

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

	As at 31.10.2011 RM'000	As at 31.01.2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	47,054	43,111
Investment property	7,117	7,117
Land held for property development	26,651	25,862
Intangible asset	5,322	5,322
Investment in quoted shares	6	6
	86,150	81,418
Current assets		
Inventories	12,181	11,688
Trade receivables	15,790	14,981
Other receivables	24,042	41,882
Tax recoverable	104	60
Cash and cash equivalents	1,626	3,296
	53,743	71,907
TOTAL ASSETS	139,893	153,325
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	54,886	53,994
Share premium	23,871	22,913
ESOS reserve	1,365	1,702
Capital reserve	9,731	9,902
Revaluation reserve	9,469	9,469
Retained profits	1,820	2,341
	101,142	100,321
Non-controlling interests	(2,792)	(2,509)
Total Equity	98,350	97,812
Non-current liabilities		
Borrowings	12,220	10,058
Deferred tax liabilities	2,776	2,776
	14,996	12,834
Current liabilities		
Borrowings	11,489	14,562
Trade payables	6,715	5,874
Other payables	8,343	21,885
Provision for taxation	-	358
	26,547	42,679
Total liabilities	41,543	55,513
TOTAL EQUITY AND LIABILITIES	139,893	153,325
Net assets per share attributable to ordinary equity holders of the parent (sen)	92	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 NINE-MONTH PERIOD ENDED 31 OCTOBER 2011

	Current quarter ended 31.10.2011	9-month cumulative for current financial year to date ended 31.10.2011	Comparable quarter ended 31.10.2010	Comparable 9- month cumulative for preceding financial year to date ended 31.10.2010
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	20,747	57,409	110,370	141,598
Other income	534	1,691	42,828	43,489
Operating expenses	(21,120)	(58,250)	(137,322)	(170,531)
Finance costs	(431)	(1,230)	(522)	(1,336)
Profit/ (Loss) before tax	(270)	(380)	15,354	13,220
Income tax expense	(146)	(146)	7,118	7,118
Profit/ (Loss) for the period from continuing operations	(416)	(526)	22,472	20,338
Discontinued operations				
Profit/ (Loss) for the period from discontinued operations	(39)	(278)	(241)	(684)
Total comprehensive income/(loss) for the period	(455)	(804)	22,231	19,654
Attributable to:				
Owners of the Company	(314)	(521)	15,360	13,126
Non-controlling interests	(141)	(283)	6,871	6,528
	(455)	(804)	22,231	19,654
Earnings per share attributable to Owners of the Company (sen):				
Basic:				
- Continuing operations	(0.29)	(0.47)	17.00	14.52
- Discontinued operations	(0.27)	(0.32)	17.14	14.93
- Discontinued operations	(0.02)	(0.15)	(0.14)	(0.41)
Diluted:				
- Continuing operations	(0.24)	(0.39)	12.82	10.95
- Continuing operations	(0.22)	(0.27)	12.93	11.26
- Discontinued operations	(0.02)	(0.12)	(0.11)	(0.31)

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 NINE-MONTH PERIOD ENDED 31 OCTOBER 2011

	9-month period ended 31.10.2011 RM'000	9-month period ended 31.10.2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation:		
Continuing operations	(380)	13,220
Discontinued operations	(278)	(684)
Adjustments for:		
Non-cash items	3,593	5,757
Non-operating items	1,454	(40,313)
Operating profit before working capital changes	4,389	(22,020)
Net change in current assets	16,539	205,110
Net change in current liabilities	(12,702)	1,995
Cash generated from operations	8,227	185,085
Income tax paid	(548)	(66)
Interest paid	(1,281)	(1,344)
Net cash generated from operating activities	6,398	183,675
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,868)	(4,810)
Proceeds from disposal of property, plant and equipment	-	495
Net cash outflow on acquisition of subsidiaries company	-	(200)
Interest received	83	-
Proceed from disposal of quoted shares	1,699	-
Land and development costs incurred	(790)	(454)
Investment in quoted shares	(1,955)	-
Net cash generated used in investing activities	(3,831)	(4,969)
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from ESOS exercised	1,012	603
Proceeds from warrants exercised	330	-
Repayment of hire purchase	(1,013)	(568)
Net repayment of bill payables	(2,413)	(267)
Repayment of term loan	(2,470)	(123,634)
Drawdown of hire purchase	-	2,032
Drawdown of term loan	-	1,950
Net cash used in financing activities	(4,554)	(119,885)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,987)	58,821
CASH AND CASH EQUIVALENTS AT 01 FEBRUARY 2011 / 2010	3,067	118
CASH AND CASH EQUIVALENTS AT 31 JULY 2011 / 2010	1,080	58,939
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances from continuing operations	909	2,020
Fixed deposits with licensed banks	717	57,408
	1,626	59,428
Bank overdraft	(546)	(489)
	1,080	58,939

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 NINE-MONTH PERIOD ENDED 31 OCTOBER 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
Realisation on revaluation reserve	-	-	-	-	(12,344)	12,344	-	-	-
Share option granted under ESOS	-	-	2,466	-	-	-	2,466	-	2,466
Exercise of ESOS	335	268	-	-	-	-	603	-	603
Total comprehensive loss for the period	-	-	-	-	-	13,128	13,126	6,528	19,654
Issuance of shares for Ipoh Land Acquisition	4,375	7,525	-	-	-	-	11,900	-	11,900
At 31 October 2010	49,327	9,758	2,466	10,142	9,990	(4,196)	77,487	22,765	100,252
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	562	787	(337)	-	-	-	1,012	-	1,012
Exercise of warrants	330	171	-	(171)	-	-	330	-	330
Total comprehensive income for the period	-	-	-	-	-	(521)	(521)	(283)	(804)
At 31 October 2011	54,886	23,871	1,365	9,731	9,469	1,820	101,142	(2,792)	98,350

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 October 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 October 2011, a total of 1,783,300 new ordinary shares of RM0.50 each were issued as follows:-

	Current Quarter ended 31.10.2011 No. of shares	Cumulative Year to-date ended 31.10.2011 No. of shares
Shares issued pursuant to exercise of ESOS Options	672,000	1,124,000
Shares issued pursuant to the conversion of Warrants 2010/2013	555,500	659,300
Total	<u>1,227,500</u>	<u>1,783,300</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 9 months ended 31 October 2011:

	Gross revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Continuing operations:				
Manufacturing	55,845	2,876	88,998	41,728
Investment holding	1	(1,346)	171,902	79,210
Property development/investment	1,049	(346)	45,939	44,030
Others	2,179	(1,481)	1,588	36,064
	<u>59,074</u>	<u>(297)</u>	<u>308,427</u>	<u>201,032</u>
Discontinued operations:				
Others*	0	(278)	0	0
Elimination	(1,665)	(83)	(168,638)	(162,264)
	<u>57,409</u>	<u>(658)</u>	<u>139,789</u>	<u>38,768</u>
Unallocated Assets			104	0
Unallocated Liabilities			0	2,775
			<u>139,893</u>	<u>41,543</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 31.10.2011 RM'000	Cumulative Year to-date ended 31.10.2011 RM'000
Cost of purchase	0	1,955
Proceeds of quoted securities disposed	665	1,699
Loss on disposal of quoted securities	151	256

b) Investment in quoted securities

	As at 31.10.2011 RM'000
At cost	5
At book value	5
At market value	3

B4 Status of corporate proposals announced

- (i) 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").

KYM and the Vendor had on 16 December 2011 mutually agreed to an extension of time for the payment of the final balance of RM13.9 million ("Final Payment") payable by KYM to the Vendor originally due on or before 28 December 2011, being six (6) months from the Unconditional Date. The Final Payment shall now be paid on or before 28 March 2012 together with interest thereon calculated at the rate of eight (8%) per cent per annum with daily rest from 29 December 2011 to the date of full payment. The date of full payment of the Final Payment together with the interest as aforesaid on or before the 28 March 2012 shall be the Completion Date..

- (ii) KYM has on 17 November 2011 announced that it proposed to undertake Proposed Private Placement of 5,000,000 new KYM shares of RM0.50 each representing approximately 4.6% of the existing issued and paid-up capital of KYM.

Bursa Malaysia Securities Berhad ("Bursa Securities") had vide its approval letter dated 14 December 2011 approved the listing of and quotation for 5,000,000 placement shares on the Main Market. The first tranche of the Placement Shares comprising 1.3 million shares has been listed on 20 December 2011 whilst the remaining Placement Shares shall be issued in tranches and expected to complete by the second quarter of FY2013.

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

B5 Borrowing and debt securities

	As at 31.10.2011
	RM'000
Short term	
Secured	11,489
Unsecured	0
	<hr/>
	11,489
Long term	
Secured	12,220
Unsecured	0
	<hr/>
	12,220
	<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 RM20.747 million as compared to RM19.324 million in the preceding quarter. This improvement is due to the increase in manufacturing sales.

The Group's loss before taxation from continuing operations is RM0.270 million for the current quarter under review, compared to the profit before taxation of RM0.097 million for the preceding quarter mainly due to the losses from other segments except manufacturing division.

B9 Review of Performance

The Group's turnover from continuing operations for the current quarter of RM20.747 million has dropped compared to the turnover for the same quarter of previous year of RM101.370 million due to the disposal of 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") in the third quarter of previous year.

The Group's loss before taxation from continuing operations for the current quarter was RM0.270 million compared to the previous year corresponding quarter profit of RM15.354 million mainly due to the disposal of Option Properties in the third quarter of previous year.

B10 Current year prospects

The Manufacturing Division reported gross revenue of RM55.845 million with profit before tax of RM2.876 million for the nine months ended 31 October 2011.

The outlook for the division remains stable for the remaining financial year.

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 October 2011.

B13 Earnings per share attributable to owners of the Company

	<u>Current Quarter ended 31.10.2011</u>	<u>Cumulative Year to- date ended 31.10.2011</u>
(a) Basic earnings per share		
Profit/(Loss) for the period (RM'000)	(314)	(521)
- Continuing operations	(290)	(353)
- Discontinued operations	(23)	(167)
Weighted average number of ordinary shares in issue ('000)	109,373	109,373
Basic Earnings per share for profit/(loss) for the period (sen)	(0.29)	(0.47)
- Continuing operations	(0.27)	(0.32)
- Discontinued operations	(0.02)	(0.15)
(b) Diluted earnings per share		
Profit/(Loss) for the period (RM'000)	(314)	(521)
- Continuing operations	(290)	(353)
- Discontinued operations	(23)	(167)
Weighted average number of ordinary shares in issue ('000)	109,373	109,373
- Dilution due to ESOS	2,034	2,034
- Dilution due to warrants	21,413	21,413
Adjustable weighted average number of ordinary shares in issue and issuable ('000)	132,820	132,820
Diluted earnings per share for profit/(loss) for the period (sen)	(0.24)	(0.39)
- Continuing operations	(0.22)	(0.27)
- Discontinued operations	(0.02)	(0.12)

B14 Disclosure of realised and unrealised profits/losses

	Current Quarter ended 31.10.2011 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	3,736	5,117
- unrealised	(1,916)	(2,776)
	<u>1,820</u>	<u>2,341</u>
Consolidation adjustments	-	-
Total group retained profits as per consolidated accounts	<u>1,820</u>	<u>2,341</u>

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
23 December 2011

c.c. Securities Commission