

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JAN 2017

	As at 31.01.2017 RM'000	As at 31.01.2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	53,168	58,800
Investment property	41,262	39,220
Intangible asset	4,667	4,667
Other Investment	2	186
	99,099	102,873
Current assets		
Inventories	19,592	20,138
Trade receivables	18,532	22,016
Other receivables	6,484	1,884
Tax recoverable	1,797	1,581
Short term investment	1,161	5,011
Cash and cash equivalents	2,772	1,625
	50,338	52,255
TOTAL ASSETS	149,437	155,128
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	74,945	74,945
Share premium	35,436	35,436
ESOS reserve	853	884
Accumulated losses	(19,410)	(20,077)
	91,896	91,188
Non-controlling interests	(1)	0
Total Equity	91,895	91,188
Non-current liabilities		
Borrowings	1,905	5,916
Deferred tax liabilities	9,765	9,725
	11,670	15,641
Current liabilities		
Borrowings	23,197	26,539
Trade payables	12,890	9,610
Other payables	9,785	12,150
	45,872	48,299
Total liabilities	57,542	63,940
TOTAL EQUITY AND LIABILITIES	149,437	155,128
Net assets per share attributable to ordinary equity holders of the parent (sen)	61	61

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 JAN 2017

	Current quarter ended 31.01.2017	12 months cumulative for current financial year to date ended 31.01.2017	Comparable quarter ended 31.01.2016	Comparable 12 months cumulative for preceding financial year to date ended 31.01.2016
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	24,853	96,003	24,592	99,171
Other income	1,037	3,038	830	1,844
Operating expenses	(23,944)	(96,721)	(25,685)	(100,796)
Finance costs	(386)	(1,659)	(585)	(2,398)
(Loss)/Profit before tax	1,560	660	(847)	(2,177)
Income tax expense	(17)	(25)	1,237	937
(Loss)/ Profit for the period from continuing operations	1,543	635	390	(1,240)
Other Comprehensive Expenses For The Financial Year	-	-	-	-
Total Comprehensive Expenses For The Financial Year	1,543	635	390	(1,240)
(Loss)/ Profit After Taxation Attributable to:				
Owners of the Company	1,543	635	390	(1,240)
Non-controlling interests	(0)	(0)	0	0
	1,543	635	390	(1,240)
Total Comprehensive Expenses Attributable to:				
Owners of the Company	1,543	635	390	(1,240)
Non-controlling interests	(0)	(0)	0	0
	1,543	635	390	(1,240)
Earnings per share attributable to				
Owners of the Company (sen):				
Basic:	1.03	0.42	0.26	(0.83)
Diluted:	1.03	0.42	N/A	N/A

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 2016.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 JAN 2017

	Year ended 31.01.2017 RM'000	Year ended 31.01.2016 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
(Loss)/Profit before taxation:		
Continuing operations	660	(2,177)
	660	(2,177)
Adjustments for:		
Non cash items	4,509	4,665
Non-operating items	171	2,434
Operating profit before working capital changes	5,340	4,922
Net change in current assets	(565)	11,875
Net change in current liabilities	2,300	(11,616)
Cash generated from operations	7,074	5,181
Income tax refund	147	1,083
Income tax paid	(363)	(558)
Interest paid	(1,689)	(2,329)
Net cash for operating activities	5,170	3,377
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	13	9
Proceeds from disposal of investment property	-	9,000
Proceed from disposal of property, plant and equipment	(642)	350
Purchase of property, plant and equipment	1,379	(1,021)
Net cash for investing activities	830	8,657
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from/(Repayment to) related parties	(1,346)	389
Net drawdown of bankers's acceptances	1,789	270
(Repayment)/Drawdown of revolving credit	(1,080)	190
Repayment of hire purchase obligations	(539)	(1,381)
Repayment of term loan	(6,471)	(6,428)
Net cash from financing activities	(5,001)	(11,423)
NET DECREASE IN CASH AND CASH EQUIVALENTS	999	611
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	(23)	(634)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	976	(23)
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with licensed banks	267	267
Short-term investment	1,161	5,011
Cash and bank balances	2,505	1,358
Bank overdraft	(2,690)	(6,392)
	1,243	244
Less : Deposits pledged to licensed banks	(267)	(267)
	976	(23)

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 2016.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 JAN 2017

	Non-Distributable					Distributable		Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Employee Share Options Reserve	Capital Reserve	Revaluation Reserve	Accumulated Losses	Attributable to Owners of the Company		
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
At 1 February 2015	74,945	35,436	884	-	-	(18,837)	92,428	-	92,428
Total comprehensive income for the year	-	-	-	-	-	(1,240)	(1,240)	-	(1,240)
At 31 Jan 2016	74,945	35,436	884	-	-	(20,077)	91,188	-	91,188
At 1 February 2016	74,945	35,436	884	-	-	(20,077)	91,188	-	91,188
Loss after taxation for the financial year	-	-	-	-	-	635	635	-	635
Contributions by and distributions to owners of the Company:									
- Revaluation of PPE arising from transfer PPE to IP	-	-	-	-	72	-	72	-	72
- Employees's share options forfeited	-	-	(31)	-	-	31	-	-	-
At 31 Jan 2017	74,945	35,436	853	-	72	(19,410)	91,896	-	91,895

**KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULT FOR THE
FOURTH QUARTER ENDED 31 JAN 2017**

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 2016.

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 2016.

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 2016.

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 2016 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 Jan 2017.

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 12 months ended 31 Jan 2017:

	Gross revenue RM'000	Profit/(Loss)) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	109,416	617	120,618	58,111
Investment holding/Others	2,509	21,732	185,876	129,686
	<u>111,925</u>	<u>22,348</u>	<u>306,494</u>	<u>187,797</u>
Elimination	(15,922)	(21,688)	(158,854)	(140,020)
	<u>96,003</u>	<u>660</u>	<u>147,640</u>	<u>47,777</u>
Unallocated Assets			1,797	-
Unallocated Liabilities			-	9,765
			<u>149,437</u>	<u>57,542</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	109,416
Less : Intercompany elimination	<u>(13,413)</u>
	96,003
Investment holdings/Others	2,509
Less : Intercompany elimination	<u>(2,509)</u>
	-
	<u>96,003</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 transactions or events subsequent to the end of current quarter under review that have 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 year 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 2016.

A13 Capital Commitments

There were no capital commitments provided for in the financial statement for the quarter ended 31 Jan 2017.

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 31.01.2017 RM'000	Cumulative Year to-date ended 31.01.2017 RM'000
Taxation for current financial period	17	25
Provision for RPGT for current period	-	-
	<u>17</u>	<u>25</u>

B2 Profit before taxation

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

	Current Quarter ended 31.01.2017 RM'000	Cumulative Year to-date ended 31.01.2017 RM'000
Interest expense	380	1,659
Depreciation and amortization	1,121	4,509
Foreign exchange loss/(gain)	(34)	(116)

B3 Status of corporate proposal announced

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

B4 Borrowing and debt securities

	As at 31.01.2017 RM'000
Short term	
Secured	23,197
Unsecured	-
	<u>23,197</u>
Long term	
Secured	1,905
Unsecured	-
	<u>1,905</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 Loss/Profit before Taxation for the current quarter compared with the preceding quarter

The Group's turnover for the current quarter under review was RM24.85 million. This is a 2.43% increased from the recorded turnover of RM24.26 million in the preceding quarter.

A profit before tax of RM1.56 million is recorded in the current quarter compared with a profit before tax of RM562,583 recorded in the preceding quarter.

B7 Review of Performance

Quarter ended 31.01.2017 compared with quarter ended 31.01.2016

The Group's turnover for the current quarter of RM24.85 million is 1.06% higher than that of the corresponding quarter from the previous year which stood at RM24.59 million.

The Group recorded a profit before taxation for the current quarter of RM1.56 million compared to a loss before taxation of RM847,475 in the corresponding quarter from the previous year. This was primarily due to the improved profit from Hasrat Meranti Group and reduction in interest cost incurred on term loans.

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 RM24.85 million as compared to RM24.59 million for the corresponding quarter last year. Profit before taxation was RM1.31 million for the current quarter under review compared to a loss before tax of RM366,788 in the corresponding quarter last year. This was primarily due to the restructuring exercise carried out in Q1 2016 on the corrugated carton box division and improved profit from Hasrat Meranti Group.

For other segments, the current quarter profit before taxation was RM244,390 compared to the preceding financial year corresponding quarter loss before taxation of RM480,687. This was mainly due to the reduction in interest cost incurred on term loans.

The Group is exposed to foreign currency risk on sales and purchase transactions and balance that are denominated in foreign currencies. The currencies giving rise to this risk are primarily United States Dollar, Euro and Singapore Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

Current financial year ended 31.01.2017 against preceding financial year ended 31.01.2016

The Group's turnover for the current financial year of RM96 million is 3.19% lower than that of the preceding financial year of RM99.17 million.

The Group recorded a profit before taxation for the current financial year of RM660,492 compared to a loss before taxation of RM2.18 million in the preceding financial year. This was primarily due to the one-off cost incurred on the restructuring exercise carried out in Q1 2016 on the corrugated carton box division which resulted in operational changes and reduction of headcount to adapt to change in the business environment and improved profit from Hasrat Meranti Group.

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 financial year was RM96 million as compared to RM99.17 million against preceding financial year. Profit before taxation was RM616,681 for current financial year compared to loss before taxation of RM643,744. This was primarily due to the one-off cost incurred on the restructuring exercise carried out in Q1 2016 on the corrugated carton box division which resulted in operational changes and reduction of headcount to adapt to change in the business environment and improved profit from Hasrat Meranti Group.

For other segments, the current financial year profit before taxation was RM43,811 compared to the preceding financial year loss before taxation of RM1.53 million. This was primarily due to the reduction in interest cost incurred on term loans.

B8 Prospects

Manufacturing will continue to be the core business of the Group. The Group maintains a cautiously positive outlook as the Group will be operating in a more challenging environment due to the volatility of the Ringgit Malaysia against the Euro and US Dollar as well as global economic uncertainty which could compress the Group's profit margin for the remaining quarters of the current financial year.

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 Jan 2017.

B11 Earnings per share attributable to owners of the Company

	Current Quarter ended 31.01.2017 RM'000	Cumulative Year to date ended 31.01.2017 RM'000
(a) <u>Basic earnings per share</u>		
Profit/(Loss) for the period (RM'000)	1,543	635
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic Earnings per share for		

	Current Quarter ended 31.01.2017 RM'000	Cumulative Year to date ended 31.01.2017 RM'000
profit/(loss) for the period (sen)	1.03	0.42
(b) Diluted earnings per share		
Profit/(Loss) for the period (RM'000)	1543	635
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic Earnings per share for profit/(loss) for the period (sen)	1.03	0.42

12 Disclosure of realised and unrealised profits/losses

	Current Quarter ended 31.01.2017 RM'000	As at the end of the last financial year ended 31.01.2016 RM'000
Total (accumulated losses)/ retained profits of the Company and its subsidiaries:		
- realized	(127,561)	(108,949)
- unrealized	51,483	31,993
	<u>(76,078)</u>	<u>(75,956)</u>
Consolidation adjustments	56,668	56,879
Total group accumulated losses as per consolidated accounts	<u>(19,410)</u>	<u>(20,077)</u>

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
30 March 2017

c.c. Securities Commission