

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

	<b>As at 31.01.2008 RM'000</b>	<b>As at 31.01.2007 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	68,251	70,309
Investment Property	3,463	3,943
Land held for property development	186,123	188,123
Intangible assets	4,667	4,667
	<b>262,504</b>	<b>267,042</b>
<b>Current assets</b>		
Property development costs	1,659	2,417
Inventories	6,614	7,551
Trade receivables	14,829	17,342
Other receivables	1,496	1,982
Cash and bank balances	1,842	1,285
	<b>26,440</b>	<b>30,577</b>
<b>TOTAL ASSETS</b>	<b>288,944</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	32,726	31,794
Retained earnings	(108,462)	(103,707)
	<b>41,202</b>	<b>45,025</b>
<b>Minority interest</b>	<b>7,205</b>	<b>14,381</b>
<b>Total Equity</b>	<b>48,407</b>	<b>59,406</b>
<b>Non-current liabilities</b>		
Borrowings	11,283	14,051
Deferred tax liabilities	18,062	17,694
	<b>29,345</b>	<b>31,745</b>
<b>Current liabilities</b>		
Borrowings	192,979	189,989
Trade payables	8,348	7,258
Other payables	9,865	9,218
Current tax payable	1	3
	<b>211,193</b>	<b>206,468</b>
<b>Total liabilities</b>	<b>240,538</b>	<b>238,213</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>288,945</b>	<b>297,619</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<b>51</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 TWELVE-MONTH PERIOD ENDED 31 JANUARY 2008**

	2008		2007	
	Current quarter ended 31.1.2008	12-month cumulative for current financial year to date ended 31.1.2008	Comparable current quarter ended 31.1.2007	Comparable 12-month cumulative for preceding financial year to date ended 31.1.2007
	RM'000	RM'000	RM'000	RM'000
Revenue	16,601	71,495	16,717	70,638
Other income	58	4,370	625	1,725
Operating expenses	(19,699)	(75,027)	(18,323)	(71,322)
Finance costs	(7,359)	(9,217)	(4,072)	(8,931)
<b>Profit/ (Loss) before tax</b>	(10,399)	(8,379)	(5,053)	(7,890)
Income tax expense	12	42	1,649	1,649
<b>Profit/ (Loss) for the period</b>	(10,387)	(8,337)	(3,404)	(6,241)
Attributable to:				
Equity holders of the parent	(7,117)	(4,940)	(2,525)	(5,372)
Minority interest	(3,270)	(3,397)	(879)	(869)
	(10,387)	(8,337)	(3,404)	(6,241)
<b>Earnings per share attributable to equity holders of the parent (sen):</b>				
Basic, for profit/ (loss) for the period	(8.77)	(6.09)	(3.11)	(6.62)
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 TWELVE-MONTH PERIOD ENDED 31 JANUARY 2008**

	12-month ended 31 Jan, 2008 RM'000	12-month ended 31 Jan, 2007 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before taxation	(8,379)	(7,890)
Adjustments for:		
Non-cash items	4,790	4,131
Non-operating items	6,808	8,304
<b>Operating profit/ (loss) before working capital changes</b>	<b>3,219</b>	<b>4,545</b>
Net change in current assets	3,563	717
Net change in current liabilities	1,408	(804)
<b>Cash generated from operations</b>	<b>8,190</b>	<b>4,458</b>
Income tax (paid) / refund	76	(53)
Interest paid	(2,234)	(2,428)
<b>Net cash generated from/ (used in) operating activities</b>	<b>6,032</b>	<b>1,977</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,255)	(1,120)
Proceeds from disposal of property, plant and equipment	679	235
Interest received	-	26
Land & Development expenditure	-	(31)
<b>Net cash generated from/(used in) investing activities</b>	<b>(576)</b>	<b>(890)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase	(766)	(576)
Net (repayment) / drawdown of bill payables	(2,070)	897
Repayment of term loan	(2,149)	(2,514)
<b>Net cash generated from/(used in) financing activities</b>	<b>(4,985)</b>	<b>(2,193)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>471</b>	<b>(1,106)</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 JANUARY, 2008 / 31 JANUARY, 2007</b>	<b>1,500</b>	<b>1,029</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	1,718	935
Fixed deposits with licensed banks	124	350
	1,842	1,285
Bank overdraft	(342)	(256)
	<b>1,500</b>	<b>1,029</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 TWELVE-MONTH PERIOD ENDED 31 JANUARY 2008**

	Attributable to Equity Holders of the Parents					Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000		
<b>At 1 February 2006</b>	81,135	35,803	27,125	(100,240)	43,823	15,250	59,073
Effect of adoption on FRS 3	-	-	-	1,057	1,057	-	1,057
Effect of adoption on FRS 140	-	-	(735)	735	-	-	-
Realisation on revaluation reserve	-	-	(113)	113	-	-	-
Revaluation Surplus	-	-	5,517	-	5,517	-	5,517
Loss for the period	-	-	-	(5,372)	(5,372)	(869)	(6,241)
<b>At 31 January 2007</b>	81,135	35,803	31,794	(103,707)	45,025	14,381	59,406
<b>At 1 February 2007</b>	81,135	35,803	31,794	(103,707)	45,025	14,381	59,406
Realisation on revaluation reserve	-	-	(185)	185	-	-	-
Revaluation Surplus	-	-	1,378	-	1,378	-	1,378
Loss for the period	-	-	-	(8,980)	(8,980)	(3,397)	(12,377)
Effect on partial disposal of subsidiary's shares	-	-	(261)	4,040	3,779	(3,779)	-
<b>At 31 January 2008</b>	81,135	35,803	32,726	(108,462)	41,202	7,205	48,407

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> January 2008 except for the following:

- (a) The Group has revalued all its Land & Building as mentioned in Note A9;
- (b) The Group has recognized waiver of interest by the bankers amounting to RM12.1 million pursuant to their approval to the loan restructuring exercise;
- (c) The accounting policy to capitalize interest to land held for development has been suspended for this financial year pending the resumption of active development been carried out on those properties. Interest amounting to RM4.86 million has been charged to profit & loss account; and
- (d) The Group has provided for an impairment loss to the value of certain properties amounting to RM2 million. This impairment may not be of a permanent nature depending on the valuation of those properties in the future.

#### **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 12 months ended 31 January 2008

	<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	71,308	(1,693)	92,597	56,744
Investment holding	-	(6,743)	232,412	218,286
Property development	386	(34)	216,489	177,845
Others	2,909	(3,063)	23,418	31,812
Elimination	(3,108)	3,154	(276,101)	(262,212)
	<u>71,495</u>	<u>(8,379)</u>	<u>288,815</u>	<u>222,475</u>
Unallocated Assets			68	-
Unallocated Liabilities			-	18,002
			<u>288,883</u>	<u>240,477</u>

**A9 Valuations of Property, Plant and Equipment**

The Group has undertaken a revaluation of all its Land & Building during the financial year ended 31 January 2008. The net revaluation surplus has increased the shareholders equity by RM1.378 million.

**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 RM2,924,930.

As at the date of this report, the Kastam Malaysia has responded favourably.

**A13 Capital Commitments**

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

## **Additional information required by the Bursa Malaysia's Listing Requirements**

### **B1 Taxation**

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

	<b>Current Quarter ended 31.01.2008 RM'000</b>	<b>Cumulative Year to-date ended 31.01.2008 RM'000</b>
Current Tax:		
- for the financial year	(10)	(10)
- over-provision in previous financial years	1	31
Deferred Tax:		
- over-provision in previous financial years	21	21
	12	42

### **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 31.01.2008 RM'000</b>
Short term	
Secured	192,979
Unsecured	-
	192,979
Long term	
Secured	11,283
Unsecured	-
	11,283

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 RM16.601 million as compared to RM18.583 million in the preceding quarter due the reorganization of the Carton manufacturing unit in Johore.

The Group loss before taxation was RM10.399 million for the current quarter review, compared to a loss before taxation of RM1.052 million for the preceding quarter. This increased loss is substantially due to those provisions as disclosed in Note A4.

**B8 Current year prospects**

The Board expects manufacturing subsidiaries to perform better in the coming quarters. The Bags Division should continue to show positive results and in the meantime the Carton Division is going through a rationalization exercise to improve profitability.

The Group has received a preliminary approval to the proposed loan restructuring to term out amount outstanding of approximately RM161 million to a 7-year term loan and interest waiver amounting to RM12.1 million. With this approval, the Directors believe that this has put the Group on the better financial footing.

**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 January 2008.

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

	<b>Current Quarter ended 31.01.2008</b>	<b>Cumulative Year to- date ended 31.01.2008</b>
(a) <u>Basic earnings per share</u>		
(Loss)/ Profit attributed to ordinary equity holders of the parent (RM'000)	(7,117)	(4,940)
Weighted average number of ordinary shares in issue ('000)	81,135	81,135
Basic Earnings per share for (loss)/ profit for the period (sen)	(8.77)	(6.09)
(b) <u>Diluted earnings per share</u>		

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

By Order of the Board

CHEE MIN ER  
Company Secretary

Kuala Lumpur  
31 March 2008

c.c. Securities Commission