

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

	As at 31.10.2022 RM'000	As at 31.01.2022 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	19,593	20,791
Right-of-use assets	33,256	34,975
Investment properties	43,660	43,660
Goodwill	4,667	4,667
Other investments	1	1
	<u>101,177</u>	<u>104,094</u>
Current assets		
Inventories	30,282	16,787
Trade receivables	25,581	22,836
Other receivables	2,829	1,735
Current tax assets	885	999
Short-term investment	13	13
Fixed deposits with licensed banks	1,376	1,363
Cash and bank balances	10,611	12,964
	<u>71,577</u>	<u>56,697</u>
Assets classified as held for sale	5,610	5,610
	<u>77,187</u>	<u>62,307</u>
TOTAL ASSETS	<u>178,364</u>	<u>166,401</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	111,217	110,381
Revaluation reserve	72	72
Accumulated losses	(12,989)	(22,193)
Total equity	<u>98,300</u>	<u>88,260</u>
Non-current liabilities		
Borrowings	14,217	16,367
Deferred tax liabilities	9,022	9,022
	<u>23,239</u>	<u>25,389</u>
Current liabilities		
Trade payables	14,608	11,435
Other payables	12,829	9,248
Current tax liabilities	-	43
Borrowings	29,388	32,026
	<u>56,825</u>	<u>52,752</u>
Total liabilities	80,064	78,141
TOTAL EQUITY AND LIABILITIES	<u>178,364</u>	<u>166,401</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	<u>65</u>	<u>59</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 2022.

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

	Current quarter ended 31.10.2022 RM'000	9 months cumulative for current financial year-to- date ended 31.10.2022 RM'000	Comparable quarter ended 31.10.2021 RM'000	Comparable 9 months cumulative for preceding financial year-to-date ended 31.10.2021 RM'000
Revenue	31,539	93,154	22,750	57,404
Other income	792	1,905	331	1,069
Operating expenses	(28,393)	(82,045)	(21,235)	(56,282)
Finance costs	(484)	(1,366)	(494)	(1,495)
Profit before tax	3,454	11,648	1,352	696
Income tax expense	(1,114)	(2,444)	266	(94)
Profit for the financial period	2,340	9,204	1,618	602
Other comprehensive income for the financial period	-	-	-	-
Total comprehensive income for the financial period	2,340	9,204	1,618	602
Profit after tax/Total comprehensive income for the financial period attributable to:				
Owners of the Company	2,340	9,204	1,618	602
Earnings per share attributable to owners of the Company (sen):				
Basic:	1.54	6.11	1.08	0.40
Diluted:	1.54	6.11	1.08	0.40

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 2022.

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

	For the 9 months period ended 31.10.2022 RM'000	For the 9 months period ended 31.10.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	11,648	696
Adjustments for:		
Non-cash items	4,013	4,819
Non-operating items	2,141	1,459
Operating profit before working capital changes	17,802	6,974
Net change in current assets	(17,334)	931
Net change in current liabilities	6,831	1,284
Cash generated from operations	7,299	9,190
Income tax refunded	483	*
Income tax paid	(2,856)	(612)
Interest paid	(1,366)	(1,495)
Net cash from operating activities	3,560	7,082
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	13	11
Proceeds from disposal of property, plant and equipment	136	25
Purchase of property, plant and equipment	(481)	(1,058)
Additions to right-of-use assets	(178)	-
Placement of fixed deposits pledged to licensed banks	(13)	(11)
Net cash for investing activities	(523)	(1,033)
CASH FLOWS FOR FINANCING ACTIVITIES		
Net (repayment)/drawdown of bankers' acceptances	(1,277)	97
Net drawdown/(repayment) of bills payable	654	(2,236)
Net drawdown of revolving credit	-	350
Repayment of lease liabilities	(3,845)	(3,846)
Repayment of term loans	(203)	(192)
Repayment to a director	(77)	-
Net cash for financing activities	(4,748)	(5,827)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,711)	222
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	10,066	4,793
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	8,355	5,015
CASH AND CASH EQUIVALENTS COMPRISE:		
Short-term investment	13	12
Fixed deposits with licensed banks	1,376	1,359
Cash and bank balances	10,611	8,450
Bank overdrafts	(2,269)	(3,447)
	9,731	6,374
Less : Fixed deposits pledged to licensed banks	(1,376)	(1,359)
	8,355	5,015

* 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 2022.

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

	Share capital 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 2021	110,381	72	(25,749)	84,704	3	84,707
Profit after tax/Total comprehensive income for the financial period	-	-	602	602	-	602
At 31 October 2021	110,381	72	(25,147)	85,306	3	85,309
At 1 February 2022	110,381	72	(22,193)	88,260	-	88,260
Profit after tax/Total comprehensive income for the financial period	-	-	9,204	9,204	-	9,204
Transaction with owners of the Company: Ordinary shares issued pursuant to a share grant under ESS	836	-	-	836	-	836
At 31 October 2022	111,217	72	(12,989)	98,300	-	98,300

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 2022.

**KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
QUARTER ENDED 31 OCTOBER 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 Malaysian 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 2022.

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 2022.

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 2022.

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 2022 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 October 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

On 27 June 2022, of the Company issued 1,900,000 new ordinary shares at RM0.44 each pursuant to a share grant under KYM Employees' Share Scheme 2022 ("ESS"). As at 31 October 2022, the number of ordinary shares issued is 151,789,753.

Save for the above, there were no other 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 October 2022:

	Gross revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	100,505	13,659	155,341	89,592
Investment holding/Others	2,610	(1,557)	185,345	134,364
	<hr/>	<hr/>	<hr/>	<hr/>
Elimination	103,115	12,102	340,686	223,956
	(9,961)	(454)	(163,207)	(152,914)
	<hr/>	<hr/>	<hr/>	<hr/>
	93,154	11,648	177,479	71,042
			<hr/>	<hr/>
Unallocated assets			885	-
Unallocated liabilities			-	9,022
			<hr/>	<hr/>
			178,364	80,064
			<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	100,505
Less: Intercompany elimination	(7,351)
	<hr/>
	93,154
	<hr/>
Investment holding/Others	2,610
Less: Intercompany elimination	(2,610)
	<hr/>
	-
	<hr/>
	93,154
	<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 2022.

A13 Capital Commitments

There were no capital commitments provided for in the financial statements for the financial quarter ended 31 October 2022.

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

B1 Review of Performance

	Current quarter ended 31.10.2022 RM'000	Comparable quarter ended 31.10.2021 RM'000	Change %	Cumulative year to-date ended 31.10.2022 RM'000	Cumulative year to-date ended 31.10.2021 RM'000	Change %
Revenue	31,539	22,750	38.63%	93,154	57,404	62.28%
Gross profit	7,008	3,859	81.60%	22,204	8,099	43.80%
Profit before interest and tax	3,932	1,842	>100%	13,001	2,180	>100%
Profit before tax	3,454	1,352	>100%	11,648	696	>100%
Profit after tax	2,340	1,618	44.62%	9,204	602	>100%
Profit attributable to ordinary equity holders	2,340	1,618	44.62%	9,204	602	>100%

Quarter ended 31.10.2022 compared with quarter ended 31.10.2021

For the quarter under review, the Group recorded revenue of RM31.539 million with profit before tax of RM3.454 million compared with the revenue of RM22.750 million and profit before tax of RM1.352 million for the corresponding quarter in the preceding financial year ended 31 January 2022.

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

During the quarter under review, the Manufacturing segment posted a profit before tax of RM4.180 million as compared to a profit before tax of RM1.539 million in the corresponding quarter in the preceding year, mainly driven by higher revenue growth in the export market and increase in selling price which led to improvement in profits contribution from the Multiwall Industrial Paper Sacks division.

For Investment holding/Others segment, the current quarter loss before tax was RM0.726 million as compared to with a loss before tax of RM0.187 million in the corresponding quarter last year. Higher loss before tax was mainly due to the increase in administrative expenses during the current quarter.

Current financial period ended 31.10.2022 against preceding financial period ended 31.10.2021

For the current financial period under review, the Group posted a revenue of RM93.154 million as compared to its corresponding preceding financial period of RM57.404 million. The higher revenue was mainly due to significant improvement in the sales generated by the Multiwall Industrial Paper Sacks division.

The Group recorded a profit before tax in the current financial period of RM11.648 million compared to a profit before tax of RM0.696 million in the preceding financial period.

The Manufacturing segment recorded a profit before tax of RM13.659 million in the current financial period compared to a profit before tax of RM1.403 million in the preceding financial period due to higher profit contribution from the Multiwall Industrial Paper Sacks division as a result of increase in selling price and higher sales to export market.

The Investment holding/Others segment recorded a loss before tax of RM2.011 million compared to a loss before tax of RM0.707 in the preceding financial period. The increase in the loss before tax was mainly due to the increase in administrative expenses, coupled with the recognition of share-based payment of RM0.836 million pursuant to a share grant under ESS in the current financial period.

B2 Material Changes in the Profit Before Tax for the Current Quarter compared with the Preceding Quarter

	Current quarter ended 31.10.2022 RM'000	Immediate preceding quarter ended 31.07.2022 RM'000	Change %
Revenue	31,539	31,811	-0.86%
Gross profit	7,008	7,205	-2.73%
Profit before interest and tax	3,932	3,505	12.18%
Profit before tax	3,454	3,043	13.51%
Profit after tax	2,340	2,378	-1.60%
Profit attributable to ordinary equity holders	2,340	2,378	-1.60%

The Group's revenue has decreased slightly by RM0.272 million or 0.86% as compared to the preceding quarter. This was mainly attributable to the marginally lower sales generated by the Carton Box division during the current quarter under review.

The Group recorded profit before tax of RM3.454 million as compared to profit before tax of RM3.043 million in the preceding quarter. The improvement in profit before tax in the current quarter was mainly due to lower administrative expenses incurred during the current quarter, coupled with the recognition of share-based payment of RM0.836 million pursuant to a share grant under ESS in the preceding quarter.

B3 Prospects

The Group's operating environment remains to be volatile given the uncertainties arising from the global inflationary pressures, on-going geopolitical concerns, continuous increase in raw materials costs and volatility of the Malaysian Ringgit.

The Group remains focused on its cost management and enhancing its supply chain efficiency, operational efficiency and effectiveness in order to cushion the external cost impact to the Group. The Group continues to drive the development of Top Deaeration system, a new sustainable and innovative product to assist our customers to reduce environmental footprint. At the same time, the Group will continue to take on an aggressive approach in exploring new business opportunities with a view of improving the Group's financial performance.

Barring unforeseen circumstances, the Board is positive that the financial performance of the Group for the financial year ending 31 January 2023 will be profitable.

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 31.10.2022 RM'000	Cumulative year-to-date ended 31.10.2022 RM'000
Taxation for the current financial period	(1,114)	(2,444)

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. 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 ("Subject Property") for a total cash consideration of approximately RM22.975 million ("Disposal"). The Disposal has been approved by the shareholders at an Extraordinary General Meeting held on 8 June 2022. The SPA has become unconditional on 26 September 2022. The Disposal is expected to be completed by end of 2022.

Save 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 31.10.2022		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
Secured			
Bank overdrafts	2,269	-	2,269
Term loans	154	145	299
Bankers' acceptance	6,722	-	6,722
Bills payable	16,414	-	16,414
Lease liabilities	3,829	14,072	17,901
	<u>29,388</u>	<u>14,217</u>	<u>43,605</u>
Unsecured	-	-	-

The borrowings are denominated in the following currencies:

	As at 31.10.2022 RM'000
Ringgit Malaysia	27,191
United States Dollar	10,809
Euro	5,605
	<u>43,605</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 October 2022.

B10 Profit Before Tax

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

	Current quarter ended 31.10.2022 RM'000	Cumulative year to-date ended 31.10.2022 RM'000
Depreciation of property, plant and equipment	554	1,650
Depreciation of right-of-use-assets	798	2,363
Foreign exchange gain	(382)	(675)
Interest expense	484	1,366
Interest income	(6)	(13)
Gain on disposal of property, plant and equipment, net	(14)	(56)
Property, plant and equipment written off	8	8
Share-based payment	-	836

B11 Earnings Per Share

	Current quarter ended 31.10.2022 RM'000	Cumulative year to-date ended 31.10.2022 RM'000
<u>Basic earnings per share</u>		
Profit attributable to owners of the Company (RM'000)	2,340	9,204
Weighted average number of ordinary shares in issue ('000)	151,790	150,718
Basic earnings per share (sen)	1.54	6.11

By Order of the Board

CHEE MIN ER
Company Secretary

Petaling Jaya
1 December 2022

c.c. Securities Commission