

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITIO**  
**AS AT 31 OCT 2016**

	<b>As at 31.10.2016 RM'000</b>	<b>As at 31.01.2016 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	56,489	58,800
Investment property	39,220	39,220
Intangible asset	4,667	4,667
Other Investment	186	186
	<u>100,562</u>	<u>102,873</u>
<b>Current assets</b>		
Inventories	15,099	20,138
Trade receivables	17,832	22,016
Other receivables	1,772	1,884
Tax recoverable	1,802	1,581
Short term investment	2,011	5,011
Cash and cash equivalents	2,842	1,625
	<u>41,358</u>	<u>52,255</u>
<b>TOTAL ASSETS</b>	<u><b>141,920</b></u>	<u><b>155,128</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	74,945	74,945
Share premium	35,436	35,436
ESOS reserve	884	884
Accumulated losses	(20,983)	(20,077)
	<u>90,282</u>	<u>91,188</u>
<b>Non-controlling interests</b>	(1)	0
<b>Total Equity</b>	<u>90,281</u>	<u>91,188</u>
<b>Non-current liabilities</b>		
Borrowings	3,700	5,916
Deferred tax liabilities	9,725	9,725
	<u>13,425</u>	<u>15,641</u>
<b>Current liabilities</b>		
Borrowings	22,197	26,539
Trade payables	5,990	9,610
Other payables	10,027	12,150
	<u>38,214</u>	<u>48,299</u>
<b>Total liabilities</b>	51,639	63,940
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>141,920</b></u>	<u><b>155,128</b></u>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<u>60</u>	<u>61</u>

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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 2016.

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 OCT 2016**

	Current quarter ended 31.10.2016	9 months cumulative for current financial year to date ended 31.10.2016	Comparable quarter ended 31.10.2015	Comparable 9 months cumulative for preceding financial year to date ended 31.10.2015
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Revenue	24,264	71,150	24,558	74,579
Other income	659	2,002	456	1,014
Operating expenses	(23,973)	(72,776)	(25,043)	(75,111)
Finance costs	(388)	(1,274)	(538)	(1,814)
<b>(Loss)/Profit before tax</b>	562	(898)	(566)	(1,330)
Income tax expense	(8)	(8)	(6)	(300)
<b>(Loss)/ Profit for the period from continuing operations</b>	554	(907)	(572)	(1,630)
Other Comprehensive Expenses For The Financial Year	-	-	-	-
<b>Total Comprehensive Expenses For The Financial Year</b>	554	(907)	(572)	(1,630)
<b>(Loss)/ Profit After Taxation Attributable to:</b>				
Owners of the Company	554	(907)	(572)	(1,630)
Non-controlling interests	(0)	(0)	0	0
	554	(907)	(572)	(1,630)
<b>Total Comprehensive Expenses Attributable to:</b>				
Owners of the Company	554	(907)	(572)	(1,630)
Non-controlling interests	(0)	(0)	0	0
	554	(907)	(572)	(1,630)
<b>Earnings per share attributable to Owners of the Company (sen):</b>				
Basic:	0.37	(0.61)	(0.38)	(1.09)
Diluted:	0.37	(0.61)	N/A	N/A

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 2016.

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 OCT 2016**

	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	Capital Reserve RM'000	Accumulated Losses RM'000			
<b>At 1 February 2015</b>	74,945	35,436	884	-	(18,837)	92,428	-	92,428
Total comprehensive income for the year	-	-	-	-	(1,630)	(1,630)	-	(1,630)
<b>At 31 OCT 2015</b>	74,945	35,436	884	-	(20,466)	90,799	-	90,799
<b>At 1 February 2016</b>	74,945	35,436	884	-	(20,077)	91,188	-	91,188
Loss after taxation for the financial year	-	-	-	-	(907)	(907)	(0)	(907)
<b>At 31 OCT 2016</b>	74,945	35,436	884	-	(20,983)	90,282	(0)	90,281

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 2016.

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**  
**FOR THE FINANCIAL PERIOD ENDED 31 OCT 2016**

	Year ended 31.10.2016 RM'000	Year ended 31.01.2016 RM'000
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation:		
Continuing operations	(899)	(2,177)
	(899)	(2,177)
Adjustments for:		
Non cash items	3,388	4,665
Non-operating items	923	2,434
<b>Operating profit before working capital changes</b>	<b>3,412</b>	<b>4,922</b>
Net change in current assets	9,362	11,875
Net change in current liabilities	(4,576)	(11,616)
<b>Cash generated from operations</b>	<b>8,198</b>	<b>5,181</b>
Income tax refund	143	1,083
Income tax paid	(363)	(558)
Interest paid	(1,210)	(2,329)
<b>Net cash for operating activities</b>	<b>6,767</b>	<b>3,377</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	12	9
Proceeds from disposal of investment property	-	9,000
Proceed from disposal of property, plant and equipment	386	350
Purchase of property, plant and equipment	(1,258)	(1,021)
<b>Net cash for investing activities</b>	<b>(791)</b>	<b>8,657</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advance from/(Repayment to) related parties	(1,210)	389
Net drawdown of bankers's acceptances	902	270
(Repayment)/Drawdown of revolving credit	(810)	190
Repayment of hire purchase obligations	(463)	(1,381)
Repayment of term loan	(4,833)	(6,428)
<b>Net cash from financing activities</b>	<b>(5,188)</b>	<b>(11,423)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>788</b>	<b>611</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR</b>	<b>(23)</b>	<b>(634)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR</b>	<b>765</b>	<b>(23)</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Fixed deposits with licensed banks	267	267
Short-term investment	2,011	5,011
Cash and bank balances	2,575	1,358
Bank overdraft	(3,821)	(6,392)
	1,032	244
Less : Deposits pledged to licensed banks	(267)	(267)
	<b>765</b>	<b>(23)</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 2016.

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULT FOR THE THIRD QUARTER ENDED 31 OCT 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 2016.

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 2016.

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 2016.

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 2016 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 Oct 2016.

**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 Oct 2016:

	<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	81,454	(699)	113,074	51,977
Investment holding/Others	1,860	1,897	191,989	155,639
	<u>83,314</u>	<u>1,198</u>	<u>305,063</u>	<u>207,616</u>
Elimination	(12,164)	(2,097)	(164,944)	(165,701)
	<u>71,150</u>	<u>(898)</u>	<u>140,119</u>	<u>41,914</u>
Unallocated Assets			1,802	-
Unallocated Liabilities			-	9,725
			<u>141,920</u>	<u>51,639</u>

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

<b>Gross Revenue</b>	<b>RM'000</b>
Manufacturing	81,454
Less : Intercompany elimination	<u>(10,304)</u>
	71,150
Investment holdings/Others	1,860
Less : Intercompany elimination	<u>(1,860)</u>
	-
	<u>71,150</u>

**A9 Valuations of Property, Plant and Equipment**

The valuations of land and buildings have been bought 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 2016.

**A13 Capital Commitments**

There were no capital commitments provided for in the financial statement for the quarter ended 31 Oct 2016.

**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:

	<b>Current Quarter Ended 31.10.2016 RM'000</b>	<b>Cumulative Year to-date ended 31.10.2016 RM'000</b>
Taxation for current financial period	8	8
Provision for RPGT for current period	-	-
	<u>8</u>	<u>8</u>

**B2 Loss before taxation**

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

	<b>Current Quarter ended 31.10.2016 RM'000</b>	<b>Cumulative Year to-date ended 31.10.2016 RM'000</b>
Interest expense	388	1,274
Depreciation and amortization	1,127	3,388
Foreign exchange loss/(gain)	(34)	(116)

**B3 Status of corporate proposal announced**

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

**B4 Borrowing and debt securities**

	<b>As at 31.10.2016</b>
	<b>RM'000</b>
Short term	
Secured	22,197
Unsecured	-
	<hr/> 22,197 <hr/>
Long term	
Secured	3,700
Unsecured	-
	<hr/> 3,700 <hr/>

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 RM24.26 million. This is a 11.49% increase from the recorded turnover of RM21.76 million in the preceding quarter due mainly to higher business volume contributed by the Industrial Paper Bags Division.

A profit before tax of RM562,583 is recorded in the current quarter compared with a profit before tax of RM622,924 recorded in the preceding quarter, due mainly to the gain on disposal of motor vehicles and reduction in interest cost incurred on term loans in the preceding quarter.

**B7 Review of Performance**Quarter ended 31.10.2016 compared with Quarter ended 31.10.2015

The Group's turnover for the current quarter of RM24.26 million is 1.22% lower than that of the corresponding quarter from the previous year which stood at RM24.56 million.

The Group recorded a profit before taxation for the current quarter of RM562,583 compared to a loss before taxation of RM566,342 in the corresponding quarter from the previous year. This was primarily due to the better performance of the manufacturing business and reduction on interest cost incurred on term loans.

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 RM24.26 million as compared to RM24.56 million for the corresponding quarter last year. Profit before taxation was RM522,423 for the current quarter under review compared to a loss before tax of RM260,821 in the corresponding quarter last year. This was primarily due to higher revenue and improved profits from the Industrial Paper Bags Division.

For other segments, the current quarter profit before taxation was RM40,160 compared to the preceding financial year corresponding quarter loss before taxation of RM305,521. This was mainly due to reduction in interest cost incurred on term loans.

The Group is exposed to foreign currency risk on sales and purchase transactions and balance that are denominated in foreign currencies. The currencies giving rise to this risk are



primarily United States Dollar, Euro and 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 31.10.2016 against preceding financial year ended 31.10.2015

The Group's turnover for the current financial year of RM71.15 million is 4.60% lower than that of the preceding financial year of RM74.58 million.

The Group recorded a loss before taxation for the current financial year of RM899,390 compared to a loss before taxation of RM1.33 million in the preceding financial year. This improvement was primarily attributable to the improved performance of the Industrial Paper Bags Division, gain on disposal of motor vehicles and reduction in interest cost incurred on term loans. However, the improvement has been off-set by the effect of the operational restructuring exercise carried out in Q1 2016 on the Corrugated Carton Box Division.

The manufacturing revenue for the current financial year was RM71.15 million as compared to RM74.58 million against preceding financial year. Loss before taxation was RM698,811 for current financial year compared to loss before taxation of RM276,956. This was primarily due to the one-off cost incurred on the restructuring exercise carried out in Q1 2016 on the Corrugated Carton Box Division which resulted in operational changes and reduction of headcount to adapt to change in the business environment.

For other segments, the current financial year loss before taxation was RM200,579 compared to the preceding financial year loss before taxation of RM1.05 million. This was primarily due to the gain on disposal of motor vehicles and reduction in interest cost incurred on term loans.

#### **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 volatility 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 Oct 2016.

**B11 Earnings per share attributable to owners of the Company**

	<b>Current Quarter ended 31.10.2016 RM'000</b>	<b>Cumulative Year to date ended 31.10.2016 RM'000</b>
<b>(a) Basic earnings per share</b>		
Profit/(Loss) for the period (RM'000)	554	(907)
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic Earnings per share for profit/(loss) for the period (sen)	0.37	(0.61)
<b>(b) Diluted earnings per share</b>		
Profit/(Loss) for the period (RM'000)	555	(907)
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic Earnings per share for profit/(loss) for the period (sen)	0.37	(0.61)

**12 Disclosure of realised and unrealised profits/losses**

	<b>Current Quarter ended 31.10.2016 RM'000</b>	<b>As at the end of the last financial year ended 31.01.2016 RM'000</b>
Total (accumulated losses)/ retained profits of the Company and its subsidiaries:		
- realized	(129,094)	(108,949)
- unrealized	51,443	31,993
	<u>(77,651)</u>	<u>(75,956)</u>
Consolidation adjustments	56,668	56,879
Total group accumulated losses as per consolidated accounts	<u>(20,983)</u>	<u>(20,077)</u>

By Order of the Board

CHEE MIN ER  
Company SecretaryKuala Lumpur  
21 December 2016

c.c. Securities Commission