

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

	As at 31.10.2017 RM'000	As at 31.01.2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	50,145	53,168
Investment property	41,262	41,262
Intangible asset	4,667	4,667
Other Investment	2	2
	96,076	99,099
Current assets		
Inventories	18,381	19,592
Trade receivables	17,619	18,532
Other receivables	7,201	6,484
Tax recoverable	2,516	1,797
Short term investment	11	1,161
Cash and cash equivalents	2,015	2,772
	47,743	50,338
TOTAL ASSETS	143,819	149,437
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	110,381	110,381
ESOS reserve	853	853
Revaluation reserve	72	72
Accumulated losses	(19,908)	(19,410)
	91,398	91,896
Non-controlling interests	(1)	(1)
Total Equity	91,397	91,895
Non-current liabilities		
Borrowings	1,303	1,905
Deferred tax liabilities	9,765	9,765
	11,068	11,670
Current liabilities		
Borrowings	21,298	23,197
Trade payables	10,741	12,890
Other payables	9,315	9,785
Tax payables	-	-
	41,354	45,872
Total liabilities	52,422	57,542
TOTAL EQUITY AND LIABILITIES	143,819	149,437
Net assets per share attributable to ordinary equity holders of the parent (sen)	61	61

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 2017.

KYM HOLDINGS BHD (Co. No. 84303-A)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2017

	Current quarter ended 31.10.2017	9 months cumulative for current financial year to date ended 31.10.2017	Comparable quarter ended 31.10.2016	Comparable 9 months cumulative for preceding financial year to date ended 31.10.2016
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	23,305	71,016	24,264	71,150
Other income	404	1,216	659	2,002
Operating expenses	(24,141)	(71,852)	(23,973)	(72,777)
Finance costs	(285)	(877)	(388)	(1,274)
(Loss)/Profit before tax	(717)	(497)	562	(899)
Income tax expense	(1)	(1)	(8)	(8)
(Loss)/ Profit for the period from continuing operations	(718)	(498)	554	(907)
Other Comprehensive Expenses For The Financial Year	-	-	-	-
Total Comprehensive (Expenses)/Income For The Financial Year	(718)	(498)	554	(907)
(Loss)/ Profit After Taxation Attributable to:				
Owners of the Company	(718)	(498)	554	(907)
Non-controlling interests	(0)	(0)	(0)	(0)
	(718)	(498)	554	(907)
Total Comprehensive (Expenses)/Income Attributable to:				
Owners of the Company	(718)	(498)	554	(907)
Non-controlling interests	(0)	(0)	(0)	(0)
	(718)	(498)	554	(907)
Earnings/(Loss) per share attributable to Owners of the Company (sen):				
Basic:	(0.48)	(0.33)	0.37	(0.61)
Diluted:	(0.48)	(0.33)	0.37	(0.61)

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 2017.

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

	Year ended 31.10.2017 RM'000	Year ended 31.01.2017 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
(Loss)/Profit before taxation:		
Continuing operations	(497)	661
Discontinued operations	-	-
	(497)	661
Adjustments for:		
Non cash items	3,336	4,484
Non-operating items	841	613
Operating profit before working capital changes	3,680	5,758
Net change in current assets	1,457	(662)
Net change in current liabilities	(2,641)	2,317
Cash generated from operations	2,496	7,414
Income tax refund	3	147
Income tax paid	(724)	(371)
Interest paid	(887)	(1,659)
Net cash from operating activities	888	5,531
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	14	12
Proceed from disposal of property, plant and equipment	35	596
Purchase of property, plant and equipment	(317)	(1,334)
Dividend received	-	80
Net cash for investing activities	(268)	(646)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Repayment to related parties	(36)	(178)
Repayment to director	-	(58)
Net drawdown of bankers's acceptances	-	304
Net (repayment)/drawdown of bills payables	(532)	4,136
Repayment of revolving credit	(625)	(1,080)
Repayment of hire purchase obligations	(182)	(539)
Repayment of term loan	(2,978)	(6,471)
Net cash for financing activities	(4,353)	(3,886)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,733)	999
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	976	(23)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	(2,757)	976
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with licensed banks	267	267
Short-term investment	11	1,161
Cash and bank balances	1,748	2,505
Bank overdraft	(4,516)	(2,690)
	(2,490)	1,243
Less : Deposits pledged to licensed banks	(267)	(267)
	(2,757)	976

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 2017.

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

	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	Revaluation Reserve RM'000	Accumulated Losses RM'000			
At 1 February 2016	74,945	35,436	884	-	(20,077)	91,188	-	91,188
Loss after tax/Total comprehensive expenses during the financial period	-	-	-	-	(907)	(907)	(0)	(907)
At 31 October 2016	74,945	35,436	884	-	(20,983)	90,282	(0)	90,281
At 1 February 2017	110,381	-	853	72	(19,410)	91,896	(1)	91,895
Loss after tax/Total comprehensive expenses during the financial period	-	-	-	-	(498)	(498)	(0)	(498)
At 31 October 2017	110,381	-	853	72	(19,908)	91,398	(1)	91,397

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 2017.

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

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 2017.

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 2017.

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 2017 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 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 9 months ended 31 October 2017:

	Gross revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	80,190	(2)	113,606	52,821
Investment holding/Others	1,862	1,041	172,838	109,696
	<u>82,052</u>	<u>1,039</u>	<u>286,444</u>	<u>162,517</u>
Elimination	(11,036)	(1,536)	(145,141)	(119,860)
	<u>71,016</u>	<u>(497)</u>	<u>141,303</u>	<u>42,657</u>
Unallocated Assets			2,516	-
Unallocated Liabilities			-	9,765
			<u>143,819</u>	<u>52,422</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	80,190
Less : Intercompany elimination	(9,174)
	<u>71,016</u>
Investment holdings/Others	1,862
Less : Intercompany elimination	(1,862)
	<u>-</u>
	<u>71,016</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 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 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 2017.

A13 Capital Commitments

There were no capital commitments provided for in the financial statement for the financial quarter ended 31 October 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 31.10.2017 RM'000	Cumulative Year to-date ended 31.10.2017 RM'000
Taxation for current financial period	1	1
Provision for RPGT for current period	-	-
	1	1

B2 Profit/(loss) before taxation

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

	Current Quarter ended 31.10.2017 RM'000	Cumulative Year to-date ended 31.10.2017 RM'000
Interest expense	285	877
Depreciation and amortization	1,117	3,336
Foreign exchange loss/(gain)	276	366

B3 Status of corporate proposal announced

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

B4 Borrowing and debt securities

	As at 31.10.2017 RM'000
Short term	
Secured	21,298
Unsecured	-
	21,298
Long term	
Secured	1,303
Unsecured	-
	1,303

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

	Current Quarter ended 31.10.2017	Immediate Preceding Quarter ended 31.07.2017	Change
	RM'000	RM'000	%
Revenue	23,305	20,650	12.86
Gross Profit	1,809	1,458	24.07
(Loss)/Profit Before Interest and Tax	(432)	(547)	-21.02
(Loss)/Profit Before Tax	(717)	(860)	-16.63
(Loss)/Profit After Tax	(718)	(860)	-16.51
(Loss)/Profit Attributable to Ordinary Equity Holders	(718)	(860)	-16.51

The Group's turnover increased by 12.86% from RM20.65 million in the immediate preceding quarter as compared to RM23.305 million in the current quarter.

The Group recorded a reduced loss before taxation of RM717,000 in the current quarter as compared to a loss before taxation of RM860,000 in the preceding quarter. The decrease was primarily due to the reduced loss from the manufacturing division, mainly attributable to the increase in turnover in the current quarter.

B7 Review of Performance

	Current Quarter ended 31.10.2017	Current Quarter ended 31.10.2016	Change	Cumulative Year to-date ended 31.10.2017	Cumulative Year to-date ended 31.10.2016	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	23,305	24,264	-3.95	71,016	71,150	-0.19
Gross Profit	1,809	2,961	-38.91	7,199	7,547	-4.61
(Loss)/Profit Before Interest and Tax	(432)	951	-145.43	380	374	1.60
(Loss)/Profit Before Tax	(717)	562	-227.58	(497)	(899)	-44.72
(Loss)/Profit After Tax	(718)	554	-229.60	(498)	(907)	-45.09
(Loss)/Profit Attributable to Ordinary Equity Holders	(718)	554	-229.60	(498)	(907)	-45.09

Quarter ended 31.10.2017 compared with quarter ended 31.10.2016

The Group's turnover for the current quarter of RM23.305 million was 3.95% lower than that of the corresponding quarter from the previous year which stood at RM24.264 million. The Group's turnover was fully contributed by the Group's core business, which is the manufacturing of industrial packaging materials.

The Group recorded a loss before taxation of RM717,000 in the current quarter compared to a profit before taxation of RM562,000 in the corresponding quarter from the previous year. This was primarily due to the reduced profit from multi-wall industrial paper bags division caused by the decrease in turnover.

Accordingly, for manufacturing segment, the current quarter loss before taxation was RM687,000 compared to the preceding financial year's corresponding quarter profit before taxation of RM522,000, mainly due to the reduced profit from the multi-wall industrial paper bags division caused by the decrease in turnover in the current quarter.

For other segments, the current quarter loss before taxation was RM30,000 compared to the preceding financial year's corresponding quarter profit before taxation of RM40,000. This was mainly due to the other income from the debt restructuring exercise in the corresponding quarter from the previous year.

The Group is exposed to foreign currency risk on sales and purchase transactions and trade balances that are denominated in foreign currencies. The currencies giving rise to this risk are primarily the United States Dollar, the Euro and the 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 period ended 31.10.2017 against preceding financial period ended 31.10.2016

The Group's turnover decreased by 0.19% from RM71.15 million in the preceding financial period to RM71.016 million in the current financial period. The Group's turnover was fully contributed by the Group's core business, which is the manufacturing of industrial packaging materials.

The Group recorded a loss before taxation of RM497,000 in the current financial period compared to a loss before taxation of RM899,000 in the preceding financial period. This was primarily due the one-off cost incurred on the restructuring exercise carried out in Q1 2016 on the corrugated carton box division.

The manufacturing segment recorded a loss before taxation of RM2,000 in the current financial period compared to a loss before taxation of RM699,000 in the preceding financial period. 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.

For other segments, the current financial period loss before taxation was RM495,000 compared to the preceding financial period loss before taxation of RM200,000. This was mainly due to the gain on disposal of motor vehicles and other income from the debt restructuring exercise in the preceding financial period.

B8 Prospects

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 uncertainties which could compress the Group's profit margin for the remaining quarters of the current financial year.

In view of the weakening domestic economy and the continued uncertainties in the external environment, the Group shall continue to optimise operational efficiency and cost effectiveness. As manufacturing will continue to be the core business of the Group, the Group will remain focused on creating further income and concentrating our resources on the existing businesses.

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 2017.

B11 Earnings/(Loss) per share attributable to owners of the Company

	Current Quarter ended 31.10.2017 RM'000	Cumulative Year to-date ended 31.10.2017 RM'000
(a) <u>Basic earnings/(loss) per share</u>		
Loss for the period (RM'000)	(718)	(498)
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic loss per share for loss for the period (sen)	(0.48)	(0.33)
(b) <u>Diluted earnings/(loss) per share</u>		
Loss for the period (RM'000)	(718)	(498)
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic loss per share for loss for the period (sen)	(0.48)	(0.33)

B12 Disclosure of realised and unrealised profits/(losses)

	Cumulative Year to-date ended 31.10.2017 RM'000	As at the end of the last financial year ended 31.01.2017 RM'000
Total (accumulated losses)/ retained profits of the Company and its subsidiaries:		
- realized	(81,490)	(81,934)
- unrealized	30,451	30,730
	<u>(51,039)</u>	<u>(51,204)</u>
Consolidation adjustments	31,131	31,794
Total group accumulated losses as per consolidated accounts	<u>(19,908)</u>	<u>(19,410)</u>

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
18 December 2017

c.c. Securities Commission