

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2014

	As at 31.07.2014 RM'000	As at 31.01.2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	64,149	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>119,390</u>	<u>121,116</u>
Current assets		
Inventories	16,246	15,821
Trade receivables	21,826	17,805
Other receivables	2,195	2,815
Tax recoverable	1,398	590
Short term investment	5,310	5,010
Cash and cash equivalents	3,682	3,161
	<u>50,657</u>	<u>45,202</u>
TOTAL ASSETS	<u>170,047</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	(16,873)	(15,888)
	<u>94,392</u>	<u>95,377</u>
Non-controlling interests	(0)	-
Total Equity	<u>94,392</u>	<u>95,377</u>
Non-current liabilities		
Borrowings	17,195	18,874
Deferred tax liabilities	10,718	10,718
	<u>27,913</u>	<u>29,592</u>
Current liabilities		
Borrowings	26,965	22,072
Trade payables	8,861	6,973
Other payables	11,915	12,268
Provision for taxation	-	36
	<u>47,741</u>	<u>41,349</u>
Total liabilities	<u>75,654</u>	<u>70,941</u>
TOTAL EQUITY AND LIABILITIES	<u>170,047</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 31 JULY 2014

	Current quarter ended 31.07.2014 RM'000	6 months cumulative for current financial year to date ended 31.07.2014 RM'000	Comparable quarter ended 31.07.2013 RM'000	Comparable 6 months cumulative for preceding financial year to date ended 31.07.2013 RM'000
Continuing operations				
Revenue	25,124	48,831	26,182	47,670
Other income	141	719	232	482
Operating expenses	(25,044)	(49,166)	(25,297)	(46,319)
Finance costs	(697)	(1,369)	(861)	(1,433)
Share of loss of associate company	-	-	(31)	(59)
(Loss)/Profit before tax	(476)	(985)	225	341
Income tax expense	-	-	(230)	(551)
Loss for the period from continuing operations	(476)	(985)	(5)	(210)
Discontinued operations				
Loss for the period from discontinued operations	-	-	(13)	(13)
Loss on disposal of joint venture	-	-	-	-
	-	-	(13)	(13)
Loss After Taxation	(476)	(985)	(18)	(223)
Other Comprehensive Expenses For The Financial Year	-	-	(511)	(511)
Total Comprehensive Expenses For The Financial Year	(476)	(985)	(529)	(734)
Loss After Taxation Attributable to:				
Owners of the Company	(476)	(985)	114	87
Non-controlling interests	-	-	(132)	(310)
	(476)	(985)	(18)	(223)
Total Comprehensive Expenses Attributable to:				
Owners of the Company	(476)	(985)	(397)	(424)
Non-controlling interests	-	-	(132)	(310)
	(476)	(985)	(529)	(734)
Earnings per share attributable to				
Owners of the Company (sen):				
Basic:				
- Continuing operations	(13.16)	(27.25)	0.14	0.10
- Discontinued operations	0.00	0.00	(0.02)	(0.02)
Diluted:				
- Continuing operations	(13.16)	(27.25)	0.12	0.09
- Discontinued operations	0.00	0.00	(0.02)	(0.01)

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 31 JULY 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
Employees's share options exercised	3	2	-	-	-	5	-	5
Warrants exercised	6,359	3,179	-	(3,179)	-	6,359	-	6,359
Dilution arising from change in stake	-	-	-	-	(511)	(511)	511	-
Total comprehensive income for the year	-	-	-	-	87	87	(309)	(222)
At 31 July 2013	74,945	35,434	1,005	315	(20,879)	90,820	-	90,820
At 1 February 2014	74,945	35,436	884	-	(15,888)	95,377	-	95,377
Loss after taxation for the financial year	-	-	-	-	(985)	(985)	(0)	(985)
At 31 July 2014	74,945	35,436	884	-	(16,873)	94,392	(0)	94,392

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 2014.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2014

	Year ended 31.07.2014 RM'000	Year ended 31.01.2014 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
(Loss)/Profit before taxation:		
Continuing operations	(985)	13,035
Discontinued operations	-	(5,461)
	<u>(985)</u>	<u>7,574</u>
Adjustments for:		
Non cash items	2,466	5,039
Non-operating items	2,153	(5,216)
	<u>3,634</u>	<u>7,397</u>
Operating profit before working capital changes	3,634	7,397
Net change in current assets	(3,822)	(428)
Net change in current liabilities	1,444	(3,140)
	<u>1,256</u>	<u>3,829</u>
Cash generated from operations	1,256	3,829
Income tax paid	(844)	(3,756)
Interest paid	(2,247)	(3,039)
	<u>(1,834)</u>	<u>(2,966)</u>
Net cash for operating activities	(1,834)	(2,966)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	-	98
Proceed from disposal of property, plant and equipment	158	568
Purchase of property, plant and equipment	(862)	(1,570)
Proceed from disposal of investment property	-	8,797
Dividend received	76	40
Repayment of related parties	-	-
Investment in associated company	-	(3,488)
	<u>(628)</u>	<u>(565)</u>
Net cash for investing activities	(628)	(565)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from/(Repayment to) related parties	87	(915)
Proceeds from share options exercised	-	6
Proceeds from warrants exercised	-	6,359
Advances from directors	-	(77)
Repayment of bankers' acceptances	-	(482)
Net drawdown/(repayment) of bills payables	4,361	(816)
Drawdown of term loans	-	-
(Repayment)/Drawdown of revolving credit	(360)	3,940
Repayment of hire purchase obligations	(681)	(1,535)
Repayment of term loan	(1,103)	(6,199)
	<u>2,303</u>	<u>281</u>
Net cash from financing activities	2,303	281
	<u>(459)</u>	<u>(3,250)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(459)	(3,250)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	171	3,421
	<u>(287)</u>	<u>171</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	(287)	171
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with licensed banks	423	422
Cash and bank balances	3,259	2,739
	<u>3,682</u>	<u>3,161</u>
Bank overdraft	(3,969)	(2,990)
	<u>(287)</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 SECOND
QUARTER ENDED 31 JULY 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 31 July 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 6 months ended 31 July 2014:

	Gross revenue	Loss before tax	Segment assets	Segment liabilities
	RM'000	RM'000	RM'000	RM'000
Manufacturing	55,462	(268)	133,852	70,243
Investment holding/Others	1,257	(652)	199,269	160,208
	<u>56,719</u>	<u>(920)</u>	<u>333,121</u>	<u>230,451</u>
Elimination	(7,888)	(65)	(164,472)	(165,515)
	<u>48,831</u>	<u>(985)</u>	<u>168,649</u>	<u>64,936</u>
Unallocated Assets			1,398	-
Unallocated Liabilities			-	10,718
			<u>170,047</u>	<u>75,654</u>

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

Gross Revenue

RM'000

Manufacturing	55,461
Less : Intercompany elimination	<u>(6,630)</u>
	48,831
Investment holdings/Others	1,257
Less : Intercompany elimination	<u>(1,257)</u>
	-
	<u>48,831</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 31 July 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 31.07.2014 RM'000	Cumulative Year to-date ended 31.07.2014 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 31.07.2014 RM'000	Cumulative Year to-date ended 31.07.2014 RM'000
Interest expense	700	1,368
Depreciation and amortization	1,232	2,466
Foreign exchange gain	(14)	(10)

B3 Status of corporate proposal announced

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

B4 Borrowing and debt securities

	As at 31.07.2014 RM'000
Short term	
Secured	26,965
Unsecured	-
	26,965
Long term	
Secured	17,195
Unsecured	-
	17,195

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 RM25.124 million. This is a 5.97% increase following from the recorded turnover of RM23.708 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 RM485,591 is recorded in the current quarter compared with a loss before tax of RM499,120 recorded in the preceding quarter.

B7 Review of Performance

Quarter ended 31.07.2014 compared with quarter ended 31.07.2013

The Group's turnover for the current quarter of RM25.124 million is 4.04% lower than that of the corresponding quarter from the previous year which stood at RM26.182 million.

The Group recorded a loss before taxation for the current quarter of RM485,591 compared to a profit before taxation of RM225,627 in the corresponding quarter from the previous year. This is mainly due to an increase in operating expenses as a result of rising labour costs after the implementation of minimum wage order.

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

Accordingly, the manufacturing revenue for the current quarter was RM25.124 million as compared to RM26.092 million for the corresponding quarter last year. Loss before taxation was RM79,200 for the current quarter under review compared to a profit before tax of RM805,151 million in the corresponding quarter last year. This is mainly due to the higher manufacturing cost incurred for the current quarter under review mainly from the rising of labour costs after implementation of minimum wage order.

For other segments, the current quarter loss before taxation was RM406,391 compared to the preceding financial year corresponding quarter loss before taxation of RM579,524.

B8 Prospects

The Manufacturing of industrial packaging will contribute 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 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 31 July 2014.

B11 Earnings per share attributable to owners of the Company

	Current Quarter ended 31.07.2014 RM'000	Cumulative Year to date ended 31.07.2014 RM'000
(a) <u>Basic earnings per share</u>		
Loss for the period (RM'000)	(476)	(985)
Weighted average number of ordinary shares in issue ('000)	3,614	3,614
Basic Earnings per share for loss for the period (sen)	(13.16)	(27.25)
(b) <u>Diluted earnings per share</u>		
Loss for the period (RM'000)	(476)	(985)
Weighted average number of ordinary shares in issue ('000)	3,614	3,614
Diluted earnings per share for loss for the period (sen)	(13.16)	(27.25)

B12 Disclosure of realised and unrealised profits/losses

	Current Quarter ended 31.07.2014 RM'000	As at the end of the last financial year ended 31.01.2014 RM'000
Total (accumulated losses)/ retained profits of the Company and its subsidiaries:		
- realised	(64,014)	(75,968)
- unrealised	(9,847)	2,288
	(73,861)	(73,680)
Total share of accumulated losses of Associates:		
- realised	-	(4)
- unrealised	-	(1)
	(73,861)	(73,685)
Consolidation adjustments	56,988	57,797
Total group accumulated losses as per consolidated accounts	(16,873)	(15,888)

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
25 September 2014

c.c. Securities Commission