

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

	<b>As at 31.07.2020 RM'000</b>	<b>As at 31.01.2020 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	24,945	26,238
Right-of-use Assets	46,757	48,517
Investment property	43,108	43,108
Intangible asset	4,667	4,667
Other Investment	1	1
	<u>119,478</u>	<u>122,531</u>
<b>Current assets</b>		
Inventories	19,044	17,139
Trade receivables	16,598	16,870
Other receivables	1,944	2,050
Current tax assets	1,215	1,518
Short term investment	12	12
Cash and cash equivalents	9,477	5,302
	<u>48,290</u>	<u>42,891</u>
<b>TOTAL ASSETS</b>	<u><b>167,768</b></u>	<u><b>165,422</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	110,381	110,381
ESOS reserve	-	853
Revaluation reserve	72	72
Accumulated losses	(25,252)	(25,540)
	<u>85,201</u>	<u>85,766</u>
<b>Non-controlling interests</b>	3	3
<b>Total Equity</b>	<u>85,204</u>	<u>85,769</u>
<b>Non-current liabilities</b>		
Borrowings	25,817	26,975
Deferred tax liabilities	9,671	9,671
	<u>35,488</u>	<u>36,646</u>
<b>Current liabilities</b>		
Borrowings	29,772	26,658
Trade payables	9,816	9,533
Other payables	7,488	6,816
Current tax liability	-	-
	<u>47,076</u>	<u>43,007</u>
<b>Total liabilities</b>	82,564	79,653
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>167,768</b></u>	<u><b>165,422</b></u>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<u>57</u>	<u>57</u>

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 2020.

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

	Current quarter ended 31.07.2020	6 months cumulative for current financial year to date ended 31.07.2020	Comparable quarter ended 31.07.2019	Comparable 6 months cumulative for preceding financial year to date ended 31.07.2019
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Revenue	20,131	33,793	23,619	44,662
Other income	531	1,057	342	628
Operating expenses	(18,986)	(34,084)	(24,087)	(45,994)
Finance costs	(644)	(1,276)	(1,147)	(1,633)
Net impairment gain on financial asset	-	-	-	4
<b>(Loss)/Profit before tax</b>	1,032	(510)	(1,273)	(2,333)
Income tax expense	(28)	(55)	-	-
<b>(Loss)/Profit for the period from continuing operations</b>	1,004	(565)	(1,273)	(2,333)
Other Comprehensive Expenses For The Financial Year	-	-	-	-
<b>Total Comprehensive (Expenses)/Income For The Financial Year</b>	1,004	(565)	(1,273)	(2,333)
<b>(Loss)/Profit After Taxation Attributable to:</b>				
Owners of the Company	1,004	(565)	(1,273)	(2,333)
Non-controlling interests	-	-	-	-
	1,004	(565)	(1,273)	(2,333)
<b>Total Comprehensive (Expenses)/Income Attributable to:</b>				
Owners of the Company	1,004	(565)	(1,273)	(2,333)
Non-controlling interests	-	-	-	-
	1,004	(565)	(1,273)	(2,333)
<b>Earnings/(Loss) per share attributable to Owners of the Company (sen):</b>				
Basic:	0.67	(0.38)	(0.85)	(1.56)
Diluted:	0.67	(0.38)	(0.85)	(1.56)

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 2020.

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

	Year ended 31.07.2020 RM'000	Year ended 31.01.2020 RM'000
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation:		
Continuing operations	(510)	(9,078)
	(510)	(9,078)
Adjustments for:		
Non cash items	3,454	6,823
Non-operating items	1,267	9,044
<b>Operating profit before working capital changes</b>	<b>4,211</b>	<b>6,789</b>
Net change in current assets	(1,527)	15,214
Net change in current liabilities	955	(14,015)
<b>Cash generated from operations</b>	<b>3,639</b>	<b>7,988</b>
Income tax refund	601	1,955
Income tax paid	(354)	(1,188)
Interest paid	(1,147)	(2,841)
<b>Net cash from operating activities</b>	<b>2,739</b>	<b>5,914</b>
<b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>		
Interest received	9	36
Proceed from disposal of property, plant and equipment	-	16
Proceed from disposal of right-of-use assets	-	58
Purchase of property, plant and equipment	(400)	(962)
Placement of fixed deposits with licensed banks	(9)	(31)
<b>Net cash for investing activities</b>	<b>(400)</b>	<b>(883)</b>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Net (repayment)/drawdown of bankers's acceptances	397	418
Net drawdown/(repayment) of bills payables	5,373	(2,231)
Repayment of revolving credit	500	(100)
(Repayment)/drawdown of lease liabilities	(1,430)	(4,882)
Repayment of term loan	(41)	(236)
<b>Net cash from/(for) financing activities</b>	<b>4,799</b>	<b>(7,031)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>7,138</b>	<b>(2,000)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>(2,849)</b>	<b>(849)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>4,289</b>	<b>(2,849)</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Fixed deposits with licensed banks	1,340	1,332
Short-term investment	12	12
Cash and bank balances	8,137	3,970
Bank overdraft	(3,860)	(6,831)
	5,629	(1,517)
Less : Deposits pledged to licensed banks	(1,340)	(1,332)
	<b>4,289</b>	<b>(2,849)</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 2020.

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

	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 2019</b>	110,381	-	853	72	(16,738)	94,568	(1)	94,567
Profit after tax/Total comprehensive expenses during the financial period	-	-	-	-	(2,333)	(2,333)	-	(2,333)
<b>At 31 July 2019</b>	110,381	-	853	72	(19,071)	92,235	(1)	92,234
<b>At 1 February 2020</b>	110,381	-	853	72	(25,540)	85,766	3	85,769
Loss after tax/Total comprehensive expenses during the financial period	-	-	-	-	(565)	(565)	-	(565)
Contributions by and distributions to owners of the Company: - Employees's share options forfeited	-	-	(853)	-	853	-	-	-
<b>At 31 July 2020</b>	110,381	-	-	72	(25,252)	85,201	3	85,204

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 2020.

**KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))**  
**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULT FOR THE SECOND**  
**QUARTER ENDED 31 JULY 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 2020.

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 2020.

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 2020.

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 2020 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 July 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 6 months ended 31 July 2020:

	<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	36,970	423	144,991	87,135
Investment holding/Others	707	(888)	161,736	104,209
	<u>37,677</u>	<u>(465)</u>	<u>306,727</u>	<u>191,344</u>
Elimination	(3,884)	(45)	(140,174)	(118,451)
	<u>33,793</u>	<u>(510)</u>	<u>166,553</u>	<u>72,893</u>
Unallocated Assets			1,215	-
Unallocated Liabilities			-	9,671
			<u>167,768</u>	<u>82,564</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	36,970
Less : Intercompany elimination	<u>(3,177)</u>
	<u>33,793</u>
Investment holdings/Others	707
Less : Intercompany elimination	<u>(707)</u>
	<u>-</u>
	<u><u>33,793</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 2020.

**A13 Capital Commitments**

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

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

**B1 Review of Performance**

	<b>Current Quarter ended 31.07.2020</b>	<b>Current Quarter ended 31.07.2019</b>	<b>Change</b>	<b>Cumulative Year to-date ended 31.07.2020</b>	<b>Cumulative Year to-date ended 31.07.2019</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	20,131	23,619	(14.77)	33,793	44,662	(24.34)
Gross Profit	3,518	2,251	56.29	4,336	3,906	11.01
Profit/(Loss) Before Interest and Tax	1,676	(126)	(1,430.16)	766	(700)	(209.43)
Profit/(Loss) Before Tax	1,032	(1,273)	(181.07)	(510)	(2,333)	(78.14)
Profit/(Loss) After Tax	1,004	(1,273)	(178.87)	(565)	(2,333)	(75.78)
Profit/(Loss) Attributable to Ordinary Equity Holders	1,004	(1,273)	(178.87)	(565)	(2,333)	(75.78)

Quarter ended 31.07.2020 compared with quarter ended 31.07.2019

The Group's turnover for the current quarter of RM20.131 million is 14.77% lower than that of the corresponding quarter from the previous year which stood at RM23.619 million. The lower turnover was mainly attributable to the lower revenue from the Multiwall Industrial Paper Sacks division.

The Group recorded a profit before taxation for the current quarter of RM1.032 million compared to a loss before taxation of RM1.273 million in the corresponding quarter from the previous year. The improved performance mainly due to higher profit contribution from the Carton Box division.

The Group's turnover was fully contributed by the Group's core business, which is the manufacturing of industrial packaging materials. Manufacturing revenue for the current quarter was dropped to RM20.131 million as compared to RM23.619 million for the corresponding quarter last year.

Manufacturing's profit before taxation was RM1.440 million for the current quarter under review compared to a loss before tax of RM1.090 million in the corresponding quarter last year. The improved performance was mainly due to higher profit contribution from the Carton Box division.

Current financial period ended 31.07.2020 against preceding financial period ended 31.07.2019

The Group's turnover for the six months period ended 31 July 2020 was lower by 24.34% compared to previous year corresponding period. This was mainly attributable to the significant reduction in sales volume of Multiwall Industrial Paper Sacks division due to the temporary shutdown of operations during the MCO in March and April. Export orders were postponed due to the COVID-19 in the foreign countries. With the implementation of Recovery Movement Control Order (RMCO) effective from June and the easing of lockdown measures in other countries, sales of the Multiwall Industrial Paper Sacks division in both the domestic and export markets gradually recovered, albeit at a slower pace.



Loss before tax for the six months period ended 31 July 2020 reduced as compared to previous year corresponding period. The improved performance mainly due to higher profit contribution from the Carton Box division.

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

	<b>Current Quarter ended 31.07.2020</b>	<b>Immediate Preceding Quarter ended 30.04.2020</b>	<b>Change</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	20,131	13,662	47.35
Gross Profit	3,518	818	330.07
Profit/(Loss) Before Interest and Tax	1,676	(910)	(284.18)
Profit/(Loss) Before Tax	1,032	(1,542)	(166.93)
Profit/(Loss) After Tax	1,004	(1,569)	(163.99)
Profit/(Loss) Attributable to Ordinary Equity Holders	1,004	(1,569)	(163.99)

Against the preceding quarter, revenue for the Group's increased by RM6.469 million or 47.35%. Higher sales were recorded when most economic sectors and activities are allowed to operate during the RMCO phase. Consequently, the group reported profit before tax of RM1.032 million.

**B3 Prospects**

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 has intensified its efforts to further strengthen operational efficiency and implement more stringent cost cutting measures.

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 31.07.2020 RM'000</b>	<b>Cumulative Year to-date ended 31.07.2020 RM'000</b>
Taxation for current financial period	28	55
Provision for RPGT for current period	-	-
	<b>28</b>	<b>55</b>

**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 31.07.2020</b>		
	Short term RM'000	Long term RM'000	Total Borrowings RM'000
<b>Secured</b>			
Bank Overdraft	3,860	-	3,860
Term Loan	20,814	815	21,629
Lease Liabilities	5,098	25,002	30,100
	<b>29,772</b>	<b>25,817</b>	<b>55,589</b>
<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 Profit/(Loss) before taxation**

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

	<b>Current Quarter ended 31.07.2020 RM'000</b>	<b>Cumulative Year to-date ended 31.07.2020 RM'000</b>
Interest expense	644	1,276
Interest Income	(5)	(9)
Depreciation of Property, plant and equipment	843	1,693
Depreciation of Right-of-use-assets	877	1,760
Foreign exchange loss/(gain)	(45)	(179)

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

	<b>Current Quarter ended 31.07.2020 RM'000</b>	<b>Cumulative Year to-date ended 31.07.2020 RM'000</b>
Basic Profit/(Loss) per share		
Profit/(Loss) for the period (RM'000)	1,004	(565)
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic Profit/(Loss) per Share (sen)	0.67	(0.38)

By Order of the Board

CHEE MIN ER  
Company Secretary

Kuala Lumpur  
24<sup>th</sup> September 2020

c.c. Securities Commission