

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2020

	As at 30.04.2020 RM'000	As at 31.01.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	25,569	26,238
Right-of-use Assets	47,634	48,517
Investment property	43,108	43,108
Intangible asset	4,667	4,667
Other Investment	1	1
	120,979	122,531
Current assets		
Inventories	14,454	17,139
Trade receivables	15,854	16,870
Other receivables	1,893	2,050
Current tax assets	1,103	1,518
Short term investment	12	12
Cash and cash equivalents	2,301	5,302
	35,617	42,891
TOTAL ASSETS	156,596	165,422
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	(27,109)	(25,540)
	84,197	85,766
Non-controlling interests	3	3
Total Equity	84,200	85,769
Non-current liabilities		
Borrowings	27,492	26,975
Deferred tax liabilities	9,671	9,671
	37,163	36,646
Current liabilities		
Borrowings	21,719	26,658
Trade payables	7,251	9,533
Other payables	6,263	6,816
Current tax liability	-	-
	35,233	43,007
Total liabilities	72,396	79,653
TOTAL EQUITY AND LIABILITIES	156,596	165,422
Net assets per share attributable to ordinary equity holders of the parent (sen)	56	57

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 2020.

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
 INTERIM FINANCIAL REPORT
 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

	Current quarter ended 30.04.2020 RM'000	3 months cumulative for current financial year to date ended 30.04.2020 RM'000	Comparable quarter ended 30.04.2019 RM'000	Comparable 3 months cumulative for preceding financial year to date ended 30.04.2019 RM'000
Continuing operations				
Revenue	13,662	13,662	21,043	21,043
Other income	526	526	286	286
Operating expenses	(15,098)	(15,098)	(21,907)	(21,907)
Finance costs	(632)	(632)	(486)	(486)
Net impairment gain on financial asset	-	-	4	4
(Loss)/Profit before tax	(1,542)	(1,542)	(1,060)	(1,060)
Income tax expense	(27)	(27)	-	-
(Loss)/Profit for the period from continuing operations	(1,569)	(1,569)	(1,060)	(1,060)
Other Comprehensive Expenses For The Financial Year	-	-	-	-
Total Comprehensive (Expenses)/Income For The Financial Year	(1,569)	(1,569)	(1,060)	(1,060)
(Loss)/Profit After Taxation Attributable to:				
Owners of the Company	(1,569)	(1,569)	(1,060)	(1,060)
Non-controlling interests	-	-	-	-
	(1,569)	(1,569)	(1,060)	(1,060)
Total Comprehensive (Expenses)/Income Attributable to:				
Owners of the Company	(1,569)	(1,569)	(1,060)	(1,060)
Non-controlling interests	-	-	-	-
	(1,569)	(1,569)	(1,060)	(1,060)
Earnings/(Loss) per share attributable to Owners of the Company (sen):				
Basic:	(1.05)	(1.05)	(0.71)	(0.71)
Diluted:	(1.05)	(1.05)	(0.71)	(0.71)

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 2020.

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

	Year ended 30.04.2020 RM'000	Year ended 31.01.2020 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
(Loss)/Profit before taxation:		
Continuing operations	(1,542)	(9,078)
	(1,542)	(9,078)
Adjustments for:		
Non cash items	1,733	6,823
Non-operating items	628	9,044
Operating profit before working capital changes	819	6,789
Net change in current assets	3,858	15,214
Net change in current liabilities	(2,836)	(14,015)
Cash generated from operations	1,841	7,988
Income tax refund	601	1,955
Income tax paid	(214)	(1,188)
Interest paid	(581)	(2,841)
Net cash from operating activities	1,647	5,914
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	4	36
Proceed from disposal of property, plant and equipment	-	16
Proceed from disposal of right-of-use assets	-	58
Purchase of property, plant and equipment	(181)	(962)
Investment in short term investment	(4)	-
Placement of fixed deposits with licensed banks	-	(31)
Net cash for investing activities	(181)	(883)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Net (repayment)/drawdown of bankers's acceptances	(495)	418
Net drawdown/(repayment) of bills payables	(1,356)	(2,231)
Repayment of revolving credit	500	(100)
(Repayment)/drawdown of lease liabilities	(1,275)	(4,882)
Repayment of term loan	325	(236)
Net cash from/(for) financing activities	(2,301)	(7,031)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(835)	(2,000)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(2,849)	(849)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	(3,684)	(2,849)
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with licensed banks	1,336	1,332
Short-term investment	12	12
Cash and bank balances	965	3,970
Bank overdraft	(4,661)	(6,831)
	(2,348)	(1,517)
Less : Deposits pledged to licensed banks	(1,336)	(1,332)
	(3,684)	(2,849)

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 2020.

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

	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 2019	110,381	-	853	72	(16,738)	94,568	(1)	94,567
Loss after tax/Total comprehensive expenses during the financial period	-	-	-	-	(8,802)	(8,802)	4	(8,798)
At 31 January 2020	110,381	-	853	72	(25,540)	85,766	3	85,769
At 1 February 2020	110,381	-	853	72	(25,540)	85,766	3	85,769
Loss after tax/Total comprehensive expenses during the financial period	-	-	-	-	(1,569)	(1,569)	-	(1,569)
At 30 April 2020	110,381	-	853	72	(27,109)	84,197	3	84,200

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 2020.

**KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULT FOR THE FIRST
QUARTER ENDED 30 APRIL 2020**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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 2020.

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 2020.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 January 2020, except for the adoption of the following MFRS, IC Interpretation and Amendments to MFRS beginning 1 January 2019:

MFRS 16 Leases

IC Interpretation 23 Uncertainty Over Income Tax Treatments

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRS Standards 2015 – 2017 Cycles

The adoption of the revised standards and amendments that are applicable from the financial year beginning on 1 February 2019 is not expected to result in any material impact on the financial position and results of the Group except for MFRS 16.

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces the current guidance on lease accounting. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their leased assets and the related lease obligations in the statement of financial position (with limited exceptions). The leased assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method.

A2 Status of Audit Qualifications

The audited financial statements of the Group for year ended 31 January 2020 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

The COVID-19 pandemic is disrupting the operating environment and global supply chain. Export orders were postponed due to the COVID-19 in the foreign countries. Movement Control Order (MCO) which took effect from 18 March 2020 required all non-essential sectors to temporarily close the business premises in response to the COVID-19 pandemic. As a non-essential service provider, our manufacturing division / Multiwall Industrial Paper Sacks division ceased operations during the MCO in March and April. The Caron Box division continued to operate to supply to customers that produce essential goods after obtaining approval from the authority.

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 2020:

	Gross revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	14,920	(1,017)	134,304	77,749
Investment holding/Others	299	(502)	161,647	103,734
	<u>15,219</u>	<u>(1,519)</u>	<u>295,951</u>	<u>181,483</u>
Elimination	(1,557)	(23)	(140,458)	(118,757)
	<u>13,662</u>	<u>(1,542)</u>	<u>155,493</u>	<u>62,726</u>
Unallocated Assets			1,103	-
Unallocated Liabilities			-	9,670
			<u>156,596</u>	<u>72,396</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	14,920
Less : Intercompany elimination	(1,258)
	<hr/>
	13,662
Investment holdings/Others	299
Less : Intercompany elimination	(299)
	<hr/>
	-
	<hr/>
	13,662
	<hr/>

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 2020.

A13 Capital Commitments

There were no capital commitments provided for in the financial statement for the financial quarter ended 30 April 2020.

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

B1 Review of Performance

	Current Quarter ended 30.04.2020	Current Quarter ended 30.04.2019	Change	Cumulative Year to-date ended 30.04.2020	Cumulative Year to-date ended 30.04.2019	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	13,662	21,043	(35.08)	13,662	21,043	(35.08)
Gross Profit	818	1,655	(50.57)	818	1,655	(50.57)
Profit/(Loss) Before Interest and Tax	(910)	(574)	58.54	(910)	(574)	58.54
Profit/(Loss) Before Tax	(1,542)	(1,060)	45.47	(1,542)	(1,060)	45.47
Profit/(Loss) After Tax	(1,569)	(1,060)	48.02	(1,569)	(1,060)	48.02
Profit/(Loss) Attributable to Ordinary Equity Holders	(1,569)	(1,060)	48.02	(1,569)	(1,060)	48.02

Quarter ended 30.04.2020 compared with quarter ended 30.04.2019

The Group's turnover for the current quarter of RM13.662 million is 35.08% lower than that of the corresponding quarter from the previous year which stood at RM21.043 million.

The Group recorded a loss before taxation for the current quarter of RM1.542 million compared to a loss before taxation of RM1.060 million in the corresponding quarter from the previous year. The lower performance from all operating segments was due to the COVID-19 pandemic and the Movement Control Order (MCO) implemented by the Government of Malaysia from 18 March 2020 till the end of the current quarter where all government and private premises are to be closed and all operations are to cease operations, except for those that come under "essential services" in response to the COVID-19 pandemic.

The Group's turnover was fully contributed by the Group's core business, which is the manufacturing of industrial packaging materials. Accordingly, manufacturing revenue for the current quarter was dropped to RM13.662 million as compared to RM21.043 million for the corresponding quarter last year.

Loss before taxation was RM1.017 million for the current quarter under review compared to a loss before tax of RM0.829 million in the corresponding quarter last year. The 35.08% decline in turnover and higher loss was primarily due to the COVID-19 pandemic and non-production during the MCO period from 18 March 2020 till 28 April 2020.

For other segments, the current quarter loss before taxation was RM0.525 million compared to the preceding financial year's corresponding quarter loss before taxation of RM0.231. This was mainly due to an additional cost incurred for depreciation and lease interest following the adoption of MFRS 16.

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

	Current Quarter ended 30.04.2020	Immediate Preceding Quarter ended 31.01.2020	Change
	RM'000	RM'000	%
Revenue	13,662	25,426	(46.27)
Gross Profit	818	2,434	(66.39)
Profit/(Loss) Before Interest and Tax	(910)	(4,790)	(81.00)
Profit/(Loss) Before Tax	(1,542)	(5,250)	(70.63)
Profit/(Loss) After Tax	(1,569)	(4,722)	(66.77)
Profit/(Loss) Attributable to Ordinary Equity Holders	(1,569)	(4,722)	(66.77)

The Group's revenue dropped by 46.27% from RM25.426 million in the immediate preceding quarter as compared to RM13.662 million in the current quarter. The lower performance from all operating segments was primarily due to the disruption to the operating environment as a result of the COVID-19 pandemic and the non-production period during the MCO in March and April.

The Group recorded a lower loss before taxation of RM1.542 million in the current quarter as compared to a loss before taxation of RM4.722 million in the immediate preceding quarter. The higher loss in the preceding quarter was primarily due to one-off fair value loss on the land held in Mukim of Hulu Kinta, District of Kinta, Perak following an assessment of the prospect for the said land and the current market condition.

B3 Prospects

2020 will be a challenging year given the uncertainties caused by the Covid-19 pandemic which disrupted the global supply chain and affected the global and regional economic condition and the volatility of the Ringgit Malaysia against the Euro and US Dollar.

In view of the current domestic challenges and the uncertainties in the external environment, the Group has intensified its efforts to further strengthen operational efficiency and implement more stringent cost cutting measures.

As sustainable industrial packaging solutions will continue to be our core business contributing to the Group's performance, we shall endeavour to improve the Group's prospect by focusing on widening its market reach in Southeast Asia to increase export sales and divesting its non-core assets to reduce the high holding cost of land of RM400,000 per annum.

The Group is also exploring new business roadmap for the Group including but not limited to new investments or business opportunities to increase revenue and earnings

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 30.04.2020 RM'000	Cumulative Year to-date ended 30.04.2020 RM'000
Taxation for current financial period	27	27
Provision for RPGT for current period	-	-
	<u>27</u>	<u>27</u>

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 30.04.2020		
	Short term RM'000	Long term RM'000	Total Borrowings RM'000
Secured			
Bank Overdraft	4,661	-	4,661
Term Loan	12,030	2,315	14,345
Lease Liabilities	5,028	25,177	30,205
	<u>21,719</u>	<u>27,492</u>	<u>49,211</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 January 2020.

B10 Loss before taxation

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

	Current Quarter ended 30.04.2020 RM'000	Cumulative Year to-date ended 30.04.2020 RM'000
Interest expense	632	632
Interest Income	(4)	(4)
Depreciation of Property, plant and equipment	850	850
Depreciation of Right-of-use-assets	883	883
Foreign exchange loss/(gain)	(134)	(134)

B11 Profit/(Loss) per Share

	Current Quarter ended 30.04.2020 RM'000	Cumulative Year to-date ended 30.04.2020 RM'000
<u>Basic Profit/(Loss) per share</u>		
Loss for the period (RM'000)	(1,569)	(1,569)
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic Loss per Share (sen)	(1.05)	(1.05)

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
25th June 2020

c.c. Securities Commission