

**KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2020**

	<b>As at 31.01.2020 RM'000</b>	<b>As at 31.01.2019 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	30,893	65,767
Right-of-use Assets	43,552	-
Investment property	43,418	41,520
Intangible asset	4,667	4,667
Other Investment	1	1
	122,531	111,955
<b>Current assets</b>		
Inventories	17,138	30,325
Trade receivables	16,870	20,481
Other receivables	2,050	2,204
Current tax assets	1,518	2,706
Short term investment	12	12
Cash and cash equivalents	5,302	5,453
	42,890	61,181
<b>TOTAL ASSETS</b>	<b>165,421</b>	<b>173,136</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	(25,540)	(16,738)
	85,766	94,568
<b>Non-controlling interests</b>	3	(1)
<b>Total Equity</b>	85,769	94,567
<b>Non-current liabilities</b>		
Borrowings	26,974	12,122
Deferred tax liabilities	9,671	10,321
	36,645	22,443
<b>Current liabilities</b>		
Borrowings	26,657	25,712
Trade payables	9,533	23,484
Other payables	6,817	6,879
Current tax liability	-	51
	43,007	56,126
<b>Total liabilities</b>	79,652	78,569
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>165,421</b>	<b>173,136</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<b>57</b>	<b>63</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 2019.

**KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2020**

	Current quarter ended 31.01.2020	12 months cumulative for current financial year to date ended 31.01.2020	Comparable quarter ended 31.01.2019	Comparable 12 months cumulative for preceding financial year to date ended 31.01.2019
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Revenue	25,426	90,988	26,420	100,198
Other income	207	1,337	7,839	8,789
Operating expenses	(30,419)	(98,512)	(27,116)	(102,119)
Finance costs	(460)	(2,891)	(583)	(2,155)
Net impairment gain on financial asset	(4)	-	-	-
<b>(Loss)/Profit before tax</b>	(5,250)	(9,078)	6,560	4,713
Income tax expense	528	280	(1,162)	(1,162)
<b>(Loss)/Profit for the period from continuing operations</b>	(4,722)	(8,798)	5,398	3,551
Other Comprehensive Expenses For The Financial Year	-	-	-	-
<b>Total Comprehensive (Expenses)/Income For The Financial Year</b>	(4,722)	(8,798)	5,398	3,551
<b>(Loss)/Profit After Taxation Attributable to:</b>				
Owners of the Company	(4,726)	(8,802)	5,398	3,551
Non-controlling interests	4	4	(0)	(0)
	(4,722)	(8,798)	5,398	3,551
<b>Total Comprehensive (Expenses)/Income Attributable to:</b>				
Owners of the Company	(4,726)	(8,802)	5,398	3,551
Non-controlling interests	4	4	(0)	(0)
	(4,722)	(8,798)	5,398	3,551
<b>Earnings/(Loss) per share attributable to Owners of the Company (sen):</b>				
Basic:	(3.15)	(5.87)	3.60	2.37
Diluted:	(3.15)	(5.87)	3.60	2.37

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 (Co. No. 198201004556 (84303-A))**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**  
**FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2020**

	Year ended 31.01.2020 RM'000	Year ended 31.01.2019 RM'000
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation:		
Continuing operations	(9,078)	4,714
	(9,078)	4,714
Adjustments for:		
Non cash items	6,868	5,088
Non-operating items	9,044	2,180
<b>Operating profit before working capital changes</b>	<b>6,834</b>	<b>11,982</b>
Net change in current assets	15,218	(8,929)
Net change in current liabilities	(14,014)	8,116
<b>Cash generated from operations</b>	<b>8,038</b>	<b>11,169</b>
Income tax refund	1,956	221
Income tax paid	(1,189)	(1,118)
Interest paid	(2,891)	(2,155)
<b>Net cash from operating activities</b>	<b>5,914</b>	<b>8,117</b>
<b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>		
Interest received	36	30
Proceed from disposal of property, plant and equipment	74	29
Purchase of property, plant and equipment	(962)	(994)
Dividend received	-	2
Placement of fixed deposits with licensed banks	(30)	(30)
<b>Net cash for investing activities</b>	<b>(882)</b>	<b>(963)</b>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Net (repayment)/drawdown of bankers's acceptances	418	(3,107)
Net drawdown/(repayment) of bills payables	(2,231)	4,095
Repayment of revolving credit	(100)	(150)
(Repayment)/drawdown of lease liabilities	(4,882)	-
Net repayment of hire purchase obligations	-	(3,958)
Repayment of term loan	(236)	(491)
<b>Net cash from/(for) financing activities</b>	<b>(7,031)</b>	<b>(3,611)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,999)</b>	<b>3,543</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>(849)</b>	<b>(4,392)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>(2,848)</b>	<b>(849)</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Fixed deposits with licensed banks	1,332	1,301
Short-term investment	12	12
Cash and bank balances	3,970	4,153
Bank overdraft	(6,830)	(5,014)
	(1,516)	452
Less : Deposits pledged to licensed banks	(1,332)	(1,301)
	<b>(2,848)</b>	<b>(849)</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 2019.

**KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2020**

	<b>Share Capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Employee Share Options Reserve RM'000</b>	<b>Revaluation Reserve RM'000</b>	<b>Accumulated Losses RM'000</b>	<b>Attributable to Owners of the Company RM'000</b>	<b>Non- Controlling Interests RM'000</b>	<b>Total Equity RM'000</b>
<b>At 1 February 2018</b>	110,381	-	853	72	(20,289)	91,017	(1)	91,016
Profit after tax/Total comprehensive expenses during the financial period	-	-	-	-	3,551	3,551	(0)	3,551
<b>At 31 January 2019</b>	110,381	-	853	72	(16,738)	94,568	(1)	94,567
<b>At 1 February 2019</b>	110,381	-	853	72	(16,738)	94,568	(1)	94,567
Loss after tax/Total comprehensive expenses during the financial period	-	-	-	-	(8,802)	(8,802)	4	(8,798)
<b>At 31 January 2020</b>	110,381	-	853	72	(25,540)	85,766	3	85,769

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 (Co. No. 198201004556 (84303-A))  
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULT FOR THE FINAL  
QUARTER ENDED 31 JANUARY 2020**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**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**

During the financial period, an assessment was carried out on the vacant land held in Mukim of Hulu Kinta, District of Kinta, Perak. The fair value loss on investment properties of RM4.4 million was a result of the latest professional evaluation reflecting existing market conditions.

Save for the aforesaid mentioned, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter ended 31 January 2020.

**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 12 months ended 31 January 2020:

	<b>Gross revenue</b>	<b>Profit/(Loss)</b>	<b>Segment</b>	<b>Segment</b>
	<b>RM'000</b>	<b>before tax</b>	<b>assets</b>	<b>liabilities</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Manufacturing	101,146	(3,749)	141,018	83,832
Investment holding/Others	2,329	2,809	164,608	103,490
	<u>103,475</u>	<u>(940)</u>	<u>305,626</u>	<u>187,322</u>
Elimination	(12,487)	(8,138)	(141,723)	(117,340)
	<u>90,988</u>	<u>(9,078)</u>	<u>163,903</u>	<u>69,982</u>
Unallocated Assets			1,518	-
Unallocated Liabilities			-	9,670
			<u>165,421</u>	<u>79,652</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	101,146
Less : Intercompany elimination	(10,158)
	<hr style="width: 100%; border: 0.5px solid black;"/> 90,988
Investment holdings/Others	2,329
Less : Intercompany elimination	(2,329)
	<hr style="width: 100%; border: 0.5px solid black;"/> -
	<hr style="width: 100%; border: 0.5px solid black;"/> 90.988

**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 Valuations of Investment Properties**

During the financial period, a valuation was carried out on a vacant land held under Mukim of Hulu Kinta, District of Kinta, Perak by a third party independent valuer, Hatta & Associates using Comparison Approach where the market value of the aforesaid land was RM7.6 million. The value of the said land is lower than the carrying amount. As a result, there was a fair value loss on investment properties of RM4.4 million.

**A11 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.

**A12 Changes in Composition of the Group**

There were no changes in the composition of the Group during the financial year under review.

**A13 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.

**A14 Capital Commitments**

There were no capital commitments provided for in the financial statement for the financial quarter ended 31 January 2020.

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

**B1 Review of Performance**

	<b>Current Quarter ended 31.01.2020</b>	<b>Current Quarter ended 31.01.2019</b>	<b>Change</b>	<b>Cumulative Year to-date ended 31.01.2020</b>	<b>Cumulative Year to-date ended 31.01.2019</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	25,426	26,420	(3.76)	90,988	100,198	(9.19)
Gross Profit	2,434	1,927	26.31	7,900	9,031	(12.52)
Profit/(Loss) Before Interest and Tax	(4,789)	7,143	(167.04)	(6,187)	6,868	(190.08)
Profit/(Loss) Before Tax	(5,250)	6,560	(180.03)	(9,078)	4,713	(292.62)
Profit/(Loss) After Tax	(4,722)	5,398	(187.48)	(8,798)	3,551	(347.76)
Profit/(Loss) Attributable to Ordinary Equity Holders	(4,722)	5,398	(187.48)	(8,798)	3,551	(347.76)

Quarter ended 31.01.2020 compared with quarter ended 31.01.2019

Group's revenue for the final quarter ended 31 January 2020 of RM25.426 million was 3.76% lower than the corresponding quarter last year of RM26.420 million. The lower revenue was primarily attributed to the reduction in sales from the Multiwall Industrial Paper Sacks Division.

The Group reported a loss before tax of RM5.25 million for the current quarter as compared to a profit before tax of RM6.56 million in the corresponding quarter last year. The loss for the current quarter was attributed to the decline in contribution from the Manufacturing segment and a one-off fair value loss at the Investment Holdings/Other Division.

The Manufacturing segment reported a loss before tax of RM0.584 million for the current quarter, mainly attributed to the adverse performance of the Multiwall Industrial Paper Sack division resulted from the lower sales to the local cement industry, price pressure and change in business terms. The Manufacturing segment recorded a profit RM6.211 million for the corresponding quarter last year, due mainly to the other income arising from the mutual termination of a contract.

The Investment Holdings/Other Division reported a loss before tax of RM4.666 million for the current quarter, due mainly to a one-off fair value loss on the land held in Mukim of Hulu Kinta, District of Kinta, Perak following an assessment of the prospect for the aforesaid land and current market condition.

Current Financial Year Ended 31.01.2020 against Preceding Financial Year Ended 31.01.2019

For FYE2020, the Group recorded a lower revenue of RM90.988 million, a 9.19% lower from the RM100.198 million in FYE2019. The Group's turnover was fully contributed by the Group's core business, which is the manufacturing of industrial packaging materials.

The Group posted a loss before tax of RM9.078 million for FYE 2020 compared to a profit before tax of RM4.713 million in FYE2019. The bottom line was adversely affected by the underperformance of its Manufacturing operations and a fair value loss at the Investment Holdings/Other segment of RM4.4 million.



The Manufacturing segment reported an operational loss of RM3.749 million in tandem with the reduced turnover from the Multiwall Industrial Paper Sacks Division due largely to the consolidation in the local cement industry and lower average selling price. Change in business terms and higher cost of raw materials also contributed to the unfavourable performance of the Multiwall Industrial Paper Sacks Division.

The Investment Holdings/Others segment recorded a higher loss of RM5.329 million, due primarily to a fair value loss on investment property. During the financial year, the segment recorded a one-off fair value loss of RM4.4 million on the land held in Mukim of Hulu Kinta, District of Kinta, Perak which was acquired in 2010, following an assessment of the prospect for the aforesaid land and current market condition.

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

	<b>Current Quarter ended 31.01.2020</b>	<b>Immediate Preceding Quarter ended 31.10.2019</b>	<b>Change</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	25,426	20,900	21.66
Gross Profit	2,434	1,560	56.03
Profit/(Loss) Before Interest and Tax	(4,790)	(697)	587.09
Profit/(Loss) Before Tax	(5,250)	(1,495)	251.17
Profit/(Loss) After Tax	(4,722)	(1,743)	(370.91)
Profit/(Loss) Attributable to Ordinary Equity Holders	(4,722)	(1,743)	(370.91)

The Group's revenue increased by 21.66% from RM20.900 million in the immediate preceding quarter as compared to RM25,426 million in the current quarter. This improvement in revenue is attributable to the increase in sales volume in multiwall industrial paper sacks division and the carton box division.

The Group recorded a loss before taxation of RM5.250 million in the current quarter as compared to a loss before taxation of RM1.495 million in the immediate preceding quarter. This was primarily due to one-off fair value loss on the land held in Mukim of Hulu Kinta, District of Kinta, Perak following an assessment of the prospect for the said land and current market condition.

## **B3 Prospects**

The Group is of the view that 2020 will be a challenging year given the uncertainties caused by the Covid-19 pandemic which disrupted the global supply chain and affected the global and regional economic condition and the volatility of the Ringgit Malaysia against the Euro and US Dollar.

In view of the current domestic challenges and the uncertainties in the external environment, the Group shall continue to optimise operational efficiency and cost effectiveness. As sustainable industrial packaging solutions will continue to be our core business contributing to the Group's performance, we shall endeavour to improve the Group's prospect by focusing on widening its market reach in Southeast Asia to increase export sales and divesting its non-core assets to reduce the high holding cost of land of RM400,000 per annum.

The Group is also exploring new business roadmap for the Group including but not limited to new investments or business opportunities to increase revenue and earnings.

**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 31.01.2020 RM'000</b>	<b>Cumulative Year to-date ended 31.01.2020 RM'000</b>
Taxation for current financial period	158	158
Provision for RPGT for current period	122	122
	<u>280</u>	<u>280</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**

	<b>As at 31.01.2020</b>		
	Short term RM'000	Long term RM'000	Total Borrowings RM'000
<b>Secured</b>			
Bank Overdraft	6,831	-	6,831
Hire Purchase	75	-	75
Term Loan	14,763	608	15,371
Lease Liabilities	4,988	26,366	31,354
	<u>26,657</u>	<u>26,974</u>	<u>53,631</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 January 2020.

**B10 Loss before taxation**

Loss before taxation is arrived at after charging the following:

	<b>Current Quarter ended 31.01.2020 RM'000</b>	<b>Cumulative Year to-date ended 31.01.2020 RM'000</b>
Interest expense	428	1,844
Interest of Lease Liabilities	37	1,053
Depreciation of Property, plant and equipment	906	3,671
Depreciation of Right-of-use-assets	1,140	3,170
Foreign exchange loss/(gain)	134	75

**B11 Profit/(Loss) per Share**

	<b>Current Quarter ended 31.01.2020 RM'000</b>	<b>Cumulative Year to-date ended 31.01.2020 RM'000</b>
<u>Basic Profit/(Loss) per share</u>		
Loss for the period (RM'000)	(4,725)	(8,801)
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic Loss per Share (sen)	(3.15)	(5.87)

By Order of the Board

CHEE MIN ER  
Company Secretary

Kuala Lumpur  
26<sup>th</sup> March 2020

c.c. Securities Commission