

KYM HOLDINGS BHD (Reg No.: 198201004556) (84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 OCTOBER 2019

	As at 31.10.2019 RM'000	As at 31.01.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	40,830	65,767
Right-of-use Assets	33,982	-
Investment property	41,520	41,520
Intangible asset	4,667	4,667
Other Investment	1	1
	<u>121,000</u>	<u>111,955</u>
Current assets		
Inventories	22,643	30,325
Trade receivables	17,861	20,481
Other receivables	2,058	2,204
Current tax assets	1,555	2,706
Short term investment	216	12
Cash and cash equivalents	2,977	5,454
	<u>47,310</u>	<u>61,182</u>
TOTAL ASSETS	<u>168,310</u>	<u>173,137</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	(20,814)	(16,738)
	<u>90,492</u>	<u>94,568</u>
Non-controlling interests	(1)	(1)
Total Equity	<u>90,491</u>	<u>94,567</u>
Non-current liabilities		
Borrowings	20,159	12,122
Deferred tax liabilities	10,321	10,321
	<u>30,480</u>	<u>22,443</u>
Current liabilities		
Borrowings	27,073	25,712
Trade payables	13,727	23,484
Other payables	6,453	6,880
Current tax liability	86	51
	<u>47,339</u>	<u>56,127</u>
Total liabilities	77,819	78,570
TOTAL EQUITY AND LIABILITIES	<u>168,310</u>	<u>173,137</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	60	63

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 2019.

KYM HOLDINGS BHD (Reg No.: 198201004556) (84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019

	Current quarter ended 31.10.2019 RM'000	9 months cumulative for current financial year to date ended 31.10.2019 RM'000	Comparable quarter ended 31.10.2018 RM'000	Comparable 9 months cumulative for preceding financial year to date ended 31.10.2018 RM'000
Continuing operations				
Revenue	20,900	65,562	23,847	73,778
Other income	502	1,130	288	950
Operating expenses	(22,099)	(68,093)	(25,512)	(75,003)
Finance costs	(798)	(2,431)	(528)	(1,572)
Net impairment gain on financial asset	-	4	-	-
(Loss)/Profit before tax	(1,495)	(3,828)	(1,905)	(1,847)
Income tax expense	(248)	(248)	-	-
(Loss)/Profit for the period from continuing operations	(1,743)	(4,076)	(1,905)	(1,847)
Other Comprehensive Expenses For The Financial Year	-	-	-	-
Total Comprehensive (Expenses)/Income For The Financial Year	(1,743)	(4,076)	(1,905)	(1,847)
(Loss)/Profit After Taxation Attributable to:				
Owners of the Company	(1,743)	(4,076)	(1,905)	(1,847)
Non-controlling interests	-	-	-	-
	(1,743)	(4,076)	(1,905)	(1,847)
Total Comprehensive (Expenses)/Income Attributable to:				
Owners of the Company	(1,743)	(4,076)	(1,905)	(1,847)
Non-controlling interests	-	-	-	-
	(1,743)	(4,076)	(1,905)	(1,847)
Earnings (Loss) per share attributable to Owners of the Company (sen):				
Basic:	(1.16)	(2.72)	(1.27)	(1.23)
Diluted:	(1.16)	(2.72)	(1.27)	(1.23)

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 2019.

KYM HOLDINGS BHD (Reg No.: 198201004556) (84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019

Year ended 31.10.2019
RM'000

Year ended 31.01.2019
RM'000

	Year ended 31.10.2019 RM'000	Year ended 31.01.2019 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
(Loss)/Profit before taxation:		
Continuing operations	(3,828)	4,714
	<u>(3,828)</u>	<u>4,714</u>
Adjustments for:		
Non cash items	4,795	5,088
Non-operating items	2,369	2,180
Operating profit before working capital changes	3,336	11,982
Net change in current assets	10,447	(8,929)
Net change in current liabilities	(10,183)	8,116
Cash generated from operations	3,600	11,169
Income tax refund	1,955	221
Income tax paid	(1,017)	(1,118)
Interest paid	(2,445)	(2,155)
Net cash from operating activities	2,093	8,117
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	26	30
Proceed from disposal of property, plant and equipment	58	29
Purchase of property, plant and equipment	(673)	(994)
Dividend received	-	2
Placement of fixed deposits with licensed banks	(22)	(30)
Net cash for investing activities	(611)	(963)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Net (repayment)/drawdown of bankers's acceptances	167	(3,107)
Net drawdown/(repayment) of bills payables	(2,211)	4,095
Repayment of revolving credit	(200)	(150)
(Repayment)/drawdown of lease liabilities	(358)	-
Net repayment of hire purchase obligations	(3,008)	(3,958)
Repayment of term loan	(176)	(491)
Net cash from/(for) financing activities	(5,786)	(3,611)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4,304)	3,543
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(849)	(4,392)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	(5,153)	(849)
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with licensed banks	1,322	1,301
Short-term investment	216	12
Cash and bank balances	1,655	4,153
Bank overdraft	(7,024)	(5,014)
	<u>(3,831)</u>	<u>452</u>
Less : Deposits pledged to licensed banks	(1,322)	(1,301)
	<u>(5,153)</u>	<u>(849)</u>

KYM HOLDINGS BHD (Reg No.: 198201004556) (84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019

	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 2018	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)
At 31 October 2018	110,381	-	853	72	(22,137)	89,169	(1)	89,168
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	-	-	-	-	(4,076)	(4,076)	-	(4,076)
At 31 October 2019	110,381	-	853	72	(20,814)	90,492	(1)	90,491

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 2019.

**KYM HOLDINGS BHD (Reg. No.: 198201004556)(84303-A)
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULT FOR THE THIRD
QUARTER ENDED 31 OCTOBER 2019**

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 2019.

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 2019.

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 2019, 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 2019 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 2019.

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 2019:

	Gross revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	73,183	(3,165)	142,088	84,146
Investment holding/Others	1,753	(566)	166,914	106,460
	<u>74,936</u>	<u>(3,731)</u>	<u>309,002</u>	<u>190,606</u>
Elimination	(9,374)	(97)	(142,247)	(123,194)
	<u>65,562</u>	<u>(3,828)</u>	<u>166,755</u>	<u>67,412</u>
Unallocated Assets			1,555	-
Unallocated Liabilities			-	10,407
			<u>168,310</u>	<u>77,819</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	73,183
Less : Intercompany elimination	<u>(7,621)</u>
	<u>65,562</u>
Investment holdings/Others	1,753
Less : Intercompany elimination	<u>(1,753)</u>
	<u>-</u>
	<u><u>65,562</u></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 2019.

A13 Capital Commitments

There were no capital commitments provided for in the financial statement for the financial quarter ended 31 October 2019.

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

B1 Review of Performance

	Current Quarter ended 31.10.2019	Current Quarter ended 31.10.2018	Change	Cumulative Year to-date ended 31.10.2019	Cumulative Year to-date ended 31.10.2018	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	20,900	23,847	(12.36)	65,562	73,778	(11.14)
Gross Profit	1,560	1,056	47.73	5,466	7,103	(23.05)
Profit/(Loss) Before Interest and Tax	(697)	(1,377)	(49.38)	(1,401)	(275)	409.45
Profit/(Loss) Before Tax	(1,495)	(1,905)	(21.52)	(3,828)	(1,847)	107.25
Profit/(Loss) After Tax	(1,743)	(1,905)	(8.50)	(4,076)	(1,847)	120.68
Profit/(Loss) Attributable to Ordinary Equity Holders	(1,743)	(1,905)	(8.50)	(4,076)	(1,847)	120.68

Quarter ended 31.10.2019 compared with quarter ended 31.10.2018

The Group's turnover for the current quarter of RM20.900 million was 12.36% lower than that of the corresponding quarter from the previous year which stood at RM23.847 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 RM1.495 million in the current quarter compared to a loss before taxation of RM1.905 million in the corresponding quarter from the previous year. This was primarily due to the improved performance of the corrugated carton box division mainly attributable to the decrease in cost of production in the current quarter.

The manufacturing segment recorded a loss of RM1.246 million for the current quarter compared to the preceding financial year's corresponding quarter loss of RM1.759 million. The lower loss was mainly contributed by the higher profits in the carton box division.

Current financial period ended 31.10.2019 against preceding financial period ended 31.10.2018

The Group's turnover decreased by 11.14% from RM73.778 million in the preceding six months period ended 31 October 2018 to RM65.562 million in the current financial period. This was mainly attributable to the lower sales volume of multi-wall industrial paper sacks division.

The Group recorded a loss before taxation in the current financial period of RM3.828 million compared to a loss before taxation of RM1.847 million in the preceding financial period. This was primarily due to decreased turnover in the current financial period on the multiwall industrial paper sacks division.

The manufacturing segment recorded a loss before taxation in the current financial period of RM3.165 million compared to a loss before taxation of RM1.163 million in the preceding financial period. The carton box division contributed a better profit margin as compared of the preceding period ended 31 October 2018. However, this was offset by the higher loss recorded in the multiwall industrial paper sacks division. The carton box division continues to

produce positive results from the operational restructuring plan and ongoing improvement activities.

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

	Current Quarter ended 31.10.2019 RM'000	Immediate Preceding Quarter ended 31.07.2019 RM'000	Change %
Revenue	20,900	23,619	-11.51
Gross Profit	1,560	2,251	-30.70
Profit/(Loss) Before Interest and Tax	(697)	(126)	453.17
Profit/(Loss) Before Tax	(1,495)	(1,273)	17.44
Profit/(Loss) After Tax	(1,743)	(1,273)	36.92
Profit/(Loss) Attributable to Ordinary Equity Holders	(1,743)	(1,273)	36.92

The Group's turnover decreased by 11.51% from RM23.619 million in the immediate preceding quarter as compared to RM20.900 million in the current quarter. This reduction in turnover is attributable to the decrease in sales demand from the local market in the multi-wall industrial paper sacks division.

The Group recorded a loss before taxation of RM1.495 million in the current quarter as compared to a loss before taxation of RM1.273 million in the immediate preceding quarter. This was primarily due to the lower profit margin recorded in the multi-wall industrial paper sacks division.

B3 Prospects

The Group will continue to focus on widening its reach in Southeast Asia to increase its export sales.

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.

Efforts to divest non-core assets in Manjung, Perak will also continue with an eye for the current market conditions for those assets.

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 31.10.2019 RM'000	Cumulative Year to-date ended 31.10.2019 RM'000
Taxation for current financial period	248	248
Provision for RPGT for current period	-	-
	<u>248</u>	<u>248</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 31.10.2019		
	Short term RM'000	Long term RM'000	Total Borrowings RM'000
Secured			
Bank Overdraft	7,025	-	7,025
Hire Purchase	3,981	8,309	12,290
Term Loan	14,404	683	15,087
Lease Liabilities	1,662	11,166	12,828
	<u>27,072</u>	<u>20,158</u>	<u>47,230</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 October 2019.

B10 Loss before taxation

Loss before taxation is arrived at after charging the following:

	Current Quarter ended 31.10.2019 RM'000	Cumulative Year to-date ended 31.10.2019 RM'000
Interest expense	460	1,416
Interest of Lease Liabilities	338	1,015
Depreciation of Property, plant and equipment	893	2,765
Depreciation of Right-of-use-assets	672	2,030
Foreign exchange loss/(gain)	(37)	(59)

B11 Profit/(Loss) per Share

	Current Quarter ended 31.10.2019 RM'000	Cumulative Year to-date ended 31.10.2019 RM'000
<u>Basic Profit/(Loss) per share</u>		
Loss for the period (RM'000)	(1,743)	(4,076)
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic Loss per Share (sen)	(1.16)	(2.72)

By Order of the Board

CHEE MIN ER
Company Secretary

24 December 2019