

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2008

	As at 31.07.2008 RM'000	As at 31.01.2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	57,156	59,200
Prepaid lease payment	7,957	8,022
Investment property	3,500	3,500
Land held for property development	185,251	185,251
Intangible asset	4,667	4,667
Other investment	6	6
	258,537	260,646
Current assets		
Property development costs	1,659	1,659
Inventories	8,653	6,560
Trade receivables	13,337	14,513
Other receivables	1,448	1,521
Tax recoverable	4	69
Cash and bank balances	1,248	1,842
	26,349	26,164
TOTAL ASSETS	284,886	286,810
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	81,135	81,135
Share Premium	35,803	35,803
Other reserves	31,306	31,306
Retained earnings	(117,201)	(111,109)
	31,043	37,135
Minority interest	8,649	11,205
Total Equity	39,692	48,340
Non-current liabilities		
Borrowings	188,848	11,308
Deferred tax liabilities	18,166	18,166
	207,014	29,474
Current liabilities		
Borrowings	16,537	189,230
Trade payables	7,949	8,201
Other payables	13,694	11,565
	38,180	208,996
Total liabilities	245,194	238,470
TOTAL EQUITY AND LIABILITIES	284,886	286,810
Net assets per share attributable to ordinary equity holders of the parent (sen)	38	46

The Condensed Consolidated Balance Sheets (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2008

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX-MONTH PERIOD ENDED 31 JULY 2008

	2008		2007	
	Current quarter ended 31.07.2008	6-month cumulative for current financial year to date ended 31.07.2008	Comparable current quarter ended 31.07.2007	Comparable 6-month cumulative for preceding financial year to date ended 31.07.2007
	RM'000	RM'000	RM'000	RM'000
Revenue	15,519	28,428	17,883	36,311
Other income	235	373	48	4,192
Operating expenses	(15,918)	(29,504)	(17,958)	(36,144)
Finance costs	(3,918)	(7,941)	(647)	(1,287)
Profit/ (Loss) before tax	(4,082)	(8,644)	(674)	3,072
Income tax expense	(4)	(4)	29	29
Profit/ (Loss) for the period	(4,086)	(8,648)	(645)	3,101
Attributable to:				
Equity holders of the parent	(2,809)	(6,092)	(601)	3,161
Minority interest	(1,277)	(2,556)	(44)	(60)
	(4,086)	(8,648)	(645)	3,101
Earnings per share attributable to equity holders of the parent (sen):				
Basic, for profit/ (loss) for the period	(3.46)	(7.51)	(0.74)	3.90
Diluted, for profit/ (loss) for the period	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2008

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 31 JULY 2008

	6-month ended 31 July, 2008 RM'000	6-month ended 31 July, 2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	(8,644)	3,072
Adjustments for:		
Non-cash items	2,008	2,194
Non-operating items	6,889	(2,876)
Operating profit/ (loss) before working capital changes	253	2,390
Net change in current assets	(840)	(184)
Net change in current liabilities	1,877	1,313
Cash generated from operations	1,290	3,519
Income tax (paid) / refund	62	20
Interest paid	(1,006)	(1,163)
Net cash generated from/ (used in) operating activities	346	2,376
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(663)	(518)
Proceeds from disposal of property, plant and equipment	564	35
Interest received	-	3
Net cash outflow on disposal of subsidiaries companies	-	-
Land & Development expenditure	-	(298)
Net cash generated from/(used in) investing activities	(99)	(778)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase	(435)	(365)
Net advance of bill payables	(5,488)	(1,152)
Repayment of term loan	(1,237)	(1,206)
Drawdown of term loan	5,800	-
Net cash generated from/(used in) financing activities	(1,360)	(2,723)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,113)	(1,125)
CASH AND CASH EQUIVALENTS AT 01 FEBRUARY, 2008 / 01 FEBRUARY, 2007	1,500	1,029
CASH AND CASH EQUIVALENTS AT 31 JULY, 2008 / 31 JULY, 2007	387	(96)
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	1,052	125
Fixed deposits with licensed banks	196	406
	1,248	531
Bank overdraft	(861)	(627)
	387	(96)

The Condensed Consolidated Cash Flow Statement (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2008

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 31 JULY 2008

	Attributable to Equity Holders of the Parents					Minority Interest <i>RM'000</i>	Total Equity <i>RM'000</i>
	Share Capital <i>RM'000</i>	Share Premium <i>RM'000</i>	Other Reserves <i>RM'000</i>	Retained Earnings <i>RM'000</i>	Total <i>RM'000</i>		
At 1 February 2007	81,135	35,803	31,794	(103,707)	45,025	14,381	59,406
Loss for the period	-	-	-	(878)	(878)	(60)	(938)
Effect on partial disposal of subsidiary's shares	-	-	(261)	4,039	3,778	(3,778)	-
At 31 July 2007	81,135	35,803	31,533	(100,546)	47,925	10,543	58,468
At 1 February 2008	81,135	35,803	31,306	(111,109)	37,135	11,205	48,340
Loss for the period	-	-	-	(6,092)	(6,092)	(2,556)	(8,648)
At 31 July 2008	81,135	35,803	31,306	(117,201)	31,043	8,649	39,692

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 2008

KYM HOLDINGS BHD (Co. No. 84303-A)

INTERIM FINANCIAL REPORT

Notes:

A1 Accounting Policies

The interim financial statements are unaudited and have been prepared in accordance with FRS 134: Interim Financial Reporting (formerly known as MASB 26) and Chapter 9 Part K 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 2008.

The accounting policies and method of computations used in the preparation of the interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 January 2008.

A2 Status of Audit Qualifications

The audited financial statements of the Group for year ended 31 January 2008 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 31st July 2008.

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 2008

	Gross Revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	28,546	(227)	90,487	55,123
Investment holding	-	(2,214)	246,346	231,821
Property development	168	(5,289)	201,470	172,022
Others	1,247	(795)	23,229	32,104
Elimination	(1,533)	(119)	(276,650)	(264,042)
	<u>28,428</u>	<u>(8,644)</u>	<u>284,882</u>	<u>227,028</u>
Unallocated Assets			4	-
Unallocated Liabilities			-	18,166
			<u>284,886</u>	<u>245,194</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 events subsequent to the end of current quarter under review that was not 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.

A12 Changes in Contingent Liabilities And Contingent Assets

There were no changes in the contingent liabilities or contingent assets since the last financial year ended 31 January 2008.

A13 Capital Commitments

There was no capital commitment not provided for in the financial statement for the quarter.

Additional information required by the BMSB's Listing Requirements

B1 Taxation

The taxation of the Group for the financial period under review is as follows:-

	Current Quarter ended 31.07.2008 RM'000	Cumulative Year to-date ended 31.07.2008 RM'000
Current Tax:		
- for the financial year	(4)	(4)
	(4)	(4)

B2 Profit/(Loss) on sale of unquoted investments and/or properties

There was no sale of unquoted investments and/or properties during the quarter.

B3 Status of corporate proposals announced

All the previous corporate proposals announced have either been completed or lapsed during the previous quarter and there were no new corporate proposals announced during the quarter under review.

B4 Borrowing and debt securities

	As at 31.07.2008 RM'000
Short term	
Secured	16,537
Unsecured	-
	16,537
Long term	
Secured	188,848
Unsecured	-
	188,848

The above borrowings are denominated in Ringgit Malaysia.

B5 Off balance sheet financial instrument

During the financial year to date, the Group did not enter into any contracts involving off balance sheet financial instrument.

B6 Changes in Material Litigation

As at the date of the report, there is no pending material litigation.

B7 Material Changes in the Profit/Loss before Taxation for the Period compared with the preceding quarter

The Group turnover was RM15.519 million as compared to RM12.909 million in the preceding quarter. This represented an increase of 20.22% due to an increase in sales in our Carton Division and Bags Division.

The Group loss before taxation was RM4.082 million for the current quarter review, compared to a loss before taxation of RM4.562 million for the preceding quarter which decreased by 10.52% due to the better performance of the manufacturing division.

B8 Current year prospects

The Board expects manufacturing subsidiaries to continue to perform satisfactory in the coming quarters. The Bags Division should continue to show their positive results and in the meantime the Carton Division should show satisfactory results.

However, the interest cost on borrowing will remain high and the overall operating results may not be significantly improved yet.

B9 Profit forecast

There is no published forecast/profit guarantee.

B10 Dividend

The Board of Directors does not recommend the payment of any dividend in respect of the financial period ended 31 July 2008.

B11 Earnings per share attributable to equity holders of the parent

	Current Quarter ended 31.07.2008	Cumulative Year to- date ended 31.07.2008
(a) <u>Basic earnings per share</u>		
(Loss)/ Profit attributed to ordinary equity holders of the parent (RM'000)	(2,809)	(6,092)
Weighted average number of ordinary shares in issue ('000)	81,135	81,135
Basic Earnings per share for (loss)/ profit for the period (sen)	(3.46)	(7.51)

(b) Diluted earnings per share

Not applicable as there was no dilutive potential ordinary shares at the end of the current quarter and cumulative year to date ended 31 July 2008.

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
25 September 2008