

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2014

	As at 30.04.2014 RM'000	As at 31.01.2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	65,040	65,875
Investment property	47,085	47,085
Intangible asset	4,667	4,667
Investment in associated company	3,487	3,487
Investment in quoted shares	2	2
	<u>120,281</u>	<u>121,116</u>
Current assets		
Inventories	13,676	15,821
Trade receivables	19,188	17,805
Other receivables	3,222	2,815
Tax recoverable	830	590
Short term investment	5,010	5,010
Cash and cash equivalents	2,727	3,161
	<u>44,653</u>	<u>45,202</u>
TOTAL ASSETS	<u>164,934</u>	<u>166,318</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	74,945	74,945
Share premium	35,436	35,436
ESOS reserve	884	884
Accumulated losses	(16,397)	(15,888)
	<u>94,868</u>	<u>95,377</u>
Non-controlling interests	-	-
Total Equity	<u>94,868</u>	<u>95,377</u>
Non-current liabilities		
Borrowings	17,918	18,874
Deferred tax liabilities	10,718	10,718
	<u>28,636</u>	<u>29,592</u>
Current liabilities		
Borrowings	23,288	22,072
Trade payables	5,558	6,973
Other payables	12,584	12,268
Provision for taxation	-	36
	<u>41,430</u>	<u>41,349</u>
Total liabilities	<u>70,066</u>	<u>70,941</u>
TOTAL EQUITY AND LIABILITIES	<u>164,934</u>	<u>166,318</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	<u>63</u>	<u>64</u>

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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 2014.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2014

	Current quarter ended 30.04.2014	3 months cumulative for current financial year to date ended 30.04.2014	Comparable quarter ended 30.04.2013	Comparable 3 months cumulative for preceding financial year to date ended 30.04.2013
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	23,708	23,708	21,488	21,488
Other income	577	577	250	250
Operating expenses	(24,123)	(24,123)	(21,022)	(21,022)
Finance costs	(671)	(671)	(572)	(572)
Share of loss of associate company	-	-	(28)	(28)
(Loss)//Profit before tax	(509)	(509)	116	116
Income tax expense	-	-	(322)	(322)
Loss for the period from continuing operations	(509)	(509)	(206)	(206)
Discontinued operations				
Loss for the period from discontinued operations	-	-	1	1
Loss on disposal of joint venture	-	-	-	-
	-	-	1	1
Loss After Taxation	(509)	(509)	(205)	(205)
Other Comprehensive Expenses For The Financial Year	-	-	-	-
Total Comprehensive Expenses For The Financial Year	(509)	(509)	(205)	(205)
Loss After Taxation Attributable to:				
Owners of the Company	(509)	(509)	(27)	(27)
Non-controlling interests	-	-	(178)	(178)
	(509)	(509)	(205)	(205)
Total Comprehensive Expenses Attributable to:				
Owners of the Company	(509)	(509)	(27)	(27)
Non-controlling interests	-	-	(178)	(178)
	(509)	(509)	(205)	(205)
Earnings per share attributable to				
Owners of the Company (sen):				
Basic:				
- Continuing operations	(14.09)	(14.09)	(0.08)	(0.08)
- Discontinued operations	(14.09)	(14.09)	(0.08)	(0.08)
	0.00	0.00	(0.00)	(0.00)
Diluted:				
- Continuing operations	(14.09)	(14.09)	(0.08)	(0.08)
- Discontinued operations	(14.09)	(14.09)	(0.08)	(0.08)
	0.00	0.00	0.00	0.00

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 2014.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2014

	Non-Distributable				Distributable	Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Employee Share Options Reserve RM'000	Capital Reserve RM'000	Accumulated Losses RM'000			
At 1 February 2013	68,583	32,253	1,005	3,494	(20,454)	84,881	(202)	84,679
Loss after taxation for the financial period	-	-	-	-	(27)	(27)	(178)	(205)
Contributions by and distributions to owners of the Company: - Warrants exercised	6,359	3,179	-	(3,179)	-	6,359	-	6,359
At 30 April 2013	74,942	35,432	1,005	315	(20,481)	91,213	(380)	90,833
At 1 February 2014	74,945	35,436	884	-	(15,888)	95,377	-	95,377
Loss after taxation for the financial period	-	-	-	-	(509)	(509)	-	(509)
At 30 April 2014	74,945	35,436	884	-	(16,397)	94,868	-	94,868

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 2014.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2014

	Year ended 30.04.2014 RM'000	Year ended 31.01.2014 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
(Loss)/Profit before taxation:		
Continuing operations	(509)	13,035
Discontinued operations	-	(5,461)
	<u>(509)</u>	<u>7,574</u>
Adjustments for:		
Non cash items	1,234	5,039
Non-operating items	629	(5,216)
Operating profit before working capital changes	1,354	7,397
Net change in current assets	599	(428)
Net change in current liabilities	(1,189)	(3,140)
Cash generated from operations	764	3,829
Income tax paid	(513)	(3,756)
Interest paid	(671)	(3,039)
Net cash for operating activities	(420)	(2,966)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	3	98
Proceed from disposal of property, plant and equipment	2	568
Purchase of property, plant and equipment	(400)	(1,570)
Proceed from disposal of investment property	-	8,797
Dividend received	37	40
Investment in short term investment	-	(5,010)
Investment in associated company	-	(3,488)
Net cash for investing activities	(358)	(565)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from/(Repayment to) related parties	84	(915)
Proceeds from share options exercised	-	6
Proceeds from warrants exercised	-	6,359
Advances from directors	-	(77)
Drawdown of bankers' acceptances	-	(482)
Net drawdown/(repayment) of bills payables	1,824	(816)
Repayment of hire purchase obligations	(468)	(1,535)
(Repayment)/Drawdown of revolving credit	(180)	3,940
Repayment of term loan	(549)	(6,199)
Net cash from financing activities	711	281
NET DECREASE IN CASH AND CASH EQUIVALENTS	(67)	(3,250)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	171	3,421
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	104	171
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with licensed banks	422	422
Cash and bank balances	(318)	2,739
	<u>104</u>	<u>3,161</u>
Bank overdraft	-	(2,990)
	<u>104</u>	<u>171</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 2014.

**KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULT FOR THE FIRST
QUARTER ENDED 30 APRIL 2014**

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 Malaysia Financial Reporting Standards ("MFRS") 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 2014.

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 2014.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the accounting period beginning 1 February 2014.

The initial application of the MFRSs, Amendments to MFRSs and IC Interpretation, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impact to the financial statements of the Group upon their first adoption.

A2 Status of Audit Qualifications

The audited financial statements of the Group for year ended 31 January 2014 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 2014.

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.

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 2014:

	Gross revenue RM'000	Loss before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	26,863	(199)	130,477	66,232
Investment holding/Others	615	(278)	216,992	177,559
	<u>27,478</u>	<u>(477)</u>	<u>347,469</u>	<u>243,791</u>
Elimination	(3,770)	(32)	(183,366)	(184,443)
	<u>23,708</u>	<u>(509)</u>	<u>164,103</u>	<u>59,348</u>
Unallocated Assets			831	-
Unallocated Liabilities			-	10,718
			<u>164,934</u>	<u>70,066</u>

The Group's turnover was fully contributed by the Group's core business, which is the manufacturing of industrial packaging materials.

Gross Revenue	RM'000
Manufacturing	26,863
Less : Intercompany elimination	<u>(3,155)</u>
	23,708
Investment holdings/Others	615
Less : Intercompany elimination	<u>(615)</u>
	-
	<u>23,708</u>

A9 Valuations of Property, Plant and Equipment

The valuations of land and buildings have been bought 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

There were no changes in the composition of the Group during the financial period 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 2014.

A13 Capital Commitments

There was no capital commitments provided for in the financial statement for the quarter ended 30 April 2014.

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 30.04.2014 RM'000	Cumulative Year to-date ended 30.04.2014 RM'000
Taxation for current financial period	-	-
Deferred taxation for current period	-	-
	-	-

B2 Loss before taxation

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

	Current Quarter ended 30.04.2014 RM'000	Cumulative Year to-date ended 30.04.2014 RM'000
Interest expense	671	671
Depreciation and amortization	1,234	1,234
Foreign exchange gain	(4)	(4)

B3 Status of corporate proposal announced

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

B4 Borrowing and debt securities

	As at 30.04.2014 RM'000
Short term	
Secured	23,288
Unsecured	-
	<hr/> 23,288
Long term	
Secured	17,918
Unsecured	-
	<hr/> 17,918

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 Loss/Profit before Taxation for the current quarter compared with the preceding quarter

The Group's turnover for the current quarter under review was RM23.708 million. This is 14% increase following from the recorded turnover of RM20.783 million in the preceding quarter and is mainly contributed by an increase in the sales by the Group's core business of manufacturing.

A loss before tax of RM509,000 is recorded in the current quarter compared with a profit before tax of RM12.162 million recorded in the preceding quarter. The main variance between the figures is due to a fair value gain on investment property in the preceding quarter.

B7 Review of Performance

Quarter ended 30.04.2014 compared with quarter ended 30.04.2013

The Group's turnover for the current quarter of RM23.708 million is 10% higher than that of the corresponding quarter from the previous year which stood at RM21.488 million. This is mainly contributed by higher sales from the industrial bag division.

The Group recorded a loss before taxation for the current quarter of RM509,000 compared to a profit before taxation of RM116,000 in the corresponding quarter from the previous year. This is mainly due to an increase in operating expenses as a result of rising manufacturing cost in respect of the compliance of minimum wages rate and higher raw material cost.

The Group's turnover was fully contributed by the Group's core business, which is the manufacturing of industrial packaging materials.

The manufacturing revenue for the current quarter was RM23.708 million as compared to RM21.398 million for the corresponding quarter last year. Loss before taxation was RM199,000 for the current quarter under review compared to a profit before tax of RM1.011 million in the corresponding quarter last year. This is mainly due to an increase in operating expenses as a result of rising manufacturing cost in respect of the compliance of minimum wages rate and higher raw material cost.

For other segments, the current quarter loss before taxation was RM310,000 compared to the preceding financial year corresponding quarter loss before taxation of RM894,000.

B8 Prospects

The manufacturing of industrial packaging materials will continue to be the core business of the Group. Despite the challenges faced as manufacturing costs rises, the outlook for the division is positive as the divisions look to enhance its production processes and will continue to deliver better quality products and services.

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 2014.

B11 Earnings per share attributable to owners of the Company

	Current Quarter ended 30.04.2014 RM'000	Cumulative Year to date ended 30.04.2014 RM'000
(a) <u>Basic earnings per share</u>		
Loss for the period (RM'000)	(509)	(509)
Weighted average number of ordinary shares in issue ('000)	3,614	3,614
Basic Earnings per share for loss for the period (sen)	(14.09)	(14.09)
(b) <u>Diluted earnings per share</u>		
Loss for the period (RM'000)	(509)	(509)
Weighted average number of ordinary shares in issue ('000)	3,614	3,614
Diluted earnings per share for loss for the period (sen)	(14.09)	(14.09)

B12 Disclosure of realised and unrealised profits/losses

	Current Quarter ended 30.04.2014 RM'000	As at the end of the financial year ended 31.01.2014 RM'000
Total (accumulated losses)/ retained profits of the Company and its subsidiaries:		
- realised	(63,577)	(75,968)
- unrealised	(9,847)	2,288
	<u>(73,424)</u>	<u>(73,680)</u>
Total share of accumulated losses of associates:-		
- realised	-	(4)
- unrealised	-	(1)
	<u>(73,424)</u>	<u>(73,685)</u>
Consolidation adjustments	57,027	57,797
Total group accumulated losses as per consolidated accounts	<u>(16,397)</u>	<u>(15,888)</u>

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur

27 June 2014

c.c. Securities Commission