

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JANUARY 2022

	As at 31.01.2022 RM'000	As at 31.01.2021 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	20,791	23,844
Right-of-use assets	34,975	44,980
Investment properties	43,660	43,418
Intangible asset	4,667	4,667
Other investments	1	1
	104,094	116,910
Current assets		
Inventories	16,743	15,225
Trade receivables	22,836	17,077
Other receivables	1,735	1,779
Current tax assets	999	1,159
Short-term investment	13	12
Cash and cash equivalents	14,327	9,881
	56,653	45,133
Assets classified as held for sale	5,610	-
	62,263	45,133
TOTAL ASSETS	166,357	162,043
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	110,381	110,381
Revaluation reserve	72	72
Accumulated losses	(22,498)	(25,749)
	87,955	84,704
Non-controlling interests	-	3
Total equity	87,955	84,707
Non-current liabilities		
Borrowings	16,367	23,593
Deferred tax liabilities	8,912	9,037
	25,279	32,630
Current liabilities		
Borrowings	32,026	29,141
Trade payables	11,435	7,377
Other payables	9,619	8,188
Current tax liabilities	43	-
	53,123	44,706
Total liabilities	78,402	77,336
TOTAL EQUITY AND LIABILITIES	166,357	162,043
Net assets per share attributable to ordinary equity holders of the parent (sen)	59	57

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 (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2022

	Current quarter ended 31.01.2022 RM'000	12 months cumulative for current financial year-to- date ended 31.01.2022 RM'000	Comparable quarter ended 31.01.2021 RM'000	Comparable 12 months cumulative for preceding financial year-to-date ended 31.01.2021 RM'000
Revenue	25,440	82,844	19,020	70,253
Other income	908	1,977	171	1,485
Operating expenses	(22,455)	(78,737)	(18,987)	(70,505)
Finance costs	(501)	(1,996)	(594)	(2,431)
Reversal of impairment losses/(Impairment losses) on financial assets	298	298	(298)	(298)
Profit/(Loss) before tax	3,690	4,386	(688)	(1,496)
Income tax expense	(1,044)	(1,138)	517	434
Profit/(Loss) for the period	2,646	3,248	(171)	(1,062)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(loss) for the period	2,646	3,248	(171)	(1,062)
Profit/(Loss) after tax attributable to:				
Owners of the Company	2,646	3,248	(171)	(1,062)
Non-controlling interests	-	-	-	-
	2,646	3,248	(171)	(1,062)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	2,646	3,248	(171)	(1,062)
Non-controlling interests	-	-	-	-
	2,646	3,248	(171)	(1,062)
Earnings/(Loss) per share attributable to owners of the Company (sen):				
Basic:	1.77	2.17	(0.11)	(0.71)
Diluted:	1.77	2.17	(0.11)	(0.71)

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 (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2022

	For the 12 months period ended 31.01.2022 RM'000	For the 12 months period ended 31.01.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax:	4,386	(1,496)
Adjustments for:		
Non-cash items	6,408	6,846
Non-operating items	1,502	2,507
Operating profit before working capital changes	12,296	7,857
Net change in current assets	(7,096)	1,576
Net change in current liabilities	5,489	(784)
Cash generated from operations	10,689	8,649
Income tax refunded	*	601
Income tax paid	(1,060)	(442)
Interest paid	(1,996)	(2,431)
Net cash from operating activities	7,633	6,377
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	15	16
Proceeds from disposal of property, plant and equipment	25	-
Purchase of property, plant and equipment	(756)	(842)
Additions to right-of-use assets	(97)	(7)
Placement of fixed deposits pledged to licensed banks	(15)	(16)
Net cash for investing activities	(828)	(849)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Net drawdown/(repayment) of bankers' acceptances	644	(878)
Net drawdown of bills payable	3,629	6,848
Net repayment of revolving credit	(400)	(600)
Repayment of lease liabilities	(5,148)	(3,159)
Repayment of term loans	(257)	(97)
Net cash (for)/from financing activities	(1,532)	2,114
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,273	7,642
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	4,793	(2,849)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	10,066	4,793
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with licensed banks	1,363	1,348
Short-term investment	13	12
Cash and bank balances	12,964	8,533
Bank overdrafts	(2,911)	(3,752)
	11,429	6,141
Less : Deposits pledged to licensed banks	(1,363)	(1,348)
	10,066	4,793

* Less than RM1,000.

The Condensed Consolidated Statements of Cash Flows (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2021.

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2022

	Share capital RM'000	Employee share options reserve RM'000	Revaluation reserve RM'000	Accumulated losses RM'000	Attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 February 2020	110,381	853	72	(25,540)	85,766	3	85,769
Loss after tax/Total comprehensive loss during the financial period	-	-	-	(1,062)	(1,062)	-	(1,062)
Transaction with owners of the Company: - Employees' share options forfeited	-	(853)	-	853	-	-	-
At 31 January 2021	110,381	-	72	(25,749)	84,704	3	84,707
At 1 February 2021	110,381	-	72	(25,749)	84,704	3	84,707
Profit after tax/Total comprehensive income during the financial period	-	-	-	3,248	3,248	-	3,248
Transaction with owners of the Company: - Strike-off of a subsidiary	-	-	-	3	3	(3)	-
At 31 January 2022	110,381	-	72	(22,498)	87,955	-	87,955

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 (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FINAL
QUARTER ENDED 31 JANUARY 2022**

**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 31 January 2022.

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 Debt 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 2022:

	Gross revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	90,878	3,942	148,279	88,360
Investment holding/Others	2,052	12,388	178,827	132,546
	<hr/>	<hr/>	<hr/>	<hr/>
	92,930	16,330	327,106	220,906
Elimination	(10,086)	(11,944)	(161,748)	(151,459)
	<hr/>	<hr/>	<hr/>	<hr/>
	82,844	4,386	165,358	69,447
	<hr/>	<hr/>		
Unallocated assets			999	-
Unallocated liabilities			-	8,955
			<hr/>	<hr/>
			166,357	78,402
			<hr/>	<hr/>

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

	RM'000
Gross revenue	
Manufacturing	90,878
Less : Intercompany elimination	<hr/> (8,034)
	<hr/> 82,844
Investment holding/Others	2,052
Less : Intercompany elimination	<hr/> (2,052)
	<hr/> -
	<hr/> 82,844
	<hr/>

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 statements 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 statements for the financial quarter ended 31 January 2022.

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

B1 Review of Performance

	Current quarter ended 31.01.2022 RM'000	Comparable quarter ended 31.01.2021 RM'000	Change %	Cumulative year to-date ended 31.01.2022 RM'000	Cumulative year to-date ended 31.01.2021 RM'000	Change %
Revenue	25,440	19,020	33.75%	82,844	70,253	17.92%
Gross profit	5,468	2,248	>100%	13,567	9,071	49.56%
Profit/(Loss) before interest and tax	4,187	(97)	>100%	6,367	919	>100%
Profit/(Loss) before tax	3,690	(688)	>100%	4,386	(1,496)	>100%
Profit/(Loss) after tax	2,646	(171)	>100%	3,248	(1,062)	>100%
Profit/(Loss) attributable to ordinary equity holders	2,646	(171)	>100%	3,248	(1,062)	>100%

Quarter ended 31.01.2022 compared with quarter ended 31.01.2021

For the quarter under review, the Group recorded revenue of RM25.440 million and profit before tax of RM3.690 million compared with revenue of RM19.020 million and loss before tax of RM0.688 million for the corresponding quarter in the preceding financial year ended 31 January 2021.

The significant increase in revenue and profit for the quarter under review was mainly attributable to higher revenue achieved by Multiwall Industrial Paper Sacks division.

During the quarter under review, Manufacturing segment posted a profit before tax of RM3.311 million as compared to a loss before tax of RM0.854 million in the corresponding quarter preceding year, mainly driven by higher revenue growth and profits contribution from Multiwall Industrial Paper Sacks division.

For other segment, the current quarter profit before tax was RM0.379 million as compared to with a profit before tax of RM0.166 million in the corresponding quarter last year. The increase in profit before tax was mainly due to the reduction in administrative and other operating expenses.

B1 Review of Performance (Cont'd)

Current financial period ended 31.01.2022 against preceding financial period ended 31.01.2021

The Group's turnover increased by 17.92% from RM70.253 million in the preceding period ended 31 January 2021 to RM82.844 million in the current financial period. This was mainly due to increase in sales orders for all products as more economic sectors were allowed to operate in the beginning of 2021 before the re-imposition of nationwide Full Movement Control Order in June and July 2021 and subsequent progressive lifting of containment measures.

The Group recorded a profit before tax in the current financial period of RM4.386 million compared to a loss before tax of RM1.496 million in the preceding financial period due to the overall improvement in performance of all business segments.

The Manufacturing segment recorded a profit before tax in the current financial period of RM4.713 million compared to a loss before tax of RM0.307 million in the preceding financial period. The significant increase in profit before tax was mainly contributed by the Multiwall Industrial Paper Sacks division following significant increase in domestic sales and improvement in product pricing strategy.

The Investment holding/Others segment recorded a loss before tax of RM0.327 million compared to a loss before tax of RM1.189 million in the preceding financial period. The decrease was mainly due to the reduction in administrative and other operating expenses.

B2 Material Changes in the Profit/(Loss) Before Tax for the Current Quarter compared with the Preceding Quarter

	Current quarter ended 31.01.2022 RM'000	Immediate preceding quarter ended 31.10.2021 RM'000	Change %
Revenue	25,440	22,750	11.82%
Gross profit	5,468	3,860	41.66%
Profit/(Loss) before interest and tax	4,187	1,842	>100%
Profit/(Loss) before tax	3,690	1,352	>100%
Profit/(Loss) after tax	2,646	1,618	63.54%
Profit/(Loss) attributable to ordinary equity holders	2,646	1,618	63.54%

The Group's revenue increased by RM2.690 million or 11.82% as compared to the preceding quarter. This was mainly attributable to the higher sales from the Multiwall Industrial Paper Sacks division's domestic market during the current quarter under review.

The Group recorded profit before tax of RM3.690 million as compared to profit before tax of RM1.352 million in the preceding quarter. The improvement was largely due to higher profits contribution from the Multiwall Industrial Paper Sacks division as a result of higher sales volume.

B3 Prospects

The operating environment of the Group remains challenging with raw material shortages, rising cost of raw materials, volatility in foreign exchange rate of the Euro and US dollar and elevated shipping and freight cost. Rising cost of raw materials will result in an increase in selling price for all packaging solutions/products. While paper shortage and longer delivery lead time due to disruption in global supply chain will continue to persist, the Group shall continue to be vigilant in the procurement process to mitigate disruption caused by unexpected shipment delays and supply shortage. In addition, the Group shall continue the marketing effort and strategic business initiatives to increase revenue, and improvement activities to strengthen cost control measures and operational efficiency.

In view of the rising Omicron infections in the country, the Group continues to place emphasis on the well-being, health and safety of our employees and their families with stringent SOPs in place.

Despite the challenges, the Board remains cautiously optimistic in addressing the challenges faced by the Group in year 2022.

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 31.01.2022 RM'000	Cumulative year-to-date ended 31.01.2022 RM'000
Taxation for current financial period	<u>(1,044)</u>	<u>(1,138)</u>

B6 Status of Corporate Proposal Announced

On 28 January 2022, Anabatic Sdn. Bhd. ("ASB"), a wholly-owned subsidiary of KYM entered into a conditional sale and purchase agreement ("SPA") with Far East Packaging Ind. (Melaka) Sdn. Bhd. ("FEPSB") for the disposal by ASB of a leasehold industrial land located at No.7, Jalan Perusahaan 1, Beranang Industrial Estate, 43700 Beranang, Selangor Darul Ehsan for a total cash consideration of approximately RM22.975 million ("Disposal Consideration"), subject to the terms set out in the SPA.

Saved as disclosed above, there were no other corporate proposals announced or outstanding as at the date of this announcement.

B7 Group Borrowings and Debt Securities

	As at 31.01.2022		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
Secured			
Bank overdrafts	2,911	-	2,911
Term loans	273	229	502
Bankers' acceptance	7,999	-	7,999
Bills payable	15,760	-	15,760
Lease liabilities	5,083	16,138	21,221
	<u>32,026</u>	<u>16,367</u>	<u>48,393</u>
Unsecured	<u>-</u>	<u>-</u>	<u>-</u>

The borrowings are denominated in the following currencies:

	As at 31.01.2022 RM'000
Ringgit Malaysia	32,633
United States Dollar	6,565
Euro	9,195
	<u>48,393</u>

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 2022.

B10 Profit/(Loss) Before Tax

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

	Current quarter ended 31.01.2022 RM'000	Cumulative year to-date ended 31.01.2022 RM'000
Interest expense	501	1,996
Interest income	(4)	(15)
Inventories written down	40	40
Inventories written off	121	121
Depreciation of property, plant and equipment	724	3,024
Depreciation of right-of-use-assets	865	3,384
Fair value gain on investment properties	(242)	(242)
Foreign exchange gain	(21)	(50)
Gain on disposal of property, plant and equipment	-	(25)
Gain on lease modification	(75)	(75)
Reversal of impairment losses on trade receivables	(298)	(298)

B11 Earnings Per Share

	Current quarter ended 31.01.2022 RM'000	Cumulative year to-date ended 31.01.2022 RM'000
<u>Basic earnings per share</u>		
Profit attributable to owners of the Company (RM'000)	2,646	3,248
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic earnings per share (sen)	1.77	2.17

By Order of the Board

CHEE MIN ER
Company Secretary

Petaling Jaya
31 March 2022

c.c. Securities Commission