

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

	As at 31.10.2013 RM'000	As at 31.01.2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	69,228	74,163
Investment property	34,821	42,821
Intangible asset	4,667	4,667
Investment in associated company	316	4
Investment in quoted shares	1	1
	109,033	121,656
Current assets		
Inventories	15,818	12,853
Trade receivables	18,954	18,055
Other receivables	6,771	5,869
Tax recoverable	41	72
Cash and cash equivalents	8,306	4,767
	49,891	41,616
TOTAL ASSETS	158,925	163,272
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	74,945	68,583
Share premium	35,436	32,253
ESOS reserve	1,004	1,005
Capital reserve	-	3,494
Accumulated losses	(23,730)	(20,454)
	87,654	84,881
Non-controlling interests	-	(202)
Total Equity	87,654	84,679
Non-current liabilities		
Borrowings	22,116	26,655
Deferred tax liabilities	7,524	8,719
	29,640	35,374
Current liabilities		
Borrowings	21,081	17,739
Trade payables	3,397	6,125
Other payables	15,778	17,323
Provision for taxation	1,374	2,032
	41,630	43,219
Total liabilities	71,270	78,593
TOTAL EQUITY AND LIABILITIES	158,925	163,272
Net assets per share attributable to ordinary equity holders of the parent (sen)	58	62

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 2013.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2013

	Current quarter ended 31.10.2013	9 months cumulative for current financial year to date ended 31.10.2013	Comparable quarter ended 31.10.2012	Comparable 9 months cumulative for preceding financial year to date ended 31.10.2012
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	22,195	69,865	22,363	66,526
Other income	212	693	963	1,485
Operating expenses	(21,074)	(67,391)	(21,071)	(63,908)
Finance costs	(802)	(2,235)	(885)	(2,257)
Share of loss of associate company	-	(59)	-	-
Profit/ (Loss) before tax	531	873	1,370	1,846
Income tax expense	431	(121)	(84)	(87)
Profit/ (Loss) for the period from continuing operations	962	752	1,286	1,758
Discontinued operations				
Profit/ (Loss) for the period from discontinued operations	(4,128)	(4,141)	219	113
Loss on disposal of joint venture	-	-	(75)	(75)
	(4,128)	(4,141)	144	38
Loss After Taxation	(3,167)	(3,389)	1,429	1,795
Other Comprehensive Expenses For The Financial Year				
Dilution arising from change in stake	-	(511)	-	-
Total Other Comprehensive Expenses For The Financial Year	(3,167)	(3,900)	1,429	1,795
Loss After Taxation Attributable to:				
Owners of the Company	(3,167)	(3,080)	1,413	1,961
Non-controlling interests	-	(309)	16	(166)
	(3,167)	(3,389)	1,429	1,795
Total Comprehensive Expenses Attributable to:				
Owners of the Company	(3,167)	(3,591)	1,413	1,961
Non-controlling interests	-	(309)	16	(166)
	(3,167)	(3,900)	1,429	1,795
Earnings per share attributable to				
Owners of the Company (sen):				
Basic:	(2.85)	(2.77)	1.13	1.58
- Continuing operations	0.87	0.96	1.07	1.56
- Discontinued operations	(3.72)	(3.73)	0.07	0.02
Diluted:	(2.86)	(2.78)	1.13	1.57
- Continuing operations	0.86	0.95	1.06	1.55
- Discontinued operations	(3.71)	(3.72)	0.07	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 2013.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 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	Revaluation Reserve RM'000	Accumulated Losses RM'000			Total RM'000
At 1 February 2012	57,088	26,032	1,323	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	-	-	-	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
At 31 October 2012	65,531	30,726	1,008	22,237	(45,382)	79,142	(372)	78,770
At 1 February 2013	68,583	32,253	1,005	-	(20,454)	84,881	(202)	84,679
Exercise of ESOS	3	4	(2)	-	315	5	-	5
Exercise of warrants	6,359	3,179	-	-	-	6,359	-	6,359
Dilution arising from change in stake	-	-	-	-	(511)	(511)	511	-
Total comprehensive income for the year	-	-	-	-	(3,080)	(3,080)	(309)	(3,389)
At 31 October 2013	74,945	35,436	1,004	-	(23,730)	87,654	-	87,654

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 2013.

KYM HOLDINGS BHD (Co. No. 84303-A)
 INTERIM FINANCIAL REPORT
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
 FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2013

	9 months ended 31.10.2013 RM'000	Year ended 31.01.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation:		
Continuing operations	873	2,029
Discontinued operations	(4,141)	(238)
	<u>(3,268)</u>	<u>1,791</u>
Adjustments for:		
Non cash items	3,543	2,080
Non-operating items	1,941	4,843
Operating profit before working capital changes	2,216	8,714
Net change in current assets	(18,394)	(1,004)
Net change in current liabilities	(2,863)	(818)
Cash generated from operations	(19,041)	6,892
Income tax paid	(1,823)	(930)
Interest paid	(2,202)	(3,187)
Net cash generated from operating activities	(23,066)	2,775
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceeds from disposal of subsidiaries	-	255
Interest received	-	466
Proceed from disposal of property, plant and equipment	25,898	436
Purchase of property, plant and equipment	(10,677)	(16,170)
Proceed from disposal of investment property	8,000	-
Repayment of/(Advances to) related parties	-	196
Investment in associated company	(371)	(4)
Net cash generated used in investing activities	22,849	(14,821)
CASH FLOWS FOR FINANCING ACTIVITIES		
Advances/(Repayment to) from related parties	(1,410)	(6,883)
Proceeds from share options exercised	3	945
Proceeds from warrants exercised	6,359	10,970
Advances from/(Repayment to) directors	-	188
Drawdown of bankers' acceptances	-	482
Net drawdown/(repayment) of bills payables	208	1,001
Drawdown of term loans	-	20,727
Repayment of hire purchase obligations	(1,148)	(1,598)
Repayment of term loan	(2,368)	(11,755)
Net cash used in financing activities	1,644	14,077
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,428	2,031
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	3,421	1,390
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	4,849	3,421
CASH AND CASH EQUIVALENTS COMPRISE:		
Short term deposit	1,100	
Fixed deposits with licensed banks	409	410
Cash and bank balances	6,796	4,357
	<u>8,306</u>	<u>4,767</u>
Bank overdraft	(3,457)	(1,346)
	<u>4,849</u>	<u>3,421</u>

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 2013.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULT FOR THE THIRD
QUARTER ENDED 31 OCTOBER 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 2013.

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 2013 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 2013.

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 2013 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 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 October 2013 a total of 12,724,658 new ordinary shares of RM0.50 each were issued as follows:-

	Current Quarter ended 31.10.2013 No. of shares	Cumulative Year to-date ended 31.10.2013 No. of shares
Shares issued pursuant to exercise of ESOS Options	-	6,000
Shares issued pursuant to the conversion of Warrants 2010/2013	-	12,718,658
Total	-	12,724,658

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 2013:

	Gross revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Continuing operations:				
Manufacturing	73,141	3,206	139,305	71,493
Investment holding/Others	2,107	(2,004)	203,205	174,762
	<u>75,248</u>	<u>1,202</u>	<u>342,510</u>	<u>246,255</u>
Elimination	(5,383)	(329)	(183,626)	(183,883)
	<u>69,865</u>	<u>873</u>	<u>158,884</u>	<u>62,372</u>
Discontinued operations*	-	(4,141)	-	-
	<u>69,865</u>	<u>(3,268)</u>	<u>158,884</u>	<u>62,372</u>
Unallocated Assets			41	-
Unallocated Liabilities			-	8,898
			<u>158,925</u>	<u>71,270</u>

* Discontinued operations refer to closure of the woven bags business.

The Group's turnover was 100% contributed by the Group's core business, manufacturing segment.

Gross Revenue	RM'000
Continuing operations:	
Manufacturing	73,141
Less : Intercompany elimination	(3,276)
	<u>69,865</u>
Investment holdings/Others	2,107
Less : Intercompany elimination	(2,107)
	<u>-</u>
	<u><u>69,865</u></u>

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 have not been reflected in the financial statement for the quarter.

A11 Changes in Composition of the Group

On 30 August 2013, KYM Holdings Bhd transfer 2,040,000 ordinary shares of RM1.00 each representing 51% of the issued and paid-up capital in Hasrat Meranti (Chemor) Sdn Bhd (Formerly known as PPI Bags Sdn Bhd) to Hasrat Meranti Sdn Bhd. As a result Hasrat Meranti (Chemor) Sdn Bhd become a 100% owned subsidiary company of Hasrat Meranti Sdn Bhd. Hasrat Meranti Sdn Bhd is also 100% owned subsidiary company of KYM Holdings Bhd.

Other than the above there were no changes in the composition of the group during the quarter under review.

A12 Changes in Contingent Liabilities And Contingent Assets

There were no other significant changes in the contingent liabilities or contingent assets since the last financial year ended 31 January 2013.

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 31.10. 2013 RM'000	Cumulative Year to-date ended 31.10.2013 RM'000
Taxation for current financial period	(60)	(612)
Deferred taxation for current period	491	491
	<u>431</u>	<u>(121)</u>

B2 Profit/(Loss) before taxation

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

	Current Quarter ended 31.10.2013 RM'000	Cumulative Year to-date ended 31.10.2013 RM'000
Interest expense	786	2,220
Depreciation and amortization	711	3,371
Foreign exchange (gain)/ loss	(38)	(45)

B3 Status of corporate proposal announced

There were no other corporate proposals announced during the quarter under review.

B4 Borrowing and debt securities

	As at 31.10.2013 RM'000
Short term	
Secured	21,081
Unsecured	-
	<u>21,081</u>
Long term	
Secured	22,116
Unsecured	-
	<u>22,116</u>

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 operation was RM22.195 million compared with RM26.182 million turnover generated in the preceding quarter which is lower by 15.23% was largely due to the lower sales from the Group's core business of manufacturing.

There is a profit before tax of RM530,989 recorded in this quarter compared with profit before tax of RM225,627 recorded in the preceding quarter because of the lower selling and administrative expenses.

B7 Review of Performance

Quarter ended 31.10.2013 compared with quarter ended 31.10.2012

The Group's turnover from continuing operations for the current quarter of RM22.195 million is 0.75% lower than that of the corresponding quarter last year at RM22.363 million. The Group's profit before taxation from continuing operations for the current quarter of RM530,989 compared to that of the corresponding quarter last year profit before taxation at RM1.370 million due to a higher other income in the corresponding quarter last year.

The Group's turnover was 100% contributed by the Group's core business, manufacturing segment.

The manufacturing revenue for the current quarter was RM22.375 million as compared to RM22.288 million for the corresponding quarter last year. Profit before taxation was RM1.390 million for the current quarter under review which is reduced by 6.33% compared to profit before tax of RM1.484 million in the corresponding quarter last year.

For other segments, the current quarter loss before taxation was RM858,776 compared to the preceding financial year corresponding quarter loss before taxation of RM113,636.

Period to date ended 31.10.2013 compared with period to date ended 31.10.2012

The Group's turnover from continuing operations period to date ended 31.10.2013 of RM69.865 million is 5.02% higher than that of the corresponding period to date ended 31.10.2012 at RM66.526 million.

The Group's profit before taxation from continuing operations period to date ended 31.10.2013 of RM872,654 is 52.71% lower compared to that of the corresponding period to date ended 31.10.2012 at RM1.846 million due to a higher other income in the corresponding period to date ended 31.10.2012.

The Group's turnover was 100% contributed by the Group's core business, manufacturing segment.

The manufacturing revenue for the period to date ended 31.10.2013 was RM69.865 million as compared to RM65.756 million for the corresponding period to date ended 31.10.2012. Profit before taxation for the period to date ended 31.10.2013 was RM3.206 million which is reduced by 23.59% compared to profit before tax of RM4.196 million in the corresponding period to dated ended 31.10.2012 which is due to the loss incurred in the carton box division.

For other segments, the loss before taxation for the period to date ended 31.10.2013 was RM2.333 million compared to the loss before taxation of corresponding period to date ended 31.10.2012 at RM2.351 million.

B8 Prospects

The Manufacturing Division will continue 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 October 2013.

B11 Earnings per share attributable to owners of the Company

	Current Quarter ended 31.10.2013 RM'000	Cumulative Year to date ended 31.10.2013 RM'000
(a) Basic earnings per share		
Profit/(Loss) for the period (RM'000)	(3,167)	(3,080)
- Continuing operations	962	1,061
- Discontinued operations	(4,128)	(4,141)
Weighted average number of ordinary shares in issue ('000)	110,999	110,999
Basic Earnings per share for profit/(loss) for the period (sen)	(2.85)	(2.77)
- Continuing operations	0.87	0.96
- Discontinued operations	(3.72)	(3.73)
(b) Diluted earnings per share		
Profit/(Loss) for the period (RM'000)	(3,167)	(3,080)
- Continuing operations	962	1,061
- Discontinued operations	(4,128)	(4,141)
Weighted average number of ordinary shares in issue ('000)	110,999	110,999
- Dilution due to ESOS	249	249
Adjustable weighted average number of ordinary shares in issue and issuable ('000)	111,248	111,248
Diluted earnings per share for profit/(loss) for the period (sen)	(2.86)	(2.78)
- Continuing operations	0.86	0.95
- Discontinued operations	(3.71)	(3.72)

B12 Disclosure of realised and unrealised profits/losses

	Current Quarter ended 31.10.2013 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	(31,728)	(19,028)
- unrealised	7,998	(1,426)
	<u>(23,730)</u>	<u>(20,454)</u>
Consolidation adjustments	-	-
Total group accumulated losses as per consolidated accounts	<u>(23,730)</u>	<u>(20,454)</u>

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
20 December 2013

c.c. Securities Commission