

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JANUARY 2013

	As at 31.01.2013 RM'000	As at 31.01.2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	74,163	63,267
Investment property	34,388	34,279
Intangible asset	4,667	4,667
Investment in associated company	4	-
Investment in quoted shares	1	1
	113,223	102,214
Current assets		
Inventories	12,853	13,381
Trade receivables	18,056	17,442
Other receivables	6,190	32,339
Tax recoverable	72	100
Cash and cash equivalents	4,747	2,243
	41,917	65,505
TOTAL ASSETS	155,140	167,719
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	68,583	57,088
Share premium	32,253	26,032
ESOS reserve	1,008	1,323
Capital reserve	3,494	8,980
Revaluation reserve	7,450	22,237
Accumulated losses	(31,126)	(1,608)
	81,661	114,052
Non-controlling interests	(861)	(5,159)
Total Equity	80,799	108,893
Non-current liabilities		
Borrowings	26,663	10,254
Deferred tax liabilities	6,171	5,614
	32,834	15,868
Current liabilities		
Borrowings	17,731	14,181
Trade payables	6,125	7,023
Other payables	15,737	21,562
Provision for taxation	1,912	192
	41,506	42,958
Total liabilities	74,340	58,826
TOTAL EQUITY AND LIABILITIES	155,140	167,719
Net assets per share attributable to ordinary equity holders of the parent (sen)	60	100

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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 JANUARY 2013

	Current quarter ended 31.01.2013	12 months cumulative for current financial year to date ended 31.01.2013	Comparable quarter ended 31.01.2012	Comparable 12 months cumulative for preceding financial year to date ended 31.01.2012
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	22,403	88,929	20,746	78,393
Other income	496	1,980	1,731	3,423
Operating expenses	(21,028)	(84,937)	(29,099)	(87,711)
Finance costs	(926)	(3,184)	(557)	(1,878)
Profit/ (Loss) before tax	944	2,789	(7,179)	(7,773)
Income tax expense	(3,133)	(3,220)	307	334
Profit/ (Loss) for the period from continuing operations	(2,188)	(431)	(6,872)	(7,439)
Discontinued operations				
Profit/ (Loss) for the period from discontinued operations	(351)	(238)	(118)	(269)
Loss on disposal of joint venture and subsidiary company	(689)	(765)	-	-
	(1,040)	(1,003)	(118)	(269)
Total comprehensive income/(loss) for the period	(3,229)	(1,434)	(6,990)	(7,708)
Attributable to:				
Owners of the Company	(2,414)	(452)	(4,621)	(5,058)
Non-controlling interests	(815)	(981)	(2,369)	(2,650)
	(3,229)	(1,434)	(6,990)	(7,708)
Earnings per share attributable to Owners of the Company (sen):				
Basic:	(1.80)	(0.34)	(4.14)	(4.62)
- Continuing operations	(1.33)	0.11	(4.08)	(4.47)
- Discontinued operations	(0.46)	(0.45)	(0.06)	(0.15)
Diluted:	(1.80)	(0.34)	(3.44)	(3.67)
- Continuing operations	(1.33)	0.11	(3.39)	(3.56)
- Discontinued operations	(0.46)	(0.45)	(0.05)	(0.01)

The Condensed Consolidated Statements Of Comprehensive Income (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
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2013

	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
At 1 February 2011	53,994	22,913	1,702	9,902	9,469	2,341	100,321	(2,509)	97,812
ESOS exercised	613	858	(368)	-	-	-	1,103	-	1,103
ESOS options forfeith	-	-	(11)	-	-	11	-	-	-
Warrants exercised	1,831	922	-	(922)	-	-	1,831	-	1,831
Private placement	650	1,339	-	-	-	-	1,989	-	1,989
Total comprehensive loss for the year	-	-	-	-	-	(5,058)	(5,058)	(2,650)	(7,708)
Other comprehensive income for the financial year, net of tax:-									
- Revaluation of property, plant and equipment	-	-	-	-	13,866	-	13,866	-	13,866
Realisation of revaluation reserve	-	-	-	-	(1,098)	1,098	-	-	-
At 31 January 2012	57,088	26,032	1,323	8,980	22,237	(1,608)	114,052	(5,159)	108,893
At 1 February 2012	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	10,970	5,486	-	(5,486)	-	-	10,970	-	10,970
Dilution arising from change in stake	-	-	-	-	-	(45,886)	(45,886)	4,886	(41,000)
Disposal of joint venture and subsidiary	-	-	-	-	-	2,032	2,032	394	2,426
Transfer to retained profit from revaluation reserves	-	-	-	-	(14,788)	14,788	-	-	-
Total comprehensive income for the year	-	-	-	-	-	(452)	(452)	(981)	(1,434)
At 31 January 2013	68,583	32,253	1,008	3,494	7,450	(31,126)	81,660	(862)	80,800

The Condensed Consolidated Statements of Changes in Equity (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
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2013

	12 months ended 31.01.2013 RM'000	Year ended 31.01.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation:		
Continuing operations	2,789	(7,773)
Discontinued operations	(238)	(269)
	<u>2,551</u>	<u>(8,042)</u>
Adjustments for:		
Non cash items	4,712	898
Non-operating items	1,960	4,795
Operating profit before working capital changes	9,223	(2,349)
Net change in current assets	(1,036)	5,536
Net change in current liabilities	(2,675)	(3,972)
Cash generated from operations	5,512	(785)
Income tax paid	824	(623)
Interest paid	(2,091)	(1,878)
Net cash generated from operating activities	4,245	(3,286)
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceeds from disposal of quoted investments	-	1,699
Interest received	-	350
Dividend received	-	144
Proceed from disposal of property, plant and equipment	442	157
Purchase of property, plant and equipment	(16,213)	(3,197)
Purchase of quoted investments	-	(1,955)
Land and development expenditure	(109)	-
Advance to related parties	-	(2)
Proceeds from disposal of land	-	2
Investment in associated company	(4)	-
Net cash inflow on disposal of joint venture	255	-
Net cash generated used in investing activities	(15,629)	(2,802)
CASH FLOWS FOR FINANCING ACTIVITIES		
Advances/(Repayment to) from related parties	(6,883)	5,044
Proceeds from share options exercised	945	1,103
Proceeds from warrants exercised	10,970	1,831
Proceeds from private placement	-	1,989
Advances from/(Repayment to) directors	(493)	255
Net drawdown/(repayment) of bills payables	(45,516)	(1,166)
Advance from/(repayment to) of short term borrowings	57,726	-
Repayment of hire purchase obligations	(1,599)	(1,416)
Repayment of term loan	(1,756)	(2,895)
Net cash used in financing activities	13,394	4,745
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,010	(1,343)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	1,390	2,733
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	3,401	1,390
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with licensed banks	409	285
Cash and bank balances	4,337	1,958
	<u>4,747</u>	<u>2,243</u>
Bank overdraft	(1,346)	(853)
	<u>3,401</u>	<u>1,390</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 FORTH
QUARTER ENDED 31 JANUARY 2013

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 January 2013.

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 January 2013 a total of 22,989,507 new ordinary shares of RM0.50 each were issued as follows:-

	Current Quarter ended 31.01.2013 No. of shares	Cumulative Year to-date ended 31.01.2013 No. of shares
Shares issued pursuant to exercise of ESOS Options	-	1,050,000
Shares issued pursuant to the conversion of Warrants 2010/2013	6,102,700	21,939,507
Total	6,102,700	22,989,507

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 12 months ended 31 January 2013:

	Gross revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Continuing operations:				
Manufacturing	88,494	5,796	123,088	55,255
Investment holding/Others	3,790	(2,367)	245,680	179,463
	92,284	3,428	368,768	234,718
Discontinued operations:				
Others*	-	(238)	-	-
Disposal of Joint Venture :				
Other **	-	(765)	-	-
Elimination	(3,356)	(640)	(213,700)	(168,462)
	88,929	1,786	155,068	66,256
Unallocated Assets			72	-
Unallocated Liabilities			-	8,084
			155,140	74,340

* 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 and disposal of 51% shares in Omni Green 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 31 December 2013 Polypulp Enterprises Sdn Bhd disposed of its entire 51,000 ordinary shares of RM1.00 each representing 51% of the issued and paid-up capital of Omni Green Sdn Bhd for a total consideration of RM250,000.00. Accordingly Omni Green Sdn Bhd 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

The taxation for the Group for the financial period under review was as follows:

	Current Quarter Ended 31 Jan 2013 RM'000	Cumulative Year to-date ended 31.01.2013 RM'000
Taxation for current financial period	2,557	2,644
Deferred taxation for current period	576	576
	3,133	3,220

B2 Profit/(Loss) before taxation

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

	Current Quarter ended 31.01.2013 RM'000	Cumulative Year to-date ended 31.01.2013 RM'000
Interest expense	725	2,985
Depreciation and amortization	1,454	4,712
Write back of payables	(433)	(442)
Foreign exchange (gain)/ loss	(22)	(63)

B3 Status of corporate proposal 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. ("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

	As at 31.01.2013
	RM'000
Short term	
Secured	17,731
Unsecured	0
	<hr/> 17,731 <hr/>
Long term	
Secured	26,663
Unsecured	0
	<hr/> 26,663 <hr/>

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 increase in gross profit from RM3.831 million recorded in the preceding quarter to RM4.230 million recorded in this quarter is due to the lower cost of raw materials. The decrease in administrative expenses from RM1.308 million recorded in the preceding quarter to RM0.992 million recorded in this quarter is due to the reclassification of certain expenses to land development cost. The increase in other expenses from RM0.237 million recorded in the preceding quarter to RM0.898 million recorded in this quarter is due to a provision for doubtful debts in an other receivables.

B7 Review of Performance

Quarter ended 31.01.2013 compared with quarter ended 31.01.2012

The Group's turnover from continuing operations for the current quarter of RM22.403 million is 7.98% higher than that of RM20.746 million compared to the corresponding quarter last year. The Group's profit before taxation from continuing operations for the current quarter is RM0.944 million compared to loss before taxation of RM7.179 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 RM22.298 million as compared to RM20.438 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 RM1.009 million for the corresponding quarter last year compared to current quarter under review of RM1.600 million.

For other segments, the current quarter loss before taxation was RM0.656 million compared to the preceding financial year corresponding quarter loss before taxation of RM8.188 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 is positive.

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 January 2013.

B11 Earnings per share attributable to owners of the Company

	Current Quarter ended 31.01.2013	Cumulative Year to - date ended 31.01.2013
(a) Basic earnings per share		
Profit/(Loss) for the period (RM'000)	(2,414)	(452)
- Continuing operations	(1,790)	149
- Discontinued operations	(624)	(602)
Weighted average number of ordinary shares in issue ('000)	134,463	134,463
Basic Earnings per share for profit/(loss) for the period (sen)	(1.80)	(0.34)
- Continuing operations	(1.33)	0.11
- Discontinued operations	(0.46)	(0.45)
(b) Diluted earnings per share		
Profit/(Loss) for the period (RM'000)	(2,414)	(452)
- Continuing operations	(1,790)	149
- Discontinued operations	(624)	(602)
Weighted average number of ordinary shares in issue ('000)	134,463	134,463
- Dilution due to ESOS	(38)	(38)
- Dilution due to warrants	0	0
Adjustable weighted average number of ordinary shares in issue and issuable ('000)	134,425	134,425
Diluted earnings per share for profit/(loss) for the period (sen)	(1.80)	(0.34)
- Continuing operations	(1.33)	0.11
- Discontinued operations	(0.46)	(0.45)

B12 Disclosure of realised and unrealised profits/losses

	Current Quarter ended 31.01.2013 RM'000	As at the end of the last financial year ended 31.01.2013 RM'000
Total (accumulated losses)/ retained profits of the Company and its subsidiaries:		
- realised	(37,837)	3,531
- unrealised	6,711	(5,139)
	<u>(31,126)</u>	<u>(1,608)</u>
Consolidation adjustments	-	-
Total group accumulated losses as per consolidated accounts	<u>(31,126)</u>	<u>(1,608)</u>

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
29 March 2013

c.c. Securities Commission