

KYM HOLDINGS BHD (Co. No. 198201004556 (84303-A))
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2022

	As at 31.07.2022 RM'000	As at 31.01.2022 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	19,941	20,791
Right-of-use assets	34,054	34,975
Investment properties	43,660	43,660
Goodwill	4,667	4,667
Other investments	1	1
	102,323	104,094
Current assets		
Inventories	18,295	16,787
Trade receivables	26,509	22,836
Other receivables	1,878	1,735
Current tax assets	652	999
Short-term investment	13	13
Fixed deposits with licensed banks	1,370	1,363
Cash and cash equivalents	13,430	12,964
	62,147	56,697
Assets classified as held for sale	5,610	5,610
	67,757	62,307
TOTAL ASSETS	170,080	166,401
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	111,217	110,381
Revaluation reserve	72	72
Accumulated losses	(15,329)	(22,193)
Total equity	95,960	88,260
Non-current liabilities		
Borrowings	14,601	16,367
Deferred tax liabilities	9,022	9,022
	23,623	25,389
Current liabilities		
Trade payables	11,240	11,435
Other payables	11,609	9,248
Current tax liabilities	858	43
Borrowings	26,790	32,026
	50,497	52,752
Total liabilities	74,120	78,141
TOTAL EQUITY AND LIABILITIES	170,080	166,401
Net assets per share attributable to ordinary equity holders of the parent (sen)	63	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 31 JULY 2022

	Current quarter ended 31.07.2022 RM'000	6 months cumulative for current financial year-to- date ended 31.07.2022 RM'000	Comparable quarter ended 31.07.2021 RM'000	Comparable 6 months cumulative for preceding financial year-to-date ended 31.07.2021 RM'000
Revenue	31,811	61,615	13,811	34,654
Other income	685	1,113	376	738
Operating expenses	(28,987)	(53,652)	(14,625)	(35,047)
Finance costs	(466)	(882)	(496)	(1,001)
Profit/(Loss) before tax	3,043	8,194	(934)	(656)
Income tax expense	(665)	(1,330)	(180)	(360)
Profit/(Loss) for the financial period	2,378	6,864	(1,114)	(1,016)
Other comprehensive income for the financial period	-	-	-	-
Total comprehensive income/(loss) for the financial period	2,378	6,864	(1,114)	(1,016)
Profit/(Loss) after tax/Total comprehensive income/(loss) for the financial period attributable to:				
Owners of the Company	2,378	6,864	(1,114)	(1,016)
Earnings/(Loss) per share attributable to owners of the Company (sen):				
Basic:	1.58	4.57	(0.74)	(0.68)
Diluted:	1.58	4.57	(0.74)	(0.68)

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 31 JULY 2022

	For the 6 months period ended 31.07.2022 RM'000	For the 6 months period ended 31.07.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	8,194	(656)
Adjustments for:		
Non-cash items	2,661	3,188
Non-operating items	1,669	969
Operating profit before working capital changes	12,524	3,501
Net change in current assets	(5,324)	4,065
Net change in current liabilities	2,243	(488)
Cash generated from operations	9,443	7,078
Income tax refunded	433	-
Income tax paid	(601)	(483)
Interest paid	(882)	(1,001)
Net cash from operating activities	8,393	5,594
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	7	7
Proceeds from disposal of property, plant and equipment	122	25
Purchase of property, plant and equipment	(267)	(293)
Additions to right-of-use assets	(178)	-
Placement of fixed deposits pledged to licensed banks	(7)	(7)
Net cash for investing activities	(323)	(268)
CASH FLOWS FOR FINANCING ACTIVITIES		
Net repayment of bankers' acceptances	(825)	(76)
Net repayment of bills payable	(3,473)	(7,042)
Net drawdown of revolving credit	-	600
Repayment of lease liabilities	(2,536)	(2,563)
Repayment of term loans	(134)	(127)
Repayment to a director	(77)	-
Net cash for financing activities	(7,045)	(9,208)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,025	(3,882)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	10,066	4,793
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	11,091	911
CASH AND CASH EQUIVALENTS COMPRISE:		
Short-term investment	13	12
Fixed deposits with licensed banks	1,370	1,355
Cash and bank balances	13,430	4,330
Bank overdrafts	(2,352)	(3,431)
	12,461	2,266
Less : Fixed deposits pledged to licensed banks	(1,370)	(1,355)
	11,091	911

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 31 JULY 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
Loss after tax/Total comprehensive income for the financial period	-	-	(1,016)	(1,016)	-	(1,016)
At 31 July 2021	110,381	72	(26,765)	83,688	3	83,691
At 1 February 2022	110,381	72	(22,193)	88,260	-	88,260
Profit after tax/Total comprehensive income for the financial period	-	-	6,864	6,864	-	6,864
Transaction with owners of the Company: Ordinary shares issued pursuant to a share grant under ESS	836	-	-	836	-	836
At 31 July 2022	111,217	72	(15,329)	95,960	-	95,960

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
SECOND QUARTER ENDED 31 JULY 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 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 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 31 July 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

During the financial period ended 31 July 2022, the paid-up share capital was increased from RM110,380,724 to RM111,216,724 by way of issuance of 1,900,000 new ordinary shares at RM0.44 each pursuant to a share grant under KYM Employees' Share Scheme 2022 ("ESS"). As at 31 July 2022, the number of ordinary shares issued is 151,789,753.

Save for the above, there were no other 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 2022:

	Gross revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	66,793	9,479	147,349	83,124
Investment holding/Others	1,430	(1,285)	184,373	133,120
	<hr/>	<hr/>	<hr/>	<hr/>
Elimination	68,223 (6,608)	8,194 -	331,722 (162,294)	216,244 (152,004)
	<hr/>	<hr/>	<hr/>	<hr/>
	61,615	8,194	169,428	64,240
	<hr/>	<hr/>	<hr/>	<hr/>
Unallocated assets			652	-
Unallocated liabilities			-	9,880
			<hr/>	<hr/>
			170,080	74,120
			<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	66,793
Less: Intercompany elimination	<hr/> (5,178)
	<hr/> 61,615
Investment holding/Others	1,430
Less: Intercompany elimination	<hr/> (1,430)
	<hr/> -
	<hr/> 61,615
	<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 2022.

A13 Capital Commitments

There were no capital commitments provided for in the financial statements for the financial quarter ended 31 July 2022.

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

B1 Review of Performance

	Current quarter ended 31.07.2022 RM'000	Comparable quarter ended 31.07.2021 RM'000	Change %	Cumulative year to-date ended 31.07.2022 RM'000	Cumulative year to-date ended 31.07.2021 RM'000	Change %
Revenue	31,811	13,811	>100%	61,615	34,654	77.80%
Gross profit	7,205	1,355	>100%	15,196	4,239	>100%
Profit/(Loss) before interest and tax	3,505	(441)	>100%	9,069	338	>100%
Profit/(Loss) before tax	3,043	(934)	>100%	8,194	(656)	>100%
Profit/(Loss) after tax	2,378	(1,114)	>100%	6,864	(1,016)	>100%
Profit/(Loss) attributable to ordinary equity holders	2,378	(1,114)	>100%	6,864	(1,016)	>100%

Quarter ended 31.07.2022 compared with quarter ended 31.07.2021

For the quarter under review, the Group recorded revenue of RM31.811 million with profit before tax of RM3.043 million compared with the revenue of RM13.811 million and loss before tax of RM0.934 million for the corresponding quarter in the preceding financial year ended 31 January 2022.

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

During the quarter under review, the Manufacturing segment posted a profit before tax of RM4.303 million as compared to a loss before tax of RM0.648 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 Investment holding/Others segment, the current quarter loss before tax was RM1.260 million as compared to with a loss before tax of RM0.286 million in the corresponding quarter last year. Higher loss before tax was mainly due to the recognition of share-based payment of RM0.836 million pursuant to a share grant under ESS in the current quarter.

Current financial period ended 31.07.2022 against preceding financial period ended 31.07.2021

For the current financial period under review, the Group posted a revenue of RM61.615 million as compared to its corresponding preceding financial period of RM34.654 million. The higher revenue was mainly due to significant improvement in the sales generated by the Multiwall Industrial Paper Sacks division.

The Group recorded a profit before tax in the current financial period of RM8.194 million compared to a loss before tax of RM0.656 million in the preceding financial period.

The Manufacturing segment recorded a profit before tax of RM9.479 million in the current financial period compared to a loss before tax of RM0.136 million in the preceding financial period due to higher profit contribution from the Multiwall Industrial Paper Sacks division as a result of increase in selling price and higher sales to export market.

The Investment holding/Others segment recorded a loss before tax of RM1.285 million compared to a loss before tax of RM0.520 in the preceding financial period. The increase in the loss before tax was mainly due to the recognition of share-based payment of RM0.836 million pursuant to a share grant under ESS in the current financial period.

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

	Current quarter ended 31.07.2022 RM'000	Immediate preceding quarter ended 30.04.2022 RM'000	Change %
Revenue	31,811	29,804	6.73%
Gross profit	7,205	7,991	-9.84%
Profit before interest and tax	3,505	5,564	-37.01%
Profit before tax	3,043	5,151	-40.92%
Profit after tax	2,378	4,486	-46.99%
Profit attributable to ordinary equity holders	2,378	4,486	-46.99%

The Group's revenue increased by RM2.007 million or 6.73% as compared to the preceding quarter. This was mainly attributable to the higher export sales from the Multiwall Industrial Paper Sacks division during the current quarter under review.

The Group recorded profit before tax of RM3.043 million as compared to profit before tax of RM5.151 million in the preceding quarter. The reduction in profit before tax was mainly due to higher cost incurred for administrative purpose and the recognition of share-based payment of RM0.836 million pursuant to a share grant under ESS in the current quarter.

B3 Prospects

The Group's operating environment for the second half of the financial year is anticipated to continue to be impacted by external factors such as the growing inflationary pressures, geopolitical uncertainties, rising raw material prices, labour shortage, rising freight cost, weakening of Malaysian Ringgit and implementation of new minimum wage order.

Despite the prevailing challenges as mentioned above, the Group remains committed to enhance its operational efficiency and effectiveness via better cost control measures and digitalisation initiatives. The Group continues its marketing effort, its development of Top Deaeration system which is the new sustainable and innovative product, and to embark aggressively on strategic business initiatives that can contribute to the improvement in the Group's financial performance.

Barring unforeseen circumstances, the Board is positive that the financial performance of the Group for the remainder of the financial year to remain at a healthy profitability level.

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 31.07.2022 RM'000	Cumulative year-to-date ended 31.07.2022 RM'000
Taxation for current financial period	(665)	(1,330)

B6 Status of Corporate Proposal Announced

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. 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 ("Subject Property") for a total cash consideration of approximately RM22.975 million ("Disposal"). The Disposal has been approved by the shareholders at an Extraordinary General Meeting held on 8 June 2022. All Conditions Precedent have been fulfilled on 26 September 2022 in accordance with the terms and conditions of the SPA. Accordingly, the SPA has become unconditional on 26 September 2022.

Save 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 31.07.2022		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
Secured			
Bank overdrafts	2,352	-	2,352
Term loans	202	166	368
Bankers' acceptance	7,174	-	7,174
Bills payable	12,287	-	12,287
Lease liabilities	4,775	14,435	19,210
	<u>26,790</u>	<u>14,601</u>	<u>41,391</u>
Unsecured	-	-	-

The borrowings are denominated in the following currencies:

	As at 31.07.2022 RM'000
Ringgit Malaysia	29,104
United States Dollar	7,632
Euro	4,655
	<u>41,391</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 31 July 2022.

B10 Profit Before Tax

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

	Current quarter ended 31.07.2022 RM'000	Cumulative year to-date ended 31.07.2022 RM'000
Depreciation of property, plant and equipment	548	1,096
Depreciation of right-of-use-assets	788	1,565
Foreign exchange gain	(271)	(293)
Interest expense	466	882
Interest income	(4)	(7)
Gain on disposal of property, plant and equipment, net	(54)	(42)
Share-based payment	836	836

B11 Earnings Per Share

	Current quarter ended 31.07.2022 RM'000	Cumulative year to-date ended 31.07.2022 RM'000
<u>Basic earnings per share</u>		
Profit attributable to owners of the Company (RM'000)	2,378	6,864
Weighted average number of ordinary shares in issue ('000)	150,447	150,173
Basic earnings per share (sen)	1.58	4.57

By Order of the Board

CHEE MIN ER
Company Secretary

Petaling Jaya
26 September 2022

c.c. Securities Commission