

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

	As at 31.07.2021 RM'000	As at 31.01.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	22,630	23,844
Right-of-use Assets	43,301	44,980
Investment property	43,418	43,418
Intangible asset	4,667	4,667
Other Investment	1	1
	114,017	116,910
Current assets		
Inventories	13,090	15,225
Trade receivables	14,881	17,077
Other receivables	2,043	1,779
Current tax assets	1,283	1,159
Short term investment	12	12
Cash and cash equivalents	5,685	9,881
	36,994	45,133
TOTAL ASSETS	151,011	162,043
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	110,381	110,381
Revaluation reserve	72	72
Accumulated losses	(26,765)	(25,749)
	83,688	84,704
Non-controlling interests	3	3
Total Equity	83,691	84,707
Non-current liabilities		
Borrowings	21,010	23,593
Deferred tax liabilities	9,037	9,037
	30,047	32,630
Current liabilities		
Borrowings	22,195	29,141
Trade payables	7,193	7,377
Other payables	7,885	8,188
Current tax liability	-	-
	37,273	44,706
Total liabilities	67,320	77,336
TOTAL EQUITY AND LIABILITIES	151,011	162,043
Net assets per share attributable to ordinary equity holders of the parent (sen)	56	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 STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

	Current quarter ended 31.07.2021	6 months cumulative for current financial year to date ended 31.07.2021	Comparable quarter ended 31.07.2020	Comparable 6 months cumulative for preceding financial year to date ended 31.07.2020
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	13,811	34,654	20,131	33,793
Other income	376	738	531	1,057
Operating expenses	(14,625)	(35,047)	(18,986)	(34,084)
Finance costs	(496)	(1,001)	(644)	(1,276)
Profit/(Loss) before tax	(934)	(656)	1,032	(510)
Income tax expense	(180)	(360)	(28)	(55)
Profit/(Loss) for the period from continuing operations	(1,114)	(1,016)	1,004	(565)
Other Comprehensive Expenses For The Financial Year	-	-	-	-
Total Comprehensive Income/(Expenses) For The Financial Year	(1,114)	(1,016)	1,004	(565)
Profit/(Loss) After Taxation Attributable to:				
Owners of the Company	(1,114)	(1,016)	1,004	(565)
Non-controlling interests	-	-	-	-
	(1,114)	(1,016)	1,004	(565)
Total Comprehensive Income/(Expenses) Attributable to:				
Owners of the Company	(1,114)	(1,016)	1,004	(565)
Non-controlling interests	-	-	-	-
	(1,114)	(1,016)	1,004	(565)
Earnings Profit/(Loss) per share attributable to Owners of the Company (sen):				
Basic:	(0.74)	(0.68)	0.67	(0.38)
Diluted:	(0.74)	(0.68)	0.67	(0.38)

The Condensed Consolidated Statements Of Comprehensive Income (unaudited) should be read in conjunction with the

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

	Year ended 31.07.2021 RM'000	Year ended 31.01.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation:		
Continuing operations	(656)	(1,496)
	(656)	(1,496)
Adjustments for:		
Non cash items	3,188	6,846
Non-operating items	969	2,507
Operating profit before working capital changes	3,501	7,857
Net change in current assets	4,065	1,576
Net change in current liabilities	(488)	(784)
Cash generated from operations	7,078	8,649
Income tax refund	0	601
Income tax paid	(483)	(442)
Interest paid	(1,001)	(2,431)
Net cash from operating activities	5,594	6,377
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	7	16
Proceed from disposal of property, plant and equipment	25	-
Purchase of property, plant and equipment	(293)	(842)
Additions of right-of-use assets	-	(7)
Placement of fixed deposits with licensed banks	(7)	(16)
Net cash for investing activities	(268)	(849)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Net (repayment)/drawdown of bankers' acceptances	(76)	385
Net (repayment)/drawdown of bills payables	(7,042)	5,585
Repayment of revolving credit	600	(600)
Repayment of lease liabilities	(2,563)	(3,159)
Repayment of term loan	(127)	(97)
Net cash (for)/from financing activities	(9,208)	2,114
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,882)	7,642
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	4,793	(2,849)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	911	4,793
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with licensed banks	1,355	1,348
Short-term investment	12	12
Cash and bank balances	4,330	8,533
Bank overdraft	(3,431)	(3,752)
	2,266	6,141
Less : Deposits pledged to licensed banks	(1,355)	(1,348)
	911	4,793

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

	Share Capital <i>RM'000</i>	Share Premium <i>RM'000</i>	Employee Share Options Reserve <i>RM'000</i>	Revaluation Reserve <i>RM'000</i>	Accumulated Losses <i>RM'000</i>	Attributable to Owners of the Company <i>RM'000</i>	Non- Controlling Interests <i>RM'000</i>	Total Equity <i>RM'000</i>
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	-	-	-	-	(565)	(565)	-	(565)
Contributions by and distributions to owners of the Company: - Employees' share options forfeited	-	-	(853)	-	853	-	-	-
At 31 July 2020	110,381	-	-	72	(25,252)	85,201	3	85,204
At 1 February 2021	110,381	-	-	72	(25,749)	84,704	3	84,707
Profit after tax/Total comprehensive expenses during the financial period	-	-	-	-	(1,016)	(1,016)	-	(1,016)
At 31 July 2021	110,381	-	-	72	(26,765)	83,688	3	83,691

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 RESULT FOR THE
SECOND QUARTER ENDED 31 JULY 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 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 July 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 6 months ended 31 July 2021:

	Gross revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	37,893	(136)	131,289	74,871
Investment holding/Others	890	(477)	160,910	105,150
	<u>38,783</u>	<u>(613)</u>	<u>292,199</u>	<u>180,021</u>
Elimination	(4,129)	(43)	(142,471)	(121,738)
	<u>34,654</u>	<u>(656)</u>	<u>149,728</u>	<u>58,283</u>
Unallocated Assets			1,283	-
Unallocated Liabilities			-	9,037
			<u>151,011</u>	<u>67,320</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	37,893
Less : Intercompany elimination	<u>(3,239)</u>
	<u>34,654</u>
Investment holdings/Others	890
Less : Intercompany elimination	<u>(890)</u>
	<u>-</u>
	<u><u>34,654</u></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 2021.

A13 Capital Commitments

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

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

B1 Review of Performance

	Current Quarter ended 31.07.2021	Current Quarter ended 31.07.2020	Change	Cumulative Year to-date ended 31.07.2021	Cumulative Year to-date ended 31.07.2020	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	13,811	20,131	(31.39)	34,654	33,793	2.55
Gross Profit	1,355	3,518	(61.48)	4,239	4,336	(2.24)
Profit/(Loss) Before Interest and Tax	(438)	1,676	(126.13)	345	766	(54.96)
Profit/(Loss) Before Tax	(934)	1,032	(190.50)	(656)	(510)	28.63
Profit/(Loss) After Tax	(1,114)	1,004	(210.96)	(1,016)	(565)	79.82
Profit/(Loss) Attributable to Ordinary Equity Holders	(1,114)	1,004	(210.96)	(1,016)	(565)	79.82

Quarter ended 31.07.2021 compared with quarter ended 31.07.2020

For the quarter under review, the Group recorded revenue of RM13.811 million with loss before taxation (LBT) of RM0.934 million compared with revenue and profit before taxation of RM20.131 million and RM1.032 million respectively for the corresponding quarter in the preceding financial year ended 31 January 2021.

The significant decrease in revenue and loss incurred for the quarter under review was mainly attributable to the lower sales volume from the Multiwall Industrial Paper Sacks division, primarily due to the implementation of the Full Movement Control Order (FMCO) from 1 June 2021 and Enhanced MCO ("EMCO") in localities.

The operations of Multiwall Industrial Paper Sacks division were disrupted during the implementation of FMCO in June where only essential industries were allowed to operate at 60% workforce capacity and the subsequent enforcement of Enhanced MCO in Batang Padang District, Perak on 10 July – 19 July 2021. Revenue for Multiwall Industrial Paper Sacks division was higher in the corresponding period in the preceding year as more economic sectors were allowed to operate during the Recovery MCO phase in 2020.

During the quarter under review, manufacturing segment posted a loss before taxation of RM0.648 million as compared to a profit before tax of RM1.440 million in the corresponding quarter preceding year, mainly due to the adverse performance of the Multiwall Industrial Paper Sacks Division and lower contribution from the Carton Box Division.

For other segment, the current quarter loss before taxation was RM0.286 million compared to with the loss before taxation of RM0.408 million in the corresponding quarter last year. The decrease was mainly due to the reduction in administrative and other operating expenses.

Current financial period ended 31.07.2021 against preceding financial period ended 31.07.2020

The Group's turnover increased by 2.55% from RM33.793 million in the preceding period ended 31 July 2020 to RM34.654 million in the current financial period. This was mainly attributable to the higher revenue from the carton box division in the first quarter of the current financial year due to higher sales volume and upward price adjustment.

The Group recorded a loss before taxation in the current financial period of RM0.656 million compared to a loss before taxation of RM0.510 million in the preceding financial period. The performance of all business segments was impacted by the implementation of FMCO on 1 June 2021 as only supplied essential products as approved by MITI 60% workforce capacity.

The manufacturing segment recorded a loss before taxation in the current financial period of RM0.136 million compared to a profit before taxation of RM0.423 million in the preceding financial period due to higher loss from the Multiwall Industrial Paper Sacks division as a result of lower sales and higher cost of raw materials.

The Investment Holdings/Others segment recorded a lower loss of RM0.520 million compared to a loss before taxation of RM0.933 in the preceding financial period. The decrease was mainly due to the reduction in administrative and other operating expenses.

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

	Current Quarter ended 31.07.2021	Immediate Preceding Quarter ended 30.04.2021	Change
	RM'000	RM'000	%
Revenue	13,811	20,843	(33.74)
Gross Profit	1,355	2,884	(53.02)
Profit/(Loss) Before Interest and Tax	(438)	783	(155.94)
Profit/(Loss) Before Tax	(934)	278	(435.97)
Profit/(Loss) After Tax	(1,114)	98	(1,236.73)
Profit/(Loss) Attributable to Ordinary Equity Holders	(1,114)	98	(1,236.73)

Against the preceding quarter, the Group's revenue decreased by RM7.032 million or 33.74%. This was mainly attributable to the lower revenue from Multiwall Industrial Paper Sacks division during the implementation of FMCO in early June and EMCO in localities.

The Group recorded loss before taxation of RM0.934 million as compared to profit before tax of RM0.278 million in the preceding quarter. The performance of all operating segments was impacted by the shutdown of operations of non-essential industries during the FMCO 1 June 2021 following a rise in COVID-19 cases across the country.

B3 Prospects

Malaysia's economy is expected to gradually recover as the National COVID-19 Immunisation Programme is accelerated and the NRP thresholds are met for each state. With higher full vaccination rates in states under Phase One and Two of the NRP, more economic activities are allowed to resume with tight standard operating procedure (SOP). We shall continue to adhere to all SOPs and put in place additional preventive measurements to safeguard the well-being, health and safety of our employees and their families.

Raw material shortages, rising cost of raw material, volatility in foreign exchange rate of the Euro and US dollar and drastic spike in shipping and freight cost remain key challenges to the Group. Rising cost of raw materials will result in an increase in selling price for all packaging solutions/products. With an expected paper shortage in the foreseeable future and longer delivery lead time due to disruption in global supply chain, we shall continue to be vigilant in the procurement process to mitigate disruption caused by unexpected shipment delays and supply shortage. We shall also embark on marketing effort and strategic business initiatives to increase revenue, coupled with the continuous efforts to strengthen cost control measures and operational efficiency.

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 31.07.2021 RM'000	Cumulative Year to-date ended 31.07.2021 RM'000
Taxation for current financial period	(180)	(360)
	(180)	(360)

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 31.07.2021		
	Short term RM'000	Long term RM'000	Total Borrowings RM'000
Secured			
Bank Overdraft	3,431	-	3,431
Term Loan	13,621	379	14,000
Lease Liabilities	5,143	20,631	25,774
	<u>22,195</u>	<u>21,010</u>	<u>43,205</u>
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 31.07.2021 RM'000	Cumulative Year to-date ended 31.07.2021 RM'000
Interest expense	496	1,001
Interest Income	(4)	(7)
Depreciation of Property, plant and equipment	752	1,508
Depreciation of Right-of-use-assets	840	1,680
Foreign exchange loss/(gain)	(18)	(30)

B11 Profit/(Loss) per Share

	Current Quarter ended 31.07.2021 RM'000	Cumulative Year to-date ended 31.07.2021 RM'000
<u>Basic Profit/(Loss) per share</u>		
Profit/(Loss) for the period (RM'000)	(1,114)	(1,016)
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic Profit/(Loss) per Share (sen)	(0.74)	(0.68)

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
22nd September 2021

c.c. Securities Commission