

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2006

	As at 31.07.2006 RM'000	As at 31.01.2006 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	66,720	68,638
Land held for property development	184,550	179,366
Intangible assets	3,610	3,610
	254,880	251,614
Current assets		
Property development costs	2,969	2,771
Inventories	8,969	10,081
Trade receivables	18,155	16,250
Other receivables	2,176	1,671
Cash and bank balances	1,579	2,395
	33,848	33,168
TOTAL ASSETS	288,728	284,782
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	27,125	27,125
Retained earnings	(102,806)	(100,240)
	41,257	43,823
Minority interest	15,133	15,250
Total Equity	56,390	59,073
Non-current liabilities		
Borrowings	15,110	15,192
Deferred tax liabilities	17,321	17,321
	32,431	32,513
Current liabilities		
Borrowings	182,156	174,761
Trade payables	7,894	9,233
Other payables	9,838	9,183
Current tax payable	19	19
	199,907	193,196
Total liabilities	232,338	225,709
TOTAL EQUITY AND LIABILITIES	288,728	284,782
Net assets per share attributable to ordinary equity holders of the parent (sen)	51	54

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 SIX-MONTH PERIOD ENDED 31 JULY 2006

	2006		2005	
	Current quarter ended 31.07.2006	6-month cumulative for current financial year to date ended 31.07.2006	Comparable current quarter ended 31.07.2005	Comparable 6-month cumulative for preceding financial year to date ended 31.07.2005
	RM'000	RM'000	RM'000	RM'000
Revenue	17,926	35,153	17,482	34,155
Other income	466	530	511	710
Operating expenses	(16,948)	(35,053)	(18,706)	(36,912)
Finance costs	(1,671)	(3,313)	(1,575)	(3,012)
Loss before tax	(227)	(2,683)	(2,288)	(5,059)
Income tax expense	-	-	-	6
Loss for the period	(227)	(2,683)	(2,288)	(5,053)
Attributable to:				
Equity holders of the parent	(177)	(2,566)	(2,225)	(4,891)
Minority interest	(50)	(117)	(63)	(162)
	(227)	(2,683)	(2,288)	(5,053)
Earnings per share attributable to equity holders of the parent (sen):				
Basic, for loss for the period	(0.22)	(3.16)	(2.74)	(6.03)
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 SIX-MONTH PERIOD ENDED 31 JULY 2006

	6-month ended 31 July , 2006 RM'000	6-month ended 31 July, 2005 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	(2,683)	(5,059)
Adjustments for:		
Non-cash items	2,260	2,344
Non-operating items	3,449	2,798
Operating profit/ (loss) before working capital changes	3,026	83
Net change in current assets	(1,472)	943
Net change in current liabilities	(884)	318
Cash generated from operations	669	1,344
Income tax (paid) / refund	(31)	23
Interest paid	(1,163)	(1,040)
Net cash generated from/ (used in) operating activities	(525)	327
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(286)	(598)
Proceeds from disposal of property, plant and equipment	20	82
Interest received	10	4
Net cash outflow on disposal of subsidiaries companies	-	-
Land & Development expenditure	(20)	(296)
Net cash generated from/(used in) investing activities	(276)	(808)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase	(276)	(170)
Net advance of bill payables	408	1,387
Repayment of term loan	(1,317)	(1,436)
Drawdown of term loan	-	2,500
Net cash generated from/(used in) financing activities	(1,185)	2,281
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,986)	1,800
CASH AND CASH EQUIVALENTS AT 01 FEBRUARY, 2006 / 01 FEBRUARY, 2005	2,135	877
CASH AND CASH EQUIVALENTS AT 31 JULY, 2006 / 31 JULY, 2005	149	2,677
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	914	2,383
Fixed deposits with licensed banks	665	695
	1,579	3,078
Bank overdraft	(1,430)	(401)
	149	2,677

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 SIX-MONTH PERIOD ENDED 31 JULY 2006

	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 2005	81,135	35,803	27,253	(129,063)	15,128	16,245	31,373
Loss for the period	-	-	-	(4,891)	(4,891)	(162)	(5,053)
At 31 July 2005	81,135	35,803	27,253	(133,954)	10,237	16,083	26,320
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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter ended 31st July 2006.

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 2006

	Gross Revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Manufacturing	35,873	(319)	90,839	61,671
Investment holding	-	(2,601)	233,885	210,342
Property development	201	(82)	202,474	167,853
Others	1,392	319	21,322	28,631
Elimination	(2,313)	-	(260,229)	(253,797)
	35,153	(2,683)	288,291	214,700

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 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 RM505,000 was made by KYMJ and the balance amount of provision in the financial statement as at 31 July 2006 was RM415,000.

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

There was no taxation provided for in the financial statement for the quarter.

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 31.07.2006 RM'000
Short term	
Secured	182,156
Unsecured	-
	<hr/> 182,156 <hr/>
Long term	
Secured	15,110
Unsecured	-
	<hr/> 15,110 <hr/>

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 RM17.926 million as compared to RM17.23 million in the preceding quarter. This represented an increase of 4.04% due to increased sales in our Packaging Division.

The Group loss before taxation was reduced from RM2.456 million for the preceding quarter to RM0.227 million for the current quarter under review. This was mainly due to decreased paper cost, reduced wastage and improved productivity in the Packaging Division.

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.

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 2006.

B11 Earnings per share attributable to equity holders of the parent

	Current Quarter ended 31.07.2006	Cumulative Year to- date ended 31.07.2006
(a) <u>Basic earnings per share</u>		
Loss attributed to ordinary equity holders of the parent (RM'000)	(2,566)	(4,891)
Weighted average number of ordinary shares in issue ('000)	81,135	81,135
Basic Earnings per share for loss for the period (sen)	(3.16)	(6.03)

(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 2006.

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
27 September 2006