandatory injunctions to compel the same subsidiary to deliver the tools which are in the same subsidiary's possession. This case is now fixed for case management on 27 March 2008.

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.

	Company	
	2007 RM'000	2006 RM'000
<b>Guarantee - unsecured</b>		
Guarantees and contingencies relating to borrowings of subsidiaries	64,977	73,365

**27. Related parties****Identity of related parties**

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

The significant related party transactions of the Group and the Company, other than key management personnel compensation, are as follows:

Group	2007 RM'000	2006 RM'000
Sales of goods to a company in which a Director, Lee Ah Lan @ Lee Keok Hooi, has financial interest:		
- HSL Electrical & Electronics Sdn. Bhd.	(2,933)	(2,965)
Purchase of goods from a company in which a Director, Lee Ah Lan @ Lee Keok Hooi, has financial interest:		
- E & E Sales & Services Sdn. Bhd.	-	5
<b>Company</b>		
Subsidiaries		
- Management fees	(3,051)	(2,567)
- Rental expense	113	73

Balances with related parties and subsidiaries at balance sheet date are disclosed in Note 10 and 16 to the financial statements. These transactions have been entered into in the normal course of business and have been established under negotiated terms.

**28. Acquisition of minority interest**

On 21 June 2007, the Group acquired 25% equity interest in Khind Mistral (M) Sdn. Bhd., increasing its ownership from 75% to 100% for a cash consideration of RM1,010,000. The carrying amount of Khind Mistral (M) Sdn. Bhd.'s net assets in the consolidated financial statements on the date of the acquisition was RM1,955,000. The Group recognised a decrease in minority interests of RM489,000 and additional goodwill of RM521,000 (refer Note 4).

# Notes to the Financial Statements (Continued)

## 29. Comparative figures

The following comparative figures have been reclassified to conform to the current year's presentation.

	<b>As restated RM'000</b>	<b>As previously stated RM'000</b>
<b>Group</b>		
<b>Balance sheet</b>		
<b>Non-current assets</b>		
Property, plant and equipment	19,723	24,323
Prepaid lease payments	4,600	-
<b>Cash flow statements</b>		
Depreciation of property, plant and equipment	2,147	2,216
Amortisation of prepaid lease payments	69	-

Leasehold land amounting to RM4,600,000 in 2006 was reclassified from property, plant and equipment to prepaid lease payments to comply with the requirements of FRS 117, *Leases*. Accordingly, the depreciation is also classified as amortisation of prepaid lease payments.

# Statistics on Shareholdings

as at 31 March 2008

## SUBSTANTIAL SHAREHOLDERS - Per Register of Substantial Shareholders

Names of Substantial Shareholders	Direct Interest	Percentage (%)	Indirect Interest	Percentage (%)
1 Kee Hin Ventures Sdn.Bhd. (KHVSB) (429373-U) (note 1)	15,708,837	39.21	-	-
2 Cheng Ping Keat (note 2)	2,302,720	5.75	15,708,837	39.21
3 Cheng King Fa (note 2)	979,967	2.45	15,708,837	39.21
4 Great Partner Industries Limited (note 3)	-	-	15,708,837	39.21
5 Ong Yoong Nyock (note 4)	765,300	1.91	1,488,200	3.71

- Notes: (1) Includes pledged account of 4,778,100 shares with Amsec Nominees (Tempatan) Sdn.Bhd. via AmBank (M) Berhad.
- (2) Mr. Cheng King Fa and Mr. Cheng Ping Keat have indirect interests in KHVSB by virtue of their directorships and substantial shareholdings in KHVSB.
- (3) Great Partner Industries Limited (Co.No: 541965) has an indirect interest, by virtue of its substantial stake in KHVSB.
- (4) Mr. Ong Yoong Nyock is deemed a substantial shareholder by virtue of his direct interest of 1.91% and his indirect interest of 3.71% via TNTT Realty Sdn. Bhd. (which has pledged accounts of 1,241,200 shares (3.09%) and 247,000 shares (0.62%) in Mercsec Nominees (Tempatan) Sdn. Bhd. and HLB Nominees (Tempatan) Sdn. Bhd. respectively.

## 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	: 1,293

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares held	% of issued capital
Less 100	129	9.98	5,558	0.01
100 - 1,000	116	8.97	91,479	0.23
1,001 - 10,000	883	68.29	2,819,838	7.04
10,001 - 100,000	138	10.67	3,363,780	8.40
100,001 to < 5% of issued shares	24	1.86	16,103,658	40.20
5% and above of issued shares	3	0.23	17,674,687	44.12
<b>TOTAL</b>	<b>1,293</b>	<b>100.00</b>	<b>40,059,000</b>	<b>100.00</b>

# Statistics on Shareholdings

## as at 31 March 2008 (Continued)

### THIRTY LARGEST SHAREHOLDERS - per Register of Depositors as at 31 March 2008

Names of Shareholders		No. of Shares held	% of issued capital
1	Kee Hin Ventures Sdn.Bhd.(KHVSB) (429373-U)	10,593,867	26.44
2	Amsec Nominees (Tempatan) Sdn. Bhd.(102918-T) (AmBank (M) Berhad for Kee Hin Ventures Sdn. Bhd.)	4,778,100	11.93
3	Cheng Ping Keat	2,302,720	5.75
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	Koh Guat Kuan	1,556,599	3.89
7	BI Nominees (Tempatan) Sdn. Bhd. (Pledged A/c of Md. Azmi bin Lop Yusof)	1,469,935	3.67
8	Dato' Cheng Hup	1,357,069	3.39
9	Mersec Nominees (Tempatan) Sdn.Bhd.(Pledged A/c of TNTT Realty Sdn. Bhd.)	1,241,200	3.10
10	Cheng King Fa	979,967	2.45
11	HLB Nominees (Tempatan) Sdn. Bhd.	821,900	2.05
12	Ong Wan Bing @ Kie Tjhan	814,509	2.03
13	AllianceGroup Nominees (Tempatan) Sdn.Bhd.(Pledged A/c of Ong Yoong Nyock)	757,300	1.89
14	Cheng Yoke Leng	720,967	1.80
15	ABB Nominee (Tempatan) Sdn. Bhd.(37645-P) [Pledged Account for Yayasan Terengganu(1115001178)]	400,000	1.00
16	Kee Hin Ventures Sdn.Bhd.(KHVSB) (429373-U)	336,870	0.84
17	Then Nyong Fah	320,000	0.80
18	Koh Eng Thye	317,367	0.80
19	Perbadanan Kemajuan Negeri Kedah (ECT 51965)	294,000	0.74
20	HLB Nominees (Tempatan) Sdn. Bhd.(Pledged A/c of TNTT Realty Sdn. Bhd.)	247,000	0.62
21	Tan Chin Guan	245,700	0.61
22	Yayasan Kelantan Darulnaim (KELENTBIL980)	245,000	0.61
23	Cheing Boon Ngoun @ Chean Puan In	242,667	0.60
24	Choah Yoke Moi	174,841	0.44
25	Kok Siew Kuan	157,500	0.39
26	Citigroup Nominees (Tempatan) Sdn. Bhd.	152,600	0.38
27	Khind Industries Sdn. Bhd.(173304-D)	112,000	0.28
28	Kok Siew Kuan	99,200	0.25
29	Lee Kim You @ Lee Kim Leng	89,000	0.22
30	Cheng Kin Yet	78,833	0.20
		<b>34,045,378</b>	<b>85.00</b>

# Directors' Shareholdings

as at 31 March 2008

Pursuant to Section 134(12)(c) of the Companies Act, 1965, the Directors' shareholdings/interests and their deemed interests via their spouses and children are as follows:-

Names of Directors	Direct Shareholdings	Percentage %	Indirect Shareholdings	Percentage %	Deemed interest	Percentage %
1. Mr. Cheng King Fa (note 1)	979,967	2.45	15,708,837	39.21	3,071,478	7.67
2. Mr. Cheng Ping Keat (note 2)	2,302,720	5.75	15,708,837	39.21	1,556,599	3.89
3. Mr. Md. Azmi bin Lop Yusof (note 3)	1,469,974	3.67	-	-	-	-
4. Mr. Nordin bin Mohamad Desa	13,333	0.03	-	-	-	-
5. Mdm. Tan Lay Kuan @ Tan Lay Wah (note 4)	13,333	0.03	-	-	242,667	0.61
6. Mr. Lee Ah Lan @ Lee Keok Hooi	-	-	-	-	-	-
7. Mr. Kamil bin Datuk Hj. Abdul Rahman	-	-	-	-	-	-

**Note:**

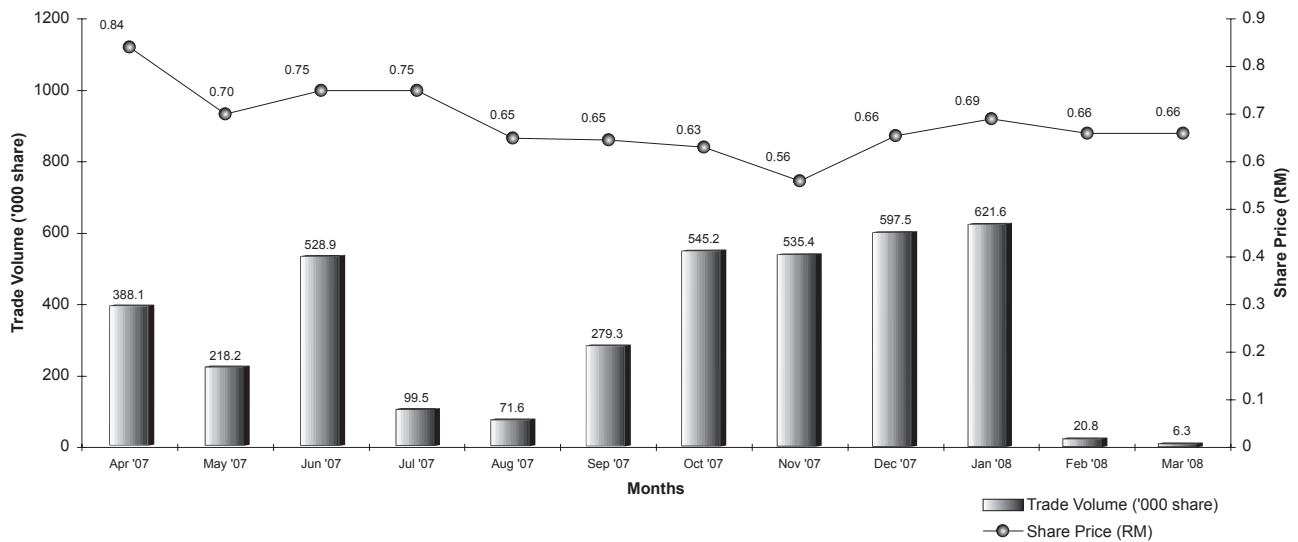
- Mr. Cheng King Fa has an indirect interest in the 15,708,837 shares held by Kee Hin Ventures Sdn. Bhd.(429373-U) (KHVSB), by virtue of his substantial stake in KHVSB. He has deemed interests in 3,071,478 shares held as follows:- a) Lew Kuan Hwa (spouse) - 39,791(0.1%), Cheng Ping Keat (son) -2,302,720 (5.75%), Cheng Yoke Kan (daughter) - 8,000 (0.02%) and Cheng Yoke Leng (daughter) - 720,967 (1.8%)
- Mr. Cheng Ping Keat has an indirect interest in the 15,708,837 shares held by Kee Hin Ventures Sdn. Bhd.(429373-U) (KHVSB), by virtue of his substantial stake in KHVSB. He has deemed interests in 1,556,599 shares (3.89%) held by Koh Guat Kuan (spouse)
- Mr. Md. Azmi bin Lop Yusof is the beneficial owner for 1,469,935 and 39 shares, which are pledged to and registered in the names of BI Nominees (Tempatan) Sdn.Bhd. and Mayban Nominees (Tempatan) Sdn. Bhd. respectively.
- Mdm. Tan Lay Kuan @ Tan Lay Wah has a deemed interest in the 242,667 shares (0.61%) held by her spouse viz. Mr. Cheing Boon Ngoun @ Chean Puan In.

# List of Properties Held by the Group

as at 31 December 2007

Location/Address	Built-up (sq. feet)	Tenure	Existing use of Properties	Date of Acquisition/ Completion	Approx. age (months/years)	Net Book Value @ 31.12.2007 (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- Mistral Industries Sdn Bhd Khind Components Sdn Bhd and Khind Technology Centre Sdn Bhd	(Land) 24.01.1989  (Building) 15.01.1991 - 01.07.1998	19 years  9 - 17 years	10,442
No. 15, Jalan PJS 11/8 Bandar Sunway, (Phrase 13) Mukim of Damansara District of Petaling Selangor Darul Ehsan	7,433	Leasehold 99 years expiring on 2096	Rented Out	26.05.1993	14 - 15 years	1,600
Lot 8243-8245, No. 15-17 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	(Lot 8243) 31.03.1993 (Lot 8245) 19.08.1995	14 years  12 years	634
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	10.09.2004	3 years	826
Lot 3, 4, 5, 6 Mogoputi Industrial Park Kota Kinabalu, Sabah	11,040	Leasehold 99 years expiring on 2097	Office, service centre and warehouse for Khind-Mistral (Borneo) Sdn Bhd	10.08.2000	7 - 8 years	1,754
Plot 120, Bandar Perda held under HS(D) 121 No. PT123, Mukim 7 Daerah Seberang Prai Tengah, Penang	3,670	Freehold	Branch office and service centre for Khind-Mistral (M) Sdn Bhd	05.05.1999	8 - 9 years	491
PT No. 17671 held under HS(D) 142726 No. 2, Jalan Astaka U8/82 Seksyen U8, Bukit Jelutong 40150 Shah Alam Selangor Darul Ehsan	25,112	Freehold	Office and service centre for Khind-Mistral (M) Sdn Bhd and export office for Khind-Mistral Industries Sdn Bhd	12.03.1999	8 - 9 years	3,186
Lot 64240 No.4 Jalan Astaka U8/82 Seksyen U8, Bukit Jelutong 40150 Shah Alam Selangor Darul Ehsan	18,621	Freehold	Office for Khind Holdings Berhad and rented out	20.08.2000	7 - 8 years	2,196

# Investors' Information



## PER SHARE INFORMATION

	As at 31 December				
	2007	2006	2005	2004	2003
Earning per share (sen)	10.58	7.13	4.44	9.95	6.72
Gross Dividend per share (sen)	-	3.00	5.00	6.00	5.00
Net Dividend per share (sen)	-	2.16	3.60	4.32	3.60
Dividend Pay Out Ratio (%)	-	30.29	81.08	43.42	53.57
Dividend Yield (%)	-	4.29	8.47	7.59	5.24
Net Assets per share (RM)	1.53	1.44	1.26	1.25	1.19

## SHARE CAPITAL INFORMATION

Price at 31-03-2008	: RM0.66
Market Capitalization at 31-03-2008	: RM26.44 million
Share prices	: Highest RM4.350 on 10-02-2000
	: Lowest RM0.280 on 3-12-2007
Daily Trade Volume	: Highest 486,600
	: Lowest 0

# Khind Group Offices and Addresses

## Khind Holdings Berhad (380310-D)

No. 2, Jalan Astaka U8/82, Seksyen U8,  
Bukit Jelutong, 40150 Shah Alam,  
Selangor Darul Ehsan, Malaysia  
Tel: 603-7847 1900 Fax: 603-7845 4560  
[khb@khindmistral.com](mailto:khb@khindmistral.com)

## Johor

No. 81, Jalan Ros Merah 2/3, Taman Johor Jaya,  
81100 Johor Bahru  
Tel: 607-355 8991 Fax: 607-353 8992  
[jbo@khindmistral.com](mailto:jbo@khindmistral.com)

## MARKETING HEADQUARTERS

### Khind-Mistral (M) Sdn Bhd (442421-A)

No. 2, Jalan Astaka U8/82, Seksyen U8,  
Bukit Jelutong, 40150 Shah Alam,  
Selangor Darul Ehsan, Malaysia  
Tel: 603-7847 1900 Fax: 603-7847 6300  
[enquiry@khindmistral.com](mailto:enquiry@khindmistral.com)

## Melaka

No. 21, Jalan Melaka Raya 11, Taman Melaka Raya,  
75000 Melaka  
Tel: 606-281 5717/ Fax: 606-281 5849  
606-281 5723  
[mko@khindmistral.com](mailto:mko@khindmistral.com)

## Pahang

No. A63, Lorong Setali 2, Air Putih, 25300 Kuantan  
Tel: 609-568 9711 Fax: 609-568 9712  
[kto@khindmistral.com](mailto:kto@khindmistral.com)

### Khind-Mistral Industries Sdn Bhd (213282-V)

No. 2, Jalan Astaka U8/82, Seksyen U8,  
Bukit Jelutong, 40150 Shah Alam,  
Selangor Darul Ehsan, Malaysia  
Tel: 603-7847 1900 Fax: 603-7847 0300  
[export@khindmistral.com](mailto:export@khindmistral.com)

## Kelantan

Lot 2637 T/1, Jalan Sultan Yahya Petra,  
Kampung Lundang, 15150 Kota Bahru, Kelantan  
Tel: 609-744 8900 Fax: 609-744 5900  
[kbo@khindmistral.com](mailto:kbo@khindmistral.com)

## OVERSEAS OFFICES

### Mistral (Singapore) Pte Ltd (200106472-H)

No. 116, Changi Road, #05-02, Singapore 417918  
Tel: 65-6346 5122/ Fax: 65-6346 5560  
65-6346 5233  
[all.ms@khindmistral.net.ae](mailto:all.ms@khindmistral.net.ae)

### Khind Middle East FZE

P.O.Box 261569, Jebel Ali, Dubai,  
United Arab Emirates  
Tel: 00971 4 8860492 Fax: 00971 4 8860493  
[khind@emirates.net.ae](mailto:khind@emirates.net.ae)

### Khind-Mistral Industries Sdn Bhd (213282-V)

(Representative office in P.R.C.)  
Room 303, No. 13 Building Mingya Garden,  
Hou Long 2 Street,  
Foshan Guangdong Province  
Tel: +86 757-8333 4980 Fax: +86 757-8399 1493  
[fskhind@163.com](mailto:fskhind@163.com)

## PENINSULAR MALAYSIA OFFICES

### Khind-Mistral (M) Sdn Bhd (442421-A)

**Penang**  
No. 2, Jalan Perda Timur, Bandar Perda, 14000  
Bukit Mertajam  
Tel: 604-537 2803 Fax: 604-537 0807  
604-537 2804 604-548 5991  
604-537 1703  
[bmo@khindmistral.com](mailto:bmo@khindmistral.com)

### Perak

No. 44, Persiaran Bercham Selatan 2,  
Taman Desa Kencana  
31400 Bercham, Ipoh  
Tel: 605-545 6778/ Fax: 605-549 6779/  
605-548 2991 605-548 5991  
[ipo@khindmistral.com](mailto:ipo@khindmistral.com)

## EAST MALAYSIA OFFICES

### \* Khind-Mistral (Borneo) Sdn Bhd

**Kota Kinabalu**  
Lot 3-6, Mogoputi Industrial Park  
Jalan Penampang KM 8, 89500 Penampang  
Kota Kinabalu, Sabah  
Tel: 6088-718 117 Fax: 6088-716 637

### Tawau

TB 4315, Block 31, Lot 2, 3rd Floor of Four Storey Shop  
Fajar Complex, Jalan Merdeka 2  
91020 Tawau, Sabah  
Tel: 6089-763 100 Fax: 6089-763 100  
[borneo@khindmistral.com](mailto:borneo@khindmistral.com)

### Kuching

No. 15, Lot 8243, Section 64, Lee Chong Lin Industrial Estate,  
Jalan Pending, 93450 Kuching Sarawak  
Tel: 6082-338 511 Fax: 6082-339 039  
[borneo@khindmistral.com](mailto:borneo@khindmistral.com)

### Miri

Lot 160, Sub Lot 2180-2181, Block 3,  
Piasau Industrial Estate, 98000 Miri, Sarawak  
Tel: 6085-662 533 Fax: 6085-654 933  
[borneo@khindmistral.com](mailto:borneo@khindmistral.com)

## FACTORIES

### \* Khind-Mistral Industries Sdn Bhd (213282-V)

### \* Khind Components Sdn Bhd (196021-P)

\* **Khind Technology Centre Sdn Bhd (429363-P)**  
No. 2, Jalan Perusahaan 2, 45400 Sekinchan,  
Selangor Darul Ehsan, Malaysia  
Tel: 603-3241 1991 Fax: 603-3241 1500  
[kmi@khindmistral.com](mailto:kmi@khindmistral.com)

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT the Twelfth 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 Thursday, 29 May 2008 at 10.00 a.m. to transact the following:-**

## AGENDA

### Ordinary Business

1. **To receive the Audited Financial Statements for the financial year ended 31 December, 2007 and the Reports of the Directors and Auditors thereon;** (Resolution 1)
2. **To re-elect the following Directors, who retire by rotation, pursuant to Article 100 of the Company's Articles of Association :-**
  - (a) **Mr. Cheng Ping Keat** (Resolution 2a)
  - (b) **Mr. Nordin bin Mohamad Desa** (Resolution 2b)
  - (c) **Mr. Lee Ah Lan @ Lee Keok Hooi** (Resolution 2c)
3. **To approve Directors' Fees of RM78,000 for financial year ended 31 December, 2007** (Resolution 3)
4. **To approve Directors' Fees of RM90,000 for financial year ending 31 December, 2008** (Resolution 4)
5. **To re-appoint Messrs. KPMG as Auditors of the Company for the financial year ending 31 December 2008 and to authorize the Directors to fix the Auditors' remuneration.** (Resolution 5)

### **Special Business:-**

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

6. **Authority for Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.** (Resolution 6)  
 "THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approvals of the relevant 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."
7. **Proposed Renewal of the 2007 Shareholders' Mandate and Proposed Approval of the New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with the following Related Party :-**
  - a) **HSL Electrical & Electronic Sdn. Bhd.;** (Resolution 7a)
  - b) **E & E Sales & Service Sdn. Bhd.; and** (Resolution 7b)
  - c) **Co Hung Company Limited;** (Resolution 7c)
  - d) **Hupson Industries Sdn. Bhd.** (Resolution 7d)  
**(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 all the 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 29 April 2008, 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;

# Notice of Annual General Meeting (Continued)

- (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:-
- the conclusion of the next annual general meeting of the Company;
  - the expiration of the period within which the next general meeting is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
  - 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."

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

**8. Proposed Amendments to the Company's Articles of Association**

"**THAT** alterations, modifications, additions or deletions to the Articles of Association of the Company, as set out in Appendix 1 of this Circular to Shareholders dated 29 April 2008, be and is hereby approved"

**(Resolution 8)**

**Others**

9. 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.**

**29 April 2008.**

**Notes:**

- A Member entitled to attend and vote at the Meeting may appoint a proxy to attend and vote on his/her behalf. A proxy need not be a Member of the Company.
- A Member is entitled to appoint one or more proxies to attend and vote at the Meeting. Where A Member appoints more than one proxy the Member shall specify the proportion of the Member's shareholdings to be represented by each proxy.
- Where a Member of the Company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares in the Company standing to the credit of the said Securities Account.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorized in writing or, if such appointer is a corporation, under its common seal, or the hand of its attorney.
- The instrument appointing a 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 forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof.

**Explanatory Notes on Special Business:-****(a) Ordinary Resolution No.6 pursuant to Section 132D of the Companies Act, 1965.**

The proposed Ordinary Resolution 6, 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 Nos 7a, 7b and 7c on the Proposed Renewal of the 2007 Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.****(c) Ordinary Resolution No 7d on the Proposed Approval of the New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.**

The proposed Ordinary Resolutions 7a, 7b, 7c and 7d, if passed, will empower the Directors from the date of the Twelfth (12<sup>th</sup>) 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 dated 29 April 2008, which was circulated together with the 2007 Annual Report, for further information.

**(d) Special Resolution No.8 on Proposed Amendments to the Articles of Association**

The proposed Special Resolution 8, if approved, will result in the Articles of Association of the Company to be amended in the manner as set out in Appendix I of the Circular to Shareholders dated 29 April 2008, which has the full details therein.

## Statement Accompanying the Notice of Annual General Meeting

### STATEMENT ACCOMPANYING THE NOTICE OF THE TWELFTH (12<sup>TH</sup>) 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. Cheng Ping Keat**
- b) **Mr. Nordin bin Mohamad Desa**
- c) **Mr. Lee Ah Lan @ Lee Keok Hooi**

Further details of the abovenamed directors, who are all standing for re-election, are set out in the Profile of Directors on pages 6 to 9 of the Annual Report.

**2. Details of Attendance of Directors at Board Meetings in 2007**

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

**3. Particulars of the Twelfth (12<sup>th</sup>) Annual General Meeting of the Company**

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

Date : 29 May 2008 (Thursday)

Time : 10.00 a.m.

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# PROXY FORM

NO. OF SHARES HELD

\*I/We (full name in capital letters) \_\_\_\_\_ \*NRIC/Company No. \_\_\_\_\_  
of (full address) \_\_\_\_\_  
being a \*member/members of Khind Holdings Berhad, hereby appoint (full name in capital letters) \_\_\_\_\_  
NRIC No. \_\_\_\_\_  
of (full address) \_\_\_\_\_

or failing \*him/her, the \*CHAIRMAN OF THE MEETING, as \*my/our proxy to attend and vote for \*me/us on \*my/our behalf at the (Twelfth) 12<sup>th</sup> Annual General Meeting of the Company to be held at Conference Room, 2nd Floor, No.2, Jalan Astaka U8/82, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 29 May 2008 at 10.00 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below:-

No.	RESOLUTION	FOR	AGAINST
	<b>Ordinary Business</b> <b>Ordinary Resolutions</b>		
1.	To receive the Audited Financial Statements for the financial year ended 31.12.2007 together with the Directors' and Auditors' Reports thereon.		
2.	To re-elect the following Directors, who are retiring pursuant to Article 100 of the Company's Articles of Association and being eligible offer themselves for re-election:-		
a.	Cheng Ping Keat		
b.	Nordin bin Mohamad Desa		
c.	Lee Ah Lan @ Lee Keok Hooi		
3.	To approve Directors' Fees of RM78,000 for financial year ended 31.12.2007		
4.	To approve Directors' Fees of RM90,000 for financial year ending 31.12.2008		
5.	To re-appoint Messrs. KPMG as Auditors of the Company for financial year ending 31.12.2008 and for the Directors to fix their remuneration		
	<b>Special Business</b> <b>Ordinary Resolutions</b>		
6.	To authorize Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965		
7.	To renew 2007 Shareholders' Mandate and to approve New Shareholders' Mandate for Recurrent Related Party Transactions as follows :-		
a.	HSL Electrical & Electronic Sdn. Bhd.		
b.	E & E Sales & Service Sdn. Bhd.		
c.	Co. Hung Company Limited.		
d.	Hupson Industries Sdn. Bhd.		
	<b>Special Resolution</b>		
8	To amend the Company's Articles of Association		

\*Strike out whichever is not applicable

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2008

\_\_\_\_\_  
[Signature/Common Seal of Member(s)]

**NOTES:**

- i. A Member entitled to attend and vote at the Meeting may appoint a proxy to attend and vote on his/her behalf. A proxy need not be a Member of the Company.
- ii. A Member is entitled to appoint one or more proxies to attend and vote at the Meeting. Where a Member appoints more than one proxy, the Member shall specify the proportion of the Member's shareholdings to be represented by each proxy.
- iii. Where a Member of the Company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares in the Company standing to the credit of the said Securities Account.
- iv. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney, duly authorized in writing or, if such appointor is a corporation, under its common seal, or the hand of its attorney.
- v. The instrument appointing a 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 forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.



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Postage  
Stamp

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

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# 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**

Kind 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 :

For BMSB's use : .....

Ref no : .....

Date Received : .....

Officer in charge : .....

Date of first contact with complaint : .....

Status after 14 days : .....

Resolved

Pending

Details:

.....

.....

.....

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



*please fold here*

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Postage  
Stamp

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

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