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KYM HOLDINGS BHD.

(Company No.: 84303-A)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

In relation to

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Ordinary Resolution in respect of the above proposal will be tabled at the 33rd Annual General Meeting ("AGM") of the Company to be held at the Company's Office at No. 12 Lorong Medan Tuanku Satu 50300 Kuala Lumpur on Tuesday, 21 July 2015 at 11.00 a.m. The Notice of the 33rd AGM together with the Proxy Form is set out in the Company's 2015 Annual Report despatched together with this Circular.

A Proxy Form should be completed and returned in accordance with the instructions therein as soon as possible so as to arrive at the Company's Registered Office not later than 48 hours before the time set for holding the meeting. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

This Circular is dated 26 June 2015

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

“Act”	:	Companies Act, 1965 as amended from time to time and any re-enactment thereof.
“AGM”	:	Annual General Meeting
“Board”	:	The Board of Directors of KYM
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“Director”	:	Shall have the meaning given in section 2(1) of Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Director of the Company or any other company which is its subsidiary or holding company) or a chief executive of the Company, its subsidiary or holding company
“DLKY”	:	Dato’ Lim Kheng Yew, a Director and a Major Shareholder of KYM
“TSM”	:	TSM Global Berhad (73170-V)
“TSM Group”	:	TSM and its subsidiaries
“KYM” or “Company”	:	KYM Holdings Bhd (84303-A)
“KYM Group” or “Group”	:	KYM and its subsidiaries
“Listing Requirements”	:	The Listing Requirements of Bursa Securities for the Main Market
“Major Shareholder”	:	<p>A person who has an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:-</p> <ul style="list-style-type: none">(a) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in the Company; or(b) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company <p>Includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company as defined above (or any other company which is its subsidiary or holdings company). For the purpose of this definition, “interest in shares” shall have the meaning given in Section 6A of the Act</p>
“Persons Connected”	:	<p>Such person, in relation to the Director or Major Shareholder, who falls under any one of the following categories:</p> <ul style="list-style-type: none">a) a member of the Director’s or Major Shareholder’s family;b) a trustee of a trust (other than a trustee for any employee share scheme or pension scheme) under which the Director, Major Shareholder or a member of the Director’s or Major Shareholder’s family is the sole beneficiary;c) a partner of the Director, Major Shareholder or a partner of a person connected with that Director or Major Shareholder;

- d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
- e) a person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
- f) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
- g) a body corporate or its directors whose directions, instructions or wishes the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act;
- h) a body corporate in which the Director, Major Shareholder or persons connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
- i) a body corporate which is a related corporation

“Proposed Shareholders’ Mandate”	:	Proposed renewal of shareholders’ mandate for the Group to enter into existing Recurrent Transactions as set out in Section 2.2 of this Circular
“Recurrent Transactions”	:	Related Party Transaction which is recurrent, of a revenue or trading nature and which are necessary for day-to-day operations of KYM or its subsidiaries
“Related Party(ies)”	:	A Director or Major Shareholder of KYM or Persons Connected with such a Director or Major Shareholder of KYM
“Related Party Transaction”	:	A transaction entered by KYM Group which involve the interest, direct or indirect, of a Related Party
“RM” and “sen”	:	Ringgit Malaysia and sen respectively

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KYM HOLDINGS BHD.

(Company No. 84303-A)

(Incorporated in Malaysia)

Registered Office:

12 Lorong Medan Tuanku Satu
50300 Kuala Lumpur

26 June 2015

Directors:-

Dato' Seri Dr. Isahak bin Yeop Mohamad Shar (*Non-Independent Non-Executive Chairman*)

Dato' Lim Kheng Yew (*Executive Director*)

Dato' Seri Ir. Mohamad Othman bin Zainal Azim (*Independent Non-Executive Director*)

Datuk Wira Rahadian Mahmud bin Mohammad Khalil (*Independent Non-Executive Director*)

Dato' Mohd Azmi bin Othman (*Independent Non-Executive Director*)

Lee Ji Jin Darren (*Non-Independent Non-Executive Director*)

To: The Shareholders of KYM Holdings Bhd.

Dear Sir / Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

At the 32nd AGM held on 8 July 2014, the Company obtained approval from its shareholders to renew the mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of KYM Group with the related parties pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities. The authority conferred by the said shareholders' mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM of the Company which has been scheduled to be held on 21 July 2015 unless the approval for the renewal of the shareholders' mandate is obtained from the shareholders of KYM at the forthcoming AGM.

The Company has on 13 May 2015 announced that it proposes to seek the shareholders' approval for the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

The purpose of this Circular is to provide you with details pertaining to the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution relating to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

The principal activities of the Company are those of investment holding. Its subsidiaries are principally involved in:-

- (i) manufacture and sale of corrugated fibre boards and boxes;
- (ii) manufacture and sale of industrial paper bags;
- (iii) property development and investment; and

- (iv) property management and construction.

It is envisaged that in the normal course of businesses, transactions of a revenue or trading nature between the companies in the KYM Group and the Related Party are likely to occur, and which are necessary for its day-to-day operations.

The Board is seeking the shareholders' approval for the Proposed Shareholders' Mandate for the Company and/or its subsidiaries, in their normal course of business, to enter into the categories of Recurrent Transactions as set out in Section 2.2 with the classes of Related Party as set out in Section 2.1 below, provided that such transaction of a revenue or trading nature which are necessary for the Group's day-to-day operations are made at arm's length on the KYM Group's normal commercial terms and on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

The types of Recurrent Transactions to be comprised in the Proposed Shareholders' Mandate relate principally to sale of corrugated fibre boards and boxes, sale of industrial paper bags, property management, construction and letting of properties in the ordinary course of businesses of KYM Group ("KYM Group businesses").

a. Sale of Packaging Materials

In the course of KYM Group's businesses, the KYM Group may enter into Recurrent Transactions to sell and supply carton boxes, industrial paper bags and related products which are necessary to the day-to-day operation and for use in the business of Related Party.

b. Construction Property Management and Development

In the course of the KYM Group's businesses, it is anticipated that transactions with Related Party under this category will include:-

- The provision by companies in the KYM Group to, or procurement from Related Party of, construction contracts, project management, consultancy and construction services and/or project development undertaken by companies in KYM Group or, as the case may be, the Related Party. Construction contracts include inter alia, main building works, piling works, substructure works, infra works and earth works.
- Provision of services to Related Party to manage the development and include co-ordination of tenders, supervision of contractors, co-ordination of construction programmes, sales and marketing and general administration of the project.
- Procurement of building and construction material and M&E products.

c. Leasing of Properties

In carrying out the business of KYM Group, it is envisaged that the Group will enter into Recurrent Transactions relate to the rental of factory, warehouse, office premises and properties by companies in KYM Group to or from Related Party.

2.1 Classes of Related Party

The Proposed Shareholders Mandate will apply to the following classes of Related Party:

- Directors or Major Shareholders; and
- Persons Connected with the Directors or Major Shareholders.

The Related Party includes TSM Group, Tzel Properties Sdn Bhd and Tzel Assets Sdn Bhd.

Name of Companies	Principal Activities	Relationship
TSM Group	TSM is principally engaged in the businesses in letting of properties and investment holding. Its subsidiary companies are primarily involved in the manufacture and supply of wire harness for vehicles, automotive accessories, high tension ignition cable sets and PVC wires and cables, manufacturing and supply of corrugated tubes (COT) and vinyl tubes (VT) for automotive use and property dealings.	<p>DLKY is a Director of TSM. He holds 100% equity interest in TSM by virtue of his interest, direct and indirect, in West River Capital Sdn Bhd.</p> <p>The direct and indirect shareholding of DLKY in the Company are set out on page 7 of this Circular.</p> <p>Lim Tze Thean, a son of DLKY, is the CEO and major shareholder of KYM. He is a Director of TSM and holds 100% equity interest in TSM by virtue of his interest, direct and indirect, in West River Capital Sdn Bhd. He holds 6.67% equity interest in KYM.</p>
Tzel Properties Sdn Bhd ("TPSB")	Investment Holding	<p>Datin Millie Lee Siew Kim and Lim Tze Thean are Directors of TPSB. Datin Millie Lee Siew Kim is the spouse to DLKY and a major shareholder of TPSB, holding 70% equity interest. Lim Tze Thean, Mark Lim Tze Seang and Melissa Lim Su Lin who each holds 10% equity interest in TPSB are children of DLKY.</p> <p>Datin Millie Lee Siew Kim holds 9.84% equity interest in KYM by virtue of her interest in KYM Sdn Bhd and Idaman Bina Makmur Sdn Bhd.</p> <p>Lim Tze Thean is the CEO and major shareholder of KYM. He holds 6.67% equity interest in KYM.</p>
Tzel Assets Sdn Bhd ("TASB")	Investment Holding and Property Investment	<p>DLKY, Datin Millie Lee Siew Kim, Lim Tze Thean and Melissa Lim Su Lin are Directors of TASB. Datin Millie Lee Siew Kim is the spouse to DLKY and a major shareholder of TASB, holding 99.99% equity interest. Mark Lim Tze Seang holds 0.01% equity interest in TASB, is the son of DLKY.</p> <p>Datin Millie Lee Siew Kim holds 9.84% equity interest in KYM by virtue of her interest in KYM Sdn Bhd and Idaman Bina Makmur Sdn Bhd.</p> <p>Lim Tze Thean, the son of DLKY, is the CEO and major shareholder of KYM. He holds 6.67% equity interest in KYM.</p>

2.2 Nature of Recurrent Transactions Contemplated under the Proposed Shareholders' Mandate

The Recurrent Transactions for which the approval is now being sought for the Proposed Shareholders' Mandate are as follows:

Transacting Company	Nature of Transactions	Estimated Value from the date of 32 nd AGM to next AGM as disclosed in the Circular to Shareholders dated 16 June 2014 ("Estimated Value") (RM'000)	Actual Transaction Value from the date of 32 nd AGM until 29 May 2015, being the latest practical date before printing of the circular ("Actual Value") [^] (RM'000)	Estimated Value from the date of 33 rd AGM to next AGM (RM'000) [@]
1. TSM Global Berhad's Group ("TSM Group")	Construction, Property Management and Development to be undertaken by KYM Group for TSM Group. Supply of corrugated carton boxes and/or industrial bags by KYM Group to TSM Group	# 300	NIL 101	# 300
2. Tzel Properties Sdn Bhd ("TPSB")	Rental of office space by KYM Group from TPSB ⁽¹⁾ .	100	31	100
3. Tzel Assets Sdn Bhd ("TASB")	Rental payable by Hasrat Meranti (Tapah) Sdn Bhd to TASB for factory located at KM9, Jalan Tapah 35400 Tapah Perak Darul Ridzuan ⁽²⁾ .	1,100	994	1,100

[@] The estimated value is based on management estimates of the value of transactions. These estimates may vary and are subject to changes.

The estimated value of transaction cannot be determined as the transactions are on project-by-project basis. There is no transaction in hand since the approval of the mandate on 8 July 2014 nor at the date of meeting.

[^] There is no deviation where the Actual Value transacted at each of the above Recurrent Transaction exceeds the Estimated Value by 10% or more.

(1) The tenures of the premises and properties are regarded as Recurrent Transactions pursuant to paragraph 3.2(c) of PN 12/2002 of the Listing Requirements in that the lease does not exceed 3 years. The rental is paid on a monthly basis for additional office space of KYM at the corporate office at Medan Tuanaku.

(2) The tenures of the premises and properties are regarded as Recurrent Transactions pursuant to paragraph 3.2(c) of PN 12/2002 of the Listing Requirements in that the lease does not exceed 3 years. The rental is paid on a monthly basis for the special purpose built factory in Tapah.

There are no outstanding Related Party receivables pursuant to Recurrent Transaction exceeded the credit terms as at 31 January 2015.

2.3 Review Procedures for the Recurrent Transactions

The Board has put in place an internal control system, which includes review procedures and guidelines to ensure that Recurrent Transactions with the Related Parties are made on normal commercial terms and are not prejudicial to the interests of the minority shareholders.

The following guidelines will apply to the review and approval of Recurrent Transactions to ensure that the terms of the Recurrent Transactions are no more favourable to the Related Party than those generally available to the public and the Recurrent Transactions are not detrimental to minority shareholders of KYM.

- (a) For all sales and purchase transactions in the Group, market prices will be used to determine the transaction price for sales to and purchase from Related Parties, after taking into account factors such as quality, delivery schedules and, where applicable, preferential rates, rebates or discounts accorded for bulk purchases. Where possible, at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison to determine whether the price and terms offered to/by other unrelated third parties for the same or substantial similar type of produces/services and/or quantities.
- (b) In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there is no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item), the transaction price will be reviewed by KYM Group based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and on terms which are generally in line with industry norms to ensure that the transaction is not detrimental to the Company or its group of companies.
- (c) Lease and rental rates are determined by the management of the KYM Group on an arm's length basis, based on, amongst others, application of premium for location, conveniences and relocation immobility and provision of utilities like water and electricity as well as fittings for lighting.
- (d) For the award of construction contracts in connection with property development projects, the management shall approve an internal budget to form the basis for comparison with tenders received. Tenders are invited for all projects and they are evaluated based on pricing as well as technical and financial capabilities of the tenderers.
- (e) There are no thresholds for approval of Recurrent Transactions within Group of Companies as all Recurrent Transactions will be reviewed and approved by the Executive Director.

In addition to the guidelines set out above, the Company will implement the following procedures to supplement the above guidelines:

- (i) A list of Related Parties will be circulated to the subsidiaries of KYM to notify that all Recurrent Transactions are required to be undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the Related Party than those generally available to the public;
- (ii) Records will be maintained by the Company to capture all Recurrent Transactions which are entered into pursuant to the Proposed Shareholders' Mandate;
- (iii) The Audit Committee and the Board of Directors will review the Recurrent Transactions to ensure that such transaction are entered on an arm's length basis and normal commercial terms and the review shall be done at every quarter together with the review of quarterly results;
- (iv) The Audit Committee shall review the adequacy and appropriateness of the procedures as and when required, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate;
- (v) The internal audit plan shall incorporate a review of new or additional Recurrent Transactions entered into pursuant to the Proposed Shareholders' Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to.

2.4 Audit Committee Statement

The Audit Committee of the Company has seen and reviewed the procedures stated in Section 2.3 above and is of the view that the existing procedures and guidelines are sufficient to ensure that such Recurrent Transactions will be carried out on normal commercial terms which are not prejudicial to the interests of shareholders and on terms not more favourable to the related party than those generally available to the public and are not detrimental to the interests of the minority shareholders.

KYM Group had put in place adequate procedures and processes for monitoring, tracking, and identifying Recurrent Transactions in a timely and orderly manner, and the adequacy and appropriateness of procedures and processes are reviewed on annual basis or whatever the need arises.

2.5 Validity Period of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if approved by the shareholders at the forthcoming AGM, will take effect from the passing of the ordinary resolution relating thereto at the AGM and will (unless revoked or varied by the Company in general meeting) continue in force until the conclusion of the next AGM of the Company. Approval from shareholders will be sought for the renewal of the shareholders' mandate at the next AGM and at each subsequent AGM.

2.6 Disclosure

Disclosure will be made in the annual report of the Company of the aggregate value of Recurrent Transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year, and the Annual Reports for subsequent financial year that Proposed Shareholders' Mandate continues in force.

3. RATIONALE FOR THE PROPOSED SHAREHOLDERS' MANDATE

The Recurrent Transactions envisaged under the Proposed Shareholders' Mandate are in the ordinary course of business of KYM Group and are of recurring nature. The procurement of mandate and the renewal thereof on annual basis would enhance the Group's ability to pursue opportunities which are time-sensitive in nature and will eliminate the need to announce, or to announce and convene separate general meeting on each occasion to seek shareholders' prior approval for the entry by the relevant company in the Group into such transaction. This will substantially reduce the expenses associated with the convening of general meetings on ad-hoc basis, improve administrative efficacy considerably and allow manpower resources and time to be channelled towards attaining other corporate objectives.

The Recurrent Transactions are intended to meet the business needs of the Group at the best possible terms as well as to enable the Group to explore mutually beneficial business opportunities with the Related Parties. The Related Parties also possess relevant experience and expertise in their fields of services. The close co-operation and strong working relationship that exist between KYM Group and these Related Parties will enable KYM Group to benefit from better service and attention that would otherwise be derived from third parties.

4. FINANCIAL EFFECTS

The proposal is administrative in nature and will not have any effect on the issued and paid-up share capital and substantial shareholdings of the Company. The Proposed Shareholders' Mandate is not expected to have any material effects on the net assets and earnings of the Group.

5. APPROVALS REQUIRED

The Proposed Shareholders' Mandate is subject to the approval of the shareholders of KYM at the forthcoming AGM.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

The interested Director, namely DLKY has and shall continue to abstain from all board deliberations and votings pertaining to the Proposed Shareholders' Mandate.

DLKY will abstain from voting on the resolution in respect of his direct and indirect shareholdings approving the Proposed Shareholders' Mandate at the AGM.

The interested Major Shareholders namely DLKY, Cheong Chan Holdings Sdn Bhd, Idaman Bina Makmur Sdn Bhd, Datin Millie Lee Siew Kim and Lim Tze Thean will abstain from voting in respect of their direct or indirect shareholdings in relation to the Proposed Shareholders' Mandate at the forthcoming AGM. The interested Director and interested Major Shareholders have undertaken to ensure that the persons connected with them shall also abstain from voting in respect of their direct and indirect shareholdings in relation to the Proposed Shareholders' Mandate at the forthcoming AGM.

The direct and indirect shareholdings of the Directors and Major Shareholders in the Company based on the Register of Directors' Shareholdings and Register of Substantial Shareholders as at 29 May 2015 are as follows:-

Directors' Shareholdings

Name	No. of Shares Held		Total Interest (%)
	Direct	Indirect	
Dato' Seri Dr. Isahak bin Yeop Mohamad Shar	-	-	-
DLKY	2,000,000	53,750,000 ^a	55,750,000 (37.19)
Dato' Seri Ir. Mohamad Othman bin Zainal Azim	-	-	-
Datuk Wira Rahadian Mahmud bin Mohammad Khalil	-	-	-
Dato' Mohd Azmi Bin Othman	42,000	-	42,000 (0.03)
Lee Ji Jin Darren	110,000	-	110,000 (0.07)
Lim Tze Thean (CEO)	3,000,000	7,000,000 ^c	10,000,000 (6.67)

Interested Major Shareholders' Shareholdings

	No. of Shares Held		% of Issued Capital
	Direct	Indirect	
1. Cheong Chan Holdings Sdn Bhd	30,000,000	-	20.00
2. DLKY	2,000,000	53,750,000 ^a	37.19
3. Idaman Bina Makmur Sdn Bhd	7,750,000	-	5.17
4. Datin Millie Lee Siew Kim	-	14,750,000 ^b	9.84
5. Lim Tze Thean	3,000,000	7,000,000 ^c	6.67

Notes:-

a Deemed interest by virtue of his interest in KYM Sdn Bhd, Cheong Chan Holdings Sdn Bhd, Idaman Bina Makmur Sdn Bhd pursuant to Section 6A of the Act and by virtue of the shareholding of his children pursuant to Section 134 (12)(c) of the Act.

b Deemed interest by virtue of her interest in KYM Sdn Bhd and Idaman Bina Makmur Sdn Bhd pursuant to Section 6A of the Act.

c Deemed interest by virtue of his interest in KYM Sdn Bhd pursuant to Section 6A of the Act.

Save as disclosed above, none of the other Directors and/or Major Shareholders of the Company and/or Persons Connected to them have any interest, direct or indirect, in the Proposed Shareholders' Mandate.

7. DIRECTORS' RECOMMENDATION

The Board (save and except for DLKY, who is deemed interested in the Proposed Shareholders' Mandate and has abstained from making any opinions in respect of the Proposed Shareholders' Mandate), having considered all aspects of the Proposed Shareholders' Mandate, is of the opinion that they are in the best interest of the Company. The Board (save and except for DLKY) recommends that you vote in favour of the resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

8. AGM

The ordinary resolution pertaining to the Proposed Shareholders' Mandate is set out as Special Business in the Notice of AGM contained in the 2015 Annual Report of the Company, which was sent to you together with this Circular. The 33rd AGM will be held at No. 12 Lorong Medan Tuanku Satu, 50300 Kuala Lumpur on Tuesday, 21 July 2015 at 11.00 a.m.

If you are unable to attend and vote at the AGM in person, please complete and return the enclosed Form of Proxy in accordance with the instructions therein as soon as possible and in any event, so as to arrive at the Registered Office of the Company not less than 48 hours before the time set for the meeting or any adjournment thereof. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are requested to refer to the appendices for further information.

Yours faithfully
For and on behalf of the Board of
KYM HOLDINGS BHD.

DATO' SERI DR. ISAHAK BIN YEOP MOHAMAD SHAR
Non-Independent Non-Executive Chairman

1. Responsibility Statement

This Circular has been seen and approved by the Directors of KYM and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after having made all reasonable enquiries, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular misleading.

2. Material Contracts

Save as disclosed below, there are no material contracts (not being contracts entered into the ordinary course of business) that have been entered into by KYM and/or its subsidiaries during the two years immediately preceding the date of this Circular:

- i. Sale and Purchase Agreements dated 2 October 2013 between Caely (M) Sdn Bhd (a wholly-owned subsidiary of Caely Holdings Berhad) and Polypulp Enterprises Sdn Bhd (“PESB”) in relation to the acquisition of two (2) units of single storey terrace house at a total price of RM317,600.00, to be erected on all those parcels of 99 years leasehold land and measuring approximately 52.79 acres held in Plot 31, 32 and 39 Mukim Batang Padang, Daerah Batang Padang, Perak as full and final settlement of the balance of the consideration and settlement sum amounting to an aggregate of RM317,600.00 pursuant to a shares sale agreement dated 31 January 2013 entered between PESB and Caely Holdings Berhad.
- ii. Sale and Purchase Agreement dated 3 November 2014 between the Company and Harmony Networks Sdn Bhd in relation to the disposal of all that piece of leasehold land held under HS(D) 17036 PTD 8790 Mukim Senai Daerah Kulaijaya, Negeri Johor containing an area measuring approximately 0.8094 hectares together with one unit of 1-storey detached factory with a mezzanine floor, a guardhouse and a canteen erected thereon bearing postal address of PLO 19, Jalan Perindustrian, Senai Industrial Estate, 81400 Senai, Johor for a total cash consideration of RM4,500,000.00 only. The disposal had been completed on 27 March 2015.
- iii. Sale and Purchase Agreement dated 3 November 2014 between the Panorama Industries Sdn Bhd (“PISB”) (an indirect wholly-owned subsidiary of KYM) and KYM Industries (Johor) Sdn Bhd (“KYM Johor”) (a wholly-owned subsidiary of KYM) and Brightwater Sunrise Sdn Bhd in relation to the disposal of all that piece of land held under HS(D) 4681 PTD 18692 Mukim Senai Daerah Kulaijaya, Negeri Johor together with one (1) unit of single storey factory with mezzanine floor together with one (1) guardhouse erected thereon bearing postal address of PLO 9, Jalan Perindustrian, Kawasan Perindustrian Senai I, 81400 Senai, Johor for a total cash consideration of RM4,500,000.00 only. The disposal had been completed on 27 March 2015.

3. Material Litigation

KYM and/or its subsidiary companies are not engaged in any material litigation, claims and arbitration, either as a plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against KYM and its subsidiaries, or of any facts likely to give rise to any proceedings which might materially affect the financial position or business of KYM or affect KYM and its subsidiaries’ income from, title to, or possession of any of KYM and its subsidiaries’ assets and/or businesses.

4. Documents Available for Inspection

Copies of the following documents are available for inspection at the registered office of KYM at No.12, Lorong Medan Tuanku Satu, 50300 Kuala Lumpur during normal business hours from Mondays to Fridays (except on public holidays) from the date of this Circular to the date of the AGM:

- i. Memorandum and Articles of Association;
- ii. Audited Financial Statements for the years ended 31 January 2015 and 31 January 2014;
- iii. Unaudited interim financial report for quarter ended 30 April 2015; and
- iv. Material Contracts as stated in item 2 above.