

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2019**

	<b>As at 31.01.2019 RM'000</b>	<b>As at 31.01.2018 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	65,767	69,554
Investment property	41,520	41,622
Intangible asset	4,667	4,667
Other Investment	1	1
	<b>111,955</b>	<b>115,844</b>
<b>Current assets</b>		
Inventories	30,325	24,014
Trade receivables	20,481	16,036
Other receivables	2,204	4,114
Tax recoverable	2,706	2,297
Short term investment	12	11
Cash and cash equivalents	5,453	2,658
	<b>61,181</b>	<b>49,130</b>
<b>TOTAL ASSETS</b>	<b>173,136</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	(16,738)	(20,290)
	<b>94,568</b>	<b>91,016</b>
<b>Non-controlling interests</b>	<b>(1)</b>	<b>(1)</b>
<b>Total Equity</b>	<b>94,567</b>	<b>91,015</b>
<b>Non-current liabilities</b>		
Borrowings	12,122	16,040
Deferred tax liabilities	10,321	9,698
	<b>22,443</b>	<b>25,738</b>
<b>Current liabilities</b>		
Borrowings	25,712	25,865
Trade payables	23,484	16,501
Other payables	6,879	5,855
Tax payables	51	-
	<b>56,126</b>	<b>48,221</b>
<b>Total liabilities</b>	<b>78,569</b>	<b>73,959</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>173,136</b>	<b>164,974</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<b>63</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 JANUARY 2019

	Current quarter ended 31.01.2019	12 months cumulative for current financial year to date ended 31.01.2019	Comparable quarter ended 31.01.2018	Comparable 12 months cumulative for preceding financial year to date ended 31.01.2018
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Revenue	26,420	100,198	20,368	91,384
Other income	7,839	8,789	4,226	5,442
Operating expenses	(27,116)	(102,119)	(24,544)	(96,392)
Finance costs	(583)	(2,155)	(352)	(1,234)
<b>Profit/(Loss) before tax</b>	6,560	4,713	(302)	(800)
Income tax expense	(1,162)	(1,162)	(79)	(80)
<b>Profit/(Loss) for the period from continuing operations</b>	5,398	3,551	(381)	(880)
Other Comprehensive Expenses For The Financial Year	-	-	-	-
<b>Total Comprehensive (Expenses)/Income For The Financial</b>	5,398	3,551	(381)	(880)
<b>Profit/(Loss) After Taxation Attributable to:</b>				
Owners of the Company	5,398	3,551	(381)	(880)
Non-controlling interests	(0)	(0)	(0)	(0)
	5,398	3,551	(381)	(880)
<b>Total Comprehensive (Expenses)/Income Attributable to:</b>				
Owners of the Company	5,398	3,551	(381)	(880)
Non-controlling interests	(0)	(0)	(0)	(0)
	5,398	3,551	(381)	(880)
<b>Earnings/(Loss) per share attributable to</b>				
<b>Owners of the Company (sen):</b>				
Basic:	3.60	2.37	(0.25)	(0.59)
Diluted:	3.60	2.37	(0.25)	(0.59)

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 JANUARY 2019**

	Year ended 31.01.2019 RM'000	Year ended 31.01.2018 RM'000
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation:		
Continuing operations	4,714	(800)
Discontinued operations	-	-
	<u>4,714</u>	<u>(800)</u>
Adjustments for:		
Non cash items	5,088	4,456
Non-operating items	2,158	(111)
<b>Operating profit before working capital changes</b>	<b>11,960</b>	<b>3,545</b>
Net change in current assets	(8,846)	611
Net change in current liabilities	8,173	3,342
<b>Cash generated from operations</b>	<b>11,287</b>	<b>7,498</b>
Income tax refund	221	189
Income tax paid	(1,117)	(836)
Interest paid	(2,077)	(1,199)
<b>Net cash from operating activities</b>	<b>8,314</b>	<b>5,652</b>
<b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>		
Interest received	29	19
Proceeds from disposal of investment property	-	1
Proceed from disposal of property, plant and equipment	-	35
Purchase of property, plant and equipment	(993)	(5,342)
Dividend received	-	4
Placement of fixed deposits with licensed banks	(29)	(1,004)
<b>Net cash for investing activities</b>	<b>(993)</b>	<b>(6,287)</b>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Advances from related parties	(167)	185
Net (repayment)/drawdown of bankers's acceptances	(3,107)	2,986
Net drawdown/(repayment) of bills payables	4,096	(2,928)
Repayment of revolving credit	(150)	(1,080)
Net repayment of hire purchase obligations	(3,959)	(234)
Repayment of term loan	(491)	(3,662)
<b>Net cash from/(for) financing activities</b>	<b>(3,778)</b>	<b>(4,733)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,543</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>(849)</b>	<b>(4,392)</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Fixed deposits with licensed banks	1,301	1,271
Short-term investment	12	11
Cash and bank balances	4,153	1,387
Bank overdraft	(5,014)	(5,790)
	<u>452</u>	<u>(3,121)</u>
Less : Deposits pledged to licensed banks	(1,301)	(1,271)
	<u><b>(849)</b></u>	<u><b>(4,392)</b></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 2018.

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 JANUARY 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>
<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	-	-	-	-	(880)	(880)	(0)	(880)
<b>At 31 January 2018</b>	110,381	-	853	72	(20,290)	91,016	(1)	91,015
<b>At 1 February 2018</b>	110,381	-	853	72	(20,290)	91,016	(1)	91,015
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	(16,739)	94,567	(1)	94,567

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 2018.

**KYM HOLDINGS BHD (Co. No. 84303-A)  
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULT FOR THE FINAL  
QUARTER ENDED 31 JANUARY 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 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 January 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 12 months ended 31 January 2019:

	<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	112,430	5,048	143,479	83,308
Investment holding/Others	2,592	(5,275)	166,995	106,070
	<u>115,022</u>	<u>(227)</u>	<u>310,474</u>	<u>189,378</u>
Elimination	(14,824)	4,940	(140,044)	(121,181)
	<u>100,198</u>	<u>4,713</u>	<u>170,430</u>	<u>68,197</u>
Unallocated Assets			2,706	-
Unallocated Liabilities			-	10,372
			<u>173,136</u>	<u>78,569</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	112,430
Less : Intercompany elimination	<u>(12,232)</u>
	100,198
Investment holdings/Others	2,592
Less : Intercompany elimination	<u>(2,592)</u>
	-
	<u>100,198</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 January 2019.

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

**B1 Review of Performance**

	<b>Current Quarter ended 31.01.2019</b>	<b>Current Quarter ended 31.01.2018</b>	<b>Change</b>	<b>Cumulative Year to-date ended 31.01.2019</b>	<b>Cumulative Year to-date ended 31.01.2018</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	26,420	20,368	29.71	100,198	91,384	9.65
Gross Profit	1,981	1,312	50.99	9,084	8,511	6.73
Profit/(Loss) Before Interest and Tax	7,143	50	14,186.00	6,868	435	1,478.85
Profit/(Loss) Before Tax	6,560	(302)	(2,272.18)	4,713	(800)	(689.12)
Profit/(Loss) After Tax	5,398	(381)	(1,516.80)	3,551	(880)	(503.52)
Profit/(Loss) Attributable to Ordinary Equity Holders	5,398	(381)	(1,516.80)	3,551	(880)	(503.52)

Quarter ended 31.01.2019 compared with quarter ended 31.01.2018

The Group's turnover for the current quarter of RM26.420 million was 29.71% higher than that of the corresponding quarter from the previous year which stood at RM20.368 million.

The Group recorded a profit before taxation of RM6.560 million in the current quarter compared to a loss before taxation of RM0.302 million in the corresponding quarter from the previous year. This is primarily due to the improved profit from the multi-wall industrial paper sacks division.

The manufacturing segment recorded a profit RM6.211 million for the current quarter compared to the preceding financial year's corresponding quarter loss of RM3.835 million. This was mainly due to the other income arising from the mutual termination of the co-operation with Billerudkornas AB for the contract manufacture, sale and distribution of industrial sacks in Southeast Asia ("Termination").

Current financial year ended 31.01.2019 against preceding financial year ended 31.01.2018

The Group's turnover increased by 9.65% from RM91.384 million in the preceding financial year to RM100.198 million in the current financial year. The improvement of turnover is primarily contributed from the multi-wall industrial paper bags division.

The Group recorded a profit before taxation of RM4.713 million in the current financial year compared to a loss before taxation of RM0.800 million in the preceding financial year. This was primarily due to the other income arising from the mutual termination of the co-operation with Billerudkornas AB for the contract manufacture, sale and distribution of industrial sacks in Southeast Asia.

The manufacturing segment recorded a profit before taxation of RM5.048 million in the current financial year compared to a loss before taxation of RM3.837 million in the preceding financial year. This was primarily due to the other income arising from the Termination.



For other segments, the current financial year loss before taxation was RM0.335 million as compared to the preceding financial year profit before taxation of RM3.037. This was mainly due to the write back of accruals in the preceding financial year.

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

	<b>Current Quarter ended 31.01.2019</b>	<b>Immediate Preceding Quarter ended 31.10.2018</b>	<b>Change</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	26,420	23,847	10.79
Gross Profit	1,981	1,056	87.59
Profit/(Loss) Before Interest and Tax	7,143	(1,377)	-618.74
Profit/(Loss) Before Tax	6,560	(1,905)	-444.36
Profit/(Loss) After Tax	5,398	(1,905)	-383.36
Profit/(Loss) Attributable to Ordinary Equity Holders	5,398	(1,905)	-383.36

The Group's turnover increased by 10.79% from RM23.847 million in the immediate preceding quarter as compared to RM26.420 million in the current quarter. This increase in turnover is attributable to the increase in sales volume for export market from the multi-wall industrial paper sacks division.

The Group recorded a profit before taxation of RM6.560 million in the current quarter as compared to a loss before taxation of RM1.905 million in the preceding quarter. The improvement in profit was mainly due to other income arising from the Termination 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 31.01.2019 RM'000</b>	<b>Cumulative Year to-date ended 31.01.2019 RM'000</b>
Taxation for current financial period	792	792
Provision for RPGT for current period	370	370
	1,162	1,162

**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 31.01.2019</b>		
	Short term RM'000	Long term RM'000	Total Borrowings RM'000
<b>Secured</b>			
Bank Overdraft	5,014	-	5,014
Hire Purchase	4,036	11,263	15,299
Term Loan	16,662	859	17,521
	25,712	12,122	37,834
<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 2019.

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

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

	<b>Current Quarter ended 31.01.2019 RM'000</b>	<b>Cumulative Year to-date ended 31.01.2019 RM'000</b>
Interest expense	519	2,154
Depreciation and amortization	1,371	5,088
Foreign exchange loss	58	72

**B11 Earnings/Profit per Share Attributable to Owners of the Company**

	<b>Current Quarter ended 31.01.2019 RM'000</b>	<b>Cumulative Year to-date ended 31.01.2019 RM'000</b>
<u>Basic/diluted earnings Profit per share</u>		
Profit for the period (RM'000)	5,398	3,551
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic earnings per share (sen)	3.60	2.37

By Order of the Board

CHEE MIN ER  
Company Secretary

Kuala Lumpur  
29 March 2019

c.c. Securities Commission