

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2011

	As at 31.07.2011 RM'000	As at 31.01.2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	47,773	43,111
Investment property	7,117	7,117
Land held for property development	26,503	25,862
Intangible asset	5,322	5,322
Investment in quoted shares	822	6
	87,537	81,418
Current assets		
Inventories	13,150	11,688
Trade receivables	14,561	14,981
Other receivables	23,552	41,882
Tax recoverable	94	60
Cash and cash equivalents	2,261	3,296
	53,618	71,907
TOTAL ASSETS	141,155	153,325
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	54,272	53,994
Share premium	23,262	22,913
ESOS reserve	1,567	1,702
Capital reserve	9,870	9,902
Revaluation reserve	9,469	9,469
Retained profits	2,134	2,341
	100,574	100,321
Non-controlling interests	(2,651)	(2,509)
Total Equity	97,923	97,812
Non-current liabilities		
Borrowings	12,832	10,058
Deferred tax liabilities	2,776	2,776
	15,608	12,834
Current liabilities		
Borrowings	12,674	14,562
Trade payables	6,067	5,874
Other payables	8,525	21,885
Provision for taxation	358	358
	27,624	42,679
Total liabilities	43,232	55,513
TOTAL EQUITY AND LIABILITIES	141,155	153,325
Net assets per share attributable to ordinary equity holders of the parent (sen)	93	93

The Condensed Consolidated Statements Of Financial Position (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2011.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 31 JULY 2011

	Current quarter ended 31.07.2011	6-month cumulative for current financial year to date ended 31.07.2011	Comparable quarter ended 31.07.2010	Comparable 6- month cumulative for preceding financial year to date ended 31.07.2010
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	19,324	36,662	16,534	31,228
Other income	722	1,157	246	661
Operating expenses	(19,559)	(37,130)	(19,002)	(33,209)
Finance costs	(390)	(799)	(409)	(814)
Profit/ (Loss) before tax	97	(110)	(2,631)	(2,134)
Income tax expense	-	-	-	-
Profit/ (Loss) for the period from continuing operations	97	(110)	(2,631)	(2,134)
Discontinued operations				
Profit/ (Loss) for the period from discontinued operations	(180)	(239)	(282)	(443)
Total comprehensive income/(loss) for the period	(83)	(349)	(2,913)	(2,577)
Attributable to:				
Owners of the Company	(6)	(207)	(2,688)	(2,234)
Non-controlling interests	(77)	(142)	(225)	(343)
	(83)	(349)	(2,913)	(2,577)
Earnings per share attributable to Owners of the Company (sen):				
Basic:	(0.01)	(0.19)	(3.15)	(2.62)
- Continuing operations	0.09	(0.06)	(2.97)	(2.34)
- Discontinued operations	(0.10)	(0.13)	(0.18)	(0.28)
Diluted:	(0.01)	(0.15)	(2.52)	(2.09)
- Continuing operations	0.07	(0.05)	(2.37)	(1.87)
- Discontinued operations	(0.08)	(0.10)	(0.14)	(0.22)

The Condensed Consolidated Statements Of Comprehensive Income (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2011.

KYM HOLDINGS BHD (Co. No. 84303-A)
 INTERIM FINANCIAL REPORT
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
 FOR THE SIX-MONTH PERIOD ENDED 31 JULY 2011

	6-month ended 31.07.2011 RM'000	6-month ended 31.07.2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation:		
Continuing operations	(110)	(2,134)
Discontinued operations	(239)	(443)
Adjustments for:		
Non-cash items	2,344	4,554
Non-operating items	812	1,186
Operating profit before working capital changes	2,808	3,163
Net change in current assets	17,289	88,349
Net change in current liabilities	(13,168)	(12,518)
Cash generated from operations	6,928	78,994
Income tax paid	(34)	(1)
Interest paid	(789)	(710)
Net cash generated from operating activities	6,105	78,284
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,337)	(3,646)
Proceeds from disposal of property, plant and equipment	-	210
Net cash outflow on acquisition of subsidiaries company	-	(200)
Interest received	82	-
Proceed from disposal of quoted shares	1,034	-
Land and development costs incurred	(641)	-
Investment in quoted shares	(1,955)	-
Net cash generated used in investing activities	(3,818)	(3,636)
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from ESOS exercised	407	69
Proceeds from warrants exercised	52	-
Repayment of hire purchase	(592)	(293)
Net repayment of bill payables	(1,993)	(70)
Repayment of term loan	(2,003)	(72,439)
Drawdown of hire purchase	-	1,796
Drawdown of term loan	-	1,950
Net cash used in financing activities	(4,129)	(68,987)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,842)	5,661
CASH AND CASH EQUIVALENTS AT 01 FEBRUARY 2011 / 2010	3,067	118
CASH AND CASH EQUIVALENTS AT 31 JULY 2011 / 2010	1,225	5,779
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances from continuing operations	1,301	1,214
Fixed deposits with licensed banks	960	5,138
	2,261	6,353
Bank overdraft	(1,037)	(574)
	1,225	5,779

The Condensed Consolidated Statements Of Cash Flow (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2011.

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 2011

	Attributable to Owners of the Company						Non-Controlling Interests RM'000	Total Equity RM'000	
	Share Capital RM'000	Share Premium RM'000	ESOS Reserve RM'000	Capital Reserve RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000			Total RM'000
At 1 February 2010	44,617	1,965	-	10,142	22,334	(29,666)	49,392	16,237	65,629
Share option granted under ESOS	-	-	2,466	-	-	-	2,466	-	2,466
Exercise of ESOS	39	30	-	-	-	-	69	-	69
Total comprehensive loss for the period	-	-	-	-	-	(2,234)	(2,234)	(343)	(2,577)
At 31 July 2010	44,656	1,995	2,466	10,142	22,334	(31,900)	49,693	15,894	65,587
At 1 February 2011	53,994	22,913	1,702	9,902	9,469	2,341	100,321	(2,509)	97,812
Exercise of ESOS	226	316	(135)	-	-	-	407	-	407
Exercise of warrants	52	33	-	(32)	-	-	53	-	53
Total comprehensive income for the period	-	-	-	-	-	(207)	(207)	(142)	(349)
At 31 July 2011	54,272	23,262	1,567	9,870	9,469	2,134	100,574	(2,651)	97,923

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 2011.

**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 2011.

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 2011.

The Group has adopted the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) with effect from 1 January 2011:

FRSs and IC Interpretations (including the Consequential Amendments)	Effective date
FRS 1 (Revised) First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (Revised) Business Combinations	1 July 2010
FRS 124 (Revised) Related Party Disclosures	1 January 2012
FRS 127 (Revised) Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)	1 July 2010
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)	1 July 2010
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)	1 July 2010

FRSs and IC Interpretations (including the Consequential Amendments)	Effective date
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease	1 January 2011
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Annual Improvements to FRSs (2010)	1 January 2011

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

- (i) FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will be no financial impact on the financial statements of the Group for the current financial year but may impact the accounting of its future transactions or arrangements.
- (ii) FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of FRS 127 (Revised) prospectively and therefore there will be no financial impact on the financial statements of the Group for the current financial year but may impact the accounting of its future transactions or arrangements.

A2 Status of Audit Qualifications

The audited financial statements of the Group for year ended 31 January 2011 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 July 2011.

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 except for the following:

Share capital

As at 31 July 2011, a total of 555,800 new ordinary shares of RM0.50 each were issued as follows:-

	Current Quarter ended 31.07.2011 No. of shares	Cumulative Year to-date ended 31.07.2011 No. of shares
Shares issued pursuant to exercise of ESOS Options	192,000	452,000
Shares issued pursuant to the conversion of Warrants 2010/2013	33,800	103,800
Total	<u>225,800</u>	<u>555,800</u>

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 2011:

	Gross revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Continuing operations:				
Manufacturing	35,562	1,975	89,098	42,395
Investment holding	1	(1,001)	171,741	79,442
Property development/investment	803	(134)	45,643	43,447
Others	1,450	(894)	1,724	35,613
	<u>37,816</u>	<u>(54)</u>	<u>308,206</u>	<u>200,897</u>
Discontinued operations:				
Others*	0	(239)	0	0
Elimination	(1,154)	(56)	(167,145)	(160,798)
	<u>36,662</u>	<u>(349)</u>	<u>141,061</u>	<u>40,099</u>
Unallocated Assets			94	0
Unallocated Liabilities			0	3,133
			<u>141,155</u>	<u>43,232</u>

* Others refer to operations located at Teluk Rubiah discontinued upon disposal of leasehold land to Vale.

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 during the financial period under review

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 2011.

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 statements for the current 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 Quoted investments

a) Purchase and disposal of quoted securities

The particulars of the purchase and disposal of quoted securities were as follows:

	Current Quarter ended 31.07.2011 RM'000	Cumulative Year to-date ended 31.07.2011 RM'000
Cost of purchase	0	1,955
Proceeds of quoted securities disposed	1,033	1,033
Loss on disposal of quoted securities	105	105

b) Investment in quoted securities

	As at 31.07.2011 RM'000
At cost	816
At book value	816
At market value	695

B4 Status of corporate proposals announced

On 10 March 2011, KYM entered into a conditional share sale agreement with RAS Sdn Bhd ("Vendor") for the proposed acquisition of 400,000 ordinary shares of RM1.00 each in Harta Makmur representing the remaining 40% of the issued and paid-up share capital of Harta Makmur not owned by Tegas Consolidated Sdn Bhd ("Tegas"), a wholly-owned subsidiary of KYM, for a cash consideration of RM41 million ("Proposed Acquisition").

The Proposed Acquisition has been approved by the shareholders at an EGM held on 28 June 2011.

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

B5 Borrowing and debt securities

	As at 31.07.2011
	RM'000
Short term	
Secured	12,674
Unsecured	0
	<hr/> 12,674 <hr/>
Long term	
Secured	12,832
Unsecured	0
	<hr/> 12,832 <hr/>

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 current quarter compared with the preceding quarter

The Group's turnover for the current quarter under review from continuing operations was RM19.324 million as compared to RM17.338 million in the preceding quarter. This improvement is due to the increase in manufacturing sales.

The Group's profit before taxation from continuing operations is RM0.097 million for the current quarter under review, which has improved compared to the loss before taxation of RM0.207 million for the preceding quarter.

B9 Review of Performance

The Group's turnover from continuing operations for the current quarter of RM19.324 million has improved compared to the turnover for the same quarter of previous year of RM16.534 million due to the increase in manufacturing sales.

The Group's profit before taxation from continuing operations for the current quarter was RM0.097 million compared to the previous year corresponding quarter loss of RM2.631 million mainly due to the recognition of employee benefit expenses in the previous year corresponding quarter.

B10 Current year prospects

1. Manufacturing Division

The Manufacturing Division reported gross revenue of RM35.562 million with profit before tax of RM1.975 million for the six months ended 31 July 2011.

The plan for the Division to increase efficiency and capacity by either investing in additional machines or by a corporate exercise remains unchanged.

2. Property Development Division

The prospect of this Division is in the following proposed developments:

2.1 Proposed Mixed Development of Teluk Batik Lands

The Teluk Batik Lands measuring approximately 70 acres are strategically located at the Teluk Batik tourism area which is next to the proposed Marina Island Pangkor Second International Resort & Entertainment Island and next to the proposed development by Vale International S.A. of their RM9.0 billion iron ore distribution centre at Teluk Rubiah, Perak. These proposed developments are expected to generate a significant population growth of workers and expatriates for residential and commercial developments.

Development plans have been submitted to the relevant authority on 6 July 2011, pending approval.

2.2 Proposed development of the Perak Eco Industrial Hub

On 1 December 2010, KYM Development (Perak) Sdn Bhd, an indirect wholly-owned subsidiary of KYM entered into a Memorandum of Understanding ("MOU") with Perbadanan Kemajuan Negeri Perak ("PKNP") with a mutual intention to determine the viability of implementing an industrial park centered on steel industries at Bagan Datoh, Perak.

The MOU had expired on 31 August 2011. The intended project will be undertaken pursuant to the terms in a Heads of Agreement signed between PKNP and PEIH Holdings Sdn Bhd of which KYM will have a 37.5% interest.

2.3 Proposed 250 Units Service Apartments at Gohtong Jaya, Genting Highlands

Approval of the layout plan obtained in August 2011 and finalizing building plan to take into consideration of prevailing market conditions.

2.4 Proposed residential development at Silibin, Perak

The above proposed residential development is pending layout approval.

B11 Profit forecast

There is no published forecast/profit guarantee.

B12 Dividend

The Board of Directors does not recommend the payment of any dividend in respect of the financial period ended 31 July 2011.

B13 Earnings per share attributable to owners of the Company

	<u>Current Quarter ended 31.07.2011</u>	<u>Cumulative Year to- date ended 31.07.2011</u>
(a) <u>Basic earnings per share</u>		
Profit/(Loss) for the period (RM'000)	(6)	(207)
- Continuing operations	102	(64)
- Discontinued operations	(108)	(143)
Weighted average number of ordinary shares in issue ('000)	108,483	108,483
Basic Earnings per share for profit/(loss) for the period (sen)	(0.01)	(0.19)
- Continuing operations	0.09	(0.06)
- Discontinued operations	(0.10)	(0.13)
(b) <u>Diluted earnings per share</u>		
Profit/(Loss) for the period (RM'000)	(6)	(207)
- Continuing operations	102	(64)
- Discontinued operations	(108)	(143)
Weighted average number of ordinary shares in issue ('000)	108,483	108,483
- Dilution due to ESOS	3,214	3,214
- Dilution due to warrants	28,773	28,773
Adjustable weighted average number of ordinary shares in issue and issuable ('000)	140,470	140,470
Diluted earnings per share for profit/(loss) for the period (sen)	(0.01)	(0.15)
- Continuing operations	0.07	(0.05)
- Discontinued operations	(0.08)	(0.10)

B14 Disclosure of realised and unrealised profits/losses

	Current Quarter ended 31.07.2011 RM'000	As at the end of the last financial year ended 31.01.2011 RM'000
Total (accumulated losses)/ retained profits of the Company and its subsidiaries:		
- realised	4,050	5,117
- unrealised	(1,916)	(2,776)
	<u>2,134</u>	<u>2,341</u>
Consolidation adjustments	-	-
Total group retained profits as per consolidated accounts	<u>2,134</u>	<u>2,341</u>

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
28 September 2011

c.c. Securities Commission