

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 APRIL 2012**

	<b>As at 30.04.2012 RM'000</b>	<b>As at 31.01.2012 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	62,609	63,267
Investment property	7,591	7,591
Land held for property development	26,760	26,688
Intangible asset	4,667	4,667
Investment in associated company	4	-
Investment in quoted shares	1	1
	<u>101,632</u>	<u>102,214</u>
<b>Current assets</b>		
Inventories	12,095	13,381
Trade receivables	18,066	17,442
Other receivables	5,090	32,339
Tax recoverable	100	100
Cash and cash equivalents	2,594	2,243
	<u>37,945</u>	<u>65,505</u>
<b>TOTAL ASSETS</b>	<u><b>139,577</b></u>	<u><b>167,719</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	58,133	57,088
Share premium	27,027	26,032
ESOS reserve	1,008	1,323
Capital reserve	8,720	8,980
Revaluation reserve	22,237	22,237
Accumulated losses	(47,333)	(1,608)
	69,792	114,052
<b>Non-controlling interests</b>	(341)	(5,159)
<b>Total Equity</b>	<u>69,451</u>	<u>108,893</u>
<b>Non-current liabilities</b>		
Borrowings	20,005	10,254
Deferred tax liabilities	5,614	5,614
	<u>25,619</u>	<u>15,868</u>
<b>Current liabilities</b>		
Borrowings	12,875	14,181
Trade payables	5,025	7,023
Other payables	26,513	21,562
Provision for taxation	94	192
	<u>44,507</u>	<u>42,958</u>
<b>Total liabilities</b>	70,126	58,826
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>139,577</b></u>	<u><b>167,719</b></u>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<u>60</u>	<u>100</u>

The Condensed Consolidated Statements Of Financial Position (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2012.

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED 30 APRIL 2012**

	Current quarter ended 30.04.2012	3-month cumulative for current financial year to date ended 30.04.2012	Comparable quarter ended 30.04.2011	Comparable 3- month cumulative for preceding financial year to date ended 30.04.2011
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Revenue	21,811	21,811	17,338	17,338
Other income	302	302	435	435
Operating expenses	(21,289)	(21,289)	(17,571)	(17,571)
Finance costs	(718)	(718)	(409)	(409)
<b>Profit/ (Loss) before tax</b>	106	106	(207)	(207)
Income tax expense	-	-	-	-
Profit/ (Loss) for the period from continuing operations	106	106	(207)	(207)
<b>Discontinued operations</b>				
Profit/ (Loss) for the period from discontinued operations	(13)	(13)	(59)	(59)
<b>Total comprehensive income/(loss) for the period</b>	93	93	(266)	(266)
Attributable to:				
Owners of the Company	161	161	(201)	(201)
Non-controlling interests	(68)	(68)	(65)	(65)
	93	93	(266)	(266)
<b>Earnings per share attributable to Owners of the Company (sen):</b>				
Basic:	0.14	0.14	(0.18)	(0.18)
- Continuing operations	0.15	0.15	(0.15)	(0.15)
- Discontinued operations	(0.01)	(0.01)	(0.03)	(0.03)
Diluted:	0.12	0.12	(0.14)	(0.14)
- Continuing operations	0.13	0.13	(0.12)	(0.12)
- Discontinued operations	(0.01)	(0.01)	(0.02)	(0.02)

The Condensed Consolidated Statements Of Comprehensive Income (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2012.

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**  
**FOR THE THREE-MONTH PERIOD ENDED 30 APRIL 2012**

	<b>3-month ended 30.04.2012 RM'000</b>	<b>3-month ended 30.04.2011 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before taxation:		
Continuing operations	106	(207)
Discontinued operations	(13)	(59)
Adjustments for:		
Non-cash items	1,216	1,134
Non-operating items	517	327
<b>Operating profit before working capital changes</b>	<b>1,826</b>	<b>1,196</b>
Net change in current assets	812	19,487
Net change in current liabilities	(1,586)	(12,232)
<b>Cash generated from operations</b>	<b>1,051</b>	<b>8,451</b>
Income tax paid	(98)	(22)
Interest paid	(454)	(404)
<b>Net cash generated from operating activities</b>	<b>499</b>	<b>8,024</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(121)	(1,466)
Interest received	-	77
Land and development costs incurred	(72)	(387)
Investment in associated company	(4)	-
Investment in quoted shares	-	(1,955)
<b>Net cash generated used in investing activities</b>	<b>(197)</b>	<b>(3,731)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Proceeds from ESOS exercised	945	234
Proceeds from warrants exercised	520	35
Advances from related parties	600	-
Repayment of hire purchase	(376)	(259)
Net repayment of bill payables	(1,069)	(2,749)
Repayment of term loan	(420)	(1,366)
<b>Net cash used in financing activities</b>	<b>200</b>	<b>(4,105)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>502</b>	<b>187</b>
<b>CASH AND CASH EQUIVALENTS AT 01 FEBRUARY 2012/ 2011</b>	<b>1,390</b>	<b>3,067</b>
<b>CASH AND CASH EQUIVALENTS AT 30 APRIL 2012 / 2011</b>	<b>1,892</b>	<b>3,254</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances from continuing operations	2,245	1,067
Fixed deposits with licensed banks	349	3,041
	2,594	4,108
Bank overdraft	(702)	(854)
	<b>1,892</b>	<b>3,254</b>

**The Condensed Consolidated Statements Of Cash Flow (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2012.**

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED 30 APRIL 2012**

	Attributable to Owners of the Company						Non-Controlling Interests RM'000	Total Equity RM'000	
	Share Capital RM'000	Share Premium RM'000	ESOS Reserve RM'000	Capital Reserve RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000			Total RM'000
<b>At 1 February 2011</b>	53,994	22,913	1,702	9,902	9,469	2,341	100,321	(2,509)	97,812
Realisation on revaluation reserve	-	-	-	-	-	-	-	-	-
ESOS exercised	130	182	(78)	-	-	-	234	-	234
Warrants exercised	35	24	-	(24)	-	-	35	-	35
Total comprehensive loss for the year	-	-	-	-	-	(201)	(201)	(65)	(266)
<b>At 30 April 2011</b>	54,159	23,119	1,624	9,878	9,469	2,140	100,389	(2,574)	97,815
<b>At 1 February 2012</b>	57,088	26,032	1,323	8,980	22,237	(1,608)	114,052	(5,159)	108,893
Exercise of ESOS	525	735	(315)	-	-	-	945	-	945
Exercise of warrants	520	260	-	(260)	-	-	520	-	520
Dilution arising from change in stake	-	-	-	-	-	(45,886)	(45,886)	4,886	(41,000)
Total comprehensive income for the period	-	-	-	-	-	161	161	(68)	93
<b>At 30 April 2012</b>	58,133	27,027	1,008	8,720	22,237	(47,333)	69,792	(341)	69,451

The Condensed Consolidated Statements of Changes in Equity (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2012.

## **KYM HOLDINGS BHD (Co. No. 84303-A) INTERIM FINANCIAL REPORT**

### **Notes:**

#### **A1 Basis of Preparation**

The interim financial statements of the Group are unaudited and have been prepared in accordance with Financial Reporting Standards (“FRS”) 134: “Interim Financial Reporting” issued by Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 January 2012.

The accounting policies and method of computations used in the preparation of the interim financial statements are consistent with those adopted in the annual audited financial statements for the year ended 31 January 2012 except for the changes arising from the adoption of new/revised FRSs, Amendments to FRSs and IC Interpretations that are mandatory for the Group for the financial year beginning 1 February 2012.

The adoption of these new/revised FRSs, Amendments to FRSs and IC Interpretations do not have any significant financial impact on the Group.

On 19 November 2011, MASB issued a new MASB approved accounting network, the Malaysian Financial Reporting Standards (“MFRS Framework”). Following the issuance of the MFRS Framework, the Group has adopted these new accounting standards for the financial year beginning 1 February 2012. The transition to the MFRS Framework does not have any material impact on the financial statements of the Group.

#### **A2 Status of Audit Qualifications**

The audited financial statements of the Group for year ended 31 January 2012 were not subject to any audit qualification.

#### **A3 Seasonal or cyclical factors**

The Group’s operations have not been materially affected by seasonal or cyclical factors.

#### **A4 Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter ended 30 April 2012.

#### **A5 Material Changes in Estimates**

There were no material changes in estimates used in the preparation of the financial statements in the current financial quarter as compared with the previous financial quarters or previous financial year.

**A6 Issuance, cancellation, repurchases, resale and repayments of debts and equity securities**

There were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities during the current quarter under review except for the following:

Share capital

As at 30 April 2012, a total of 2,089,600 new ordinary shares of RM0.50 each were issued as follows:-

	<b>Current Quarter ended 30.04.2012 No. of shares</b>	<b>Cumulative Year to-date ended 30.04.2012 No. of shares</b>
Shares issued pursuant to exercise of ESOS Options	1,050,000	1,050,000
Shares issued pursuant to the conversion of Warrants 2010/2013	1,039,600	1,039,600
Total	2,089,600	2,089,600

**A7 Dividend Paid**

There was no dividend paid during the current quarter under review.

**A8 Segmental Reporting (Analysis by business segments)**

Segmental analysis of the results for 3 months ended 30 April 2012:

	<b>Gross revenue RM'000</b>	<b>Profit/(Loss) before tax RM'000</b>	<b>Segment assets RM'000</b>	<b>Segment liabilities RM'000</b>
Continuing operations:				
Manufacturing	21,732	1,192	106,301	42,310
Investment holding	0	(655)	179,744	86,458
Property development/investment	306	(70)	48,159	50,463
Others	637	(193)	1,600	36,748
	22,675	274	335,804	215,979
Discontinued operations:				
Others*	0	(13)	0	0
Elimination	(864)	(168)	(196,327)	(151,561)
	21,811	93	139,477	64,418
Unallocated Assets			100	0
Unallocated Liabilities			0	5,708
			139,577	70,126

\* Others refer to operations located at Teluk Rubiah discontinued upon disposal of leasehold land to Vale.

**A9 Valuations of Property, Plant and Equipment**

The valuations of land and buildings have been brought forward without any amendments from the previous annual report.

**A10 Material Subsequent Events**

There were no material events subsequent to the end of current quarter under review that was not been reflected in the financial statement for the quarter.

**A11 Changes in Composition of the Group**

There were no changes in the composition of the Group except the following:

On 17 April 2012, the Company has completed the acquisition on the remaining 40% equity interest not owned by Tegas Consolidated Sdn Bhd ("Tegas"), a wholly-owned subsidiary of the Company, comprising of 400,000 ordinary shares of RM1.00 each in Harta Makmur Sdn Bhd ("HMSB") from RAS Sdn. Bhd. for a total cash consideration of RM41 million. HMSB is now a wholly owned subsidiary of KYM.

**A12 Changes in Contingent Liabilities And Contingent Assets**

During the previous financial year ended 31 January 2012, HMSB has entered into two sale and purchase agreements dated 11 June 2009 and 31 March 2010 respectively for the sale of Teluk Rubiah land to Vale Internation S.A. HMSB has obtained an advance ruling from the Inland Revenue Board ("IRB") on 29 September 2009 regarding the tax treatment on the gains arising from the disposal. HMSB do not agree with IRB's interpretation of the facts regarding the intended use of the various parcels of land, which was planned to be a holiday resort and not a housing or commercial development. IRB has accorded certain parcels of land as stocks and subject to income tax. HMSB has made further clarification of fact to IRB to justify the land were for long term investment and therefore the gain is subject to Real Property Gain Tax ("RPGT").

HMSB, with the support from tax and legal advisor, do not agree with the IRB's view and will continue to appeal to the IRB. If the IRB's advance ruling apply, the estimated income tax exposure is approximately RM13 million and if RPGT, there will be no RPGT payable.

Other than the above, there were no other significant changes in the contingent liabilities or contingent assets since the last financial year ended 31 January 2012.

**A13 Capital Commitments**

There was no capital commitment not provided for in the financial statement for the quarter.

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## **Additional information required by the BMSB's Listing Requirements**

### **B1 Taxation**

There was no taxation provided for in the financial statements for the current quarter.

### **B2 Profit/(Loss) before taxation**

Profit/(Loss) before taxation is arrived at after charging/(crediting) the following:

	<b>Current Quarter ended 30.04.2012 RM'000</b>	<b>Cumulative Year to-date ended 30.04.2012 RM'000</b>
Interest expense	718	718
Depreciation and amortisation	1,183	1,183
Write back of receivables	(3)	(3)
Foreign exchange gain	(5)	(5)

### **B3 Status of corporate proposals announced**

- (i) On 10 March 2011, KYM entered into a conditional share sale agreement with RAS Sdn Bhd ("Vendor") for the proposed acquisition of 400,000 ordinary shares of RM1.00 each in Harta Makmur Sdn Bhd representing the remaining 40% of the issued and paid-up share capital of Harta Makmur Sdn Bhd not owned by Tegas Consolidated Sdn Bhd, a wholly-owned subsidiary of KYM, for a cash consideration of RM41 million ("Proposed Acquisition").

The Proposed Acquisition has been completed on 17 April 2012.

- (ii) KYM has on 17 November 2011 announced that it proposed to undertake Proposed Private Placement of 5,000,000 new KYM shares of RM0.50 each representing approximately 4.6% of the existing issued and paid-up capital of KYM.

Bursa Malaysia Securities Berhad ("Bursa Securities") had vide its approval letter dated 14 December 2011 approved the listing of and quotation for 5,000,000 placement shares on the Main Market. The first tranche of the Placement Shares comprising 1.3 million shares has been listed on 20 December 2011 whilst the remaining Placement Shares shall be issued in tranches and expected to complete by the second quarter of FY2013.

On 12 June 2012, Bursa Securities has granted the Company an extension of time of six (6) months until 14 December 2012 to complete the implementation of the Proposed Private Placement.

Except for the above, there were no other corporate proposals announced during the quarter under review.



**B4 Borrowing and debt securities**

	<b>As at 30.04.2012</b>
	<b>RM'000</b>
Short term	
Secured	12,875
Unsecured	0
	<hr/>
	12,875
Long term	
Secured	20,005
Unsecured	0
	<hr/>
	20,005

The above borrowings are denominated in Ringgit Malaysia.

**B5 Changes in Material Litigation**

As at the date of the report, there is no pending material litigation.

**B6 Material Changes in the Profit/ Loss before Taxation for the current quarter compared with the preceding quarter**

The Group's turnover for the current quarter under review from continuing operations was RM21.811 million, which has improved compared with the RM20.746 million turnover generated in the preceding quarter from manufacturing sales.

The Group's profit before taxation from continuing operations is RM0.106 million for the current quarter under review, compared to the loss before taxation of RM7.179 million for the preceding quarter mainly due to the provision for quit rent on land at Teluk Rubiah of RM5 million, goodwill written off of RM0.7 million and development expenditure written off of RM0.5 million in the preceding quarter.

**B7 Review of Performance**Quarter ended 30.04.2012 compared with quarter ended 30.04.2011

The Group's turnover from continuing operations for the current quarter of RM21.811 million is higher than the amount of RM17.338 million recorded in the preceding financial year corresponding quarter. The Group's profit before taxation from continuing operations for the current quarter was RM0.106 million has correspondingly improved as compared to loss before taxation of RM0.207 million in the previous year corresponding quarter.

The Group's turnover was largely contributed by the Group's core business, manufacturing segment, which contributed above 95% of the Group's turnover.

The manufacturing revenue was RM21.531 million as compared to RM16.604 million recorded in the preceding financial year corresponding quarter. The increase was attributed to higher sales from existing customers and secured new supply contract of our industrial paper bags division. Consequently, the profit before taxation of the preceding financial year corresponding quarter has increased from RM1.018 million to RM1.192 million for the current quarter under review.

For other segments, the current quarter loss before taxation was RM1.086 million compared to the preceding financial year corresponding quarter loss before taxation of RM1.284 million.

**B8 Prospects**

The Manufacturing Division shall continue to be the core business and the main contributor to the Group. The outlook for the division remains stable or better.

**B9 Profit forecast**

There is no published forecast/profit guarantee.

**B10 Dividend**

The Board of Directors does not recommend the payment of any dividend in respect of the financial period ended 30 April 2012.

**B11 Earnings per share attributable to owners of the Company**

	<b>Current Quarter ended 30.04.2012</b>	<b>Cumulative Year to- date ended 30.04.2012</b>
<b>(a) <u>Basic earnings per share</u></b>		
Profit/(Loss) for the period (RM'000)	161	161
- Continuing operations	169	169
- Discontinued operations	(8)	(8)
Weighted average number of ordinary shares in issue ('000)	115,413	115,413
Basic Earnings per share for profit/(loss) for the period (sen)	0.14	0.14
- Continuing operations	0.15	0.15
- Discontinued operations	(0.01)	(0.01)
<b>(b) <u>Diluted earnings per share</u></b>		
Profit/(Loss) for the period (RM'000)	161	161
- Continuing operations	169	169
- Discontinued operations	(8)	(8)
Weighted average number of ordinary shares in issue ('000)	115,413	115,413
- Dilution due to ESOS	1,183	1,183
- Dilution due to warrants	14,152	14,152
Adjustable weighted average number of ordinary shares in issue and issuable ('000)	130,748	130,748
Diluted earnings per share for profit/(loss) for the period (sen)	0.12	0.12
- Continuing operations	0.13	0.13
- Discontinued operations	(0.01)	(0.01)

**B12 Disclosure of realised and unrealised profits/losses**

	<b>Current Quarter ended 30.04.2012 RM'000</b>	<b>As at the end of the last financial year ended 31.01.2012 RM'000</b>
Total (accumulated losses)/ retained profits of the Company and its subsidiaries:		
- realised	(42,194)	3,531
- unrealised	(5,139)	(5,139)
	<u>(47,333)</u>	<u>(1,608)</u>
Consolidation adjustments	-	-
Total group accumulated losses as per consolidated accounts	<u>(47,333)</u>	<u>(1,608)</u>

By Order of the Board

CHEE MIN ER  
Company Secretary

Kuala Lumpur  
28 June 2012

c.c. Securities Commission