

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

	As at 31.10.2021 RM'000	As at 31.01.2021 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	22,602	23,844
Right-of-use assets	42,461	44,980
Investment properties	43,418	43,418
Intangible asset	4,667	4,667
Other investments	1	1
	113,149	116,910
Current assets		
Inventories	12,259	15,225
Trade receivables	19,204	17,077
Other receivables	1,687	1,779
Current tax assets	1,677	1,159
Short-term investment	12	12
Cash and cash equivalents	9,809	9,881
	44,648	45,133
TOTAL ASSETS	157,797	162,043
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	110,381	110,381
Revaluation reserve	72	72
Accumulated losses	(25,147)	(25,749)
	85,306	84,704
Non-controlling interests	3	3
Total equity	85,309	84,707
Non-current liabilities		
Borrowings	19,676	23,593
Deferred tax liabilities	9,037	9,037
	28,713	32,630
Current liabilities		
Borrowings	26,926	29,141
Trade payables	7,690	7,377
Other payables	9,159	8,188
	43,775	44,706
Total liabilities	72,488	77,336
TOTAL EQUITY AND LIABILITIES	157,797	162,043
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 2021.

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

	Current quarter ended 31.10.2021 RM'000	9 months cumulative for current financial year-to- date ended 31.10.2021 RM'000	Comparable quarter ended 31.10.2020 RM'000	Comparable 9 months cumulative for preceding financial year-to-date ended 31.10.2020 RM'000
Revenue	22,750	57,404	17,440	51,233
Other income	331	1,069	257	1,314
Operating expenses	(21,235)	(56,282)	(17,434)	(51,518)
Finance costs	(494)	(1,495)	(561)	(1,837)
Profit/(Loss) before tax	1,352	696	(298)	(808)
Income tax expense	266	(94)	(28)	(83)
Profit/(Loss) for the period	1,618	602	(326)	(891)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(loss) for the period	1,618	602	(326)	(891)
Profit/(Loss) after tax attributable to:				
Owners of the Company	1,618	602	(326)	(891)
Non-controlling interests	-	-	-	-
	1,618	602	(326)	(891)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	1,618	602	(326)	(891)
Non-controlling interests	-	-	-	-
	1,618	602	(326)	(891)
Earnings/(Loss) per share attributable to owners of the Company (sen):				
Basic:	1.08	0.40	(0.22)	(0.59)
Diluted:	1.08	0.40	(0.22)	(0.59)

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 2021.

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

	For the 9 months period ended 31.10.2021 RM'000	For the 9 months period ended 31.10.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax:	696	(808)
Adjustments for:		
Non-cash items	4,819	5,142
Non-operating items	1,459	1,824
Operating profit before working capital changes	6,974	6,158
Net change in current assets	931	(927)
Net change in current liabilities	1,284	(3,751)
Cash generated from operations	9,189	1,481
Income tax refunded	*	601
Income tax paid	(612)	(381)
Interest paid	(1,495)	(1,679)
Net cash from operating activities	7,082	21
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	11	13
Proceeds from disposal of property, plant and equipment	25	-
Purchase of property, plant and equipment	(1,058)	(574)
Additions of right-of-use assets	-	-
Placement of fixed deposits pledged to licensed banks	(11)	(12)
Net cash for investing activities	(1,033)	(573)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Net drawdown/(repayment) of bankers' acceptances	97	(128)
Net (repayment)/drawdown of bills payable	(2,236)	2,536
Net drawdown of revolving credit	350	-
Repayment of lease liabilities	(3,846)	(1,944)
Repayment of term loans	(192)	(61)
Net cash (for)/from financing activities	(5,827)	403
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	222	(149)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	4,793	(2,849)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	5,015	(2,998)
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with licensed banks	1,359	1,344
Short-term investment	12	12
Cash and bank balances	8,450	1,322
Bank overdrafts	(3,447)	(4,332)
	6,374	(1,654)
Less : Deposits pledged to licensed banks	(1,359)	(1,344)
	5,015	(2,998)

* 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 2021.

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 2021

	Share capital 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 2020	110,381	853	72	(25,540)	85,766	3	85,769
Loss after tax/Total comprehensive loss during the financial period	-	-	-	(891)	(891)	-	(891)
Contributions by and distributions to owners of the Company:							
- Employees' share options forfeited	-	(853)	-	853	-	-	-
At 31 October 2020	110,381	-	72	(25,578)	84,875	3	84,878
At 1 February 2021	110,381	-	72	(25,749)	84,704	3	84,707
Profit after tax/Total comprehensive income during the financial period	-	-	-	602	602	-	602
At 31 October 2021	110,381	-	72	(25,147)	85,306	3	85,309

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 THIRD
QUARTER ENDED 31 OCTOBER 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 October 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 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 2021:

	Gross revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	62,973	1,403	137,723	79,894
Investment holding/Others	1,444	(641)	160,909	105,313
	<hr/>	<hr/>	<hr/>	<hr/>
Elimination	64,417 (7,013)	762 (66)	298,632 (142,512)	185,207 (121,756)
	<hr/>	<hr/>	<hr/>	<hr/>
	57,404	696	156,120	63,451
	<hr/>	<hr/>	<hr/>	<hr/>
Unallocated assets			1,677	-
Unallocated liabilities			-	9,037
			<hr/>	<hr/>
			157,797	72,488
			<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	62,973
Less : Intercompany elimination	<hr/> (5,569)
	<hr/> 57,404
Investment holding/Others	1,444
Less : Intercompany elimination	<hr/> (1,444)
	<hr/> -
	<hr/> 57,404
	<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 2021.

A13 Capital Commitments

There were no capital commitments provided for in the financial statements for the financial quarter ended 31 October 2021.

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

B1 Review of Performance

	Current quarter ended 31.10.2021 RM'000	Comparable quarter ended 31.10.2020 RM'000	Change %	Cumulative year to-date ended 31.10.2021 RM'000	Cumulative year to-date ended 31.10.2020 RM'000	Change %
Revenue	22,750	17,440	30.45%	57,404	51,233	12.04%
Gross profit	3,859	2,487	55.17%	8,099	6,823	18.70%
Profit/(Loss) before interest and tax	1,842	258	613.95%	2,180	1,015	114.78%
Profit/(Loss) before tax	1,352	(298)	(553.69%)	696	(808)	(186.14%)
Profit/(Loss) after tax	1,618	(326)	(596.32%)	602	(891)	(167.56%)
Profit/(Loss) attributable to ordinary equity holders	1,618	(326)	(596.32%)	602	(891)	(167.56%)

Quarter ended 31.10.2021 compared with quarter ended 31.10.2020

For the quarter under review, the Group recorded revenue of RM22.750 million with profit before tax of RM1.352 million compared with revenue and loss before tax of RM17.440 million and RM0.298 million respectively for the corresponding quarter in the preceding financial year ended 31 January 2021.

The significant increase in revenue and profit for the quarter under review was mainly attributable to higher sales volume for all products and upward price adjustment.

During the quarter under review, Manufacturing segment posted a profit before tax of RM1.539 million as compared to a profit before tax of RM0.124 million in the corresponding quarter preceding year, mainly driven by higher revenue growth and profits contribution from Multiwall Industrial Paper Sacks division. The better performance in Multiwall Industrial Paper Sacks division was mainly due to all non-essential activities in the manufacturing, construction, mining and quarrying sectors were allowed to resume operations during various phases of National Recovery Plan ("NRP").

For other segment, the current quarter loss before tax was RM0.187 million compared to with a loss before tax of RM0.422 million in the corresponding quarter last year. The decrease was mainly due to the reduction in administrative and other operating expenses.

B1 Review of Performance (Cont'd)

Current financial period ended 31.10.2021 against preceding financial period ended 31.10.2020

The Group's turnover increased by 12.04% from RM51.233 million in the preceding period ended 31 October 2020 to RM57.404 million in the current financial period. This was mainly due to significant increase in sales orders for all products as more economic sectors were allowed to operate in the beginning of 2021 before the re-imposition of nationwide Full Movement Control Order in June and July 2021 and subsequent progressive lifting of containment measures.

The Group recorded a profit before tax in the current financial period of RM0.696 million compared to a loss before tax of RM0.808 million in the preceding financial period due to the improve performance of all business segments.

The Manufacturing segment recorded a profit before tax in the current financial period of RM1.403 million compared to a profit before tax of RM0.548 million in the preceding financial period. The improvement was mainly contributed by the Multiwall Industrial Paper Sacks division as a result of significant increase in sales volume and upward price adjustment.

The Investment holding/Others segment recorded a lower loss before tax of RM0.707 million compared to a loss before tax of RM1.356 in the preceding financial period. The decrease was mainly due to the reduction in administrative and other operating expenses.

B2 Material Changes in the Profit/(Loss) Before Tax for the Current Quarter compared with the Preceding Quarter

	Current quarter ended 31.10.2021 RM'000	Immediate preceding quarter ended 31.07.2021 RM'000	Change %
Revenue	22,750	13,811	64.72%
Gross profit	3,859	1,355	184.80%
Profit/(Loss) before interest and tax	1,842	(442)	(516.74%)
Profit/(Loss) before tax	1,352	(934)	(244.75%)
Profit/(Loss) after tax	1,618	(1,114)	(245.24%)
Profit/(Loss) attributable to ordinary equity holders	1,618	(1,114)	(245.24%)

Against the preceding quarter, the Group's revenue increased by RM8.939 million or 64.72%. This was mainly attributable to the higher revenue growth from the Multiwall Industrial Paper Sacks division as more non-essential economic activities were allowed to resume operations during various phases of NPR in the current quarter.

The Group recorded profit before tax of RM1.352 million as compared to loss before tax of RM0.934 million in the preceding quarter. The improvement was largely due to higher profits contribution from the Multiwall Industrial Paper Sacks division as a result of higher sales volume.

B3 Prospects

Fast vaccination rates coupled with lower ICU utilization rate, more states have transitioned into Phase4 of the NRP. The Malaysia's economy is expected to improve following the normalisation of economic activities, further improvement in the labour market, continued policy support and expansion in external demand. The outlook, however, continues to be subject to global commodity price developments and some risk from prolonged supply-related disruptions.

To-date, all staff and factory workers have been fully vaccinated and the factories are allowed to operate at 100% capacity since 1 October 2021. 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 continue the marketing effort and strategic business initiatives to increase revenue, and improvement activities to strengthen cost control measures and operational efficiency.

Barring any unforeseen circumstances, the Board expects the Group's performance for the financial year ending 31 January 2022 to be satisfactory.

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 31.10.2021 RM'000	Cumulative year-to-date ended 31.10.2021 RM'000
Taxation for current financial period	266	(94)

B6 Status of Corporate Proposal Announced

There were no corporate proposals announced as at the date of this report.

B7 Group Borrowings and Debt Securities

	As at 31.10.2021		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
Secured			
Bank overdrafts	3,447	-	3,447
Term loans	18,350	314	18,664
Lease liabilities	5,129	19,362	24,491
	<u>26,926</u>	<u>19,676</u>	<u>46,602</u>
Unsecured	<u>-</u>	<u>-</u>	<u>-</u>

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 October 2021.

B10 Profit/(Loss) Before Tax

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

	Current quarter ended 31.10.2021 RM'000	Cumulative year to-date ended 31.10.2021 RM'000
Interest expense	494	1,495
Interest income	(4)	(11)
Depreciation of property, plant and equipment	792	2,300
Depreciation of right-of-use-assets	839	2,519
Gain on disposal of property, plant and equipment	-	25
Foreign exchange loss/(gain)	1	(29)

B11 Earnings Per Share

	Current quarter ended 31.10.2021 RM'000	Cumulative year to-date ended 31.10.2021 RM'000
<u>Basic earnings per share</u>		
Profit attributable to owners of the Company (RM'000)	1,618	602
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic earnings per share (sen)	1.08	0.40

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
8th December 2021

c.c. Securities Commission