

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED BALANCE SHEET
FOR QUARTER ENDED 31 JANUARY 2006

	As at quarter ended 31.01.2006 RM'000	As at year ended 31.01.2005 RM'000
Property, plant and equipment	68,639	71,670
Land held for development	179,366	171,382
Intangible assets	3,610	3,612
Investment in quoted shares	-	7,639
	251,615	254,303
Current assets		
Development properties	2,771	1,128
Inventories	10,081	9,411
Trade and other receivables	17,814	20,430
Tax recoverable	106	146
Cash and cash equivalent	2,395	1,260
	33,167	32,375
Current liabilities		
Short term borrowings	22,821	21,200
Trade and other payables	17,737	64,532
Taxation	20	25
	40,578	85,757
Net current liabilities	(7,411)	(53,382)
	244,204	200,921
Financed By:		
Capital and reserves		
Share Capital	81,135	81,135
Reserves	62,928	63,056
Accumulated losses	(99,562)	(129,063)
Shareholders' fund	44,501	15,128
Minority shareholders' interests	15,250	16,245
Borrowings	167,132	152,152
Deferred taxation	17,321	17,396
	244,204	200,921
Net assets per share (sen)	74	39

The Condensed Consolidated Balance Sheets (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2005

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR QUARTER ENDED 31 JANUARY 2006

	2006		2005	
	Current quarter ended 31.01.2006	12-month cumulative for current financial year to date ended 31.01.2006	Comparable current quarter ended 31.01.2005	Comparable 12-month cumulative for preceding financial year to date ended 31.01.2005
	RM'000	RM'000	RM'000	RM'000
Revenue	17,904	73,031	18,867	78,553
Other Operating Income	38,668	39,438	5,643	5,901
Operating expenses	(18,446)	(76,235)	(22,765)	(86,435)
Profit/ (Loss) from operations	38,126	36,234	1,745	(1,981)
Finance costs	(3,335)	(7,948)	(2,940)	(7,204)
Investing Results	-	-	2	3,150
Profit/ (Loss) before taxation	34,791	28,286	(1,193)	(6,035)
Taxation	84	90	(164)	(1,208)
Profit/ (Loss) after taxation	34,875	28,376	(1,357)	(7,243)
Minority interests	743	997	827	1,026
Net Profit/ (Loss) for the period	35,618	29,373	(530)	(6,217)
EPS - Basic (sen)	43.90	36.20	(0.65)	(7.66)
- Diluted (sen)	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 2005

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR QUARTER ENDED 31 JANUARY 2006

	12-month ended 31 January, 2006 RM'000	12-month ended 31 January, 2005 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	28,286	(6,035)
Adjustments for:		
Non-cash items	4,650	5,141
Non-operating items	(30,847)	1,829
Operating profit/ (loss) before working capital changes	2,089	935
Net change in current assets	344	315
Net change in current liabilities	468	2,641
Cash generated from operations	2,901	3,891
Income tax (paid) / refund	(39)	96
Interest paid	(2,248)	(6,629)
Net cash generated from operating activities	614	(2,642)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,422)	(1,247)
Proceeds from disposal of property, plant and equipment	626	24
Proceed from disposal of associate	-	4,381
Interest received	19	124
Investment in quoted shares	-	(6)
Net cash outflow on disposal of subsidiaries companies	(2)	-
Land & Development expenditure	(305)	(320)
Net cash generated from/(used in) investing activities	(1,084)	2,956
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase	(387)	(274)
Net advance of bill payables	2,536	1,061
Repayment of term loan	(2,921)	(2,662)
Drawdown of term loan	2,500	534
Net cash generated (used in)/generated financing activities	1,728	(1,341)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	1,258	(1,027)
CASH AND CASH EQUIVALENTS AT 01 FEBRUARY, 2005 / 01 FEBRUARY, 2004	877	1,904
CASH AND CASH EQUIVALENTS AT 31 JANUARY, 2006 / 31 JANUARY, 2005	2,135	877
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	1,743	610
Fixed deposits with licensed banks	652	649
	2,395	1,259
Bank overdraft	(260)	(383)
	2,135	877

The Condensed Consolidated Cash Flow Statement (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2005

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR QUARTER ENDED 31 JANUARY 2006

	<i>Share capital RM'000</i>	<i>Share premium RM'000</i>	<i>Revaluation reserve RM'000</i>	<i>Accumulated losses RM'000</i>	<i>Total RM'000</i>
<u>Quarter ended</u> <u>31-January-2006</u>					
As at 01.02.2005	81,135	35,803	27,253	(129,063)	15,128
Realisation on revaluation reserve	-	-	(128)	128	-
Profit/ (Loss) attributable to shareholders	-	-	-	29,373	29,373
Balance as at 31.01.2006	81,135	35,803	27,125	(99,562)	44,501
<u>Quarter ended</u> <u>31-January-2005</u>					
As at 01.02.2004	81,135	35,803	27,517	(123,110)	21,345
Realisation on revaluation reserve	-	-	(264)	264	-
Profit/ (Loss) attributable to shareholders	-	-	-	(6,217)	(6,217)
Balance as at 31.01.2005	81,135	35,803	27,253	(129,063)	15,128

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 2005

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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 2005.

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 2005.

A2 Status of Audit Qualifications

The audited financial statements of the Group for year ended 31 January 2005 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 January 2006, except for the following item:-

	RM'000
Gain on cessation of Eco Ribuan Sdn Bhd as subsidiary	38,245

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 2006

	Gross Revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	75,610	(3,137)	91,509	61,310
Investment holding	-	(5,198)	227,193	214,430
Property development	763	(2,897)	196,966	162,182
Others	2,649	(1,487)	21,172	28,889
Elimination	(5,991)	41,005	(252,164)	(243,871)
	73,031	28,286	284,676	222,940

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

On 28 January 2006, KYM Holdings Bhd has reduced its 100% shareholdings in Eco Ribuan Sdn. Bhd. (~~“ERSB”~~) to 18% after the completion of the increase of issued and paid-up capital of ERSB. As such, ERSB and Merit Wisdom Sdn Bhd, the wholly owned subsidiary of ERSB, ceased as subsidiaries of KYM Holdings Bhd.

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 2005.

As disclosed in the financial statements for the year ended 31 January 2005, Jabatan Kastam Diraja Malaysia, Johor (~~“Kastam Malaysia”~~) has, on 5 November 2004, issued a Notice of Demand to KYM Industries (Johor) Sdn Bhd. (~~“KYMJ”~~), a subsidiary of KYM Holdings Bhd. for a claim of import duties amounting to approximately RM3,947,000 under Custom Act, 1967. The claim is in respect of sales made by the subsidiary in previous years.

On 28 December 2004, KYMJ made an appeal to Kastam Malaysia on the said Notice of Demand. The Kementerian Kewangan has via its letter dated 9 December 2005 agreed to reduce the import duty to RM2,924,930. On 14 December 2005, KYMJ submitted a second appeal letter to Kementerian Kewangan to appeal for a further reduction.

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 31.01.2006 RM'000	Cumulative Year to-date ended 31.01.2006 RM'000
Current Tax:		
- for the financial year	23	29
- under-provision in previous financial years	(13)	(13)
Deferred Tax:		
- for the financial year	76	76
- under-provision in previous financial years	(2)	(2)
	84	90

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 31.01.2006 RM'000
Short term	
Secured	22,822
Unsecured	-
	22,822
Long term	
Secured	167,132
Unsecured	-
	167,132

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 RM17.90 million as compared to RM20.97 million in the preceding quarter due to the decrease in sales in the Carton and Industrial Bags Divisions.

The Group profit before taxation for the current quarter was RM34.791 million compared to a loss of RM1.446 million for the preceding quarter. The increase in profit was mainly due to the gain from the cessation of Eco Ribuan Sdn. Bhd. as subsidiary as mentioned in Note A11.

B8 Current year prospects

The Packaging Division is continuing 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 core Carton business will continue to improve.

The development of Phase 1 of the Tasik Suria project at Teluk Rubiah, a 228 unit mixed residential development has been officially launched on 4 June 2005 and the construction works are on going. Also, we are finalizing the sale of certain parcels of land to potential buyers for other developments.

Going forward, we expect the Property Division to contribute positively to the Group's performance.

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 2006.

B11 Earnings per share

	Current Quarter ended 31.01.2006	Cumulative Year to- date ended 31.01.2006
(a) <u>Basic Earnings per share</u>		
Net Earnings attributed to ordinary shareholders (RM'000)	35,618	29,373
Weighted average number of ordinary shares in issue ('000)	81,135	81,135
Basic Earnings per shares (sen)	43.90	36.20

(b) Diluted Earnings per share

The Employee's Share Option Scheme ("~~ESOS~~") of KYM Holdings Bhd. which took effect from 25 May 1995 had expired on 24 May 2005. There was no dilutive potential ordinary shares at the end of the current quarter and cumulative year to date ended 31 January 2006. Accordingly, Diluted Earnings per share is not presented.

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
29 March 2006