

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

	As at 31.07.2017 RM'000	As at 31.01.2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	51,121	53,168
Investment property	41,262	41,262
Intangible asset	4,667	4,667
Other investment	2	2
	<u>97,052</u>	<u>99,099</u>
Current assets		
Inventories	17,975	19,592
Trade receivables	20,628	18,532
Other receivables	6,789	6,484
Tax recoverable	2,247	1,797
Short term investment	11	1,161
Cash and cash equivalents	1,959	2,772
	<u>49,609</u>	<u>50,338</u>
TOTAL ASSETS	<u>146,661</u>	<u>149,437</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	(19,190)	(19,410)
	<u>92,116</u>	<u>91,896</u>
Non-controlling interests	(1)	(1)
Total Equity	<u>92,115</u>	<u>91,895</u>
Non-current liabilities		
Borrowings	1,410	1,905
Deferred tax liabilities	9,765	9,765
	<u>11,175</u>	<u>11,670</u>
Current liabilities		
Borrowings	22,424	23,197
Trade payables	10,906	12,890
Other payables	10,041	9,785
Tax payables	-	-
	<u>43,371</u>	<u>45,872</u>
Total liabilities	<u>54,546</u>	<u>57,542</u>
TOTAL EQUITY AND LIABILITIES	<u>146,661</u>	<u>149,437</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 2017.

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

	Current quarter ended 31.07.2017	6 months cumulative for current financial year to date ended 31.07.2017	Comparable quarter ended 31.07.2016	Comparable 6 months cumulative for preceding financial year to date ended 31.07.2016
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	20,650	47,711	21,756	46,886
Other income	424	812	1,039	1,343
Operating expenses	(21,621)	(47,711)	(21,761)	(48,806)
Finance costs	(313)	(592)	(412)	(886)
(Loss)/Profit before tax	(860)	220	622	(1,463)
Income tax expense	-	-	-	-
(Loss)/ Profit for the period from continuing operations	(860)	220	622	(1,463)
Other Comprehensive Expenses For The Financial Year	-	-	-	-
Total Comprehensive Expenses For The Financial Year	(860)	220	622	(1,463)
(Loss)/ Profit After Taxation Attributable to:				
Owners of the Company	(860)	220	622	(1,463)
Non-controlling interests	(0)	(0)	(0)	(0)
	(860)	220	622	(1,463)
Total Comprehensive Expenses Attributable to:				
Owners of the Company	(860)	220	622	(1,463)
Non-controlling interests	(0)	(0)	(0)	(0)
	(860)	220	622	(1,463)
Earnings per share attributable to				
Owners of the Company (sen):				
Basic:	(0.57)	0.15	0.42	(0.98)
Diluted:	(0.57)	0.15	0.42	(0.98)

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 (Company No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2018

	Non-Distributable				Distributable			
	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 2016	74,945	35,436	884	-	(20,077)	91,188	-	91,188
Total comprehensive income during the financial period	-	-	-	-	(1,463)	(1,463)	(0)	(1,463)
At 31 July 2016	74,945	35,436	884	-	(21,538)	89,727	(0)	89,726
At 1 February 2017	110,381	-	853	72	(19,410)	91,896	(1)	91,895
Loss after taxation during the financial period	-	-	-	-	220	220	(0)	219
At 31 July 2017	110,381	-	853	72	(19,190)	92,116	(1)	92,115

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 (Company No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2017

	Year ended 31.07.2017 RM'000	Year ended 31.01.2017 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
(Loss)/Profit before taxation:		
Continuing operations	220	661
Discontinued operations	-	-
	220	661
Adjustments for:		
Non cash items	2,219	4,484
Non-operating items	594	613
Operating profit before working capital changes	3,033	5,758
Net change in current assets	(719)	(662)
Net change in current liabilities	(1,742)	2,317
Cash generated from operations	572	7,414
Income tax refund	3	147
Income tax paid	(453)	(371)
Interest paid	(602)	(1,659)
Net cash (for)/from operating activities	(480)	5,531
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	8	12
Proceeds from disposal of investment property	0	-
Proceed from disposal of property, plant and equipment	-	596
Purchase of property, plant and equipment	(172)	(1,334)
Dividend received	-	80
Net cash for investing activities	(164)	(646)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
(Repayment to)/advances from related parties	(60)	(178)
(Repayment to)/advances from director	-	(58)
Net drawdown of bankers's acceptances	-	304
Net (repayment)/drawdown of bills payables	(661)	4,136
(Repayment)/Drawdown of revolving credit	(490)	(1,080)
Repayment of hire purchase obligations	(130)	(539)
Repayment of term loan	(2,308)	(6,471)
Net cash for financing activities	(3,649)	(3,886)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4,293)	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	(3,317)	976
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with licensed banks	267	267
Short-term investment	11	1,161
Cash and bank balances	1,692	2,505
Bank overdraft	(5,020)	(2,690)
	(3,050)	1,243
Less : Deposits pledged to licensed banks	(267)	(267)
	(3,317)	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 ON CONSOLIDATED RESULT FOR THE SECOND
QUARTER ENDED 31 JULY 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 July 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 6 months ended 31 July 2017:

	Gross revenue RM'000	Profit/ (Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	54,327	685	116,908	54,166
Investment holding/Others	1,248	(400)	172,134	110,967
	<u>55,575</u>	<u>285</u>	<u>289,042</u>	<u>165,133</u>
Elimination	(7,864)	(65)	(144,628)	(120,352)
	<u>47,711</u>	<u>220</u>	<u>144,414</u>	<u>44,781</u>
Unallocated Assets			2,247	-
Unallocated Liabilities			-	9,765
			<u>146,661</u>	<u>54,546</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	54,327
Less : Intercompany elimination	<u>(6,616)</u>
	47,711
Investment holdings/Others	1,248
Less : Intercompany elimination	<u>(1,248)</u>
	-
	<u>47,711</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 2017.

A13 Capital Commitments

There were no capital commitments provided for in the financial statement for the quarter ended 31 July 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 31.07.2017 RM'000	Cumulative Year to-date ended 31.07.2017 RM'000
Taxation for current financial period	-	-
Provision for RPGT for current period	-	-
	-	-

B2 Profit before taxation

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

	Current Quarter ended 31.07.2017 RM'000	Cumulative Year to-date ended 31.07.2017 RM'000
Interest expense	313	592
Depreciation and amortization	1,111	2,219
Foreign exchange loss/(gain)	206	90

B3 Status of corporate proposal announced

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

B4 Borrowing and debt securities

	As at 31.07.2017 RM'000
Short term	
Secured	22,424
Unsecured	-
	<hr/> 22,424
Long term	
Secured	1,410
Unsecured	-
	<hr/> 1,410

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 31.07.2017	Immediate Preceding Quarter ended 30.04.2017	Change
	RM'000	RM'000	%
Revenue	20,650	27,061	-23.69
Gross Profit	1,458	3,932	-62.92
(Loss)/Profit Before Interest and Tax	(547)	1,359	-140.25
(Loss)/Profit Before Tax	(860)	1,080	-179.63
(Loss)/Profit After Tax	(860)	1,080	-179.63
(Loss)/Profit Attributable to Ordinary Equity Holders	(860)	1,080	-179.63

The Group recorded a lower turnover of RM20.65 million in the current quarter as compared to RM27.061 in the immediate preceding quarter. This was due to a slowdown in the take-up rate from the multi-wall industrial paper bags division, which has caused an adverse effect in revenue recognition for the quarter.

The Group recorded a loss before tax of RM860,000 in the current quarter as compared to a profit before tax of RM1.08 million in the preceding quarter. This was mainly due to the reduced profit from the multi-wall industrial paper bags division caused by the decrease in turnover.

B7 Review of Performance

	Current Quarter ended 31.07.2017	Current Quarter ended 31.07.2016	Change	Cumulative Year to-date ended 31.07.2017	Cumulative Year to-date ended 31.07.2016	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	20,650	21,756	-5.08	47,711	46,886	1.76
Gross Profit	1,458	2,426	-39.90	5,390	4,587	17.51
(Loss)/Profit Before Interest and Tax	(547)	1,034	-152.90	812	(577)	-240.73
(Loss)/Profit Before Tax	(860)	622	-238.26	220	(1,463)	-115.04
(Loss)/Profit After Tax	(860)	622	-238.26	220	(1,463)	-115.04
(Loss)/Profit Attributable to Ordinary Equity Holders	(860)	622	-238.26	220	(1,463)	-115.04

Quarter ended 31.07.2017 compared with quarter ended 31.07.2016

The Group's turnover for the current quarter of RM20.65 million was 5.08% lower than that of the corresponding quarter from the previous year which stood at RM21.756 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 in the current quarter of RM860,000 compared to a profit before taxation of RM622,000 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 RM729,000 compared to the preceding financial year's corresponding quarter profit before taxation of RM147,000, mainly due to the reduced profit from the multi-wall industrial paper bags division caused by the decrease in turnover.

For other segments, the current quarter loss before taxation was RM131,000 compared to the preceding financial year's corresponding quarter profit before taxation of RM475,000. 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 31.07.2017 against preceding financial period ended 31.07.2016

The Group's turnover increased by 1.76% from RM46.886 million in the preceding financial period to RM47.711 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 profit before taxation in the current financial period of RM220,000 compared to a loss before taxation of RM1.463 million in the preceding financial period. This was primarily due to increased turnover in the current financial period as well as 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 profit before taxation in the current financial period of RM684,000 compared to a loss before taxation of RM1.222 million in the preceding financial period. This was primarily due to the increased turnover in the current financial period as well as 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 RM464,000 compared to the preceding financial period loss before taxation of RM241,000. This was mainly due to the other income from the debt restructuring exercise in the preceding financial period.

B8 Prospects

The Group expects the slowdown in the take-up rate from the multi-wall industrial paper bags division for the current quarter to be reversed and normalized in the following quarters of the current financial year.

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 July 2017.

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

	Current Quarter ended 31.07.2017 RM'000	Cumulative Year to-date ended 31.07.2017 RM'000
(a) <u>Basic earnings/(loss) per share</u>		
Loss for the period (RM'000)	(860)	220
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic loss per share for loss for the period (sen)	(0.57)	0.15
(b) <u>Diluted earnings/(loss) per share</u>		
Loss for the period (RM'000)	(860)	220
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic loss per share for loss for the period (sen)	(0.57)	0.15

B12 Disclosure of realised and unrealised profits/losses

	Current Quarter ended 31.07.2017 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	(81,253)	(81,934)
- unrealized	30,445	30,730
	<u>(50,808)</u>	<u>(51,204)</u>
Consolidation adjustments	31,618	31,794
Total group accumulated losses as per consolidated accounts	<u>(19,190)</u>	<u>(19,410)</u>

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
28 September 2017

c.c. Securities Commission