

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 OCTOBER 2023

	As at 31.10.2023 RM'000	As at 31.01.2023 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	34,162	36,328
Right-of-use assets	14,807	15,952
Investment properties	41,680	43,760
Goodwill	4,667	4,667
Other investments	1	1
	95,317	100,708
Current assets		
Inventories	18,747	37,147
Trade receivables	25,559	25,496
Other receivables	2,218	3,389
Current tax assets	3,082	1,476
Short-term investments	19,227	13
Fixed deposits with licensed banks	434	1,447
Cash and bank balances	2,799	2,656
	72,066	71,624
Assets classified as held for sale	-	5,610
	72,066	77,234
TOTAL ASSETS	167,383	177,942
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	111,582	111,217
Revaluation reserve	72	72
Employees' share scheme ("ESS") reserve	544	-
Accumulated losses	(2,135)	(13,266)
Total equity	110,063	98,023
Non-current liabilities		
Borrowings	13,020	14,261
Deferred tax liabilities	8,935	8,935
	21,955	23,196
Current liabilities		
Trade payables	6,344	15,925
Other payables	7,249	11,526
Borrowings	21,772	29,272
	35,365	56,723
Total liabilities	57,320	79,919
TOTAL EQUITY AND LIABILITIES	167,383	177,942
Net assets per share attributable to ordinary equity holders of the parent (sen)	72	65

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 2023.

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2023

	Current quarter ended 31.10.2023 RM'000	9 months cumulative for current financial year-to- date ended 31.10.2023 RM'000	Comparable quarter ended 31.10.2022 RM'000	Comparable 9 months cumulative for preceding financial year-to-date ended 31.10.2022 RM'000
Revenue	25,789	74,985	31,539	93,154
Other income	382	16,288	792	1,905
Operating expenses	(25,329)	(76,892)	(28,393)	(82,045)
Finance costs	(498)	(1,593)	(484)	(1,366)
Reversal of impairment losses on financial assets	88	99	-	-
Profit before tax	432	12,887	3,454	11,648
Income tax expense	(87)	(1,759)	(1,114)	(2,444)
Profit for the financial period	345	11,128	2,340	9,204
Other comprehensive income for the financial period	-	-	-	-
Total comprehensive income for the financial period	345	11,128	2,340	9,204
Profit after tax/Total comprehensive income for the financial period attributable to:				
Owners of the Company	345	11,128	2,340	9,204
Earnings per share attributable to owners of the Company (sen):				
Basic:	0.23	7.31	1.54	6.11
Diluted:	0.23	7.30	1.54	6.11

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 2023.

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2023

	For the 9 months period ended 31.10.2023 RM'000	For the 9 months period ended 31.10.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	12,887	11,648
Adjustments for:		
Non-cash items	4,163	4,013
Non-operating items	(13,297)	2,141
Operating profit before working capital changes	3,753	17,802
Net change in current assets	19,594	(17,334)
Net change in current liabilities	(13,858)	6,831
Cash generated from operations	9,489	7,299
Income tax refunded	-	483
Income tax paid	(1,866)	(2,856)
Interest paid	(279)	(141)
Real property gains tax paid	(1,499)	-
Net cash from operating activities	5,845	4,785
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	412	13
Proceeds from disposal of assets held for sale and investment property	22,975	-
Proceeds from disposal of property, plant and equipment	22	136
Purchase of property, plant and equipment	(855)	(659)
Uplift/(Placement) of fixed deposits pledged to licensed banks	1,114	(13)
Net cash from/(for) investing activities	23,668	(523)
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(1,314)	(1,225)
Net repayment of bankers' acceptances	(2,160)	(1,277)
Net (repayment)/drawdown of bills payable	(5,282)	654
Repayment of lease liabilities and hire purchase payable	(2,651)	(3,845)
Repayment of term loans	(93)	(203)
Repayment to a director	-	(77)
Net cash for financing activities	(11,500)	(5,973)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	18,013	(1,711)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	(587)	10,066
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	17,426	8,355
CASH AND CASH EQUIVALENTS COMPRISE:		
Short-term investments	19,227	13
Fixed deposits with licensed banks	434	1,376
Cash and bank balances	2,799	10,611
Bank overdrafts	(4,701)	(2,269)
	17,759	9,731
Less : Fixed deposits pledged to licensed banks	(333)	(1,376)
	17,426	8,355

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 2023.

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 2023

	Share capital RM'000	Revaluation reserve RM'000	ESS 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 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
Transactions with owners of the Company:							
Ordinary shares issued pursuant to a share grant under ESS	836	-	(836)	-	-	-	-
Share-based payment pursuant to ESS shares and ESS options granted	-	-	836	-	836	-	836
At 31 October 2022	111,217	72	-	(12,989)	98,300	-	98,300
At 1 February 2023	111,217	72	-	(13,266)	98,023	-	98,023
Profit after tax/Total comprehensive income for the financial period	-	-	-	11,128	11,128	-	11,128
Transactions with owners of the Company:							
Ordinary shares issued pursuant to a share grant under ESS	365	-	(365)	-	-	-	-
ESS shares forfeited	-	-	(3)	3	-	-	-
Share-based payment pursuant to ESS shares and ESS options granted	-	-	912	-	912	-	912
At 31 October 2023	111,582	72	544	(2,135)	110,063	-	110,063

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 2023.

**KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
QUARTER ENDED 31 OCTOBER 2023**

**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 2023.

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 2023.

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 2023.

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 2023 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 2023.

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 9 months ended 31 October 2023:

	Gross revenue RM'000	Profit before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	84,120	557	127,999	69,143
Investment holding/Others	3,981	15,936	182,968	130,686
	<hr/>	<hr/>	<hr/>	<hr/>
Elimination	88,101 (13,116)	16,493 (3,606)	310,967 (146,666)	199,829 (151,444)
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>74,985</u>	<u>12,887</u>	164,301	48,385
Unallocated assets			3,082	-
Unallocated liabilities			-	8,935
			<hr/>	<hr/>
			<u>167,383</u>	<u>57,320</u>

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	84,120
Less: Intercompany elimination	<u>(9,135)</u>
	<hr/>
	74,985
Investment holding/Others	3,981
Less: Intercompany elimination	<u>(3,981)</u>
	<hr/>
	-
	<hr/>
	<u>74,985</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 Valuation of Investment Properties

The Group adopts the fair value model for its investment properties. There was no significant and indicative change in value of the said investment properties since the last financial year ended 31 January 2023.

A11 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.

A12 Changes in Composition of the Group

There were no changes in the composition of the Group during the financial year under review.

A13 Changes in Contingent Liabilities and Contingent Assets

There were no significant changes in the contingent liabilities or contingent assets since the last financial year ended 31 January 2023.

A14 Capital Commitments

There were no capital commitments provided for in the financial statements for the financial quarter ended 31 October 2023.

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

B1 Review of Performance

	Current quarter ended 31.10.2023 RM'000	Comparable quarter ended 31.10.2022 RM'000	Change %	Cumulative year to-date ended 31.10.2023 RM'000	Cumulative year to-date ended 31.10.2022 RM'000	Change %
Revenue	25,789	31,539	-18.23%	74,985	93,154	-19.50%
Gross profit	3,455	7,008	-50.70%	7,201	22,204	-67.57%
Profit before interest and tax	764	3,932	-80.57%	14,068	13,001	8.21%
Profit before tax	432	3,454	-87.49%	12,887	11,648	10.64%
Profit after tax	345	2,340	-85.26%	11,128	9,204	20.90%
Profit attributable to ordinary equity holders	345	2,340	-85.26%	11,128	9,204	20.90%

Quarter ended 31.10.2023 compared with quarter ended 31.10.2022

For the quarter under review, the Group recorded a revenue of RM25.789 million with a profit before tax of RM0.432 million compared with the revenue of RM31.539 million and profit before tax of RM3.454 million for the corresponding quarter in the preceding financial year ended 31 October 2022.

The decrease in revenue was mainly attributable to the lower sales and lower profit contribution by the Multiwall Industrial Paper Sacks division.

During the quarter under review, the Manufacturing segment reported a profit before tax of RM0.751 million, which is lower than the profit before tax of RM4.180 million reported in the corresponding quarter in the preceding year. The reduction in profit before tax during the current quarter was mainly attributable to lower selling price and the softening of export market, which led to a reduction in profit contribution from the Multiwall Industrial Paper Sacks division. The lower demand was due to slowdown in the export market.

For Investment holding/Others segment, the current quarter loss before tax was RM0.319 million as compared to a loss before tax of RM0.726 million in the corresponding quarter in the preceding year, mainly due to the reduction in administrative expenses during the current quarter.

Current financial period ended 31.10.2023 against preceding financial period ended 31.10.2022

For the current financial period under review, the Group posted a revenue of RM74.985 million as compared to its corresponding preceding financial period of RM93.154 million. The lower revenue was mainly due to a significant drop in the sales generated by the Multiwall Industrial Paper Sacks division.

The Group recorded a profit before tax in the current financial period of RM12.887 million compared to a profit before tax of RM11.648 million in the preceding financial period. This was primarily due to the gain on disposal of the land and buildings of RM15.285 million.

The Manufacturing segment recorded a profit before tax of RM0.557 million in the current financial period compared to a profit before tax of RM13.659 million in the preceding financial period. The significant reduction in profit before tax for the current financial period was mainly attributable to the lower gross profit caused by lower selling price and the softening of export market of the Multiwall Industrial Paper Sacks division couple with the loss impact on foreign exchange.

The Investment holding/Others segment recorded a profit before tax of RM12.330 million compared to a loss before tax of RM2.011 in the preceding financial period. The profit before tax for the current financial period was mainly attributable to the gain on disposal of land and buildings of RM15.285 million following the completion of the disposal during the current financial period. However, the increase in profit before tax is partially offset by the recognition of a share-based payment of RM0.912 million in relation to the grant of ESS shares and ESS options pursuant to KYM ESS 2023 during the current financial period.

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

	Current quarter ended 31.10.2023 RM'000	Immediate preceding quarter ended 31.07.2023 RM'000	Change %
Revenue	25,789	26,291	-1.91%
Gross profit	3,455	2,456	40.68%
Profit/(Loss) before interest and tax	764	(37)	>100%
Profit/(Loss) before tax	432	(400)	>100%
Profit/(Loss) after tax	345	(484)	>100%
Profit/(Loss) attributable to ordinary equity holders	345	(484)	>100%

The Group's revenue has decreased by RM0.502 million or 1.91% as compared to the preceding quarter. The marginal decrease was mainly attributable to the lower sales across the major business segments.

In the current quarter, the Group recorded a profit before tax of RM0.432 million, which has improved from its loss before tax of RM0.400 million in the preceding quarter, driven by the improved performance of the Multiwall Industrial Paper Sacks division due to increase in sales volume in the local market, lower average paper roll cost as well as the outcome of several initiatives undertaken to improve bottom line.

B3 Prospects

Prospects of the industry is anticipated to continue to be good for cement and construction sector as a whole. Coupled with the rising adoption of sustainable construction and demand for sustainable building materials, the Group shall capitalise on these opportunities to improve sales.

As of 31 October 2023, total sales of the Top Deaeration Plastic Free Film ESG Sacks, accounted for 3.6% of the total revenue of the Multiwall Industrial Paper Sacks division since the commercial production in August 2023. The Group continues to embark on trial development of the new Top Deaeration Plastic Free Film ESG Sacks with existing and new customer who wish to achieve their environmental and sustainability goals.

Meanwhile, the Group will continue the on-going initiatives in inventories optimization, cost management and operational efficiency enhancement to improve bottom line.

Furthermore, the Group continues to explore other new business opportunities in order to enhance the Group's financial performance.

Barring any unforeseen circumstances, the Board is cautiously optimistic that the Group's performance for the final quarter of the financial year ending 31 January 2024 will remain positive.

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 31.10.2023 RM'000	Cumulative year-to-date ended 31.10.2023 RM'000
Current tax:		
- Current year	87	260
Real property gains tax	-	1,499
	<u>87</u>	<u>1,759</u>

The effective tax rate of the Group for the current financial period is higher than the statutory tax rate of 24% mainly due to the effects of certain expenses being not deductible for tax purposes.

B6 Status of Corporate Proposal Announced

There were no corporate proposals announced or outstanding as at the date of this announcement.

B7 Status of Utilisation of Proceeds

On 10 March 2023, Anabatic Sdn. Bhd., a wholly-owned subsidiary of KYM, completed the disposal 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").

As at 31 October 2023, the status of utilisation of proceeds from the Disposal is set out as follow:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Intended Timeframe for Utilisation	Deviation	
					RM'000	%
(i) Repayment of bank borrowings	3,500	3,500	-	Within 12 months	-	-
(ii) Working capital	15,775	15,775	-	Within 12 months	(499) *	-
(iii) Capital expenditure	2,300	-	2,300	Within 24 months	-	-
(iv) Estimated expenses relating to the Disposal	1,400	1,400	-	Within 6 months	499 *	36%
	<u>22,975</u>	<u>20,675</u>	<u>2,300</u>			

- * The deviation of RM0.499 million is due to the variances in the real property gains tax paid to the tax authorities and professional fees. As per the Circular to shareholders dated 24 May 2022, the deviation in the amount utilised for estimated expenses relating to the Disposal will be adjusted from the amount allocated for the general working capital.

The balance of unutilised proceeds is placed in short-term investment, pending its utilisation within the intended timeframe.

B8 Group Borrowings and Debt Securities

	As at 31.10.2023		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
Secured			
Bank overdrafts	4,701	-	4,701
Term loans	83	98	181
Bankers' acceptance	7,209	-	7,209
Bills payable	8,221	-	8,221
Hire purchase payable	179	456	635
Lease liabilities	1,379	12,466	13,845
	<u>21,772</u>	<u>13,020</u>	<u>34,792</u>
Unsecured	<u>-</u>	<u>-</u>	<u>-</u>

The borrowings are denominated in the following currencies:

	As at 31.10.2023 RM'000
Ringgit Malaysia	26,571
Euro	7,311
USD	910
	<u>34,792</u>

B9 Changes in Material Litigation

As at the date of the report, there is no pending material litigation.

B10 Dividend

The Board of Directors does not recommend the payment of any dividend in respect of the financial period ended 31 October 2023.

B11 Profit Before Tax

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

	Current quarter ended 31.10.2023 RM'000	Cumulative year to-date ended 31.10.2023 RM'000
Bad debts written off	-	13
Depreciation of property, plant and equipment	993	3,018
Depreciation of right-of-use-assets	382	1,145
Foreign exchange loss	192	1,075
Gain on disposal of assets held for sale and investment property	-	(15,285)
Gain on disposal of property, plant and equipment	(19)	(19)
Interest expenses	498	1,593
Interest income	(166)	(412)
Reversal of impairment losses on trade receivables	(88)	(99)
Share-based payment	-	912

B12 Earnings Per Share

	Current quarter ended 31.10.2023 RM'000	Cumulative year to-date ended 31.10.2023 RM'000
Basic earnings per share		
Profit attributable to owners of the Company (RM'000)	345	11,128
Weighted average number of ordinary shares in issue (Basic) ('000)	152,602	152,230
Basic earnings per share (sen)	0.23	7.31
Diluted earnings per share		
Profit attributable to owners of the Company (RM'000)	345	11,128
Weighted average number of ordinary shares in issue (Basic) ('000)	152,602	152,230
Effect of assumed exercise of ESS options and ('000)	240	260
Weighted average number of ordinary shares in issue (Diluted) ('000)	<u>152,842</u>	<u>152,490</u>
Diluted earnings per share (sen)	0.23	7.30

By Order of the Board

CHEE MIN ER
Company Secretary

Petaling Jaya
15 December 2023

c.c. Securities Commission