

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2018

	As at 30.04.2018 RM'000	As at 31.01.2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	68,946	69,554
Investment property	41,622	41,622
Intangible asset	4,667	4,667
Other Investment	1	1
	115,236	115,844
Current assets		
Inventories	20,306	24,014
Trade receivables	18,561	16,036
Other receivables	3,980	4,114
Tax recoverable	2,376	2,297
Short term investment	11	11
Cash and cash equivalents	2,324	2,658
	47,558	49,130
TOTAL ASSETS	162,794	164,974
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	110,381	110,381
ESOS reserve	853	853
Capital reserve	-	-
Revaluation reserve	72	72
Accumulated losses	(20,459)	(20,290)
	90,847	91,016
Non-controlling interests	(1)	(1)
Total Equity	90,846	91,015
Non-current liabilities		
Borrowings	14,969	16,040
Deferred tax liabilities	9,698	9,698
	24,667	25,738
Current liabilities		
Borrowings	25,264	25,865
Trade payables	14,029	16,501
Other payables	7,988	5,855
Tax payables	-	-
	47,281	48,221
Total liabilities	71,948	73,959
TOTAL EQUITY AND LIABILITIES	162,794	164,974
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 2018.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2018

	Current quarter ended 30.04.2018	3 months cumulative for current financial year to date ended 30.04.2018	Comparable quarter ended 30.04.2017	Comparable 3 months cumulative for preceding financial year to date ended 30.04.2017
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	23,717	23,717	27,061	27,061
Other income	164	164	388	388
Operating expenses	(23,531)	(23,531)	(26,089)	(26,089)
Finance costs	(519)	(519)	(279)	(279)
(Loss)/Profit before tax	(169)	(169)	1,081	1,081
Income tax expense	-	-	108	108
(Loss)/Profit for the period from continuing operations	(169)	(169)	1,189	1,189
Other Comprehensive Expenses For The Financial Year	-	-	-	-
Total Comprehensive (Expenses)/Income For The Financial Year	(169)	(169)	1,189	1,189
(Loss)/Profit After Taxation Attributable to:				
Owners of the Company	(169)	(169)	1,189	1,189
Non-controlling interests	(0)	(0)	(0)	(0)
	(169)	(169)	1,189	1,189
Total Comprehensive (Expenses)/Income Attributable to:				
Owners of the Company	(169)	(169)	1,189	1,189
Non-controlling interests	(0)	(0)	(0)	(0)
	(169)	(169)	1,189	1,189
Earnings/(Loss) per share attributable to Owners of the Company (sen):				
Basic:	(0.11)	(0.11)	0.79	0.79
Diluted:	(0.11)	(0.11)	0.79	0.79

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 30 APRIL 2018

	Share Capital	Share Premium	Employee Share Options Reserve	Revaluation Reserve	Accumulated Losses	Attributable to Owners of the Company	Non-Controlling Interests	Total Equity
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
At 1 February 2017	110,381	-	853	72	(19,410)	91,896	(1)	91,895
Loss after taxation for the financial year	-	-	-	-	1,189	1,189	-	1,189
At 30 April 2017	110,381	-	853	72	(18,221)	93,085	(1)	93,084
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

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 30 APRIL 2018

	Year ended 30.04.2018 RM'000	Year ended 31.01.2018 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
(Loss)/Profit before taxation:		
Continuing operations	(169)	(800)
Discontinued operations	-	-
	<u>(169)</u>	<u>(800)</u>
Adjustments for:		
Non cash items	965	4,456
Non-operating items	669	(111)
Operating profit before working capital changes	1,465	3,545
Net change in current assets	1,317	611
Net change in current liabilities	(1,847)	3,342
Cash generated from operations	935	7,498
Income tax refund	221	189
Income tax paid	(300)	(836)
Interest paid	(669)	(1,199)
Net cash from operating activities	187	5,652
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	-	19
Proceeds from disposal of investment property	0	1
Proceed from disposal of property, plant and equipment	-	35
Purchase of property, plant and equipment	(357)	(5,342)
Dividend received	-	4
Placement of fixed deposits with licensed banks	(7)	(1,004)
Net cash for investing activities	(364)	(6,287)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Advances from/(Repayment to) related parties	1,509	185
Repayment to director	-	-
Net drawdown of bankers's acceptances	789	2,986
Net drawdown of bills payables	(577)	(2,928)
Repayment of revolving credit	(5)	(1,080)
Net drawdown/(Repayment) of hire purchase obligations	(965)	(234)
Repayment of term loan	(322)	(3,662)
Net cash from/(for) financing activities	429	(4,733)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	252	(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	(4,140)	(4,392)
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with licensed banks	1,278	1,271
Short-term investment	11	11
Cash and bank balances	1,046	1,387
Bank overdraft	(5,197)	(5,790)
	<u>(2,862)</u>	<u>(3,121)</u>
Less : Deposits pledged to licensed banks	(1,278)	(1,271)
	<u>(4,140)</u>	<u>(4,392)</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 2018.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULT FOR THE FIRST
QUARTER ENDED 30 APRIL 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 30 April 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 3 months ended 30 April 2018:

	Gross revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	26,659	288	140,556	83,329
Investment holding/Others	618	(425)	172,347	106,570
	<u>27,277</u>	<u>(137)</u>	<u>312,903</u>	<u>189,899</u>
Elimination	(3,560)	(32)	(152,486)	(127,649)
	<u>23,717</u>	<u>(169)</u>	<u>166,417</u>	<u>62,250</u>
Unallocated Assets			2,376	-
Unallocated Liabilities			-	9,698
			<u>162,793</u>	<u>71,948</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	26,659
Less : Intercompany elimination	<u>(2,942)</u>
	23,717
Investment holdings/Others	618
Less : Intercompany elimination	<u>(618)</u>
	-
	<u>23,717</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 30 April 2018.

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 30.04.2018 RM'000	Cumulative Year to-date ended 30.04.2018 RM'000
Taxation for current financial period	-	-
Provision for RPGT for current period	-	-
	-	-

B2 Profit/(loss) before taxation

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

	Current Quarter ended 30.04.2018 RM'000	Cumulative Year to-date ended 30.04.2018 RM'000
Interest expense	519	519
Depreciation and amortization	965	965
Foreign exchange loss	119	119

B3 Status of corporate proposal announced

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

B4 Borrowing and debt securities

	As at 30.04.2018 RM'000
Short term	
Secured	25,264
Unsecured	-
	25,264
Long term	
Secured	14,969
Unsecured	-
	14,969

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 Before Taxation for the current quarter compared with the preceding quarter

	Current Quarter ended 30.04.2018	Immediate Preceding Quarter ended 31.01.2018	Change
	RM'000	RM'000	%
Revenue	23,717	20,368	16.45
Gross Profit	3,119	1,312	137.73
Profit/(Loss) Before Interest and Tax	349	50	598
Loss Before Tax	(169)	(302)	-44.04
Loss After Tax	(169)	(381)	-55.64
Loss Attributable to Ordinary Equity Holders	(169)	(381)	-55.64

The Group's turnover increased by 16.45% from RM20.368 million in the immediate preceding quarter as compared to RM23.718 million in the current quarter. This increase in turnover was mainly due to the increase in sales of multi-wall industrial paper sacks division.

The Group recorded a loss before taxation of RM169,000 in the current quarter as compared to a loss before taxation of RM302,000 in the preceding quarter. The decrease in losses was mainly due to the increase in turnover in the current quarter.

B7 Review of Performance

	Current Quarter ended 30.04.2018	Current Quarter ended 30.04.2017	Change	Cumulative Year to-date ended 30.04.2018	Cumulative Year to-date ended 30.04.2017	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	23,717	27,061	-12.35	23,717	27,061	-12.35
Gross Profit	3,119	3,932	-20.68	3,119	3,932	-20.68
Profit Before Interest and Tax	350	1,359	-74.24	350	1,359	-74.24
(Loss)/Profit Before Tax	(169)	1,081	-115.63	(169)	1,081	-115.63
(Loss)/Profit After Tax	(169)	1,189	-114.21	(169)	1,189	-114.21
(Loss)/Profit Attributable to Ordinary Equity Holders	(169)	1,189	-114.21	(169)	1,189	-114.21

Quarter ended 30.04.2018 compared with quarter ended 30.04.2017

The Group's turnover for the current quarter of RM23.717 million was 12.35% lower than that of the corresponding quarter from the previous year which stood at RM27.061 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 RM169,000 in the current quarter compared to a profit before taxation of RM1.081 million in the corresponding quarter from the previous year. This was primarily attributable to the increase in raw material prices and also the

volatility of the MYR against USD and SGD which ultimately adversely affected our groups profit margins.

The manufacturing segment recorded a profit RM287,707 for the current quarter compared to the preceding financial year's corresponding quarter profit of RM1.414 million. The decrease in profit was primarily attributable to the reduced turnover from our multi-wall industrial paper sacks division as well as increase in raw material cost in both our industrial sacks and carton box division for the current quarter.

For other segments, the current quarter loss before taxation was RM457,157 compared to the preceding financial year's corresponding quarter loss before taxation of RM333,070. This was mainly due to decrease in turnover in manufacturing segment lead to lower collections of management fee in the current quarter.

B8 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.

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 year ended 30 April 2018.

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

	Current Quarter ended 30.04.2018 RM'000	Cumulative Year to-date ended 30.04.2018 RM'000
<u>Basic/diluted earnings/(loss) per share</u>		
Loss for the period (RM'000)	(169)	(169)
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic loss per share for loss for the period (sen)	(0.11)	(0.11)

B12 Disclosure of realised and unrealised (losses)/profits

	Cumulative Year to-date ended 30.04.2018 RM'000	As at the end of the last financial year ended 31.01.2018 RM'000
Total (accumulated losses)/ retained profits of the Company and its subsidiaries:		
- realised	(83,545)	(83,542)
- unrealised	30,513	30,518
	<u>(53,032)</u>	<u>(53,024)</u>
Consolidation adjustments	<u>32,573</u>	<u>32,695</u>
Total group accumulated losses as per consolidated accounts	<u>(20,459)</u>	<u>(20,329)</u>

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
27 June 2018

c.c. Securities Commission