

KYM HOLDINGS BHD (Co. No. 84303-A)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 OCTOBER 2015

	As at 31.10.2015 RM'000	As at 31.01.2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	59,916	62,135
Investment property	39,220	48,220
Intangible asset	4,667	4,667
Other Investment	184	184
Investment in quoted shares	2	2
	103,989	115,208
Current assets		
Inventories	16,798	31,827
Trade receivables	21,146	22,030
Other receivables	1,984	2,028
Tax recoverable	1,586	2,136
Short term investment	6,011	2,810
Cash and cash equivalents	2,507	2,155
	50,032	62,986
TOTAL ASSETS	154,020	178,194
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	74,945	74,945
Share premium	35,436	35,436
ESOS reserve	884	884
Accumulated losses	(20,466)	(18,837)
	90,799	92,428
Non-controlling interests	(0)	0
Total Equity	90,798	92,428
Non-current liabilities		
Borrowings	8,388	12,038
Deferred tax liabilities	10,692	10,692
	19,080	22,730
Current liabilities		
Borrowings	28,845	30,049
Trade payables	4,666	19,172
Other payables	10,631	13,815
	44,142	63,036
Total liabilities	63,222	85,766
TOTAL EQUITY AND LIABILITIES	154,020	178,194
Net assets per share attributable to ordinary equity holders of the parent (sen)	61	62

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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 2015.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2015

	Current Quarter Ended 31.10.2015	9 Months Cumulative for Current Financial Year to Date Ended 31.10.2015	Comparable Quarter Ended 31.10.2014	Comparable 9 Months Cumulative for Preceding Financial Year to Date Ended 31.10.2014
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	24,558	74,579	24,600	73,432
Other income	456	1,014	323	1,043
Operating expenses	(25,042)	(75,110)	(24,059)	(73,227)
Finance costs	(538)	(1,814)	(736)	(2,105)
(Loss)/Profit before tax	(566)	(1,330)	129	(856)
Income tax expense	(6)	(300)	(5)	(5)
(Loss)/ Profit After Taxation	(572)	(1,630)	124	(861)
(Loss)/ Profit After Taxation Attributable to:				
Owners of the Company	(572)	(1,630)	124	(861)
Non-controlling interests	(0)	(0)	0	0
	(572)	(1,630)	124	(861)
Total Comprehensive Expenses Attributable to:				
Owners of the Company	(572)	(1,630)	124	(861)
Non-controlling interests	(0)	(0)	0	0
	(572)	(1,630)	124	(861)
Earnings per share attributable to Owners of the Company (sen):				
Basic:	(0.38)	(1.09)	0.34	(2.38)
- Continuing operations	(0.38)	(1.09)	0.34	(2.38)
- Discontinued operations	0.00	0.00	0.00	0.00
Diluted:				
- Continuing operations	Not applicable	Not applicable	Not applicable	Not applicable
- Discontinued operations	Not applicable	Not applicable	Not applicable	Not applicable

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 2015.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 OCTOBER 2015

	← Non-Distributable →			Distributable	Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Employee Share Options Reserve RM'000	Accumulated Losses RM'000			
At 1 February 2014	74,945	35,436	884	(15,888)	95,377	-	95,377
Total comprehensive income for the year	-	-	-	(860)	(860)	-	(860)
At 31 October 2014	74,945	35,436	884	(16,748)	94,517	-	94,517
At 1 February 2015	74,945	35,436	884	(18,837)	92,428	-	92,428
Loss after taxation for the financial year	-	-	-	(1,630)	(1,630)	(0)	(1,630)
At 31 October 2015	74,945	35,436	884	(20,466)	90,799	(0)	90,799

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 2015.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2015

	Year Ended 31.10.2015 RM'000	Year Ended 31.01.2015 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
(Loss)/Profit before taxation:		
Continuing operations	(1,330)	(3,367)
Discontinued operations	-	-
	<u>(1,330)</u>	<u>(3,367)</u>
Adjustments for:		
Non cash items	3,496	6,932
Non-operating items	1,771	2,682
Operating profit before working capital changes	3,937	6,247
Net change in current assets	15,663	(19,478)
Net change in current liabilities	(16,818)	13,498
Cash generated from operations	2,781	267
Income tax refund	1,079	6
Income tax paid	(529)	(1,196)
Interest paid	(1,984)	(2,868)
Net cash for operating activities	1,347	(3,791)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	35	38
Proceeds from disposal of investment property	9,000	-
Proceed from disposal of property, plant and equipment	752	368
Purchase of property, plant and equipment	(1,966)	(1,174)
Repayment from related parties	-	25
Net cash for investing activities	7,937	1,605
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from/(Repayment to) related parties	(738)	272
Placement of money market (deposit)/withdraw	(3,200)	-
(Repayment)/Drawdown of revolving credit	460	(720)
Repayment of hire purchase obligations	(77)	(1,672)
Repayment of term loan	(4,816)	(3,239)
Drawdown of term loans	-	692
Net cash from financing activities	(9,263)	(1,007)
NET DECREASE IN CASH AND CASH EQUIVALENTS	21	(3,193)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	(3,444)	(251)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	(3,423)	(3,444)
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with licensed banks	267	422
Cash and bank balances	2,240	1,733
Bank overdraft	(5,663)	(5,177)
	<u>(3,156)</u>	<u>(3,022)</u>
Less : Deposits pledged to licensed banks	(267)	(422)
	<u>(3,423)</u>	<u>(3,444)</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 2015.

KYM HOLDINGS BHD (Co. No. 84303-A)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULT FOR THE THIRD QUARTER ENDED 31 JANUARY 2016

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 2015.

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 2015.

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 2015.

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 2015 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 October 2015.

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 9 months ended 31 October 2015:

	Gross Revenue RM'000	Profit/(Loss) Before Tax RM'000	Segment Assets RM'000	Segment Liabilities RM'000
Manufacturing	83,843	(277)	125,409	60,928
Investment holding/Others	1,922	(955)	196,487	161,951
	<u>85,765</u>	<u>(1,232)</u>	<u>321,896</u>	<u>222,879</u>
Elimination	(11,186)	(98)	(169,461)	(170,349)
	<u>74,579</u>	<u>(1,330)</u>	<u>152,435</u>	<u>52,530</u>
Unallocated Assets			1,586	-
Unallocated Liabilities			-	10,692
			<u>154,021</u>	<u>63,222</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	83,843
Less : Intercompany elimination	<u>(9,264)</u>
	74,579
Investment holdings/Others	1,922
Less : Intercompany elimination	<u>(1,922)</u>
	-
	<u>74,579</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 2015.

A13 Capital Commitments

There were no capital commitments provided for in the financial statement for the quarter ended 31 October 2015.

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 31.10.2015 RM'000	Cumulative Year to-date Ended 31.10.2015 RM'000
Taxation for current financial period	6	30
Provision for RPGT for current period	-	270
	<u>6</u>	<u>300</u>

B2 Loss before taxation

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

	Current Quarter ended 31.10.2015 RM'000	Cumulative Year to-date ended 31.10.2015 RM'000
Interest expense	538	1,814
Depreciation and amortization	1,159	3,496
Foreign exchange gain	411	544

B3 Status of corporate proposal announced

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

B4 Borrowing and debt securities

	As at 31.10.2015 RM'000
Short term	
Secured	28,845
Unsecured	-
	<u>28,845</u>
Long term	
Secured	8,388
Unsecured	-
	<u>8,388</u>

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

The Group's turnover for the current quarter under review was RM24.56 million. This is a 8.17% increased from the recorded turnover of RM24.36 million in the preceding quarter.

A loss before tax of RM566,342 is recorded in the current quarter compared with a loss before tax of RM297,630 recorded in the preceding quarter.

B7 Review of Performance

Quarter ended 31.10.2015 compared with quarter ended 31.10.2014

The Group's turnover for the current quarter of RM24.56 million is 0.17% lower than that of the corresponding quarter from the previous year which stood at RM24.60 million.

The Group recorded a loss before taxation for the current quarter of RM566,342 compared to a profit before taxation of RM129,001 in the corresponding quarter from the previous year. This was primarily due to a higher foreign exchange rate compared with the corresponding quarter from the previous year resulting in an increased raw materials cost,

The Group's turnover was fully contributed by the Group's core business, which is the manufacturing of industrial packaging materials.

Accordingly, the manufacturing revenue for the current quarter was RM24.56 million as compared to RM24.60 million for the corresponding quarter last year. Loss before taxation was RM260,821 for the current quarter under review compared to a profit before tax of RM386,764 in the corresponding quarter last year.

For other segments, the current quarter loss before taxation was RM273,075 compared to the preceding financial year corresponding quarter loss before taxation of RM225,217.

Current financial year ended 31.10.2015 against preceding financial year ended 31.10.2014

The Group's turnover for the current financial year of RM74.58 million is 1.56% higher than that of the preceding financial year of RM73.43 million.

The Group recorded a loss before taxation for the current financial year of RM1.33 million against a loss before taxation of RM855,610 in the preceding financial year. This was primarily due to a higher foreign exchange rate compared with the corresponding quarter from the previous year resulting in an increased raw materials cost,

The Group's turnover was fully contributed by the Group's core business, which is the manufacturing of industrial packaging materials.

The manufacturing revenue for the current financial year was RM74.58 million as compared to RM73.43 million against the preceding financial year. Loss before

taxation was RM276,956 for the current financial year compared to profit before taxation of RM118,564 against preceding financial year.

For the other segments, the current financial year loss before taxation was RM955,247 compared to preceding financial year loss before taxation of RM876,836.

B8 Prospects

Manufacturing will continue to be the core business of the Group. The Group maintains a cautiously positive outlook as the Group will be operating in a more challenging environment due to the weakening of the Ringgit Malaysia against the Euro and US Dollar as well as global economic uncertainty which could compress the Group's profit margin for the remaining quarters of the current financial year.

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 October 2015.

B11 Earnings per share attributable to owners of the Company

	Current Quarter Ended 31.10.2015 RM'000	Cumulative Year to Date Ended 31.10.2015 RM'000
(a) <u>Basic earnings per share</u>		
Profit/(Loss) for the period (RM'000)	(572)	(1,630)
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic Earnings per share for profit/(loss) for the period (sen)	(0.38)	(1.09)
(b) <u>Diluted earnings per share</u>	Not applicable	Not applicable

B12 Disclosure of realised and unrealised profits/losses

	Current Quarter Ended 31.10.2015 RM'000	As at The End of The Last Financial Year Ended 31.01.2015 RM'000
Total (accumulated losses)/ retained profits of the Company and its subsidiaries:		
- realized	(86,983)	(107,109)
- unrealized	9,822	31,448
	<u>(77,161)</u>	<u>(75,661)</u>
Consolidation adjustments	<u>56,695</u>	<u>56,824</u>
Total group accumulated losses as per consolidated accounts	<u>(20,466)</u>	<u>(18,837)</u>

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
22 December 2015

c.c. Securities Commission