

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

	As at 31.01.2007 RM'000	As at 31.01.2006 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	73,952	68,638
Land held for property development	185,786	179,366
Intangible assets	3,610	3,610
	<b>263,348</b>	<b>251,614</b>
<b>Current assets</b>		
Property development costs	2,417	2,771
Inventories	7,551	10,081
Trade receivables	17,379	16,250
Other receivables	2,026	1,671
Cash and bank balances	1,285	2,395
	<b>30,658</b>	<b>33,168</b>
<b>TOTAL ASSETS</b>	<b>294,006</b>	<b>284,782</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	33,788	27,125
Retained earnings	(105,891)	(100,240)
	<b>44,835</b>	<b>43,823</b>
<b>Minority interest</b>	<b>14,354</b>	<b>15,250</b>
<b>Total Equity</b>	<b>59,189</b>	<b>59,073</b>
<b>Non-current liabilities</b>		
Borrowings	14,109	15,192
Deferred tax liabilities	17,703	17,321
	<b>31,812</b>	<b>32,513</b>
<b>Current liabilities</b>		
Borrowings	185,915	174,761
Trade payables	8,177	9,233
Other payables	8,878	9,183
Current tax payable	35	19
	<b>203,005</b>	<b>193,196</b>
<b>Total liabilities</b>	<b>234,817</b>	<b>225,709</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>294,006</b>	<b>284,782</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<b>55</b>	<b>54</b>

The Condensed Consolidated Balance Sheets (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2006

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

	2007		2006	
	Current quarter ended 31.01.2007	12-month cumulative for current financial year to date ended 31.01.2007	Comparable current quarter ended 31.01.2006	Comparable 12-month cumulative for preceding financial year to date ended 31.01.2006
	RM'000	RM'000	RM'000	RM'000
Revenue	17,043	70,964	17,904	73,031
Other income	751	1,851	38,668	39,438
Operating expenses	(19,237)	(72,236)	(19,126)	(76,915)
Finance costs	(2,393)	(7,252)	(3,335)	(7,948)
<b>Loss before tax</b>	<b>(3,836)</b>	<b>(6,673)</b>	<b>34,111</b>	<b>27,606</b>
Income tax expense	(1)	(1)	87	93
<b>Loss for the period</b>	<b>(3,837)</b>	<b>(6,674)</b>	<b>34,198</b>	<b>27,699</b>
Attributable to:				
Equity holders of the parent	(2,932)	(5,779)	34,940	28,695
Minority interest	(905)	(895)	(742)	(996)
	<b>(3,837)</b>	<b>(6,674)</b>	<b>34,198</b>	<b>27,699</b>
<b>Earnings per share attributable to equity holders of the parent (sen):</b>				
Basic, for loss for the period	(3.61)	(7.12)	43.06	35.37
Diluted, for 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 2006**

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

	<b>12-month ended 31 January, 2007 RM'000</b>	<b>12-month ended 31 January, 2006 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before taxation	(6,673)	27,606
Adjustments for:		
Non-cash items	4,605	4,652
Non-operating items	6,379	(30,442)
<b>Operating profit/ (loss) before working capital changes</b>	<b>4,311</b>	<b>1,816</b>
Net change in current assets	1,441	(41)
Net change in current liabilities	(1,362)	(234)
<b>Cash generated from operations</b>	<b>4,390</b>	<b>1,541</b>
Income tax (paid) / refund	(89)	51
Interest paid	(2,314)	(2,368)
<b>Net cash generated from/ (used in) operating activities</b>	<b>1,987</b>	<b>(776)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,132)	(40)
Proceeds from disposal of property, plant and equipment	238	627
Interest received	26	28
Net cash outflow on disposal of subsidiaries companies	-	(2)
Land & Development expenditure	(32)	(305)
<b>Net cash generated from/(used in) investing activities</b>	<b>(900)</b>	<b>308</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase	(577)	(387)
Net advance of bill payables	897	2,534
Repayment of term loan	(2,513)	(2,921)
Drawdown of term loan	-	2,500
<b>Net cash generated from/(used in) financing activities</b>	<b>(2,193)</b>	<b>1,726</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,106)</b>	<b>1,258</b>
<b>CASH AND CASH EQUIVALENTS AT 01 FEBRUARY, 2006 / 01 FEBRUARY, 2005</b>	<b>2,135</b>	<b>877</b>
<b>CASH AND CASH EQUIVALENTS AT 31 JANUARY, 2007 / 31 JANUARY, 2006</b>	<b>1,029</b>	<b>2,135</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	935	1,743
Fixed deposits with licensed banks	350	652
	1,285	2,395
Bank overdraft	(256)	(260)
	<b>1,029</b>	<b>2,135</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 2006**

**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 2007**

	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 2005</b>	81,135	35,803	27,253	(129,063)	15,128	16,245	31,373
Realisation on revaluation reserve	-	-	(128)	128	-	-	-
Loss for the period	-	-	-	28,695	28,695	(995)	27,700
<b>At 31 January 2006</b>	81,135	35,803	27,125	(100,240)	43,823	15,250	59,073
<b>At 1 February 2006</b>	81,135	35,803	27,125	(100,240)	43,823	15,250	59,073
Realisation on revaluation reserve	-	-	(128)	128	-	-	-
Revaluation Surplus	-	-	6,791	-	6,791	-	6,791
Loss for the period	-	-	-	(5,779)	(5,779)	(896)	(6,675)
<b>At 31 January 2007</b>	81,135	35,803	33,788	(105,891)	44,835	14,354	59,189

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 2006

## **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 2006.

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 2006.

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

The audited financial statements of the Group for year ended 31 January 2006 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**

Except for Note A9, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter ended 31<sup>st</sup> January 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 12 months ended 31 January 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	72,457	(139)	95,855	59,313
Investment holding	-	(4,377)	237,658	215,889
Property development	403	7,090	202,743	161,412
Others	2,551	(1,536)	20,841	28,537
Elimination	(4,447)	(7,711)	(263,216)	(248,073)
	<b>70,964</b>	<b>(6,673)</b>	<b>293,881</b>	<b>217,078</b>

**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.

Notwithstanding, the Group has undertaken a revaluation of all its Plant & Machinery during the financial year ended 31 January 2007. The net revaluation surplus has increased the shareholders equity by RM6.791 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 2006.

As disclosed in the financial statements for the year ended 31 January 2006, 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 RM685,000 was made by KYMJ and the balance amount of provision in the financial statement as at 31 January 2007 was RM235,000.

**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 31.1.2007 RM'000</b>	<b>Cumulative Year to-date ended 31.1.2007 RM'000</b>
Current Tax:		
- for the financial year	(44)	(44)
- over-provision in previous financial years	(5)	(5)
Deferred Tax:		
- for the financial year	(37)	(37)
- over-provision in previous financial years	85	85
	(1)	(1)

### **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 31.1.2007 RM'000</b>
Short term	
Secured	185,915
Unsecured	-
	185,915
Long term	
Secured	14,109
Unsecured	-
	14,109

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 RM17.043 million as compared to RM18.768 million in the preceding quarter due to tighter competition in the market.

The Group loss before taxation was RM3.836 million for the current quarter review, compared to a loss before taxation of RM0.154 million for the preceding quarter as a result of lower turnover, increased paper price and written off of certain development costs amounting to RM614,000.

**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.

Going forward, we expect the Property Division to contribute positively to the Group's performance with our development in Teluk Rubiah, an integrated beach-front resort near Lumut, Perak.

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 January 2007.

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

	<b>Current Quarter ended 31.1.2007</b>	<b>Cumulative Year to- date ended 31.1.2007</b>
(a) <u>Basic earnings per share</u>		
Loss attributed to ordinary equity holders of the parent (RM'000)	(2,932)	(5,779)
Weighted average number of ordinary shares in issue ('000)	81,135	81,135
Basic Earnings per share for loss for the period (sen)	(3.61)	(7.12)

(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 January 2007.

By Order of the Board

CHEE MIN ER  
Company Secretary

Kuala Lumpur  
30 March 2007