

KYM HOLDINGS BHD (Reg No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2021

	As at 30.04.2021 RM'000	As at 31.01.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,326	23,844
Right-of-use Assets	44,141	44,980
Investment property	43,418	43,418
Intangible asset	4,667	4,667
Other Investment	1	1
	<u>115,553</u>	<u>116,910</u>
Current assets		
Inventories	8,841	15,225
Trade receivables	18,351	17,077
Other receivables	2,277	1,779
Current tax assets	1,215	1,159
Short term investment	12	12
Cash and cash equivalents	4,950	9,881
	<u>35,646</u>	<u>45,133</u>
TOTAL ASSETS	<u>151,199</u>	<u>162,043</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	110,381	110,381
Revaluation reserve	72	72
Accumulated losses	(25,651)	(25,749)
	<u>84,802</u>	<u>84,704</u>
Non-controlling interests	3	3
Total Equity	<u>84,805</u>	<u>84,707</u>
Non-current liabilities		
Borrowings	22,365	23,593
Deferred tax liabilities	9,037	9,037
	<u>31,402</u>	<u>32,630</u>
Current liabilities		
Borrowings	21,787	29,141
Trade payables	5,200	7,377
Other payables	8,005	8,188
Current tax liability	-	-
	<u>34,992</u>	<u>44,706</u>
Total liabilities	66,394	77,336
TOTAL EQUITY AND LIABILITIES	<u>151,199</u>	<u>162,043</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	<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 2021.

KYM HOLDINGS BHD (Reg No.: 198201004556 (84303-A))
 INTERIM FINANCIAL REPORT
 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	Current quarter ended 30.04.2021	3 months cumulative for current financial year to date ended 30.04.2021	Comparable quarter ended 30.04.2020	Comparable 3 months cumulative for preceding financial year to date ended 30.04.2020
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	20,843	20,843	13,662	13,662
Other income	362	362	526	526
Operating expenses	(20,422)	(20,422)	(15,098)	(15,098)
Finance costs	(505)	(505)	(632)	(632)
Profit/(Loss) before tax	278	278	(1,542)	(1,542)
Income tax expense	(180)	(180)	(27)	(27)
Profit/(Loss) for the period from continuing operations	98	98	(1,569)	(1,569)
Other Comprehensive Expenses For The Financial Year	-	-	-	-
Total Comprehensive Income/(Expenses) For The Financial Year	98	98	(1,569)	(1,569)
Profit/(Loss) After Taxation Attributable to:				
Owners of the Company	98	98	(1,569)	(1,569)
Non-controlling interests	-	-	-	-
	98	98	(1,569)	(1,569)
Total Comprehensive Income/(Expenses) Attributable to:				
Owners of the Company	98	98	(1,569)	(1,569)
Non-controlling interests	-	-	-	-
	98	98	(1,569)	(1,569)
Earnings Profit/(Loss) per share attributable to Owners of the Company (sen):				
Basic:	0.07	0.07	(1.05)	(1.05)
Diluted:	0.07	0.07	(1.05)	(1.05)

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 2021.

KYM HOLDINGS BHD (Reg. No.: 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	Year ended 30.04.2021 RM'000	Year ended 31.01.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation:		
Continuing operations	278	(1,496)
	278	(1,496)
Adjustments for:		
Non cash items	1,596	6,846
Non-operating items	476	2,507
Operating profit before working capital changes	2,350	7,857
Net change in current assets	4,610	1,576
Net change in current liabilities	(2,360)	(784)
Cash generated from operations	4,600	8,649
Income tax refund	0	601
Income tax paid	(236)	(442)
Interest paid	(505)	(2,431)
Net cash from operating activities	3,859	6,377
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	4	16
Proceed from disposal of property, plant and equipment	25	-
Purchase of property, plant and equipment	(237)	(842)
Additions of right-of-use assets	-	(7)
Placement of fixed deposits with licensed banks	(4)	(16)
Net cash for investing activities	(212)	(849)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Net (repayment)/drawdown of bankers' acceptances	(522)	385
Net (repayment)/drawdown of bills payables	(6,171)	5,585
Repayment of revolving credit	(400)	(600)
Repayment of lease liabilities	(1,281)	(3,159)
Repayment of term loan	(63)	(97)
Net cash (for)/from financing activities	(8,437)	2,114
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4,790)	7,642
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	4,793	(2,849)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	3	4,793
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with licensed banks	1,351	1,348
Short-term investment	12	12
Cash and bank balances	3,599	8,533
Bank overdraft	(3,608)	(3,752)
	1,354	6,141
Less : Deposits pledged to licensed banks	(1,351)	(1,348)
	3	4,793

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 2021.

KYM HOLDINGS BHD (Reg No.: 198201004556 (84303-A))
 INTERIM FINANCIAL REPORT
 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	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 2020	110,381	-	853	72	(25,540)	85,766	3	85,769
Loss after tax/Total comprehensive expenses during the financial period	-	-	-	-	(1,569)	(1,569)	-	(1,569)
At 30 April 2020	110,381	-	853	72	(27,109)	84,197	3	84,200
At 1 February 2021	110,381	-	-	72	(25,749)	84,704	3	84,707
Profit after tax/Total comprehensive expenses during the financial period	-	-	-	-	98	98	-	98
At 30 April 2021	110,381	-	-	72	(25,651)	84,802	3	84,805

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 2021.

**KYM HOLDINGS BHD (Reg No.: 198201004556 (84303-A))
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULT FOR THE FIRST
QUARTER ENDED 30 APRIL 2021**

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 2021.

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 2021.

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 2021.

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 2021 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 30 April 2021.

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 was 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 3 months ended 30 April 2021:

	Gross revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	22,986	512	129,889	72,575
Investment holding/Others	515	(213)	160,762	104,738
	<u>23,501</u>	<u>299</u>	<u>290,651</u>	<u>177,313</u>
Elimination	(2,658)	(21)	(140,667)	(119,956)
	<u>20,843</u>	<u>278</u>	<u>149,984</u>	<u>57,357</u>
Unallocated Assets			1,215	-
Unallocated Liabilities			-	9,037
			<u>151,199</u>	<u>66,394</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	22,986
Less : Intercompany elimination	<u>(2,143)</u>
	<u>20,843</u>
Investment holdings/Others	515
Less : Intercompany elimination	<u>(515)</u>
	<u>-</u>
	<u>20,843</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 2021.

A13 Capital Commitments

There were no capital commitments provided for in the financial statement for the financial quarter ended 30 April 2021.

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

B1 Review of Performance

	Current Quarter ended 30.04.2021	Current Quarter ended 30.04.2020	Change	Cumulative Year to-date ended 30.04.2021	Cumulative Year to-date ended 30.04.2020	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	20,843	13,662	52.56	20,843	13,662	52.56
Gross Profit	2,884	818	252.57	2,884	818	252.57
Profit/(Loss) Before Interest and Tax	783	(910)	(186.04)	783	(910)	(186.04)
Profit/(Loss) Before Tax	278	(1,542)	(118.03)	278	(1,542)	(118.03)
Profit/(Loss) After Tax	98	(1,569)	(106.25)	98	(1,569)	(106.25)
Profit/(Loss) Attributable to Ordinary Equity Holders	98	(1,569)	(106.25)	98	(1,569)	(106.25)

Quarter ended 30.04.2021 compared with quarter ended 30.04.2020

For the quarter under review, the Group recorded revenue of RM20.843 million with profit before taxation (PBT) of RM0.278 million compared with revenue and loss before taxation of RM13.662 million and RM1.542 million respectively for the corresponding quarter in the preceding financial year ended 31 January 2021.

The increase in revenue and PBT for the quarter under review was mainly attributable to the higher demand for all industrial packaging products.

The Group's revenue was fully contributed by the Group's core business, which is the manufacturing of industrial packaging materials. The 52.56% increase was mainly due to the increase in sales volume for both Carton Box division and Multiwall Industrial Paper Sack division. Furthermore, the performance of the corresponding period was affected by the implementation of Movement Control Order 1.0 which required all non-essential sectors to temporary close the business premises in response to the COVID-19 pandemic.

During the quarter under review, manufacturing segment posted a profit before taxation of RM0.512 million as compared to a loss before tax of RM1.017 million in the corresponding quarter preceding year. This improved performance was due mainly to the significant reduction of losses of the Multiwall Industrial Paper Sacks division as a result of higher sales volume.

For other segment, the current quarter loss before taxation was RM0.234 million compared to with the loss before taxation of RM0.525 million in the corresponding quarter last year. The decrease was mainly due to the reduction in administrative and other operating expenses.

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

	Current Quarter ended 30.04.2021	Immediate Preceding Quarter ended 31.01.2021	Change
	RM'000	RM'000	%
Revenue	20,843	19,020	9.58
Gross Profit	2,884	2,248	28.29
Profit/(Loss) Before Interest and Tax	783	(94)	(932.98)
Profit/(Loss) Before Tax	278	(688)	(140.41)
Profit/(Loss) After Tax	98	(171)	(157.31)
Profit/(Loss) Attributable to Ordinary Equity Holders	98	(171)	(157.31)

Against the preceding quarter, the Group's revenue increased by RM1.823 million or 9.58%. The improvement in revenue is mainly attributable to the higher sales volume from the Multiwall Industrial Paper Sacks division and revision of selling price. Sales of the Multiwall Industrial Paper Sacks division in export markets gradually recovered during the current quarter.

The Group recorded profit before taxation of RM0.278 million as compared to loss before tax of RM0.688 million in the preceding quarter. This is mainly due to reduced losses in Multiwall Industrial Paper Sacks division.

B3 Prospects

With the rollout of vaccines in February 2021, sign of market recovery and improvement in the Group's performance was seen in the first quarter of FY2022. However, the resumption of the economic activities has been affected following an implementation of a nationwide Movement Control Order 3.0 (MCO 3.0) from 12 May to 7 June 2021 and subsequently, the Full Movement Control Order (FMCO). On 28 May 2021, the Government imposed a FMCO nationwide for 14 days from 1 June 2021 whereby only essential economic and service sectors are allowed to operate at the maximum work force capacity of 60% of the total registered workforce in compliance with the SOPs issued by MKN. The FMCO has been extended for a further 14 days until 28 June 2021. The extended FMCO is expected to have an adverse impact on the operations of the Multiwall Industrial Paper Sack division.

Until and unless the national COVID-19 immunisation program is fully implemented, the efforts to curb the COVID-19 and its impact are still ongoing.

In addition, raw material shortages, rising cost of raw material, volatility in foreign exchange rate of the Euro and US dollar and drastic spike in shipping and freight cost remain key challenges to the Group. Rising cost of raw materials will result in an increase in selling price for all packaging solutions/products. With an expected paper shortage in the foreseeable future and longer delivery lead time due to disruption in global supply chain, we shall continue to be vigilant in the procurement process to mitigate disruption caused by unexpected shipment delays and supply shortage. We shall also embark on marketing effort and strategic business initiatives to increase revenue, coupled with the continuous efforts to strengthen cost control measures and operational efficiency.

The Group continues to explore 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:

	Current Quarter ended 30.04.2021 RM'000	Cumulative Year to-date ended 30.04.2021 RM'000
Taxation for current financial period	(180)	(180)
	<u>(180)</u>	<u>(180)</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

	As at 30.04.2021		
	Short term RM'000	Long term RM'000	Total Borrowings RM'000
Secured			
Bank Overdraft	3,608	-	3,608
Term Loan	13,046	443	13,489
Lease Liabilities	5,133	21,922	27,055
	<u>21,787</u>	<u>22,365</u>	<u>44,152</u>
Unsecured	-	-	-

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 2021.

B10 Profit/(Loss) before taxation

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

	Current Quarter ended 30.04.2021 RM'000	Cumulative Year to-date ended 30.04.2021 RM'000
Interest expense	505	505
Interest Income	(4)	(4)
Depreciation of Property, plant and equipment	756	756
Depreciation of Right-of-use-assets	840	840
Foreign exchange loss/(gain)	(12)	(12)

B11 Profit/(Loss) per Share

	Current Quarter ended 30.04.2021 RM'000	Cumulative Year to-date ended 30.04.2021 RM'000
<u>Basic Profit/(Loss) per share</u>		
Profit/(Loss) for the period (RM'000)	98	98
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic Profit/(Loss) per Share (sen)	0.07	0.07

By Order of the Board

CHEE MIN ER
Company Secretary

Selangor
24 June 2021

c.c. Securities Commission