

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2022

	As at 30.04.2022 RM'000	As at 31.01.2022 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	20,366	20,791
Right-of-use assets	34,504	34,975
Investment properties	43,660	43,660
Goodwill	4,667	4,667
Other investments	1	1
	103,198	104,094
Current assets		
Inventories	11,733	16,787
Trade receivables	29,555	22,836
Other receivables	2,063	1,735
Current tax assets	977	999
Short-term investment	13	13
Fixed deposits with licensed banks	1,366	1,363
Cash and cash equivalents	6,414	12,964
	52,121	56,697
Assets classified as held for sale	5,610	5,610
	57,731	62,307
TOTAL ASSETS	160,929	166,401
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	110,381	110,381
Revaluation reserve	72	72
Accumulated losses	(17,707)	(22,193)
Total equity	92,746	88,260
Non-current liabilities		
Borrowings	16,332	16,367
Deferred tax liabilities	9,022	9,022
	25,354	25,389
Current liabilities		
Trade payables	10,937	11,435
Other payables	10,430	9,248
Current tax liabilities	408	43
Borrowings	21,054	32,026
	42,829	52,752
Total liabilities	68,183	78,141
TOTAL EQUITY AND LIABILITIES	160,929	166,401
Net assets per share attributable to ordinary equity holders of the parent (sen)	62	59

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 2022.

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2022

	Current quarter ended 30.04.2022 RM'000	3 months cumulative for current financial year- to-date ended 30.04.2022 RM'000	Comparable quarter ended 30.04.2021 RM'000	Comparable 3 months cumulative for preceding financial year-to-date ended 30.04.2021 RM'000
Revenue	29,804	29,804	20,843	20,843
Other income	428	428	362	362
Operating expenses	(24,665)	(24,665)	(20,422)	(20,422)
Finance costs	(416)	(416)	(505)	(505)
Profit before tax	5,151	5,151	278	278
Income tax expense	(665)	(665)	(180)	(180)
Profit for the financial period	4,486	4,486	98	98
Other comprehensive income for the financial period	-	-	-	-
Total comprehensive income for the financial period	4,486	4,486	98	98
Profit after tax/Total comprehensive income for the financial period attributable to:				
Owners of the Company	4,486	4,486	98	98
Earnings per share attributable to owners of the Company (sen):				
Basic:	2.99	2.99	0.07	0.07
Diluted:	2.99	2.99	0.07	0.07

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 2022.

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2022

	For the 3 months period ended 30.04.2022 RM'000	For the 3 months period ended 30.04.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,151	278
Adjustments for:		
Non-cash items	1,325	1,596
Non-operating items	425	476
Operating profit before working capital changes	6,901	2,350
Net change in current assets	(1,993)	4,610
Net change in current liabilities	684	(2,360)
Cash generated from operations	5,592	4,600
Income tax paid	(278)	(236)
Interest paid	(416)	(505)
Net cash from operating activities	4,898	3,859
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	3	4
Proceeds from disposal of property, plant and equipment	68	25
Purchase of property, plant and equipment	(144)	-
Additions to right-of-use assets	(100)	-
Placement of fixed deposits pledged to licensed banks	(3)	(4)
Net cash for investing activities	(176)	(212)
CASH FLOWS FOR FINANCING ACTIVITIES		
Net repayment of bankers' acceptances	(684)	(522)
Net repayment of bills payable	(8,913)	(6,171)
Net repayment of revolving credit	-	(400)
Repayment of lease liabilities	(1,268)	(1,281)
Repayment of term loans	(66)	(63)
Net cash for financing activities	(10,931)	(8,437)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,209)	(4,790)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	10,066	4,793
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	3,857	3
CASH AND CASH EQUIVALENTS COMPRISE:		
Short-term investment	13	12
Fixed deposits with licensed banks	1,366	1,351
Cash and bank balances	6,414	3,599
Bank overdrafts	(2,570)	(3,608)
	5,223	1,354
Less : Fixed deposits pledged to licensed banks	(1,366)	(1,351)
	3,857	3

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 2022.

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 2022

	Share capital 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 2021	110,381	72	(25,749)	84,704	3	84,707
Profit after tax/Total comprehensive income for the financial period	-	-	98	98	-	98
At 30 April 2021	110,381	72	(25,651)	84,802	3	84,805
At 1 February 2022	110,381	72	(22,193)	88,260	-	88,260
Profit after tax/Total comprehensive income for the financial period	-	-	4,486	4,486	-	4,486
At 30 April 2022	110,381	72	(17,707)	92,746	-	92,746

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 2022.

**KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST
QUARTER ENDED 30 APRIL 2022**

**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 2022.

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 2022.

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 2022.

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 2022 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 30 April 2022.

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 3 months ended 30 April 2022:

	Gross revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	32,536	5,177	136,894	77,082
Investment holding/Others	695	(26)	185,231	133,555
	<u>33,231</u>	<u>5,151</u>	<u>322,125</u>	<u>210,637</u>
Elimination	(3,427)	-	(162,173)	(151,884)
	<u>29,804</u>	<u>5,151</u>	<u>159,952</u>	<u>58,753</u>
Unallocated assets			977	-
Unallocated liabilities			-	9,430
			<u>160,929</u>	<u>68,183</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	32,536
Less: Intercompany elimination	<u>(2,732)</u>
	<u>29,804</u>
Investment holding/Others	695
Less: Intercompany elimination	<u>(695)</u>
	<u>-</u>
	<u>29,804</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 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 2022.

A13 Capital Commitments

There were no capital commitments provided for in the financial statements for the financial quarter ended 30 April 2022.

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

B1 Review of Performance

	Current quarter ended 30.04.2022 RM'000	Comparable quarter ended 30.04.2021 RM'000	Change %	Cumulative year to-date ended 30.04.2022 RM'000	Cumulative year to-date ended 30.04.2021 RM'000	Change %
Revenue	29,804	20,843	42.99%	29,804	20,843	42.99%
Gross profit	7,991	2,884	>100%	7,991	2,884	>100%
Profit before interest and tax	5,564	779	>100%	5,564	779	>100%
Profit before tax	5,151	278	>100%	5,151	278	>100%
Profit after tax	4,486	98	>100%	4,486	98	>100%
Profit attributable to ordinary equity holders	4,486	98	>100%	4,486	98	>100%

Quarter ended 30.04.2022 compared with quarter ended 30.04.2021

For the quarter under review, the Group recorded revenue of RM29.804 million and profit before tax of RM5.151 million compared with the revenue of RM20.843 million and profit before tax of RM0.278 million for the corresponding quarter in the preceding financial year ended 31 January 2022.

The significant increase in revenue and profit for the quarter under review was mainly attributable to higher revenue achieved by Multiwall Industrial Paper Sacks division.

During the quarter under review, Manufacturing segment posted a profit before tax of RM5.177 million as compared to a profit before tax of RM0.512 million in the corresponding quarter in the preceding year, mainly driven by higher revenue growth and profits contribution from Multiwall Industrial Paper Sacks division.

For other segment, the current quarter loss before tax was RM0.026 million as compared to with a loss before tax of RM0.234 million in the corresponding quarter last year. The decrease was mainly due to the reduction in administrative and other operating expenses.

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

	Current quarter ended 30.04.2022 RM'000	Immediate preceding quarter ended 31.01.2022 RM'000	Change %
Revenue	29,804	25,440	17.15%
Gross profit	7,991	5,511	45.00%
Profit before interest and tax	5,564	4,602	20.90%
Profit before tax	5,151	4,105	25.48%
Profit after tax	4,486	2,951	52.02%
Profit attributable to ordinary equity holders	4,486	2,951	55.02%

The Group's revenue increased by RM4.364 million or 17.15% as compared to the preceding quarter. This was mainly attributable to the higher sales from the Multiwall Industrial Paper Sacks division during the current quarter under review.

The Group recorded profit before tax of RM5.151 million as compared to profit before tax of RM4.105 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 for all products.

B3 Prospects

Following the transition into the endemic phase of COVID-19 and the reopening of country border and all economic sectors in Malaysia, there are signs of recovery in the manufacturing sector, the construction and building material sectors. The overall demand for sustainable packaging products is expected to increase.

However, there are several external factors which continue to impact our manufacturing segment such as geopolitical uncertainties, rising raw material prices, global logistic disruptions and soaring shipping and freight cost, labour shortage as well as volatility in foreign exchange rate of the Euro and US dollar. In addition, with the implementation of new minimum wage order effective from 1 May 2022, the business may incur higher cost of operations.

In view of this, the Group will continue its effort in enhancing operational efficiency and effectiveness via better cost control measures and digitalisation initiatives across our operations to cushion the impact of rising operational cost. The Group will also continue its marketing effort, collaborate with its customers to innovate sustainable packaging products and expand customer base to increase revenue.

Barring any unforeseen circumstances, the Board expects the outlook of the Group for 2022 to be resilient.

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 30.04.2022 RM'000	Cumulative year-to-date ended 30.04.2022 RM'000
Taxation for current financial period	(665)	(665)

B6 Status of Corporate Proposal Announced

- (1) On 28 January 2022, Anabatic Sdn. Bhd. ("ASB"), a wholly-owned subsidiary of KYM entered into a conditional sale and purchase agreement ("SPA") with Far East Packaging Ind. (Melaka) Sdn. Bhd. ("FEPSB") for the disposal by ASB 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 Consideration"), subject to the terms set out in the SPA ("Proposed Disposal").

The Proposed Disposal was approved by the shareholders at an Extraordinary General Meeting ("EGM") held on 8 June 2022.

- (2) On 18 April 2022, the Company proposed to establish an employees' shares scheme ("ESS") of up to 15% of the total number of issued ordinary shares in the Company (excluding any treasury shares) at any point in time during the tenure of the scheme for eligible Directors and employees of the Company and its subsidiaries.

The ESS was approved by the shareholders at an EGM held on 8 June 2022. The effective date for the implementation of the ESS is on 9 June 2022 which is the date of full compliance of the ESS with Paragraph 6.43(1) of the Listing Requirements.

Saved as disclosed above, there were no other corporate proposals announced or outstanding as at the date of this announcement.

B7 Group Borrowings and Debt Securities

	As at 30.04.2022		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
Secured			
Bank overdrafts	2,570	-	2,570
Term loans	248	188	436
Bankers' acceptance	7,315	-	7,315
Bills payable	6,847	-	6,847
Lease liabilities	4,074	16,144	20,218
	<u>21,054</u>	<u>16,332</u>	<u>37,386</u>
Unsecured	<u>-</u>	<u>-</u>	<u>-</u>

The borrowings are denominated in the following currencies:

	As at 30.04.2022 RM'000
Ringgit Malaysia	30,539
United States Dollar	1,588
Euro	<u>5,259</u>
	<u>37,386</u>

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 30 April 2022.

B10 Profit Before Tax

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

	Current quarter ended 30.04.2022 RM'000	Cumulative year to-date ended 30.04.2022 RM'000
Depreciation of property, plant and equipment	548	548
Depreciation of right-of-use-assets	777	777
Foreign exchange gain	(22)	(22)
Interest expense	416	416
Interest income	(3)	(3)
Loss on disposal of property, plant and equipment	12	12

B11 Earnings Per Share

	Current quarter ended 30.04.2022 RM'000	Cumulative year to-date ended 30.04.2022 RM'000
<u>Basic earnings per share</u>		
Profit attributable to owners of the Company (RM'000)	4,486	4,486
Weighted average number of ordinary shares in issue ('000)	149,890	149,890
Basic earnings per share (sen)	2.99	2.99

By Order of the Board

CHEE MIN ER
Company Secretary

Petaling Jaya
24 June 2022

c.c. Securities Commission