

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2024

	As at 30.04.2024 RM'000	As at 31.01.2024 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	33,702	34,522
Right-of-use assets	14,548	14,956
Investment properties	42,180	42,180
Goodwill	4,667	4,667
Other investments	1	1
	95,098	96,326
Current assets		
Inventories	14,340	17,685
Trade receivables	24,574	25,940
Other receivables	2,090	1,926
Current tax assets	2,797	2,872
Short-term investments	17,779	18,183
Fixed deposits with licensed banks	846	448
Cash and bank balances	7,705	4,336
	70,131	71,390
TOTAL ASSETS	165,229	167,716
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	111,582	111,582
Employees' share scheme ("ESS") reserve	540	540
Retained earnings/(Accumulated losses)	448	(137)
Total equity	112,570	111,985
Non-current liabilities		
Borrowings	12,491	12,947
Deferred tax liabilities	7,102	7,208
	19,593	20,155
Current liabilities		
Trade payables	6,296	8,687
Other payables	6,437	8,265
Current tax liabilities	-	1
Borrowings	20,333	18,623
	33,066	35,576
Total liabilities	52,659	55,731
TOTAL EQUITY AND LIABILITIES	165,229	167,716
Net assets per share attributable to ordinary equity holders of the parent (sen)	74	73

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 2024.

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2024

	Current quarter ended 30.04.2024 RM'000	3 months cumulative for current financial year-to- date ended 30.04.2024 RM'000	Comparable quarter ended 30.04.2023 RM'000	Comparable 3 months cumulative for preceding financial year-to-date ended 30.04.2023 RM'000
Revenue	22,721	22,721	22,905	22,905
Other income	249	249	15,486	15,486
Operating expenses	(21,669)	(21,669)	(25,012)	(25,012)
Finance costs	(463)	(463)	(535)	(535)
Net (impairment losses)/reversal of impairment losses on financial assets	(58)	(58)	11	11
Profit before tax	780	780	12,855	12,855
Income tax expense	(195)	(195)	(1,588)	(1,588)
Profit for the financial period	585	585	11,267	11,267
Other comprehensive income for the financial period	-	-	-	-
Total comprehensive income for the financial period	585	585	11,267	11,267
Profit after tax/Total comprehensive income for the financial period attributable to:				
Owners of the Company	585	585	11,267	11,267
Earnings per share attributable to owners of the Company (sen):				
Basic:	0.38	0.38	7.42	7.42
Diluted:	0.38	0.38	7.42	7.42

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 2024.

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2024

	For the 3 months period ended 30.04.2024 RM'000	For the 3 months period ended 30.04.2023 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before tax	780	12,855
Adjustments for:		
Non-cash items	1,401	1,397
Non-operating items	370	(13,887)
Operating profit before working capital changes	2,551	365
Net change in current assets	4,489	10,109
Net change in current liabilities	(4,219)	(9,197)
Cash generated from operations	2,821	1,277
Income tax paid	(227)	(1,060)
Interest paid	(77)	(94)
Real property gains tax paid	-	(1,499)
Net cash from/(for) operating activities	2,517	(1,376)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Interest received	151	49
Proceeds from disposal of assets held for sale and investment property	-	22,975
Purchase of property, plant and equipment	(173)	(268)
Uplift of fixed deposits pledged to licensed banks	-	1,114
Net cash (for)/from investing activities	(22)	23,870
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Interest paid	(386)	(441)
Net drawdown of bankers' acceptances	1,216	4,398
Net drawdown/(repayment) of bills payable	623	(6,859)
Repayment of hire purchase payables	(45)	(1,553)
Repayment of lease liabilities	(377)	(323)
Repayment of term loans	(21)	(53)
Net cash from/(for) financing activities	1,010	(4,831)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,505	17,663
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	18,804	(587)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	22,309	17,076
CASH AND CASH EQUIVALENTS COMPRISE:		
Short-term investments	17,779	21,373
Fixed deposits with licensed banks	846	333
Cash and bank balances	7,705	1,449
Bank overdrafts	(3,675)	(5,746)
	<u>22,655</u>	<u>17,409</u>
Less : Fixed deposits pledged to licensed banks	(346)	(333)
	<u>22,309</u>	<u>17,076</u>

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 2024.

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2024

	Share capital RM'000	Revaluation reserve RM'000	ESS reserve RM'000	Retained Earnings/ (Accumulated losses) RM'000	Attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 February 2023	111,217	72	-	(13,266)	98,023	-	98,023
Profit after tax/Total comprehensive income for the financial period	-	-	-	11,267	11,267	-	11,267
Transactions with owners of the Company:							
Share-based payment transactions	-	-	912	-	912	-	912
At 30 April 2023	111,217	72	912	(1,999)	110,202	-	110,202
At 1 February 2024	111,582	-	540	(137)	111,985	-	111,985
Profit after tax/Total comprehensive income for the financial period	-	-	-	585	585	-	585
At 30 April 2024	111,582	-	540	448	112,570	-	112,570

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 2024.

**KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST
QUARTER ENDED 30 APRIL 2024**

**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 2024.

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 2024.

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 2024.

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 the financial year ended 31 January 2024 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 current quarter and period ended 30 April 2024.

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 and period ended 30 April 2024.

A7 Dividend Paid

There was no dividend paid during the current quarter and financial period under review.

A8 Segmental Reporting (Analysis by business segments)

Segmental analysis of the results for 3 months ended 30 April 2024:

	Gross revenue RM'000	Profit before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	25,885	2,186	127,296	68,508
Investment holding/Others	1,559	688	185,175	133,004
	<u>27,444</u>	<u>2,874</u>	<u>312,472</u>	<u>201,512</u>
Elimination	(4,723)	(2,094)	(150,039)	(155,955)
	<u>22,721</u>	<u>780</u>	<u>162,432</u>	<u>45,557</u>
Unallocated assets			2,797	-
Unallocated liabilities			-	7,102
			<u>165,229</u>	<u>52,659</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	25,885
Less: Intercompany elimination	<u>(3,164)</u>
	<u>22,721</u>
Investment holding/Others	1,559
Less: Intercompany elimination	<u>(1,559)</u>
	<u>-</u>
	<u>22,721</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 2024.

A11 Material Subsequent Events

There were no material events subsequent to the end of current quarter under review that have not been reflected in the interim financial statements.

A12 Changes in Composition of the Group

There were no changes in the composition of the Group during the financial period 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 2024.

A14 Capital Commitments

Capital commitments not provided for in the interim financial statements as at the end of the financial years are as follows:

	As at 30.04.2024 RM'000	As at 31.01.2024 RM'000
Approved and contracted for:		
- Property, plant and equipment	1,056	1,056

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

B1 Review of Performance

	Current quarter ended 30.04.2024 RM'000	Comparable quarter ended 30.04.2023 RM'000	Change %	Cumulative year to-date ended 30.04.2024 RM'000	Cumulative year to-date ended 30.04.2023 RM'000	Change %
Revenue	22,721	22,905	-0.80%	22,721	22,905	-0.80%
Gross profit	3,932	1,290	>100%	3,932	1,290	>100%
Profit before interest and tax	1,092	13,341	-91.81%	1,092	13,341	-91.81%
Profit before tax	780	12,855	-93.93%	780	12,855	-93.93%
Profit after tax	585	11,267	-94.81%	585	11,267	-94.81%
Profit attributable to ordinary equity holders	585	11,267	-94.81%	585	11,267	-94.81%

Quarter ended 30.04.2024 compared with quarter ended 30.04.2023

For the quarter under review, the Group recorded a revenue of RM22.721 million with a profit before tax of RM0.780 million compared with the revenue of RM22.905 million and profit before tax of RM12.855 million for the corresponding quarter in the preceding financial year ended 31 January 2024.

The slight decrease in revenue was mainly due to the lower sales by the Carton Box division. However, this decrease is partially offset by higher revenue contribution from the Multiwall Industrial Paper Sacks division.

During the quarter under review, the Manufacturing segment reported a profit before tax of RM1.650 million, as compared to a loss before tax of RM1.016 million reported in the corresponding quarter in the preceding year. The profit before tax during the current quarter was mainly attributable to the higher gross profit margin which resulted from the ongoing cost optimization initiatives and increase in the sales orders secured by the Multiwall Industrial Paper Sacks division during the current quarter.

For Investment holding/Others segment, the current quarter loss before tax was RM0.870 million as compared to a profit before tax of RM13.871 million in the corresponding quarter in the preceding year. The decline is primarily due to the one-off gain on disposal of land and buildings of RM15.285 million following the completion of the disposal during the corresponding quarter in the preceding year.

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

	Current quarter ended 30.04.2024 RM'000	Immediate preceding quarter ended 31.01.2024 RM'000	Change %
Revenue	22,721	26,146	-13.10%
Gross profit	3,932	3,708	6.04%
Profit before interest and tax	1,092	759	43.87%
Profit before tax	780	412	89.32%
Profit after tax	585	1,922	-69.56%
Profit attributable to ordinary equity holders	585	1,922	-69.56%

The Group's revenue has decreased by RM3.425 million or 13.10% as compared to the preceding quarter. The decrease was mainly attributable to the lower sales by the Multiwall Industrial Paper Sacks division.

In the current quarter, the Group recorded a profit before tax of RM0.780 million, which has increased from its profit before tax of RM0.412 million in the preceding quarter. Higher profit during the current quarter is mainly attributable to improved profit contribution from the Carton Box division.

B3 Prospects

The construction sector is expected to maintain its upward trajectory, which is likely to result in the higher demand for cement. We shall leverage this momentum and capitalize on the increased demand for cement. Furthermore, our commitment to innovation has yielded satisfactory results. We have seen continuous growth in the Top Deaeration Plastic Free Film ESG Sacks sales to our customers.

Global market outlook continues to remain challenging with expected raw material price increases in next quarters of the year and the persistent volatility of Malaysian Ringgit against United States Dollar and Euro. The Red-Sea crisis aggravated the supply situation with expected increase in logistics costs, longer delivery lead time due to route diversions and caused supply chain delay for raw materials sourced from Europe.

Amidst the challenges, the Group continues to be vigilant in the procurement process to mitigate disruption caused by unexpected shipment delays and supply shortage by securing supply from North America. The Group will also continue its efforts to enhance operational efficiency and optimize the inventories through its digital inventory management system.

At the same time, the Group remains committed to actively seeking new business opportunities and diversifying our income streams in order to enhance the financial position of the Group.

Barring any unforeseen circumstances, the Board is cautiously optimistic that the Group will be able to navigate the challenges by prudently managing the key risks and achieving satisfactory performance in the remaining nine months of the financial year.

B4 Profit Forecast

There is no published forecast or profit guarantee.

B5 Taxation

The taxation for the Group for the current financial period under review was as follows:

	Current quarter ended 30.04.2024 RM'000	Cumulative year-to-date ended 30.04.2024 RM'000
Current tax:		
- Current year	301	301
Deferred tax:		
- Current year	(106)	(106)
	<u>195</u>	<u>195</u>

The effective tax rate of the Group for the current financial quarter and financial period ended 30 April 2024 were higher than the statutory tax rate of 24% mainly due to the effects of certain expenses being not deductible for tax purposes, partially offset by the realisation of deferred tax liabilities arising from fair value changes of investment properties.

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").

On 11 June 2024, the Company has resolved to vary the utilisation of the Balance Proceeds of RM2.300 million from the capital expenditure to the Group's working capital requirements.

B7 Status of Utilisation of Proceeds (Cont'd)

The status of utilisation of proceeds from the Disposal is set out as follows:

Purpose	Original Proposed Utilisation RM'000	Revised Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Intended Timeframe for Utilisation
(i) Repayment of bank borrowings	3,500	3,500	3,500	-	Within 12 months
(ii) Working capital	15,775	17,576	15,276	2,300	Within 12 months
(iii) Capital expenditure	2,300	-	-	-	Within 24 months
(iv) Estimated expenses relating to the Disposal	1,400	1,899	1,899	-	Within 6 months
	<u>22,975</u>	<u>22,975</u>	<u>20,675</u>	<u>2,300</u>	

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 30.04.2024		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
Secured			
Bank overdrafts	3,675	-	3,675
Term loans	140	-	140
Bankers' acceptance	5,115	-	5,115
Bills payable	9,475	-	9,475
Hire purchase payables	182	365	547
Lease liabilities	1,546	12,126	13,672
Revolving credit	200	-	200
	<u>20,333</u>	<u>12,491</u>	<u>32,824</u>
Unsecured	<u>-</u>	<u>-</u>	<u>-</u>

The borrowings are denominated in the following currencies:

	As at 30.04.2024 RM'000
Ringgit Malaysia	23,349
Euro	4,256
United States Dollar	2,126
Chinese Yuan Renminbi	3,093
	<u>32,824</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 year ended 30 April 2024.

B11 Profit Before Tax

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

	Current quarter ended 30.04.2024 RM'000	Cumulative year to-date ended 30.04.2024 RM'000
Depreciation of property, plant and equipment	993	993
Depreciation of right-of-use-assets	408	408
Foreign exchange loss	79	79
Impairment losses on trade receivables	58	58
Interest expenses	463	463
Interest income	(151)	(151)

B12 Earnings Per Share

	Current quarter ended 30.04.2024	Cumulative year to-date ended 30.04.2024
(a) Basic earnings per share		
Profit attributable to owners of the Company (RM'000)	585	585
Weighted average number of ordinary shares in issue (Basic) ('000)	152,602	152,602
Basic earnings per share (sen)	0.38	0.38
(b) Diluted earnings per share		
Profit attributable to owners of the Company (RM'000)	585	585
Weighted average number of ordinary shares in issue (Basic) ('000)	152,602	152,602
Effect of assumed exercise of ESS options ('000)	#	#
Weighted average number of ordinary shares in issue (Diluted) ('000)	152,602	152,602
Diluted earnings per share (sen) *	0.38	0.38

B12 Earnings Per Share (Cont'd)

- # The potential exercise of ESS options is anti-dilutive as the exercise price is higher than the average market price of the Company's ordinary shares during the current quarter and cumulative quarter ended 30 April 2024. Accordingly, the exercise of ESS options has been ignored in the calculation of dilutive earnings per share.
- * Diluted earnings per share of the Group for the current quarter and cumulative quarter ended 30 April 2024 is equivalent to basic earnings per share as the potential exercise of ESS options is anti-dilutive and the Group does not have other dilutive potential ordinary shares in issue at the end of current quarter.

By Order of the Board

CHEE MIN ER
Company Secretary

Petaling Jaya
14 June 2024

c.c. Securities Commission