

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 31 OCTOBER 2007**

	As at 31.10.2007 RM'000	As at 31.01.2007 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	67,741	70,309
Investment Property	3,457	3,943
Land held for property development	188,444	188,123
Intangible assets	4,667	4,667
	264,309	267,042
<b>Current assets</b>		
Property development costs	2,417	2,417
Inventories	6,265	7,551
Trade receivables	18,181	17,342
Other receivables	1,800	1,982
Cash and bank balances	1,520	1,285
	30,183	30,577
<b>TOTAL ASSETS</b>	<b>294,492</b>	<b>297,619</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	81,135	81,135
Share Premium	35,803	35,803
Other reserves	31,533	31,794
Retained earnings	(101,530)	(103,707)
	46,941	45,025
<b>Minority interest</b>	10,476	14,381
<b>Total Equity</b>	<b>57,417</b>	<b>59,406</b>
<b>Non-current liabilities</b>		
Borrowings	11,562	14,051
Deferred tax liabilities	17,694	17,694
	29,256	31,745
<b>Current liabilities</b>		
Borrowings	188,963	189,989
Trade payables	9,002	7,258
Other payables	9,854	9,218
Current tax payable	-	3
	207,819	206,468
<b>Total liabilities</b>	<b>237,075</b>	<b>238,213</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>294,492</b>	<b>297,619</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<b>58</b>	<b>55</b>

The Condensed Consolidated Balance Sheets (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2007

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE NINE-MONTH PERIOD ENDED 31 OCTOBER 2007**

	2007		2006	
	Current quarter ended 31.10.2007	9-month cumulative for current financial year to date ended 31.10.2007	Comparable current quarter ended 31.10.2006	Comparable 9-month cumulative for preceding financial year to date ended 31.10.2006
	RM'000	RM'000	RM'000	RM'000
Revenue	18,583	54,894	18,768	53,921
Other income	120	4,312	570	1,100
Operating expenses	(19,184)	(55,328)	(17,946)	(52,999)
Finance costs	(571)	(1,858)	(1,546)	(4,859)
<b>Profit/ (Loss) before tax</b>	(1,052)	2,020	(154)	(2,837)
Income tax expense	1	30	-	-
<b>Profit/ (Loss) for the period</b>	(1,051)	2,050	(154)	(2,837)
Attributable to:				
Equity holders of the parent	(984)	2,177	(281)	(2,847)
Minority interest	(67)	(127)	127	10
	(1,051)	2,050	(154)	(2,837)
<b>Earnings per share attributable to equity holders of the parent (sen):</b>				
Basic, for profit/ (loss) for the period	(1.21)	2.68	(0.35)	(3.51)
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 2007**

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**  
**FOR THE NINE-MONTH PERIOD ENDED 31 OCTOBER 2007**

	<b>9-month ended 31 Oct, 2007 RM'000</b>	<b>9-month ended 31 Oct, 2006 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before taxation	2,020	(2,837)
Adjustments for:		
Non-cash items	3,392	3,409
Non-operating items	(2,298)	4,595
<b>Operating profit/ (loss) before working capital changes</b>	<b>3,114</b>	<b>5,167</b>
Net change in current assets	647	181
Net change in current liabilities	2,379	(2,592)
<b>Cash generated from operations</b>	<b>6,140</b>	<b>2,756</b>
Income tax (paid) / refund	16	(46)
Interest paid	(1,684)	(1,727)
<b>Net cash generated from/ (used in) operating activities</b>	<b>4,472</b>	<b>983</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(713)	(441)
Proceeds from disposal of property, plant and equipment	460	172
Interest received	3	15
Land & Development expenditure	(300)	(26)
<b>Net cash generated from/(used in) investing activities</b>	<b>(550)</b>	<b>(280)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase	(553)	(411)
Net advance of bill payables	(2,137)	196
Repayment of term loan	(1,733)	(1,892)
<b>Net cash generated from/(used in) financing activities</b>	<b>(4,423)</b>	<b>(2,107)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(501)</b>	<b>(1,404)</b>
<b>CASH AND CASH EQUIVALENTS AT 01 FEBRUARY, 2007 / 01 FEBRUARY, 2006</b>	<b>1,029</b>	<b>2,135</b>
<b>CASH AND CASH EQUIVALENTS AT 31 OCTOBER, 2007 / 31 OCTOBER, 2006</b>	<b>528</b>	<b>731</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	1,395	968
Fixed deposits with licensed banks	125	338
	1,520	1,306
Bank overdraft	(992)	(575)
	<b>528</b>	<b>731</b>

**The Condensed Consolidated Cash Flow Statement (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2007**

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE NINE-MONTH PERIOD ENDED 31 OCTOBER 2007**

	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>		
<b>At 1 February 2006</b>	81,135	35,803	27,125	(100,240)	43,823	15,250	59,073
Loss for the period	-	-	-	(2,847)	(2,847)	10	(2,837)
<b>At 31 October 2006</b>	81,135	35,803	27,125	(103,087)	40,976	15,260	56,236
<b>At 1 February 2007</b>	81,135	35,803	31,794	(103,707)	45,025	14,381	59,406
Loss for the period	-	-	-	(1,862)	(1,862)	(127)	(1,989)
Effect on partial disposal of subsidiary's shares	-	-	(261)	4,039	3,778	(3,778)	-
<b>At 31 October 2007</b>	81,135	35,803	31,533	(101,530)	46,941	10,476	57,417

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 2007

## **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 2007.

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 2007.

#### **A2 Status of Audit Qualifications**

The audited financial statements of the Group for year ended 31 January 2007 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<sup>st</sup> October 2007.

#### **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 9 months ended 31 October 2007

	<b>Gross Revenue RM'000</b>	<b>Profit/(Loss) before tax RM'000</b>	<b>Segment assets RM'000</b>	<b>Segment liabilities RM'000</b>
Manufacturing	54,975	(226)	94,388	57,803
Investment holding	-	(2,756)	239,325	221,347
Property development	302	38	205,194	164,238
Others	2,299	(848)	23,166	31,450
Elimination	(2,682)	5,812	(267,717)	(255,457)
	<hr/> 54,894	<hr/> 2,020	<hr/> 294,356	<hr/> 219,381
Unallocated Assets			136	-
Unallocated Liabilities			-	17,694
			<hr/> 294,492	<hr/> 237,075

**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 2007.

As disclosed in the financial statements for the year ended 31 January 2007, Jabatan Kastam Diraja Malaysia, Johor ("Kastam Malaysia") has revised the claim of import duties to RM 2,924,930.

On 14 December 2005, KYM Industries (Johor) Sdn. Bhd. ("KYMJ") made a second appeal to Kastam Malaysia on the said Notice of Demand, as based on the directors' estimation, the import duties would be approximately RM920,000. As at the date of this report, the appeal is still pending from Kastam Malaysia.

Notwithstanding the above, a payment of approximately RM785,000 was made by KYMJ and the balance amount of provision in the financial statement as at 31 October 2007 was RM135,000.

**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:-

	<b>Current Quarter ended 31.10.2007 RM'000</b>	<b>Cumulative Year to-date ended 31.10.2007 RM'000</b>
Current Tax:		
- over-provision in previous financial years	1	30
	1	30

### **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**

	<b>As at 31.10.2007 RM'000</b>
Short term	
Secured	188,963
Unsecured	-
	188,963
Long term	
Secured	11,562
Unsecured	-
	11,562

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 RM18.583 million as compared to RM17.883 million in the preceding quarter. This represented an increase of 3.91% due to increase sales in our Bags Division.

The Group loss before taxation was RM1.052 million for the current quarter review, compared to a loss before taxation of RM0.674 million for the preceding quarter as a result of increased paper price in both our Carton and Bags Division.

**B8 Current year prospects**

Our Bags Division will continue to show positive results for the rest of the financial year.

Meanwhile, the carton division is going through a rationalization process to improve profitability. These include the scaling down of the Melaka unit operations and the reorganization of the Johor unit operations. This exercise is expected to turn around the results of this division in the next financial year.

The Group has submitted the loan restructuring proposal and at the final stage of negotiating with its principal bankers, United Overseas Bank (M) Bhd and RHB Investment Bank Bhd. We anticipate favorable response from bankers to restructure its existing loans.

**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 October 2007.

**B11 Earnings per share attributable to equity holders of the parent**

	<b>Current Quarter ended 31.10.2007</b>	<b>Cumulative Year to- date ended 31.10.2007</b>
(a) <u>Basic earnings per share</u>		
(Loss)/ Profit attributed to ordinary equity holders of the parent (RM'000)	(984)	2,177
Weighted average number of ordinary shares in issue ('000)	81,135	81,135
Basic Earnings per share for (loss)/ profit for the period (sen)	(1.21)	2.68

(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 October 2007.

By Order of the Board

CHEE MIN ER  
Company Secretary

Kuala Lumpur  
19 December 2007

c.c. Securities Commission