

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 JANUARY 2010

	As at 31.01.2010 RM'000	As at 31.01.2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	40,007	56,652
Prepaid lease payment	6,687	7,894
Investment property	2,500	-
Land held for property development	9,821	185,251
Intangible asset	4,667	4,667
Other investment	6	6
	<u>63,688</u>	<u>254,470</u>
Current assets		
Property development costs	-	1,471
Inventories	9,503	7,159
Trade receivables	13,067	10,880
Other receivables	802	950
Tax recoverable	18	12
Cash and cash equivalents	23,564	2,202
	<u>46,954</u>	<u>22,654</u>
Assets held for sale	<u>102,480</u>	<u>-</u>
	<u>149,434</u>	<u>22,654</u>
TOTAL ASSETS	<u>213,122</u>	<u>277,124</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	44,817	81,135
Share premium	1,965	35,803
Capital reserve	10,142	-
Revaluation reserve	27,714	31,063
Accumulated losses	(36,011)	(124,551)
	<u>48,427</u>	<u>23,450</u>
Minority Interest	<u>10,833</u>	<u>6,998</u>
Total Equity	<u>59,260</u>	<u>30,448</u>
Non-current liabilities		
Borrowings	9,750	13,584
Deferred tax liabilities	2,531	16,462
	<u>12,281</u>	<u>30,046</u>
Current liabilities		
Borrowings	109,480	196,145
Trade payables	7,313	6,005
Other payables	9,716	14,476
Provision for taxation	5,065	4
	<u>131,574</u>	<u>216,630</u>
Liabilities directly associated with assets held for sale	<u>10,007</u>	<u>-</u>
	<u>141,581</u>	<u>216,630</u>
Total liabilities	<u>153,862</u>	<u>246,676</u>
TOTAL EQUITY AND LIABILITIES	<u>213,122</u>	<u>277,124</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	<u>54</u>	<u>29</u>

The Condensed Consolidated Balance Sheets (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2009.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE TWELVE-MONTH PERIOD ENDED 31 JANUARY 2010

	2010		2009	
	Current quarter ended 31.01.2010	12-month cumulative for current financial year to date ended 31.01.2010	Comparable current quarter ended 31.01.2009	Comparable 12-month cumulative for preceding financial year to date ended 31.01.2009
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	117,682	162,273	11,277	52,611
Other income	23,325	23,844	666	1,255
Operating expenses	(113,950)	(156,991)	(14,302)	(56,665)
Finance costs	5,382	(5,033)	(4,150)	(16,195)
Profit/ (Loss) before tax	32,439	24,093	(6,509)	(18,994)
Income tax expense	(3,337)	(1,141)	888	882
Profit/ (Loss) for the period from continuing operations	29,102	22,952	(5,621)	(18,112)
Discontinuing operations				
Profit/ (Loss) for the period from discontinuing operations	(21)	(473)	33	(502)
Profit/(Loss) for the period	29,081	22,479	(5,588)	(18,614)
Attributable to:				
Equity holders of the parent	22,664	18,644	(4,963)	(14,075)
Minority interest	6,417	3,835	(625)	(4,539)
	29,081	22,479	(5,588)	(18,614)
Earnings per share attributable to equity holders of the parent (sen):				
Basic, for profit/ (loss) for the period:				
- Continuing operations	27.93	22.98	(6.12)	(17.35)
- Discontinuing operations	27.95	23.46	(6.15)	(16.88)
- Discontinuing operations	(0.02)	(0.48)	0.04	(0.47)
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 2009.

KYM HOLDINGS BHD (Co. No. 84303-A)
 INTERIM FINANCIAL REPORT
 CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
 FOR THE TWELVE-MONTH PERIOD ENDED 31 JANUARY 2010

	12-month ended 31 January, 2010 RM'000	12-month ended 31 January, 2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation:		
Continuing operations	24,093	(18,994)
Discontinuing operations	(473)	(502)
Adjustments for:		
Non-cash items	(13,929)	4,190
Non-operating items	(15,341)	16,766
Operating profit/ (loss) before working capital changes	(5,650)	1,460
Net change in current assets	(537)	1,001
Net change in current liabilities	(3,051)	(526)
Cash generated from operations	(9,237)	1,934
Income tax (paid) / refund	(10)	57
Interest paid	(1,752)	(2,172)
Net cash generated from/ (used in) operating activities	(10,999)	(181)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,666)	(1,330)
Proceeds from disposal of property, plant and equipment	190	286
Proceed from land held for development	101,875	-
Interest received	-	5
Net cash inflow on disposal of subsidiary	-	2,646
Net cash generated from/(used in) investing activities	99,398	1,607
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement	6,015	-
Advances from directors	-	746
Advances from related parties	-	854
Repayment of hire purchase	(426)	(819)
Net advance of bill payables	142	(5,570)
Repayment of term loan	(72,722)	(2,553)
Drawdown of term loan	-	5,800
Net cash generated from/(used in) financing activities	(66,992)	(1,543)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	21,407	(116)
CASH AND CASH EQUIVALENTS AT 01 FEBRUARY, 2009 / 01 FEBRUARY, 2008	1,384	1,500
CASH AND CASH EQUIVALENTS AT 31 OCTOBER, 2009 / 31 OCTOBER, 2008	22,791	1,384
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances from continuing operations	23,454	2,025
Cash and bank balances from discontinuing operations	-	-
Fixed deposits with licensed banks	110	177
	23,564	2,202
Bank overdraft	(773)	(818)
	22,791	1,384

The Condensed Consolidated Cash Flow Statement (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2009.

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 2010

	Attributable to Equity Holders of the Parents					Minority Interest RM'000	Total Equity RM'000	
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000			Total RM'000
At 1 February 2008	81,135	35,803	-	31,306	(111,109)	37,135	11,205	48,340
Realisation on revaluation reserve	-	-	-	(243)	243	-	-	-
Deferred tax adjustment	-	-	-	-	390	390	332	722
Loss for the period	-	-	-	-	(14,075)	(14,075)	(4,539)	(18,614)
At 31 January 2009	81,135	35,803	-	31,063	(124,551)	23,450	6,998	30,448
At 1 February 2009	81,135	35,803	-	31,063	(124,551)	23,450	6,998	30,448
Realisation on revaluation reserve	-	-	-	(3,687)	3,667	-	-	-
Share capital reduction	(40,568)	-	10,142	-	30,426	-	-	-
Share premium reduction	-	(35,803)	-	-	35,803	-	-	-
Reclassification adjustment	-	-	-	318	-	318	-	318
Private placement	4,050	1,965	-	-	-	6,015	-	6,015
Profit for the period	-	-	-	-	18,644	18,644	3,835	22,479
	-	-	-	-	-	-	-	-
At 31 January 2010	44,617	1,965	10,142	27,714	(36,011)	48,427	10,833	59,260

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 2009.

KYM HOLDINGS BHD (Co. No. 84303-A) INTERIM FINANCIAL REPORT

Notes:

A1 Basis of Preparation

The interim financial statements of the group are unaudited and have been prepared in accordance with Financial Reporting Standards ("FRS")134: "Interim Financial Reporting" issued by Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 and Appendix 9B 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 2009.

The accounting policies and method of computations used in the preparation of the interim financial statements are consistent with those adopted in the annual audited financial statements for the year ended 31 January 2009.

The Group has not adopted the following FRSs, IC Interpretations, and amendments that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

- (i) FRS issued and effective for financial periods beginning on or after 1 July 2009:

FRS 8 Operating Segments

FRS 8 replaces FRS 114₂₀₀₄ Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group. This FRS is expected to have no material impact on the financial statements of the Group upon its initial application.

- (ii) FRSs issued and effective for financial periods beginning on or after 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement

The Group considers financial guarantee contracts entered to be insurance arrangements and accounts for them under FRS 4. In this respect, the Group treats the guarantee contract as a contingent liability until such a time as it becomes probable that the Group will be required to make a payment under the guarantee. The adoption of FRS 4 is expected to have no material impact on the financial statements of the Group.

The possible impacts of FRS 7 and FRS 139 on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

The possible impacts of FRS 123 on the financial statements upon its initial application are not disclosed as the existing accounting policies of the Group are consistent with the requirements under this new standard.

- (iii) Amendments issued and effective for financial periods beginning on or after 1 January 2010:

Amendments to FRS 1 and FRS 127	Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 2	Vesting Conditions and Cancellations

The above amendments are not relevant to the Group's operations.

- (iv) IC Interpretations issued and effective for financial periods beginning on or after 1 January 2010:

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2: Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The above IC Interpretations are not relevant to the Group's operations except for IC Interpretation 10. IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

A2 Status of Audit Qualifications

The audited financial statements of the Group for year ended 31 January 2009 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 31 January 2010.

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 2010

	Gross Revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Continuing operations:				
Manufacturing	57,449	5,019	88,743	49,149
Investment holding	103,349	27,291	277,229	238,626
Property development	288	(6,226)	39,495	15,170
Others	1,293	(1,280)	6,627	31,019
	<u>162,379</u>	<u>24,804</u>	<u>412,094</u>	<u>333,964</u>
Discontinuing operations:				
Others*	2,101	(473)	167	2,433
Elimination	(2,205)	(238)	(199,156)	(190,131)
	<u>(162,273)</u>	<u>24,093</u>	<u>213,105</u>	<u>146,266</u>
Unallocated Assets			17	-
Unallocated Liabilities			-	7,596
			<u>213,122</u>	<u>153,862</u>

* Others refer to operations located at Teluk Rubiah to be discontinued upon disposal of leasehold land to Vale, as mentioned in Note B3(i)(a).

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 material changes in the contingent liabilities or contingent assets since the last financial year ended 31 January 2009.

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 31.01.2010 RM'000	Cumulative Year to-date ended 31.01.2010 RM'000
Income Tax:		
- current year provision	(5,065)	(5,065)
Deferred Tax:		
- relating to reversal of temporary differences	1,728	2,144
- overprovision	-	1,780
	(3,337)	(1,141)

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

- (i) On 11 June 2009, KYM Holdings Bhd ("KYM") and Harta Makmur Sdn Bhd ("HMSB") (the vendor), a 54%-owned subsidiary of KYM, had entered into a conditional sale and purchase agreement ("SPA") with Vale International S.A. ("Vale" or "the Purchaser") for:-
- (a) the proposed disposal by HMSB of sixteen (16) parcels of leasehold land measuring approximately 409 acres (or 1,655,922 sq. m) located at Mukim of Lumut, District of Manjung, Perak Darul Ridzuan ("Disposal Properties") to Vale for an aggregate cash consideration of RM 101.8 million.
 - (b) the proposed grant of an option to Vale giving Vale the right (but not the obligation) to purchase an additional thirteen (13) parcels of leasehold land located at Mukim of Lumut and Mukim of Setiawan, District of Manjung, Perak Darul Ridzuan measuring approximately 756 acres (or 3,061,372 sq. m) ("Option Properties") from HMSB for an aggregate cash consideration of RM93.7 million.

The above are collectively known as "Proposed Disposal".

KYM has on 8 February 2010 received the balance consideration under the Proposed Disposal amounting to RM91,687,120.57 from the stakeholder. Accordingly, the Proposed Disposal is deemed completed.

- (ii) On 2 July 2009, KYM announced to undertake the following Proposed Balance Sheet Restructuring:
- Proposed share premium reduction;
 - Proposed value reduction;
 - Proposed Memorandum & Articles of Association amendments; and
 - Proposed issuance of free warrants.

The Proposed Balance Sheet Restructuring was approved by the shareholders of KYM at an EGM held on 6 August 2009. On 9 September 2009, KYM announced that high court has granted an order on Par Value Reduction. The said order has been lodged with the Companies Commission of Malaysia on 29 September 2009. Therefore, the Share Premium Reduction was completed on 6 August 2009 and Par Value Reduction was completed on 29 September 2009.

Bursa Malaysia has vide its letter dated 28 January 2010 approved the additional listing of and quotation for 40,567,250 Free Warrants. 40,567,250 Warrants were issued to the shareholders on 19 February 2010 on the basis of one (1) Warrant for every two (2) ordinary shares of RM0.50 each in KYM held on 17 February 2010.

The issuance of Free Warrants is deemed completed following the listing of and quotation for 40,567,250 Warrants on the Main Market of Bursa Malaysia Securities Berhad with effect from 9.00a.m., Monday, 1 March 2010.

- (iii) On 10 December 2009, KYM had entered into a Debt Settlement Agreement with United Overseas Bank (Malaysia) Bhd and RHB Investment Bank Berhad to settle the outstanding debt at RM120 million as full and final settlement via the proceeds from the Proposed Disposal as stated in Note B3(i) above. Upon receipt of the Proposed Disposal consideration on 8 February 2010, RM70 million has been paid to the bankers as part payment of the RM120 million.
- (iv) KYM has on 20 January 2010 announced that it proposed to undertake Proposed Private Placement of up to RM8,134,500 new KYM shares of RM1 each representing 10% of the existing issued and paid-up capital of KYM at an issue price of RM0.75. The placees were not entitled to the free warrants as mentioned above. 8,100,000 placement shares were issued and allotted to the placees on 27 January 2010.

Bursa Malaysia has vide its letter dated 28 January 2010 approved the listing of up to 8,134,500 new shares of RM0.50 each representing up to 10% of the issued and paid-up capital of KYM.

The Proposed Private Placement is deemed completed following the listing of and quotation for 8,100,000 placement shares on the Main Market with effect from Friday, 5 February 2010.

- (v) The Company has on 20 January 2010 announced that it proposed to undertake the Proposed Establishment of Employee Share Option Scheme of up to 15% of the issued and paid-up capital of KYM for the Eligible Directors and Eligible Employees of KYM Group.

Bursa Malaysia has vide its letter dated 22 March 2010 approved the listing of such number of additional new ordinary shares of RM0.50 each to be issued pursuant to the exercise of options under the ESOS.

An EGM is scheduled to be held on 13 April 2010 to seek the shareholders' approval.

Except for the above, there were no new corporate proposals announced during the quarter under review.

B4 Borrowing and debt securities

	As at 31.01.2010
	RM'000
Short term	
Secured	109,467
Unsecured	-
	<hr/>
	109,467
Long term	
Secured	9,692
Unsecured	-
	<hr/>
	9,692

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 current quarter compared with the preceding quarter

The Group's turnover for the current quarter under review from continuing operations was RM117.682 million as compared to RM14.297 million in the preceding quarter. This is due to the completion of the disposal properties to Vale pursuant to the SPA dated 11 June 2009.

The Group's profit after taxation from continuing operations is RM29.102 million for the current quarter under review, compared to a loss before taxation of RM2.201 million for the preceding quarter. The improvement in operating results is due to following reasons:

- (i) waiver of loan interest of RM59.067 million, derived from the apportionment on waiver based on the payment to bankers as mentioned in the Debt Settlement Agreement described in Note B3(iii);
- (ii) the reversal off the waiver of interest amounting to RM29.305 million recognised pursuant to the loan restructuring exercise on terms stated in the Letter of Offer dated 24 April 2009. This Letter of Offer is superseded by the Debt Settlement Agreement as mentioned in Note B3(iii);
- (iii) share to minority interests on the waiver of loan interest amounting to RM17.533 million; and
- (iv) gain amounting to RM16.550 million from the disposal of Disposal Properties, as mentioned in Note B3(i)(a).

B8 Review of Performance

The Group turnover from continuing operations for the current quarter of RM117.682 million has improved compared to the turnover for the same quarter of previous year of RM11.277 million due to disposal of the Disposal Properties as mentioned in Note B3(i).

The net profit for the current quarter was RM29.081 million compared to the previous year corresponding quarter loss of RM5.588 million mainly due to the effect as explained in Note B7.

B9 Current year prospects

The Board expects the manufacturing subsidiaries continue to perform satisfactorily for the rest of the financial year, however there are still uncertainties in the world financial markets which may cause sales and raw material prices to vary unexpectedly.

We expect the interest cost to reduce substantially upon completion of the Proposed Disposal as mentioned in Note B3(i).

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 January 2010.

B12 Earnings per share attributable to equity holders of the parent

	<u>Current Quarter ended 31.01.2010</u>	<u>Cumulative Year to- date ended 31.01.2010</u>
(a) <u>Basic earnings per share</u>		
(Loss)/ Profit for the period (RM'000)	29,081	22,479
- Continuing operations	29,102	22,952
- Discontinuing operations	(21)	(473)
Weighted average number of ordinary shares in issue ('000)	81,135	81,135
Basic Earnings per share for (loss)/ profit for the period (sen)	27.93	22.98
- Continuing operations	27.95	23.46
- Discontinuing operations	(0.02)	(0.48)

(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 2010.

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
31 March 2010

c.c. Securities Commission