

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2019

	As at 30.04.2019 RM'000	As at 31.01.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	42,093	65,767
Right-of-use Assets	22,406	-
Investment property	41,520	41,520
Intangible asset	4,667	4,667
Other Investment	1	1
	110,687	111,955
Current assets		
Inventories	26,062	30,325
Trade receivables	17,238	20,481
Other receivables	2,013	2,204
Current tax assets	2,522	2,706
Short term investment	313	12
Cash and cash equivalents	4,309	5,454
	52,457	61,182
TOTAL ASSETS	163,144	173,137
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	(17,798)	(16,738)
	93,508	94,568
Non-controlling interests	(1)	(1)
Total Equity	93,507	94,567
Non-current liabilities		
Borrowings	11,070	12,122
Deferred tax liabilities	10,321	10,321
	21,391	22,443
Current liabilities		
Borrowings	26,349	25,712
Trade payables	16,180	23,484
Other payables	5,679	6,880
Current tax liability	38	51
	48,246	56,127
Total liabilities	69,637	78,570
TOTAL EQUITY AND LIABILITIES	163,144	173,137
Net assets per share attributable to ordinary equity holders of the parent (sen)	62	63

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 2019.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2019

	Current quarter ended 30.04.2019	3 months cumulative for current financial year to date ended 30.04.2019	Comparable quarter ended 30.04.2018	Comparable 3 months cumulative for preceding financial year to date ended 30.04.2018
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	21,043	21,043	23,717	23,717
Other income	286	286	164	164
Operating expenses	(21,907)	(21,907)	(23,531)	(23,531)
Finance costs	(486)	(486)	(519)	(519)
Net impairment gain on financial asset	4	4	-	-
(Loss)/Profit before tax	(1,060)	(1,060)	(169)	(169)
Income tax expense	-	-	-	-
(Loss)/Profit for the period from continuing operations	(1,060)	(1,060)	(169)	(169)
Other Comprehensive Expenses For The Financial Year	-	-	-	-
Total Comprehensive (Expenses)/Income For The Financial Year	(1,060)	(1,060)	(169)	(169)
(Loss)/Profit After Taxation Attributable to:				
Owners of the Company	(1,060)	(1,060)	(169)	(169)
Non-controlling interests	(0)	(0)	(0)	(0)
	(1,060)	(1,060)	(169)	(169)
Total Comprehensive (Expenses)/Income Attributable to:				
Owners of the Company	(1,060)	(1,060)	(169)	(169)
Non-controlling interests	(0)	(0)	(0)	(0)
	(1,060)	(1,060)	(169)	(169)
Earnings/(Loss) per share attributable to				
Owners of the Company (sen):				
Basic:	(0.71)	(0.71)	(0.11)	(0.11)
Diluted:	(0.71)	(0.71)	(0.11)	(0.11)

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 2019.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2019

	Year ended 30.04.2019 RM'000	Year ended 31.01.2019 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
(Loss)/Profit before taxation:		
Continuing operations	(1,060)	4,714
Discontinued operations	-	-
	<u>(1,060)</u>	<u>4,714</u>
Adjustments for:		
Non cash items	1,384	5,088
Non-operating items	477	2,180
Operating profit before working capital changes	801	11,982
Net change in current assets	7,701	(8,929)
Net change in current liabilities	(8,505)	8,116
Cash generated from operations	(3)	11,169
Income tax refund	360	221
Income tax paid	(189)	(1,118)
Interest paid	(492)	(2,155)
Net cash from operating activities	(324)	8,117
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	5	30
Proceed from disposal of property, plant and equipment	-	29
Purchase of property, plant and equipment	(116)	(994)
Dividend received	-	2
Placement of fixed deposits with licensed banks	(5)	(30)
Net cash for investing activities	(116)	(963)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Net (repayment)/drawdown of bankers's acceptances	(302)	(3,107)
Net drawdown/(repayment) of bills payables	612	4,095
Repayment of revolving credit	125	(150)
Net repayment of hire purchase obligations	(999)	(3,958)
Repayment of term loan	(58)	(491)
Net cash from/(for) financing activities	(622)	(3,611)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,062)	3,543
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(849)	(4,392)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	(1,911)	(849)
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with licensed banks	1,306	1,301
Short-term investment	313	12
Cash and bank balances	3,003	4,153
Bank overdraft	<u>(5,227)</u>	<u>(5,014)</u>
	(605)	452
Less : Deposits pledged to licensed banks	<u>(1,306)</u>	<u>(1,301)</u>
	<u>(1,911)</u>	<u>(849)</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 2019.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2019

	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 2018	110,381	-	853	72	(20,290)	91,016	(1)	91,015
Loss after tax/Total comprehensive expenses during the financial period	-	-	-	-	(169)	(169)	(0)	(169)
At 30 April 2018	110,381	-	853	72	(20,459)	90,847	(1)	90,846
At 1 February 2019	110,381	-	853	72	(16,738)	94,568	(1)	94,567
Profit after tax/Total comprehensive expenses during the financial period	-	-	-	-	(1,060)	(1,060)	(0)	(1,060)
At 30 April 2019	110,381	-	853	72	(17,798)	93,508	(1)	93,507

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 2019.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULT FOR THE FIRST
QUARTER ENDED 30 APRIL 2019

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 2019.

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 2019.

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 2019.

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 2019 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 January 2019.

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 3 months ended 30 April 2019:

	Gross revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	23,885	(829)	134,366	74,853
Investment holding/Others	568	(198)	166,909	106,090
	<u>24,453</u>	<u>(1,027)</u>	<u>301,275</u>	<u>180,943</u>
Elimination	(3,410)	(33)	(140,653)	(121,665)
	<u>21,043</u>	<u>(1,060)</u>	<u>160,622</u>	<u>59,278</u>
Unallocated Assets			2,522	-
Unallocated Liabilities			-	10,359
			<u>163,144</u>	<u>69,637</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	23,885
Less : Intercompany elimination	(2,842)
	<u>21,043</u>
Investment holdings/Others	568
Less : Intercompany elimination	(568)
	<u>-</u>
	<u>21,043</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 2019.

A13 Capital Commitments

There were no capital commitments provided for in the financial statement for the financial quarter ended 30 April 2019.

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

B1 Review of Performance

	Current Quarter ended 30.04.2019	Current Quarter ended 30.04.2018	Change	Cumulative Year to-date ended 30.04.2019	Cumulative Year to-date ended 30.04.2018	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	21,043	23,717	(11.27)	21,043	23,717	(11.27)
Gross Profit	1,655	3,119	(46.94)	1,655	3,119	(46.94)
Profit/(Loss) Before Interest and Tax	(574)	350	(264)	(574)	350	(264)
Profit/(Loss) Before Tax	(1,060)	(169)	(527.22)	(1,060)	(169)	(527.22)
Profit/(Loss) After Tax	(1,060)	(169)	(527.22)	(1,060)	(169)	(527.22)
Profit/(Loss) Attributable to Ordinary Equity Holders	(1,060)	(169)	(527.22)	(1,060)	(169)	(527.22)

Quarter ended 30.04.2019 compared with quarter ended 30.04.2018

The Group's turnover for the current quarter of RM21.043 million was 11.27% lower than that of the corresponding quarter from the previous year which stood at RM23.717 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 RM1.060 million in the current quarter compared to a loss before taxation of RM0.169 million in the corresponding quarter from the previous year. This increase was primarily due to the higher losses incurred from the manufacturing division, mainly attributable to the decrease in turnover in the current quarter.

The manufacturing segment recorded a loss of RM0.829 million for the current quarter compared to the preceding financial year's corresponding quarter profit of RM0.288 million. The key factors that affect the performance are mainly due to the reduction in sales quantities, higher raw material cost and other operating costs incurred in current quarter.

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

	Current Quarter ended 30.04.2019	Immediate Preceding Quarter ended 31.01.2019	Change
	RM'000	RM'000	%
Revenue	21,043	26,420	-20.35
Gross Profit	1,655	1,927	-14.11
Profit/(Loss) Before Interest and Tax	(574)	7,145	-108.03
Profit/(Loss) Before Tax	(1,060)	6,560	-116.16
Profit/(Loss) After Tax	(1,060)	5,398	-119.64
Profit/(Loss) Attributable to Ordinary Equity Holders	(1,060)	5,398	-119.64

The Group's turnover dropped by 20.35% from RM26.420 million in the immediate preceding quarter as compared to RM21.043 million in the current quarter. This decrease in turnover is attributable to the reduction in sales demand in the local and export market from the multi-wall industrial paper sacks division.

The Group recorded a loss before taxation of RM1.060 million in the current quarter as compared to a profit before taxation of RM6.560 million in the preceding quarter. The losses incurred was mainly due to the reduction in industry demand of multi-wall industrial paper and the on-going review of large scale national infra projects for the past quarters.

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 30.04.2019 RM'000	Cumulative Year to-date ended 30.04.2019 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 30.04.2019		
	Short term RM'000	Long term RM'000	Total Borrowings RM'000
Secured			
Bank Overdraft	5,227	-	5,227
Hire Purchase	4,031	10,269	14,300
Term Loan	17,091	801	17,892
	<u>26,349</u>	<u>11,070</u>	<u>37,419</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 30 April 2019.

B10 Loss before taxation

Loss before taxation is arrived at after charging the following:

	Current Quarter ended 30.04.2019 RM'000	Cumulative Year to-date ended 30.04.2019 RM'000
Interest expense	486	486
Depreciation:		
Property, plant and equipment	993	993
Right-of-use-assets	445	445
Foreign exchange loss	8	8

B11 Loss per Share

	Current Quarter ended 30.04.2019 RM'000	Cumulative Year to-date ended 30.04.2019 RM'000
<u>Basic Loss per share</u>		
Loss for the period (RM'000)	(1,060)	(1,060)
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic Loss per Share (sen)	(0.71)	(0.71)

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
21 June 2019

c.c. Securities Commission