

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 OCTOBER 2018**

	<b>As at 31.10.2018 RM'000</b>	<b>As at 31.01.2018 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	67,004	69,554
Investment property	41,622	41,622
Intangible asset	4,667	4,667
Other Investment	1	1
	<b>113,294</b>	<b>115,844</b>
<b>Current assets</b>		
Inventories	25,372	24,014
Trade receivables	20,478	16,036
Other receivables	2,343	4,114
Tax recoverable	3,164	2,297
Short term investment	12	11
Cash and cash equivalents	3,485	2,658
	<b>54,854</b>	<b>49,130</b>
<b>TOTAL ASSETS</b>	<b>168,148</b>	<b>164,974</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	110,381	110,381
ESOS reserve	853	853
Revaluation reserve	72	72
Accumulated losses	(22,137)	(20,290)
	<b>89,169</b>	<b>91,016</b>
<b>Non-controlling interests</b>	<b>(1)</b>	<b>(1)</b>
<b>Total Equity</b>	<b>89,168</b>	<b>91,015</b>
<b>Non-current liabilities</b>		
Borrowings	13,131	16,040
Deferred tax liabilities	9,698	9,698
	<b>22,829</b>	<b>25,738</b>
<b>Current liabilities</b>		
Borrowings	25,093	25,865
Trade payables	22,654	16,501
Other payables	8,404	5,855
Tax payables	-	-
	<b>56,151</b>	<b>48,221</b>
<b>Total liabilities</b>	<b>78,980</b>	<b>73,959</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>168,148</b>	<b>164,974</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<b>59</b>	<b>61</b>

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 31 OCTOBER 2018**

	Current quarter ended 31.10.2018	9 months cumulative for current financial year to date ended 31.10.2018	Comparable quarter ended 31.10.2017	Comparable 9 months cumulative for preceding financial year to date ended 31.10.2017
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Revenue	23,847	73,778	23,305	71,016
Other income	288	950	404	1,216
Operating expenses	(25,512)	(75,003)	(24,141)	(71,852)
Finance costs	(528)	(1,572)	(285)	(877)
<b>(Loss)/Profit before tax</b>	<b>(1,905)</b>	<b>(1,847)</b>	<b>(717)</b>	<b>(497)</b>
Income tax expense	-	-	(1)	(1)
<b>(Loss)/Profit for the period from continuing operations</b>	<b>(1,905)</b>	<b>(1,847)</b>	<b>(718)</b>	<b>(498)</b>
Other Comprehensive Expenses For The Financial Year	-	-	-	-
<b>Total Comprehensive (Expenses)/Income For The Financial Year</b>	<b>(1,905)</b>	<b>(1,847)</b>	<b>(718)</b>	<b>(498)</b>
<b>(Loss)/Profit After Taxation Attributable to:</b>				
Owners of the Company	(1,905)	(1,847)	(718)	(498)
Non-controlling interests	(0)	(0)	(0)	(0)
	<b>(1,905)</b>	<b>(1,847)</b>	<b>(718)</b>	<b>(498)</b>
<b>Total Comprehensive (Expenses)/Income Attributable to:</b>				
Owners of the Company	(1,905)	(1,847)	(718)	(498)
Non-controlling interests	(0)	(0)	(0)	(0)
	<b>(1,905)</b>	<b>(1,847)</b>	<b>(718)</b>	<b>(498)</b>
<b>Earnings/(Loss) per share attributable to Owners of the Company (sen):</b>				
Basic:	(1.27)	(1.23)	(0.48)	(0.33)
Diluted:	(1.27)	(1.23)	(0.48)	(0.33)

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 CASH FLOW**  
**FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2018**

	Year ended 31.10.2018 RM'000	Year ended 31.01.2018 RM'000
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation:		
Continuing operations	(1,847)	(800)
Discontinued operations	-	-
	(1,847)	(800)
Adjustments for:		
Non cash items	3,717	4,456
Non-operating items	1,556	(111)
<b>Operating profit before working capital changes</b>	<b>3,426</b>	<b>3,545</b>
Net change in current assets	(4,029)	611
Net change in current liabilities	7,189	3,342
<b>Cash generated from operations</b>	<b>6,586</b>	<b>7,498</b>
Income tax refund	221	189
Income tax paid	(1,088)	(836)
Interest paid	(1,568)	(1,199)
<b>Net cash from operating activities</b>	<b>4,151</b>	<b>5,652</b>
<b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>		
Proceeds from disposal of subsidiaries	-	-
Interest received	21	19
Proceed from disposal of property, plant and equipment	-	35
Purchase of property, plant and equipment	(860)	(5,342)
Dividend received	-	4
Withdraw of fixed deposits with licensed banks	-	-
Repayment of related parties	-	-
<b>Net cash for investing activities</b>	<b>(859)</b>	<b>(6,287)</b>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Advances from related parties	1,513	185
Repayment to director	-	-
Net (repayment)/drawdown of bankers's acceptances	(323)	2,986
Net drawdown/(repayment) of bills payables	1,733	(2,928)
Repayment of revolving credit	(125)	(1,080)
Net repayment of hire purchase obligations	(2,959)	(234)
Drawdown of term loans	-	-
<b>Net cash from/(for) financing activities</b>	<b>(595)</b>	<b>(4,733)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,697</b>	<b>(5,368)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>(4,392)</b>	<b>976</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>(1,695)</b>	<b>(4,392)</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Fixed deposits with licensed banks	1,291	1,271
Short-term investment	12	11
Cash and bank balances	2,194	1,387
Bank overdraft	(3,901)	(5,790)
	(404)	(3,121)
Less : Deposits pledged to licensed banks	(1,291)	(1,271)
	<b>(1,695)</b>	<b>(4,392)</b>

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**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2018**

	<b>Share Capital</b> <i>RM'000</i>	<b>Share Premium</b> <i>RM'000</i>	<b>Employee Share Options Reserve</b> <i>RM'000</i>	<b>Revaluation Reserve</b> <i>RM'000</i>	<b>Accumulated Losses</b> <i>RM'000</i>	<b>Attributable to Owners of the Company</b> <i>RM'000</i>	<b>Non-Controlling Interests</b> <i>RM'000</i>	<b>Total Equity</b> <i>RM'000</i>
<b>At 1 February 2017</b>	110,381	-	853	72	(19,410)	91,896	(1)	91,895
Loss after tax/Total comprehensive expenses during the financial period	-	-	-	-	(498)	(498)	(0)	(498)
<b>At 31 October 2017</b>	110,381	-	853	72	(19,908)	91,398	(1)	91,397
<b>At 1 February 2018</b>	110,381	-	853	72	(20,290)	91,016	(1)	91,015
Loss after tax/Total comprehensive expenses during the financial period	-	-	-	-	(1,847)	(1,847)	(0)	(1,847)
<b>At 31 October 2018</b>	110,381	-	853	72	(22,137)	89,169	(1)	89,168

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

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULT FOR THE FIRST**  
**QUARTER ENDED 31 OCTOBER 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 31 October 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 9 months ended 31 October 2018:

	<b>Gross revenue RM'000</b>	<b>Profit/(Loss) before tax RM'000</b>	<b>Segment assets RM'000</b>	<b>Segment liabilities RM'000</b>
Manufacturing	83,088	(1,164)	145,965	91,375
Investment holding/Others	1,911	(186)	172,272	106,259
	<u>84,999</u>	<u>(1,350)</u>	<u>318,237</u>	<u>197,634</u>
Elimination	(11,221)	(497)	(153,253)	(128,352)
	<u>(73,778)</u>	<u>(1,847)</u>	<u>164,984</u>	<u>69,282</u>
Unallocated Assets			3,164	-
Unallocated Liabilities			-	9,698
			<u>168,148</u>	<u>78,980</u>

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

<b>Gross Revenue</b>	<b>RM'000</b>
Manufacturing	83,088
Less : Intercompany elimination	<u>(9,310)</u>
	<u>73,778</u>
Investment holdings/Others	1,911
Less : Intercompany elimination	<u>(1,911)</u>
	-
	<u>73,778</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 31 October 2018.

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

**B1 Review of Performance**

	<b>Current Quarter ended 31.10.2018</b>	<b>Current Quarter ended 31.10.2017</b>	<b>Change</b>	<b>Cumulative Year to-date ended 31.10.2018</b>	<b>Cumulative Year to-date ended 31.10.2017</b>	<b>Change</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	23,847	23,305	2.32	73,778	71,016	3.89
Gross Profit	1,056	1,809	-41.62	7,103	7,199	-1.33
Profit/(Loss) Before Interest and Tax	(1,377)	(432)	218.75	(275)	380	-172.36
Profit/(Loss) Before Tax	(1,905)	(717)	165.60	(1,847)	(497)	271.63
Profit/(Loss) After Tax	(1,905)	(718)	165.30	(1,847)	(498)	270.88
Profit/(Loss) Attributable to Ordinary Equity Holders	(1,905)	(718)	165.30	(1,847)	(498)	270.88

Quarter ended 31.10.2018 compared with quarter ended 31.10.2017

The Group's turnover for the current quarter of RM23.847 million was 2.32% higher than that of the corresponding quarter from the previous year which stood at RM23.305 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 RM1.905 million in the current quarter compared to a loss before taxation of RM0.717 million in the corresponding quarter from the previous year. This is primarily due to the reduced profit from the multi-wall industrial paper sacks division.

The manufacturing segment recorded a loss RM1.759 million for the current quarter compared to the preceding financial year's corresponding quarter loss of RM0.687 million. The increase in losses was primarily attributable to the reduced profit from the multi-wall industrial paper bags division caused by the higher average paper price, higher cost of production and finance cost in the current quarter.



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

	<b>Current Quarter ended 31.10.2018</b>	<b>Immediate Preceding Quarter ended 31.07.2018</b>	<b>Change</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	23,847	26,214	-9.03
Gross Profit	1,056	2,928	-63.93
Profit Before Interest and Tax	(1,377)	752	-283.11
Profit/(Loss) Before Tax	(1,905)	227	-939.21
Profit/(Loss) After Tax	(1,905)	227	-939.21
Profit/(Loss) Attributable to Ordinary Equity Holders	(1,905)	227	-939.21

The Group's turnover decreased by 9.03% from RM26.214 million in the immediate preceding quarter as compared to RM23.847 million in the current quarter. This decrease in turnover is attributable to the decrease in sales volume for export market from the multi-wall industrial paper sacks division.

The Group recorded a loss before taxation of RM1.905 million in the current quarter as compared to a profit before taxation of RM0.227 million in the preceding quarter. The increase in loss was mainly due to the decrease in turnover in the multi-wall industrial paper bag division in the current quarter.

**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:

	<b>Current Quarter ended 31.10.2018 RM'000</b>	<b>Cumulative Year to-date ended 31.10.2018 RM'000</b>
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**

	<b>As at 31.10.2018</b>		
	Short term RM'000	Long term RM'000	Total Borrowings RM'000
<b>Secured</b>			
Bank Overdraft	3,902	-	3,902
Hire Purchase	4,083	12,215	16,298
Term Loan	17,108	916	18,024
	<u>25,093</u>	<u>13,131</u>	<u>38,224</u>
<b>Unsecured</b>	-	-	-

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 October 2018.

**B10 Profit/(loss) before taxation**

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

	<b>Current Quarter ended 31.10.2018 RM'000</b>	<b>Cumulative Year to-date ended 31.10.2018 RM'000</b>
Interest expense	528	1,572
Depreciation and amortization	1,387	3,717
Foreign exchange loss	38	13

**B11 Earnings/(Loss) per Share Attributable to Owners of the Company**

	<b>Current Quarter ended 31.10.2018 RM'000</b>	<b>Cumulative Year to-date ended 31.10.2018 RM'000</b>
<u>Basic/diluted earnings/(Loss) per share</u>		
Loss for the period (RM'000)	(1,905)	(1,847)
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic earnings per share (sen)	(1.27)	(1.23)

By Order of the Board

CHEE MIN ER  
Company Secretary

Kuala Lumpur  
18 December 2018

c.c. Securities Commission