

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED BALANCE SHEET
FOR QUARTER ENDED 31 JULY 2005

	As at end of current quarter 31.07.2005 RM'000	As at preceding year end 31.01.2005 RM'000
Property, plant and equipment	70,033	71,670
Land held for development	176,227	171,382
Intangible assets	3,612	3,612
Investment in quoted shares	7,639	7,639
	<u>257,511</u>	<u>254,303</u>
Current assets		
Development properties	1,673	1,128
Inventories	10,129	9,411
Trade and other receivables	18,223	20,430
Tax recoverable	124	146
Cash and cash equivalent	3,078	1,260
	<u>33,227</u>	<u>32,375</u>
Current liabilities		
Short term borrowings	21,648	21,200
Trade and other payables	63,465	64,532
Taxation	25	25
	<u>85,138</u>	<u>85,757</u>
Net current liabilities	<u>(51,911)</u>	<u>(53,382)</u>
	<u>205,600</u>	<u>200,921</u>
Financed By:		
Capital and reserves		
Share Capital	81,135	81,135
Reserves	63,056	63,056
Accumulated losses	(133,954)	(129,063)
Shareholders' fund	10,237	15,128
Minority shareholders' interests	16,084	16,245
Borrowings	161,885	152,152
Deferred taxation	17,394	17,396
	<u>205,600</u>	<u>200,921</u>
Net tangible assets per share (sen)	<u>8</u>	<u>14</u>

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 JULY 2005

	2005		2004	
	Current quarter ended 31.07.2005	Comparable 6-months cumulative for current financial year to date ended 31.07.2005	Comparable current quarter ended 31.07.2004	Comparable 6-months cumulative for preceding financial year to date ended 31.07.2004
	RM'000	RM'000	RM'000	RM'000
Revenue	17,482	34,155	19,940	38,932
Other Operating Income	511	710	41	167
Operating expenses	(18,706)	(36,912)	(21,227)	(41,579)
Profit/ (Loss) from operations	(713)	(2,047)	(1,246)	(2,480)
Finance costs	(1,575)	(3,012)	(1,479)	(2,801)
Investing Results	-	-	747	1,626
Loss before taxation	(2,288)	(5,059)	(1,978)	(3,655)
Taxation	-	6	(267)	(617)
Loss after taxation	(2,288)	(5,053)	(2,245)	(4,272)
Minority interests	63	162	95	77
Net loss for the period	(2,225)	(4,891)	(2,150)	(4,195)
EPS - Basic (sen)	(2.74)	(6.03)	(2.65)	(5.17)
- 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 JULY 2005

	As at quarter ended 31 July , 2005 RM'000	As at quarter ended 31 July, 2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(5,059)	(3,654)
Adjustments for:		
Non-cash items	2,344	2,797
Non-operating items	2,798	1,252
Operating profit before working capital changes	83	395
Net change in current assets	943	20
Net change in current liabilities	318	(196)
Cash generated from operations	1,344	219
Income tax (paid) / refund	23	-
Interest paid	(1,040)	(1,225)
Net cash generated from operating activities	327	(1,006)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(598)	(522)
Proceeds from disposal of property, plant and equipment	82	-
Interest received	4	25
Investment in quoted shares	-	(6)
Land & Development expenditure	(296)	-
Net cash generated from/(used in) investing activities	(808)	(503)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of Rights Shares	-	-
Repayment of hire purchase	(170)	(134)
Net advance of bill payables	1,387	2,056
Repayment of term loan	(1,436)	(1,192)
Drawdown of term loan	2,500	534
Advance to associate	-	(139)
Net cash generated (used in)/generated financing activities	2,281	1,125
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	1,800	(384)
CASH AND CASH EQUIVALENTS AT 01 FEBRUARY, 2005 / 01 FEBRUARY, 2004	877	1,904
CASH AND CASH EQUIVALENTS AT 30 APRIL, 2005 / 30 APRIL, 2004	2,677	1,520
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	2,383	867
Fixed deposits with licensed banks	695	1,181
	3,078	2,048
Bank overdraft	(401)	(528)
	2,677	1,520

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 JULY 2005

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Accumulated losses RM'000	Total RM'000
<u>Quarter ended</u> <u>31-July-2005</u>					
As at 01.02.2005	81,135	35,803	27,253	(129,063)	15,128
Loss attributable to shareholders	-	-	-	(4,891)	(4,891)
Balance as at 31.07.2005	81,135	35,803	27,253	(133,954)	10,237
<u>Quarter ended</u> <u>31-July-2004</u>					
As at 01.02.2004	81,135	35,803	27,517	(123,110)	21,345
Loss attributable to shareholders	-	-	-	(4,195)	(4,195)
Balance as at 31.07.2004	81,135	35,803	27,517	(127,305)	17,150

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.

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 July 2005.

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 2005

	Gross Revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	35,234	(2,548)	91,380	60,580
Investment holding	-	(2,397)	234,255	291,736
Property development	356	(115)	196,529	157,443
Others	1,208	1	21,541	29,542
Elimination	(2,643)	-	(253,091)	(276,219)
	<u>34,155</u>	<u>(5,059)</u>	<u>290,614</u>	<u>263,082</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 has 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 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. As at the date of this report, the appeal is still pending.

A13 Capital Commitments

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

Additional information required by the Bursa Securities' Listing Requirements**B1 Taxation**

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

	Current Quarter ended 31.07.2005 RM'000	Cumulative Year to-date ended 31.07.2005 RM'000
- Tax for current year	-	-
- Refund of tax credit from IRB	-	6

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 Quoted Investments**a) Investment in quoted securities as at 31 July 2005**

	RM'000
At cost	30,157
Carrying Value/Book Value	7,638
Market Value	6,196

B4 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.

B5 Borrowing and debt securities

	As at 31.07.2005 RM'000
Short term	
Secured	21,648
Unsecured	-
	21,648
Long term	
Secured	161,885
Unsecured	-
	161,885

The above borrowings are denominated in Ringgit Malaysia.

B6 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.

B7 Changes in Material Litigation

As at the date of the report, there is no pending material litigation.

B8 Material Changes in the Profit/Loss before Taxation for the Period compared with the preceding quarter

The Group turnover was RM17.48 million as compared to RM16.67 million in the preceding quarter due to the increase in sales in the Carton and Industrial Bags Divisions.

Due to the increased turnover, the Group loss before taxation was reduced from RM2.771 million for the preceding quarter to RM2.225 million for the current quarter under review.

B9 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 continuously 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.

B10 Profit forecast

There is no published forecast/profit guarantee.

B11 Dividend

The Board of Directors does not recommend the payment of any dividend in respect of the financial period ended 31 July 2005.

B12 Gain/(Loss) per share

	Current Quarter ended 31.07.2005	Cumulative Year to- date ended 31.07.2005
(a) <u>Basic Gain/(Loss) per share</u>		
Net Gain/(Loss) attributed to ordinary shareholders (RM'000)	(2,225)	(4,891)
Weighted average number of ordinary shares in issue ('000)	81,135	81,135
Basic Gain/(Loss) per shares (sen)	(2.74)	(6.03)

(b) Diluted Gain/(Loss) per share

The Employees' 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 July 2005. Accordingly, Diluted Loss per share is not presented.

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
16 September 2005

c.c. Securities Commission