

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JANUARY 2021

	As at 31.01.2021 RM'000	As at 31.01.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,733	26,238
Right-of-use Assets	45,092	48,517
Investment property	43,418	43,108
Intangible asset	4,667	4,667
Other Investment	1	1
	116,911	122,531
Current assets		
Inventories	15,225	17,139
Trade receivables	17,077	16,870
Other receivables	1,778	2,050
Current tax assets	1,159	1,518
Short term investment	12	12
Cash and cash equivalents	9,881	5,302
	45,132	42,891
TOTAL ASSETS	162,043	165,422
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	110,381	110,381
ESOS reserve	-	853
Revaluation reserve	72	72
Accumulated losses	(25,749)	(25,540)
	84,704	85,766
Non-controlling interests	3	3
Total Equity	84,707	85,769
Non-current liabilities		
Borrowings	23,601	26,975
Deferred tax liabilities	9,037	9,671
	32,638	36,646
Current liabilities		
Borrowings	29,133	26,658
Trade payables	7,377	9,533
Other payables	8,188	6,816
Current tax liability	-	-
	44,698	43,007
Total liabilities	77,336	79,653
TOTAL EQUITY AND LIABILITIES	162,043	165,422
Net assets per share attributable to ordinary equity holders of the parent (sen)	57	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 2020.

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
 INTERIM FINANCIAL REPORT
 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021

	Current quarter ended 31.01.2021	12 months cumulative for current financial year to date ended 31.01.2021	Comparable quarter ended 31.01.2020	Comparable 12 months cumulative for preceding financial year to date ended 31.01.2020
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	19,020	70,253	25,426	90,988
Other income	171	1,485	207	1,337
Operating expenses	(18,987)	(70,505)	(30,419)	(98,512)
Finance costs	(594)	(2,431)	(460)	(2,891)
Net impairment losses on financial asset	(298)	(298)	(4)	-
(Loss)/Profit before tax	(688)	(1,496)	(5,250)	(9,078)
Income tax expense	517	434	528	280
(Loss)/Profit for the period from continuing operations	(171)	(1,062)	(4,722)	(8,798)
Other Comprehensive Expenses For The Financial Year	-	-	-	-
Total Comprehensive (Expenses)/Income For The Financial Year	(171)	(1,062)	(4,722)	(8,798)
(Loss)/Profit After Taxation Attributable to:				
Owners of the Company	(171)	(1,062)	(4,726)	(8,802)
Non-controlling interests	-	-	4	4
	(171)	(1,062)	(4,722)	(8,798)
Total Comprehensive (Expenses)/Income Attributable to:				
Owners of the Company	(171)	(1,062)	(4,726)	(8,802)
Non-controlling interests	-	-	4	4
	(171)	(1,062)	(4,722)	(8,798)
Earnings/(Loss) per share attributable to Owners of the Company (sen):				
Basic:	(0.11)	(0.71)	(3.15)	(5.87)
Diluted:	(0.11)	(0.71)	(3.15)	(5.87)

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 2020.

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
 INTERIM FINANCIAL REPORT
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
 FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021

	Year ended 31.01.2021 RM'000	Year ended 31.01.2020 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
(Loss)/Profit before taxation:		
Continuing operations	(1,496)	(9,078)
	<u>(1,496)</u>	<u>(9,078)</u>
Adjustments for:		
Non cash items	6,846	6,823
Non-operating items	2,508	9,044
Operating profit before working capital changes	7,858	6,789
Net change in current assets	1,576	15,214
Net change in current liabilities	(786)	(14,015)
Cash generated from operations	8,648	7,988
Income tax refund	601	1,955
Income tax paid	(442)	(1,188)
Interest paid	(2,431)	(2,841)
Net cash from operating activities	6,376	5,914
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	16	36
Proceed from disposal of property, plant and equipment	-	16
Proceed from disposal of right-of-use assets	-	58
Purchase of property, plant and equipment	(842)	(962)
Additions of right-of-use assets	(7)	-
Placement of fixed deposits with licensed banks	(16)	(31)
Net cash for investing activities	(849)	(883)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Net (repayment)/drawdown of bankers's acceptances	385	418
Net drawdown/(repayment) of bills payables	5,585	(2,231)
Repayment of revolving credit	(600)	(100)
(Repayment)/drawdown of lease liabilities	(3,159)	(4,882)
Repayment of term loan	(96)	(236)
Net cash from/(for) financing activities	2,115	(7,031)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	7,642	(2,000)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(2,849)	(849)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	4,793	(2,849)
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with licensed banks	1,348	1,332
Short-term investment	12	12
Cash and bank balances	8,533	3,970
Bank overdraft	(3,752)	(6,831)
	<u>6,141</u>	<u>(1,517)</u>
Less : Deposits pledged to licensed banks	(1,348)	(1,332)
	<u>4,793</u>	<u>(2,849)</u>

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 2020.

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021

	Share Capital RM'000	Share Premium 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 2019	110,381	-	853	72	(16,738)	94,568	(1)	94,567
Loss after tax/Total comprehensive expenses during the financial period	-	-	-	-	(8,802)	(8,802)	4	(8,798)
At 31 January 2020	110,381	-	853	72	(25,540)	85,766	3	85,769
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	-	-	-	-	(1,062)	(1,062)	-	(1,062)
Contributions by and distributions to owners of the Company: - Employees's share options forfeited	-	-	(853)	-	853	-	-	-
At 31 January 2021	110,381	-	-	72	(25,749)	84,704	3	84,707

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 2020.

**KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULT FOR THE FINAL
QUARTER ENDED 31 JANUARY 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 2020.

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 2020.

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 2020.

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 2020 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 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 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 2021:

	Gross revenue	Profit/(Loss)	Segment	Segment
	RM'000	before tax	assets	liabilities
		RM'000	RM'000	RM'000
Manufacturing	77,318	(190)	140,039	82,885
Investment holding/Others	1,575	(1,526)	161,582	104,693
	<u>78,893</u>	<u>(1,716)</u>	<u>301,621</u>	<u>187,578</u>
Elimination	(8,640)	220	(140,737)	(119,279)
	<u>70,253</u>	<u>(1,496)</u>	<u>160,884</u>	<u>68,299</u>
Unallocated Assets			1,159	-
Unallocated Liabilities			-	9,037
			<u>162,043</u>	<u>77,336</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	77,318
Less : Intercompany elimination	<u>(7,065)</u>
	<u>70,253</u>
Investment holdings/Others	1,575
Less : Intercompany elimination	<u>(1,575)</u>
	<u>-</u>
	<u>70,253</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 2020.

A13 Capital Commitments

There were no capital commitments provided for in the financial statement for the financial quarter ended 31 January 2021.

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

B1 Review of Performance

	Current Quarter ended 31.01.2021	Current Quarter ended 31.01.2020	Change	Cumulative Year to-date ended 31.01.2021	Cumulative Year to-date ended 31.01.2020	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	19,020	25,426	(25.19)	70,253	90,988	(22.79)
Gross Profit	2,248	2,434	(7.64)	9,071	7,900	14.82
Profit/(Loss) Before Interest and Tax	(94)	(4,789)	(98.04)	935	(6,187)	> (100)
Profit/(Loss) Before Tax	(688)	(5,250)	(86.90)	(1,496)	(9,078)	(83.52)
Profit/(Loss) After Tax	(171)	(4,722)	(96.38)	(1,062)	(8,798)	(87.93)
Profit/(Loss) Attributable to Ordinary Equity Holders	(171)	(4,722)	(96.38)	(1,062)	(8,798)	(87.93)

Quarter ended 31.01.2021 compared with quarter ended 31.01.2020

The Group's turnover for the current quarter of RM19.020 million is 25.19% lower than that of the corresponding quarter from the previous year which stood at RM25.426 million. The lower turnover was mainly attributable to the lower revenue from the Multiwall Industrial Paper Sacks division.

The Group recorded a loss before taxation for the current quarter of RM0.688 million compared to a loss before taxation of RM5.250 million in the corresponding quarter from the previous year. The improved performance mainly due to higher profit contribution from the carton box division. During the corresponding quarter in the preceding year, there was a fair value loss on investment properties of RM4.4 million.

The Group's turnover was fully contributed by the Group's core business, which is the manufacturing of industrial packaging materials. Manufacturing revenue for the current quarter was dropped to RM19.020 million as compared to RM25.426 million for the corresponding quarter last year. The carton box division recorded a 15% revenue growth in the current quarter. However, the increase was off-set by the substantial drop in revenue of the Multiwall Industrial Paper Sacks division due to lower export orders and poor sentiment of the domestic cement industry.

Manufacturing's loss before taxation was RM0.737 million for the current quarter under review compared to a loss before tax of RM0.584 million in the corresponding quarter last year. This was mainly due to Multiwall Industrial Paper Sacks division continued to register loss due to lower sales volume, depressed selling prices, increase in Sack Kraft paper prices and hike in foreign exchange rates between Ringgit Malaysia and US Dollar/EURO.

For other segments, the current quarter profit before taxation was RM0.049 million compared to the preceding financial year's corresponding quarter loss before taxation of RM4.666. This was mainly due to a one-off fair value loss on the land held in Mukim of Hulu Kinta, District of Kinta, Perak following an assessment of the prospect for the aforesaid land and current market condition incurred in corresponding quarter last year.

Current financial period ended 31.01.2021 against preceding financial period ended 31.01.2020

The Group's turnover for the period ended 31 January 2021 was lower by 22.79% compared to previous year corresponding period. This was mainly attributable to the significant reduction in revenue of Multiwall Industrial Paper Sacks division. The business of Multiwall Industrial Paper Sacks was adversely impacted by the COVID-19 in Malaysia and foreign countries. The recovery of the domestic market has been slow due to poor sentiment of the cement industry. Export orders were postponed when the foreign countries imposed restrictions to curb the sudden spike in COVID-19 cases. The reduction in business has been mitigated by the higher sales volume from the Caton Box Division.

The Group posted a loss before tax of RM1.496 million compared to a loss before tax of RM9.078 million in preceding financial period.

The manufacturing segment reported an operational loss before taxation of RM0.190 million as compared to the preceding financial period loss before taxation of RM3.749 million. This was mainly due to the higher profit contribution from the Carton Box division. However, the profit was dampened by the unfavorable results of the Multiwall Industrial Paper Sacks division due to the higher cost of raw materials and lower selling prices.

For other segments, the current financial period loss before taxation was RM1.306 million as compared to the preceding financial period loss before taxation of RM5.329 million. This was mainly due to a one-off fair value loss on the land held in Mukim of Hulu Kinta, District of Kinta, Perak following an assessment of the prospect for the aforesaid land and current market condition incurred in preceding financial period.

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

	Current Quarter ended 31.01.2021	Immediate Preceding Quarter ended 31.10.2020	Change
	RM'000	RM'000	%
Revenue	19,020	17,440	9.06
Gross Profit	2,248	2,487	(9.61)
Profit/(Loss) Before Interest and Tax	(94)	263	> (100)
(Loss)/Profit Before Tax	(688)	(298)	> 100
(Loss)/Profit After Tax	(171)	(326)	(47.55)
(Loss)/Profit Attributable to Ordinary Equity Holders	(171)	(326)	(47.55)

Against the preceding quarter, revenue for the Group's increased by RM1.580 million or 9.06%. The improvement in revenue is attributable to the one-off sales of raw materials incurred in current quarter.

The Group recorded loss before taxation of RM0.688 million as compared to loss before tax of RM0.298 million in the preceding quarter. This is mainly due to lower profit contribution from the Carton Box division and higher loss of the Multiwall Industrial Paper Sacks division.

B3 Prospects

Most of the states are placed under Recover Movement Control Order except Kuala Lumpur, Selangor, Penang, Johor and Kelantan where Conditional Movement Control Order has been extended until 31 March 2021 to curb the spread of COVID-19. The Group continues to operate our business with strict adherence to the guidelines and SOPs without compromising the safety, health and wellness of our employees.

Carton Box division is recovering well and Management will continue to embark on marketing effort and strategic business initiatives to boost its performance. While Multiwall Industrial Paper Sacks division is facing tough operating environment due to continuous hike in paper prices and intense price pressure in the domestic market. The Multiwall Industrial Paper Sacks division is envisaged to pass on these increases to its customers as supply is expected to be tight with the increases in cost. With the rollout of vaccines in February 2021, it bodes well for the industry as market recovery will increase demand for both domestic and exports.

The COVID-19 pandemic has disrupted the global supply chain which caused longer delivery lead times and affected the global and regional economic condition. The exchange rate of the Euro and US dollar remain volatile. The fluctuation of Euro and US Dollar continues to affect the cost of the imported raw materials. The Management will continue to be vigilant in procurement to mitigate disruption caused by unexpected shipment delays and supply shortage.

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 31.01.2021 RM'000	Cumulative Year to-date ended 31.01.2021 RM'000
Taxation for current financial period	517	434
	517	434

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 31.01.2021		
	Short term RM'000	Long term RM'000	Total Borrowings RM'000
Secured			
Bank Overdraft	3,752	-	3,752
Term Loan	20,139	506	20,645
Lease Liabilities	5,242	23,095	28,337
	29,133	23,601	52,734
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 31.01.2021 RM'000	Cumulative Year to-date ended 31.01.2021 RM'000
Interest expense	594	2,431
Interest Income	(4)	(16)
Depreciation of Property, plant and equipment	831	3,347
Depreciation of Right-of-use-assets	873	3,499
Foreign exchange loss/(gain)	106	20

B11 Profit/(Loss) per Share

	Current Quarter ended 31.01.2021 RM'000	Cumulative Year to-date ended 31.01.2021 RM'000
<u>Basic Profit/(Loss) per share</u>		
Profit/(Loss) for the period (RM'000)	(171)	(1,062)
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic Profit/(Loss) per Share (sen)	(0.11)	(0.71)

By Order of the Board

CHEE MIN ER
Company Secretary

Petaling Jaya
25th March 2021

c.c. Securities Commission