

KYM HOLDINGS BHD (Co. No. 84303-A)  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 OCTOBER 2012**

	<b>As at 31.10.2012 RM'000</b>	<b>As at 31.01.2012 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	60,312	63,267
Investment property	7,591	7,591
Land held for property development	26,721	26,688
Intangible asset	4,667	4,667
Investment in associated company	4	-
Investment in quoted shares	1	1
	<b>99,296</b>	<b>102,214</b>
<b>Current assets</b>		
Inventories	12,699	13,381
Trade receivables	17,585	17,442
Other receivables	7,918	32,339
Tax recoverable	149	100
Cash and cash equivalents	4,626	2,243
	<b>42,977</b>	<b>65,505</b>
<b>TOTAL ASSETS</b>	<b>142,273</b>	<b>167,719</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	65,531	57,088
Share premium	30,726	26,032
ESOS reserve	1,008	1,323
Capital reserve	5,020	8,980
Revaluation reserve	22,237	22,237
Accumulated losses	(45,382)	(1,608)
	<b>79,142</b>	<b>114,052</b>
<b>Non-controlling interests</b>	<b>(372)</b>	<b>(5,159)</b>
<b>Total Equity</b>	<b>78,770</b>	<b>108,893</b>
<b>Non-current liabilities</b>		
Borrowings	18,388	10,254
Deferred tax liabilities	5,614	5,614
	<b>24,002</b>	<b>15,868</b>
<b>Current liabilities</b>		
Borrowings	16,199	14,181
Trade payables	5,300	7,023
Other payables	18,002	21,562
Provision for taxation	-	192
	<b>39,502</b>	<b>42,958</b>
<b>Total liabilities</b>	<b>63,504</b>	<b>58,826</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>142,273</b>	<b>167,719</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<b>60</b>	<b>100</b>

0

-

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 FINANCIAL PERIOD ENDED 31 OCTOBER 2012**

	Current quarter ended 31.10.2012	9 months cumulative for current financial year to date ended 31.10.2012	Comparable quarter ended 31.10.2011	Comparable 9 months cumulative for preceding financial year to date ended 31.10.2011
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Revenue	22,363	66,526	20,747	57,409
Other income	963	1,485	534	1,691
Operating expenses	(21,072)	(63,908)	(21,120)	(58,250)
Finance costs	(885)	(2,257)	(431)	(799)
<b>Profit/ (Loss) before tax</b>	<b>1,370</b>	<b>1,845</b>	<b>(270)</b>	<b>51</b>
Income tax expense	(84)	(87)	(146)	(146)
Profit/ (Loss) for the period from continuing operations	1,286	1,758	(416)	(95)
<b>Discontinued operations</b>				
Profit/ (Loss) for the period from discontinued operations	219	113	(39)	(278)
Loss on disposal of joint venture	(75)	(75)	-	-
	143	37	(39)	(278)
<b>Total comprehensive income/(loss) for the period</b>	<b>1,429</b>	<b>1,795</b>	<b>(455)</b>	<b>(373)</b>
Attributable to:				
Owners of the Company	1,413	1,961	(314)	(521)
Non-controlling interests	16	(166)	(141)	(283)
	1,429	1,795	(455)	(804)
<b>Earnings per share attributable to Owners of the Company (sen):</b>				
Basic:	1.13	1.58	(0.29)	(0.47)
- Continuing operations	1.07	1.56	(0.27)	(0.32)
- Discontinued operations	0.07	0.02	(0.02)	(0.15)
Diluted:	1.13	1.57	(0.24)	(0.39)
- Continuing operations	1.06	1.55	(0.22)	(0.27)
- Discontinued operations	0.07	0.02	(0.02)	(0.12)

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 CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 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
ESOS exercised	562	787	(337)	-	-	-	1,012	-	1,012
Warrants exercised	330	171	-	(171)	-	-	330	-	330
Total comprehensive loss for the year	-	-	-	-	-	(521)	(521)	(283)	(804)
<b>At 31 October 2011</b>	54,886	23,871	1,365	9,731	9,469	1,820	101,142	(2,792)	98,350
<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	7,918	3,959	-	(3,959)	-	-	7,918	-	7,918
Dilution arising from change in stake	-	-	-	-	-	(45,886)	(45,886)	4,886	(41,000)
Disposal of joint venture	-	-	-	-	-	151	151	68	219
Total comprehensive income for the period	-	-	-	-	-	1,961	1,961	(166)	1,795
<b>At 31 October 2012</b>	65,531	30,726	1,008	5,020	22,237	(45,382)	79,142	(372)	78,770

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**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**  
**FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2012**

	<b>9 months ended</b>	<b>Year ended</b>
	<b>31.10.2012</b>	<b>31.01.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before taxation:		
Continuing operations	1,845	(7,773)
Discontinued operations	113	(269)
	<u>1,958</u>	<u>(8,042)</u>
Adjustments for:		
Non cash items	3,640	898
Non-operating items	2,245	4,795
<b>Operating profit before working capital changes</b>	<b>7,843</b>	<b>(2,349)</b>
Net change in current assets	(2,140)	5,536
Net change in current liabilities	(5,608)	(3,972)
<b>Cash generated from operations</b>	<b>95</b>	<b>(785)</b>
Income tax paid	(242)	(623)
Interest paid	(1,751)	(1,878)
<b>Net cash generated from operating activities</b>	<b>(1,898)</b>	<b>(3,286)</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Proceeds from disposal of quoted investments	-	1,699
Interest received	0	350
Dividend received	-	144
Proceed from disposal of property, plant and equipment	293	157
Purchase of property, plant and equipment	(463)	(3,197)
Purchase of quoted investments	-	(1,955)
Land and development expenditure	(33)	-
Advance to related parties	-	(2)
Proceeds from disposal of land	-	2
Investment in associated company	(4)	-
Net cash inflow on disposal of joint venture	5	-
<b>Net cash generated used in investing activities</b>	<b>(202)</b>	<b>(2,802)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Advances/(Repayment to) from related parties	(4,200)	5,044
Proceeds from share options exercised	945	1,103
Proceeds from warrants exercised	7,918	1,831
Proceeds from private placement	-	1,989
Advances from/(Repayment to) directors	127	255
Net drawdown/(repayment) of bills payables	2,211	(1,166)
Repayment of short term borrowings	(1,881)	-
Repayment of hire purchase obligations	(1,219)	(1,416)
Repayment of term loan	(1,278)	(2,895)
<b>Net cash used in financing activities</b>	<b>2,624</b>	<b>4,745</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>525</b>	<b>(1,343)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR</b>	<b>1,390</b>	<b>2,733</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR</b>	<b>1,915</b>	<b>1,390</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Fixed deposits with licensed banks	374	285
Cash and bank balances	<u>4,252</u>	<u>1,958</u>
	4,626	2,243
Bank overdraft	<u>(2,711)</u>	<u>(853)</u>
	<u><b>1,915</b></u>	<u><b>1,390</b></u>

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

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULT FOR THE THIRD**  
**QUARTER ENDED 31 OCTOBER 2012**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**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 31 October 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 31 October 2012 a total of 16,886,807 new ordinary shares of RM0.50 each were issued as follows:-

	<b>Current Quarter ended 31.10.2012 No. of shares</b>	<b>Cumulative Year to-date ended 31.10.2012 No. of shares</b>
Shares issued pursuant to exercise of ESOS Options	-	1,050,000
Shares issued pursuant to the conversion of Warrants 2010/2013	9,339,250	15,836,807
Total	9,339,250	16,886,807

**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 9 months ended 31 October 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	66,360	4,196	110,020	43,201
Investment holding	0	(1,797)	202,309	54,313
Property development/investment	903	332	25,782	76,061
Others	1,883	(384)	1,451	36,653
	69,146	2,347	339,562	210,228
Discontinued operations:				
Others*	0	113	0	0
Disposal of Joint Venture :				
Other **	0	(75)	0	0
Elimination	(2,620)	(503)	(197,438)	(152,337)
	66,526	1,882	141,124	57,891
Unallocated Assets			149	0
Unallocated Liabilities			0	5,613
			142,273	63,504

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

\*\* Disposal of 51% shares in Konsortium Melaka Gemilang Sdn Bhd.

**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 5 October 2012 KYM Holdings Bhd disposed of its entire 51 ordinary shares of RM1.00 each representing 51% of the issued and paid-up capital of Konsortium Melaka Gemilang Sdn Bhd (KMGSB) for a total cash consideration of RM5,100.00. Accordingly KMGSB has ceased to be a 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 provided for in the financial statement for the quarter.

## 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 31.10.2012 RM'000</b>	<b>Cumulative Year to-date ended 31.10.2012 RM'000</b>
Interest expense	824	2,196
Depreciation and amortisation	825	3,258
Write back of receivables	(3)	(9)
Foreign exchange (gain)/ loss	163	(40)

### **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 Tegag 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. ("Proposed Private Placement")

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 7 December 2012, Bursa Securities has granted the Company a final extension of time of six (6) months until 14 June 2013 to complete the implantation 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 31.10.2012</b>
	<b>RM'000</b>
Short term	
Secured	16,199
Unsecured	0
	<hr/>
	16,199
Long term	
Secured	18,388
Unsecured	0
	<hr/>
	18,388

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 of RM22.363 million were 0.05% higher than the immediate preceding quarter of RM22.351 million.

The Group's profit before taxation from continuing operations is RM1.370 million for the current quarter under review compared to the profit before taxation of RM0.369 million for the immediate preceding quarter due to higher turnover achieved under manufacturing segments.

**B7 Review of Performance**Quarter ended 31.10.2012 compared with quarter ended 31.10.2011

The Group's turnover from continuing operations for the current quarter of RM22.363 million is 7.79% higher than that of RM20.747 million compared to the corresponding quarter last year. The Group's profit before taxation from continuing operations for the current quarter is RM1.370 million compared to loss before taxation of RM0.270 million to corresponding quarter last year.

The Group's turnover was largely contributed by the Group's core business, manufacturing segment, which contributed above 99% of the Group's turnover.

The manufacturing revenue for current quarter is RM22.136 million as compared to RM20.282 million for the corresponding quarter last year. 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 has increased from RM0.900 million for the corresponding quarter last year compared to current quarter under review of RM1.519 million.

For other segments, the current quarter loss before taxation was RM0.150 million compared to the preceding financial year corresponding quarter loss before taxation of RM1.171 million.

**B8 Prospects**

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

The Property Development division is still in the initial planning stages and expected to commence contribution to the Group in coming financial years.

**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 31 October 2012.

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

	<u>Current Quarter ended 31.10.2012</u>	<u>Cumulative Year to - date ended 31.10.2012</u>
<b>(a) <u>Basic earnings per share</u></b>		
Profit/(Loss) for the period (RM'000)	1,413	1,961
- Continuing operations	1,327	1,939
- Discontinued operations	86	22
Weighted average number of ordinary shares in issue ('000)	124,510	124,510
Basic Earnings per share for profit/(loss) for the period (sen)	1.13	1.58
- Continuing operations	1.07	1.56
- Discontinued operations	0.07	0.02
<b>(b) <u>Diluted earnings per share</u></b>		
Profit/(Loss) for the period (RM'000)	1,413	1,961
- Continuing operations	1,327	1,939
- Discontinued operations	86	22
Weighted average number of ordinary shares in issue ('000)	124,510	124,510
- Dilution due to ESOS	554	554
- Dilution due to warrants	0	0
Adjustable weighted average number of ordinary shares in issue and issuable ('000)	125,064	125,064
Diluted earnings per share for profit/(loss) for the period (sen)	1.13	1.57
- Continuing operations	1.06	1.55
- Discontinued operations	0.07	0.02

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

	<b>Current Quarter ended 31.10.2012 RM'000</b>	<b>As at the end of the last financial year ended 31.10.2012 RM'000</b>
Total (accumulated losses)/ retained profits of the Company and its subsidiaries:		
- realised	(40,242)	3,531
- unrealised	(5,140)	(5,139)
	<u>(45,382)</u>	<u>(1,608)</u>
Consolidation adjustments	-	-
Total group accumulated losses as per consolidated accounts	<u>(45,382)</u>	<u>(1,608)</u>

By Order of the Board

CHEE MIN ER  
Company Secretary

Kuala Lumpur  
20 December 2012

c.c. Securities Commission