

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2018

	As at 31.07.2018 RM'000	As at 31.01.2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	67,881	69,554
Investment property	41,622	41,622
Intangible asset	4,667	4,667
Other Investment	1	1
	<u>114,171</u>	<u>115,844</u>
Current assets		
Inventories	23,112	24,014
Trade receivables	18,090	16,036
Other receivables	2,380	4,114
Tax recoverable	2,769	2,297
Short term investment	11	11
Cash and cash equivalents	2,783	2,658
	<u>49,145</u>	<u>49,130</u>
TOTAL ASSETS	<u>163,316</u>	<u>164,974</u>
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	(20,232)	(20,290)
	<u>91,074</u>	<u>91,016</u>
Non-controlling interests	(1)	(1)
Total Equity	<u>91,073</u>	<u>91,015</u>
Non-current liabilities		
Borrowings	13,955	16,040
Deferred tax liabilities	9,698	9,698
	<u>23,653</u>	<u>25,738</u>
Current liabilities		
Borrowings	23,518	25,865
Trade payables	16,774	16,501
Other payables	8,298	5,855
Tax payables	-	-
	<u>48,590</u>	<u>48,221</u>
Total liabilities	72,243	73,959
TOTAL EQUITY AND LIABILITIES	<u>163,316</u>	<u>164,974</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	<u>61</u>	<u>61</u>

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 2018.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JULY 2018

	Current quarter ended 31.07.2018	6 months cumulative for current financial year to date ended 31.07.2018	Comparable quarter ended 31.07.2017	Comparable 6 months cumulative for preceding financial year to date ended 31.07.2017
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	26,214	49,931	20,650	47,711
Other income	498	662	424	812
Operating expenses	(25,960)	(49,491)	(21,621)	(47,711)
Finance costs	(525)	(1,044)	(313)	(592)
(Loss)/Profit before tax	227	58	(860)	220
Income tax expense	-	-	-	-
(Loss)/Profit for the period from continuing operations	227	58	(860)	220
Other Comprehensive Expenses For The Financial Year	-	-	-	-
Total Comprehensive (Expenses)/Income For The Financial Year	227	58	(860)	220
(Loss)/Profit After Taxation Attributable to:				
Owners of the Company	227	58	(860)	220
Non-controlling interests	(0)	(0)	(0)	-
	227	58	(860)	220
Total Comprehensive (Expenses)/Income Attributable to:				
Owners of the Company	227	58	(860)	220
Non-controlling interests	(0)	(0)	(0)	-
	227	58	(860)	220
Earnings/(Loss) per share attributable to Owners of the Company (sen):				
Basic:	0.15	0.04	(0.57)	0.15
Diluted:	0.15	0.04	(0.57)	0.15

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 2018.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2018

	Share Capital <i>RM'000</i>	Share Premium <i>RM'000</i>	Employee Share Options Reserve <i>RM'000</i>	Revaluation Reserve <i>RM'000</i>	Accumulated Losses <i>RM'000</i>	Attributable to Owners of the Company <i>RM'000</i>	Non-Controlling Interests <i>RM'000</i>	Total Equity <i>RM'000</i>
At 1 February 2017	110,381	-	853	72	(19,410)	91,896	(1)	91,895
Profit after taxation for the financial year	-	-	-	-	220	220	(0)	219
At 31 July 2017	110,381	-	853	72	(19,190)	92,116	(1)	92,115
At 1 February 2018	110,381	-	853	72	(20,290)	91,016	(1)	91,015
Profit after tax/Total comprehensive expenses during the financial period	-	-	-	-	58	58	(0)	58
At 31 July 2018	110,381	-	853	72	(20,232)	91,074	(1)	91,073

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 2018.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 31 JULY 2018

	Year ended 31.07.2018 RM'000	Year ended 31.01.2018 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
(Loss)/Profit before taxation:		
Continuing operations	58	(800)
Discontinued operations	-	-
	58	(800)
Adjustments for:		
Non cash items	2,330	4,456
Non-operating items	946	(111)
Operating profit before working capital changes	3,334	3,545
Net change in current assets	619	611
Net change in current liabilities	1,199	3,342
Cash generated from operations	5,152	7,498
Income tax refund	221	189
Income tax paid	(693)	(836)
Interest paid	(942)	(1,199)
Net cash from operating activities	3,738	5,652
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	5	19
Proceeds from disposal of investment property	-	-
Proceed from disposal of property, plant and equipment	-	36
Purchase of property, plant and equipment	(612)	(5,342)
Dividend received	-	4
Withdraw of fixed deposits with licensed banks	-	-
Repayment of related parties	-	-
Repayment from related parties	-	-
Placement of fixed deposits with licensed banks	(12)	(1,004)
Net cash for investing activities	(619)	(6,287)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Advances from/(Repayment to) related parties	1,512	185
Net drawdown of bills payables	1,079	58
Repayment of revolving credit	-	(1,080)
Net drawdown/(Repayment) of hire purchase obligations	(1,978)	(234)
Repayment of term loan	(378)	(3,662)
Net cash from/(for) financing activities	235	(4,733)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	3,354	(5,367)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(4,392)	976
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	(1,038)	(4,392)
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with licensed banks	1,283	1,271
Short-term investment	11	11
Cash and bank balances	1,500	1,387
Bank overdraft	(2,549)	(5,790)
	245	(3,121)
Less : Deposits pledged to licensed banks	(1,283)	(1,271)
	(1,038)	(4,392)

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 2018.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULT FOR THE FIRST QUARTER
ENDED 31 JULY 2018

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 2018.

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 2018.

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 2018.

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 2018 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 2018.

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 2018:

	Gross revenue	Profit/(Loss)	Segment	Segment
	RM'000	before tax	assets	liabilities
		RM'000	RM'000	RM'000
Manufacturing	56,397	596	140,849	83,707
Investment holding/Others	1,289	(473)	172,192	106,464
	<u>57,686</u>	<u>123</u>	<u>313,041</u>	<u>190,171</u>
Elimination	(7,755)	(65)	(152,494)	(127,626)
	<u>49,931</u>	<u>58</u>	<u>160,547</u>	<u>62,545</u>
Unallocated Assets			2,769	-
Unallocated Liabilities			-	9,698
			<u>163,316</u>	<u>72,243</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	56,397
Less : Intercompany elimination	(6,466)
	<u>49,931</u>
Investment holdings/Others	1,289
Less : Intercompany elimination	(1,289)
	<u>-</u>
	<u>49,931</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 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 2018.

A13 Capital Commitments

There were no capital commitments provided for in the financial statement for the financial quarter ended 31 July 2018.

ADDITIONAL INFORMATION REQUIRED PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1 Review of Performance

	Current Quarter ended 31.07.2018	Current Quarter ended 31.07.2017	Change	Cumulative Year to-date ended 31.07.2018	Cumulative Year to-date ended 31.07.2017	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	26,214	20,650	26.94	49,931	47,711	4.65
Gross Profit	2,928	1,458	100.82	6,047	5,390	12.19
Profit/(Loss) Before Interest and Tax	752	(547)	-237.48	1,102	812	35.71
Profit/(Loss) Before Tax	227	(860)	-126.39	58	220	-73.64
Profit/(Loss) After Tax	227	(860)	-126.39	58	220	-73.64
Profit/(Loss) Attributable to Ordinary Equity Holders	227	(860)	-126.39	58	220	-73.64

Quarter ended 31.07.2018 compared with quarter ended 31.07.2017

The Group's turnover for the current quarter of RM26.214 million was 26.94% higher than that of the corresponding quarter from the previous year which stood at RM20.650 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 profit before taxation of RM0.227 million in the current quarter compared to a loss before taxation of RM0.860 million in the corresponding quarter from the previous year. This is primarily due to the improved profitability from the multi-wall industrial paper sacks division.

The manufacturing segment recorded a profit RM0.308 million for the current quarter compared to the preceding financial year's corresponding quarter loss of RM0.729 million. The increase in profit is primarily attributable to the higher sales volume from both the multi-wall industrial paper sacks division and carton box division for the current quarter.

For other segments, the current quarter loss before taxation was RM0.081million compared to the preceding financial year's corresponding quarter loss before taxation of RM0.131million. This is mainly due to the increase in sales of the manufacturing segment which lead to higher collection of management fee in the current quarter.

B2 Material Changes In The Loss Before Taxation For The Current Quarter Compared With The Preceding Quarter

	Current Quarter ended 31.07.2018	Immediate Preceding Quarter ended 30.04.2018	Change
	RM'000	RM'000	%
Revenue	26,214	23,717	10.52
Gross Profit	2,928	3,119	-6.12
Profit Before Interest and Tax	752	349	115.47
Profit/(Loss) Before Tax	227	(169)	-234.32
Profit/(Loss) After Tax	227	(169)	-234.32
Profit/(Loss) Attributable to Ordinary Equity Holders	227	(169)	-234.32

The Group's turnover increased by 10.52% from RM23.717 million in the immediate preceding quarter as compared to RM26.214 million in the current quarter. This increase in turnover is attributable to the increase in sales volume from both the multi-wall industrial paper sacks division and carton box division.

The Group recorded a profit before taxation of RM0.227 million in the current quarter as compared to a loss before taxation of RM0.169 million in the preceding quarter. The increase in profit was mainly due to the increase in turnover in the multi-wall industrial paper bag division in the current quarter.

B3 Prospects

Overall, the operating environment remains challenging due to the volatility of the Ringgit Malaysia against the Euro and US Dollar as well as the global economic uncertainties which could compress the Group's profit margin.

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.

Under the leadership of a new dynamic management team, supported by an experienced board, the Group will focus on activities to increase market share domestically as well as open new markets regionally to further increase sales and exports. Efforts to divest non-core businesses and assets will also continue to make the Group leaner and more efficiently utilised.

B4 Profit Forecast

There is no published forecast or profit guarantee.

B5 Taxation

The taxation for the Group for the financial period under review was as follows:

	Current Quarter ended 31.07.2018 RM'000	Cumulative Year to-date ended 31.07.2018 RM'000
Taxation for current financial period	-	-
Provision for RPGT for current period	-	-
	-	-

B6 Status Of Corporate Proposal Announced

There were no corporate proposals announced as at the date of this report.

B7 Group Borrowing And Debt Securities

	As at 31.07.2018		Total Borrowings RM'000
	Short term RM'000	Long term RM'000	
Secured			
Bank Overdraft	2,549	-	2,549
Hire Purchase	4,034	12,983	17,017
Term Loan	16,935	972	17,907
	<u>23,518</u>	<u>13,955</u>	<u>37,473</u>
Unsecured	-	-	-

The above borrowings are denominated in Ringgit Malaysia.

B8 Changes in Material Litigation

As at the date of the report, there is no pending material litigation.

B9 Dividend

The Board of Directors does not recommend the payment of any dividend in respect of the financial period ended 31 July 2018.

B10 Profit/(loss) before taxation

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

	Current Quarter ended 31.07.2018 RM'000	Cumulative Year to-date ended 31.07.2018 RM'000
Interest expense	525	1,044
Depreciation and amortization	1,365	2,330
Foreign exchange gain	144	25

B11 Earnings/Profit per Share Attributable to Owners of the Company

<u>Basic/diluted earnings/Profit per share</u>	<u>Current Quarter ended 31.07.2018 RM'000</u>	<u>Cumulative Year to-date ended 31.07.2018 RM'000</u>
Profit for the period (RM'000)	227	58
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic earnings per share (sen)	0.15	0.04

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
27 September 2018

c.c. Securities Commission