

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

	As at 31.01.2018 RM'000	As at 31.01.2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	69,554	53,168
Investment property	41,622	41,262
Intangible asset	4,667	4,667
Other Investment	1	2
	115,844	99,099
Current assets		
Inventories	24,015	19,592
Trade receivables	16,036	18,532
Other receivables	4,114	6,484
Tax recoverable	2,297	1,797
Short term investment	11	1,161
Cash and cash equivalents	2,658	2,772
	49,131	50,338
TOTAL ASSETS	164,975	149,437
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	(20,329)	(19,410)
	90,977	91,896
Non-controlling interests	(1)	(1)
Total Equity	90,976	91,895
Non-current liabilities		
Borrowings	16,040	1,905
Deferred tax liabilities	9,698	9,765
	25,738	11,670
Current liabilities		
Borrowings	25,905	23,197
Trade payables	16,501	12,890
Other payables	5,855	9,785
Tax payables	-	-
	48,261	45,872
Total liabilities	73,999	57,542
TOTAL EQUITY AND LIABILITIES	164,975	149,437
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 2017.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2018

	Current quarter ended 31.01.2018	12 months cumulative for current financial year to date ended 31.01.2018	Comparable quarter ended 31.01.2017	Comparable 12 months cumulative for preceding financial year to date ended 31.01.2017
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	20,368	91,384	24,853	96,003
Other income	4,210	5,426	1,037	3,038
Operating expenses	(24,568)	(96,415)	(23,944)	(96,722)
Finance costs	(352)	(1,234)	(386)	(1,659)
(Loss)/Profit before tax	(342)	(839)	1,560	660
Income tax expense	(79)	(80)	(17)	(25)
(Loss)/Profit for the period from continuing operations	(421)	(919)	1,543	635
Other Comprehensive Expenses For The Financial Year	-	-	72	72
Total Comprehensive (Expenses)/Income For The Financial Year	(421)	(919)	1,615	707
(Loss)/Profit After Taxation Attributable to:				
Owners of the Company	(421)	(919)	1,544	636
Non-controlling interests	(0)	(0)	(1)	(1)
	(421)	(919)	1,543	635
Total Comprehensive (Expenses)/Income Attributable to:				
Owners of the Company	(421)	(919)	1,616	708
Non-controlling interests	(0)	(0)	(1)	(1)
	(421)	(919)	1,615	707
Earnings/(Loss) per share attributable to Owners of the Company (sen):				
Basic:	(0.28)	(0.61)	1.03	0.42
Diluted:	(0.28)	(0.61)	1.03	0.42

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 2017.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2018

	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 2016	74,945	35,436	884	-	(20,077)	91,188	(0)	91,188
Profit/(Loss) after taxation for the financial year	-	-	-	-	636	636	(1)	635
Other comprehensive income for the financial year, net of tax: - Revaluation of property, plant and equipment	-	-	-	72	-	72	-	72
Total comprehensive income/(expenses) for the financial year	-	-	-	72	636	708	(1)	707
Contributions by and distributions to owners of the Company: - Employees's share options forfeited	-	-	(31)	-	31	-	-	-
Total transactions with owners	74,945	35,436	853	72	(19,410)	91,896	(1)	91,895
Transfer share premium to share capital upon implementation of the Companies Act 2016	35,436	(35,436)	-	-	-	-	-	-
At 31 January 2017	110,381	-	853	72	(19,410)	91,896	(1)	91,895
At 1 February 2017	110,381	-	853	72	(19,410)	91,896	(1)	91,895
Loss after tax/Total comprehensive expenses during the financial period	-	-	-	-	(919)	(919)	(0)	(919)
At 31 January 2018	110,381	-	853	72	(20,329)	90,977	(1)	90,976

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 2017.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2018

	Year ended 31.01.2018 RM'000	Year ended 31.01.2017 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
(Loss)/Profit before taxation:		
Continuing operations	(839)	660
Discontinued operations	-	-
	<u>(839)</u>	<u>660</u>
Adjustments for:		
Non cash items	6,976	4,483
Non-operating items	1,215	613
Operating profit before working capital changes	7,352	5,756
Net change in current assets	109	(661)
Net change in current liabilities	(503)	2,319
Cash generated from operations	6,958	7,414
Income tax refund	188	149
Income tax paid	(835)	(373)
Interest paid	(1,205)	(1,659)
Net cash from operating activities	5,106	5,531
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	6	12
Proceed from disposal of property, plant and equipment	565	596
Purchase of property, plant and equipment	(23,949)	(1,333)
Dividend received	-	80
Net cash for investing activities	(23,378)	(645)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Advances from/(Repayment to) related parties	184	(178)
Repayment to director	-	(58)
Net drawdown of bankers's acceptances	-	304
Net drawdown of bills payables	16	4,135
Repayment of revolving credit	(1,080)	(1,080)
Net drawdown/(Repayment) of hire purchase obligations	18,351	(539)
Repayment of term loan	(3,662)	(6,471)
Net cash from/(for) financing activities	13,809	(3,887)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4,463)	999
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	976	(23)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	(3,487)	976
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with licensed banks	1,271	267
Short-term investment	11	1,161
Cash and bank balances	1,387	2,505
Bank overdraft	(5,889)	(2,690)
	<u>(3,220)</u>	<u>1,243</u>
Less : Deposits pledged to licensed banks	(267)	(267)
	<u>(3,487)</u>	<u>976</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 2017.

**KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULT FOR THE FORTH
QUARTER ENDED 31 JANUARY 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 2017.

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 2017.

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 2017.

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 2017 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 January 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 12 months ended 31 January 2018:

	Gross revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	102,983	(3,877)	141,830	84,850
Investment holding/Others	2,416	4,631	172,670	106,470
	<u>105,399</u>	<u>754</u>	<u>314,500</u>	<u>191,320</u>
Elimination	(14,015)	(1,593)	(151,822)	(127,019)
	<u>91,384</u>	<u>(839)</u>	<u>162,678</u>	<u>64,301</u>
Unallocated Assets			2,297	-
Unallocated Liabilities			-	9,698
			<u>164,975</u>	<u>73,999</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	102,983
Less : Intercompany elimination	(11,599)
	<u>91,384</u>
Investment holdings/Others	2,416
Less : Intercompany elimination	(2,416)
	<u>-</u>
	<u>91,384</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 2017.

A13 Capital Commitments

There were no capital commitments provided for in the financial statement for the financial quarter ended 31 January 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 31.01.2018 RM'000	Cumulative Year to-date ended 31.01.2018 RM'000
Taxation for current financial period	51	52
Provision for RPGT for current period	28	28
	<u>79</u>	<u>80</u>

B2 Profit/(loss) before taxation

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

	Current Quarter ended 31.01.2018 RM'000	Cumulative Year to-date ended 31.01.2018 RM'000
Interest expense	357	1,234
Depreciation and amortization	1,120	4,456
Foreign exchange loss	244	610

B3 Status of corporate proposal announced

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

B4 Borrowing and debt securities

	As at 31.01.2018 RM'000
Short term	
Secured	25,905
Unsecured	-
	<u>25,905</u>
Long term	
Secured	16,040
Unsecured	-
	<u>16,040</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 before Taxation for the current quarter compared with the preceding quarter

	Current Quarter ended 31.01.2018	Immediate Preceding Quarter ended 31.10.2017	Change
	RM'000	RM'000	%
Revenue	20,368	23,305	-12.60
Gross Profit	1,312	1,809	-27.47
Profit/(Loss) Before Interest and Tax	15	(432)	-103.47
Loss Before Tax	(342)	(717)	-52.36
Loss After Tax	(421)	(718)	-41.36
Loss Attributable to Ordinary Equity Holders	(421)	(718)	-41.36

The Group's turnover decreased by 12.60% from RM23.305 million in the immediate preceding quarter as compared to RM20.368 million in the current quarter.

The Group recorded a loss before taxation of RM342,000 in the current quarter as compared to a loss before taxation of RM717,000 in the preceding quarter. The decrease in losses was primarily due to the other income from the write back of accruals in the current quarter.

B7 Review of Performance

	Current Quarter ended 31.01.2018	Current Quarter ended 31.01.2017	Change	Cumulative Year to-date ended 31.01.2018	Cumulative Year to-date ended 31.01.2017	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	20,368	24,853	-18.05	91,384	96,003	-4.81
Gross Profit	1,312	3,294	-60.17	8,511	10,842	-21.50
Profit Before Interest and Tax	15	1,945	-99.23	395	2,320	-82.97
(Loss)/Profit Before Tax	(342)	1,560	-121.92	(839)	660	-227.12
(Loss)/Profit After Tax	(421)	1,543	-127.28	(919)	635	-244.72
(Loss)/Profit Attributable to Ordinary Equity Holders	(421)	1,544	-127.27	(919)	636	-244.50

Quarter ended 31.01.2018 compared with quarter ended 31.01.2017

The Group's turnover for the current quarter of RM20.368 million was 18.05% lower than that of the corresponding quarter from the previous year which stood at RM24.853 million. The reduction in turnover was mainly contributed by lower turnover from multi-wall industrial paper bags division.

The Group recorded a loss before taxation of RM342,000 in the current quarter compared to a profit before taxation of RM1.560 million in the corresponding quarter from the previous year. This was mainly due to the impairment loss on plant and machinery in the carton box division in the current quarter coupled with the operational loss from multi-wall industrial paper bags division caused by the decrease in turnover.

Accordingly, for manufacturing segment, the current quarter loss before taxation was RM3.875 million compared to the preceding financial year's corresponding quarter profit before taxation of RM1.315 million. This was mainly due to the impairment loss on plant and machinery in the carton box division in the current quarter coupled with the operational loss from the multi-wall industrial paper bags division caused by the decrease in turnover.

For other segments, the current quarter profit before taxation was RM3.533 million compared to the preceding financial year's corresponding quarter profit before taxation of RM245,000. This was mainly due to the other income from the write back of accruals in the current quarter.

The Group is exposed to foreign currency risk on sales and purchase transactions and trade balances that are denominated in foreign currencies. The currencies giving rise to this risk are primarily the United States Dollar, the Euro and the Singapore Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

Current financial year ended 31.01.2018 against preceding financial year ended 31.01.2017

The Group's turnover decreased by 4.81% from RM96.003 million in the preceding financial year to RM91.384 million in the current financial year. The reduced turnover is primarily attributable to the reduced demand from local cement companies. Despite the decrease in total turnover, total export sales increased by approximately 39% in the current financial year as compared to the preceding financial year.

The Group recorded a loss before taxation of RM839,000 in the current financial year compared to a profit before taxation of RM660,000 in the preceding financial year. This was primarily due to the impairment loss on plant and machinery in the carton box division in the current financial year coupled with the operational loss from multi-wall industrial paper bags division caused by the decrease in turnover.

The manufacturing segment recorded a loss before taxation of RM3.877 million in the current financial year compared to a profit before taxation of RM617,000 in the preceding financial year. This was primarily due to the impairment loss on plant and machinery in the carton box division in the current financial year coupled with the reduced profit from multi-wall industrial paper bags division caused by the decrease in turnover and higher cost of raw materials.

For other segments, the current financial year profit before taxation was RM3.038 million compared to the preceding financial year profit before taxation of RM43,000. This was mainly due to the write back of accruals in the current financial year.

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.

The new cement paper sack production line in Tapah, Perak is on schedule to be operational by first quarter of calendar year 2018. The new line continues the Group's strategy to focus on growing its exports in the Southeast Asia market.

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 31 January 2018.

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

	Current Quarter ended 31.01.2018 RM'000	Cumulative Year to-date ended 31.01.2018 RM'000
<u>Basic/diluted earnings/(loss) per share</u>		
Loss for the period (RM'000)	(421)	(919)
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic loss per share for loss for the period (sen)	(0.28)	(0.61)

B12 Disclosure of realised and unrealised (losses)/profits

	Cumulative Year to-date ended 31.01.2018 RM'000	As at the end of the last financial year ended 31.01.2017 RM'000
Total (accumulated losses)/retained profits of the Company and its subsidiaries:		
- realised	(83,542)	(81,934)
- unrealised	30,518	30,730
	<u>(53,024)</u>	<u>(51,204)</u>
Consolidation adjustments	32,695	31,794
Total group accumulated losses as per consolidated accounts	<u>(20,329)</u>	<u>(19,410)</u>

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
28 March 2018

c.c. Securities Commission