

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

	As at 31.07.2007 RM'000	As at 31.01.2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	68,745	70,309
Investment Property	3,943	3,943
Land held for property development	188,442	188,123
Intangible assets	4,667	4,667
	265,797	267,042
Current assets		
Property development costs	2,417	2,417
Inventories	7,903	7,551
Trade receivables	17,261	17,342
Other receivables	1,908	1,982
Cash and bank balances	531	1,285
	30,020	30,577
TOTAL ASSETS	295,817	297,619
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	31,533	31,794
Retained earnings	(100,546)	(103,707)
	47,925	45,025
Minority interest	10,543	14,381
Total Equity	58,468	59,406
Non-current liabilities		
Borrowings	12,351	14,051
Deferred tax liabilities	17,694	17,694
	30,045	31,745
Current liabilities		
Borrowings	189,512	189,989
Trade payables	7,851	7,258
Other payables	9,938	9,218
Current tax payable	3	3
	207,304	206,468
Total liabilities	237,349	238,213
TOTAL EQUITY AND LIABILITIES	295,817	297,619
Net assets per share attributable to ordinary equity holders of the parent (sen)	59	55

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 SIX-MONTH PERIOD ENDED 31 JULY 2007

	2007		2006	
	Current quarter ended 31.07.2007	6-month cumulative for current financial year to date ended 31.07.2007	Comparable current quarter ended 31.07.2006	Comparable 6-month cumulative for preceding financial year to date ended 31.07.2006
	RM'000	RM'000	RM'000	RM'000
Revenue	17,883	36,311	17,926	35,153
Other income	48	4,192	466	530
Operating expenses	(17,958)	(36,144)	(16,948)	(35,053)
Finance costs	(647)	(1,287)	(1,671)	(3,313)
Profit/ (Loss) before tax	(674)	3,072	(227)	(2,683)
Income tax expense	29	29	-	-
Profit/ (Loss) for the period	(645)	3,101	(227)	(2,683)
Attributable to:				
Equity holders of the parent	(601)	3,161	(177)	(2,566)
Minority interest	(44)	(60)	(50)	(117)
	(645)	3,101	(227)	(2,683)
Earnings per share attributable to equity holders of the parent (sen):				
Basic, for profit/ (loss) for the period	(0.74)	3.90	(0.22)	(3.16)
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 SIX-MONTH PERIOD ENDED 31 JULY 2007

	6-month ended 31 July, 2007 RM'000	6-month ended 31 July, 2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	3,072	(2,683)
Adjustments for:		
Non-cash items	2,194	2,260
Non-operating items	(2,876)	3,449
Operating profit/ (loss) before working capital changes	2,390	3,026
Net change in current assets	(184)	(1,472)
Net change in current liabilities	1,313	(885)
Cash generated from operations	3,519	669
Income tax (paid) / refund	20	(31)
Interest paid	(1,163)	(1,163)
Net cash generated from/ (used in) operating activities	2,376	(525)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(518)	(286)
Proceeds from disposal of property, plant and equipment	35	20
Interest received	3	10
Net cash outflow on disposal of subsidiaries companies	-	-
Land & Development expenditure	(298)	(20)
Net cash generated from/(used in) investing activities	(778)	(276)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase	(365)	(276)
Net advance of bill payables	(1,152)	408
Repayment of term loan	(1,206)	(1,317)
Drawdown of term loan	-	-
Net cash generated from/(used in) financing activities	(2,723)	(1,185)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,125)	(1,986)
CASH AND CASH EQUIVALENTS AT 01 FEBRUARY, 2007 / 01 FEBRUARY, 2006	1,029	2,135
CASH AND CASH EQUIVALENTS AT 31 JULY, 2007 / 31 JULY, 2006	(96)	149
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	125	914
Fixed deposits with licensed banks	406	665
	531	1,579
Bank overdraft	(627)	(1,430)
	(96)	149

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 SIX-MONTH PERIOD ENDED 31 JULY 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>		
At 1 February 2006	81,135	35,803	27,125	(100,240)	43,823	15,250	59,073
Loss for the period	-	-	-	(2,566)	(2,566)	(117)	(2,683)
At 31 July 2006	81,135	35,803	27,125	(102,806)	41,257	15,133	56,390
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

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 31st July 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 6 months ended 31 July 2007

	Gross Revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	36,562	95	94,834	57,928
Investment holding	-	(2,452)	239,490	221,204
Property development	201	73	205,116	164,090
Others	1,533	(518)	23,042	31,031
Elimination	(1,985)	5,874	(266,799)	(254,601)
	<u>36,311</u>	<u>3,072</u>	<u>295,683</u>	<u>219,652</u>
Unallocated Assets			134	-
Unallocated Liabilities			-	17,697
			<u>295,817</u>	<u>237,349</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 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 RM765,000 was made by KYMJ and the balance amount of provision in the financial statement as at 31 July 2007 was RM155,000.

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:-

	Current Quarter ended 31.7.2007 RM'000	Cumulative Year to-date ended 31.7.2007 RM'000
Current Tax:		
- over-provision in previous financial years	29	29
	29	29

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 31.7.2007 RM'000
Short term	
Secured	189,512
Unsecured	-
	189,512
Long term	
Secured	12,351
Unsecured	-
	12,351

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 RM17.883 million as compared to RM18.428 million in the preceding quarter due to decrease in sales in both Carton and Bags Divisions.

The Group loss before taxation for the current quarter was RM0.674 million compared to a profit of RM3.746 million for the preceding quarter. The profit in the preceding quarter was mainly due to the gain from partial disposal of subsidiary's shares which amounting to RM4.039 million.

B8 Current year prospects

The Packaging Division is continuing in its efforts to reduce costs and increase productivity to meet the challenges of a highly competitive industry. These remedial measures are already bearing fruit and we are optimistic that the performance of our Bags Division will continue to improve.

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 July 2007.

B11 Earnings per share attributable to equity holders of the parent

	Current Quarter ended 31.7.2007	Cumulative Year to- date ended 31.7.2007
(a) <u>Basic earnings per share</u>		
(Loss)/ Profit attributed to ordinary equity holders of the parent (RM'000)	(601)	3,161
Weighted average number of ordinary shares in issue ('000)	81,135	81,135
Basic Earnings per share for (loss)/ profit for the period (sen)	(0.74)	3.90

(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 2007.

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
28 September 2007