

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 APRIL 2009

| | As at 30.4.2009 RM'000 | As at 31.01.2009 RM'000 |
|---|------------------------------|-------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 56,272 | 56,652 |
| Prepaid lease payment | 7,861 | 7,894 |
| Investment property | - | - |
| Land held for property development | 185,251 | 185,251 |
| Intangible asset | 4,667 | 4,667 |
| Other investment | 6 | 6 |
| | 254,057 | 254,470 |
| Current assets | | |
| Property development costs | 1,471 | 1,471 |
| Inventories | 6,448 | 7,159 |
| Trade receivables | 11,954 | 10,860 |
| Other receivables | 1,017 | 950 |
| Tax recoverable | 12 | 12 |
| Cash and bank balances | 880 | 2,202 |
| | 21,782 | 22,654 |
| TOTAL ASSETS | 275,839 | 277,124 |
| 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 | 31,063 | 31,063 |
| Accumulated Losses | (126,787) | (124,551) |
| | 21,214 | 23,450 |
| Minority interest | 5,864 | 6,998 |
| Total Equity | 27,078 | 30,448 |
| Non-current liabilities | | |
| Borrowings | 13,608 | 13,584 |
| Deferred tax liabilities | 16,462 | 16,462 |
| | 30,070 | 30,046 |
| Current liabilities | | |
| Borrowings | 198,607 | 196,145 |
| Trade payables | 6,036 | 6,005 |
| Other payables | 14,048 | 14,480 |
| | 218,691 | 216,630 |
| Total liabilities | 248,761 | 246,676 |
| TOTAL EQUITY AND LIABILITIES | 275,839 | 277,124 |
| Net assets per share attributable to ordinary equity holders of the parent (sen) | 26 | 29 |

The Condensed Consolidated Balance Sheets (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2009. The external auditors have performed a limited review on this quarterly announcement.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE-MONTH PERIOD ENDED 30 APRIL 2009

| | 2009 | | 2008 | |
|---|---------------------------------|---|--|--|
| | Current quarter ended 30.4.2009 | 3-month cumulative for current financial year to date ended 30.4.2009 | Comparable current quarter ended 30.4.2008 | Comparable 3-month cumulative for preceding financial year to date ended 30.4.2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 12,619 | 12,619 | 12,909 | 12,909 |
| Other income | 180 | 180 | 138 | 138 |
| Operating expenses | (12,729) | (12,729) | (13,586) | (13,586) |
| Finance costs | (3,440) | (3,440) | (4,023) | (4,023) |
| Profit/ (Loss) before tax | (3,370) | (3,370) | (4,562) | (4,562) |
| Income tax expense | - | - | - | - |
| Profit/ (Loss) for the period | (3,370) | (3,370) | (4,562) | (4,562) |
| Attributable to: | | | | |
| Equity holders of the parent | (2,236) | (2,236) | (3,283) | (3,283) |
| Minority interest | (1,134) | (1,134) | (1,279) | (1,279) |
| | (3,370) | (3,370) | (4,562) | (4,562) |
| Earnings per share attributable to equity holders of the parent (sen): | | | | |
| Basic, for profit/ (loss) for the period | (2.76) | (2.76) | (4.05) | (4.05) |
| 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. The external auditors have performed a limited review on this quarterly announcement.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 30 APRIL 2009

| | 3-month ended 30 April, 2009 RM'000 | 3-month ended 30 April, 2008 RM'000 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/ (Loss) before taxation | (3,370) | (4,562) |
| Adjustments for: | | |
| Non-cash items | 979 | 1,047 |
| Non-operating items | 3,420 | 3,391 |
| Operating profit/ (loss) before working capital changes | 1,029 | (124) |
| Net change in current assets | (421) | 364 |
| Net change in current liabilities | (430) | (256) |
| Cash generated from operations | 178 | (16) |
| Income tax (paid) / refund | (1) | (2) |
| Interest paid | (484) | (612) |
| Net cash generated from/ (used in) operating activities | (307) | (630) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (283) | (262) |
| Proceeds from disposal of property, plant and equipment | 5 | 134 |
| Interest received | - | - |
| Net cash inflow on disposal of subsidiary | - | - |
| Net cash generated from/(used in) investing activities | (278) | (128) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of hire purchase | (118) | (195) |
| Net advance of bill payables | 148 | (2,098) |
| Repayment of term loan | (749) | (651) |
| Drawdown of term loan | - | 2,000 |
| Advances from related party | - | - |
| Net cash generated from/(used in) financing activities | (719) | (944) |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (1,304) | (1,702) |
| CASH AND CASH EQUIVALENTS AT 01 FEBRUARY, 2008 / 01 FEBRUARY, 2007 | 1,384 | 1,500 |
| CASH AND CASH EQUIVALENTS AT 31 JANUARY, 2009 / 31 JANUARY, 2008 | 80 | (202) |
| CASH AND CASH EQUIVALENTS COMPRISE: | | |
| Cash and bank balances | 702 | 546 |
| Fixed deposits with licensed banks | 177 | 118 |
| | 879 | 664 |
| Bank overdraft | (799) | (866) |
| | 80 | (202) |

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. The external auditors have performed a limited review on this quarterly announcement.

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 30 APRIL 2009

| | 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 2008 | 81,135 | 35,803 | 31,306 | (111,109) | 37,135 | 11,205 | 48,340 |
| Realisation on revaluation reserve | - | - | - | - | - | - | - |
| Revaluation Surplus | - | - | - | - | - | - | - |
| Loss for the period | - | - | - | (3,283) | (3,283) | (1,279) | (4,562) |
| Effect on partial disposal of subsidiary's shares | - | - | - | - | - | - | - |
| At 30 April 2008 | 81,135 | 35,803 | 31,306 | (114,392) | 33,852 | 9,926 | 43,778 |
| At 1 February 2009 | 81,135 | 35,803 | 31,063 | (124,551) | 23,450 | 6,998 | 30,448 |
| Realisation on revaluation reserve | - | - | - | - | - | - | - |
| Deferred tax adjustment | - | - | - | - | - | - | - |
| Loss for the period | - | - | - | (2,236) | (2,236) | (1,134) | (3,370) |
| At 30 April 2009 | 81,135 | 35,803 | 31,063 | (126,787) | 21,214 | 5,864 | 27,078 |

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. The external auditors have performed a limited review on this quarterly announcement.

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 |

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 30th April 2009.

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 3 months ended 30 April 2009

| | Gross Revenue RM'000 | Profit/(Loss) before tax RM'000 | Segment assets RM'000 | Segment liabilities RM'000 |
|-------------------------|-------------------------------------|--|--------------------------------------|---|
| Manufacturing | 12,247 | 360 | 85,044 | 50,110 |
| Investment holding | - | (936) | 249,150 | 406,388 |
| Property development | 84 | (2,307) | 202,664 | 16,741 |
| Others | 760 | (427) | 20,294 | 31,218 |
| Elimination | (472) | (60) | (281,325) | (272,162) |
| | 12,619 | (3,370) | 275,827 | 232,295 |
| Unallocated Assets | | | 12 | - |
| Unallocated Liabilities | | | - | 16,466 |
| | | | 275,839 | 248,761 |

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 except for the following:

KYM Holdings Bhd ("KYM") and Harta Makmur Sdn Bhd ("HMSB" or "the vendor"), a 54%-owned subsidiary company of KYM, had on 11 June 2009 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".

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

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 prior to this quarter have either been completed or lapsed during the previous quarter and there were no new corporate proposals announced during the quarter under review.

On 11 June 2009, KYM has announced that KYM and HMSB had entered into a conditional SPA with Vale as stated in Note A10.

B4 Borrowing and debt securities

| | As at 30.4.2009 RM'000 |
|------------|---------------------------|
| Short term | |
| Secured | 198,607 |
| Unsecured | - |
| | <hr/> 198,607 |
| Long term | |
| Secured | 13,608 |
| Unsecured | - |
| | <hr/> 13,608 |

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 RM12.619 million as compared to RM11.865 million in the preceding quarter. This is due to the increase in sales in our Carton Division and Bags Division.

The Group loss before taxation is RM3.370 million for the current quarter review, compared to a loss before taxation of RM6.3075 million for the preceding quarter. This is due to the breakeven on operating result before tax and interest of RM70,000 as compared to the operating loss before tax and interest of RM2,152,000. This improvement in operating results is due to the lower cost of production as a result of lower raw material cost.

The lower Base Lending Rate has also reflected the lower interest cost.

The last quarter result also included the loss on the disposal of a subsidiary, Ireson Perniagaan Sdn Bhd, of approximately RM759,000.

B8 Review of Performance

The Group turnover for the current quarter of RM12.619 million are remained constant compared to the turnover for the same quarter of previous year of RM12.909 million.

The net loss for the current quarter was RM3.370 million compared to the previous quarter of RM4.562 million. This is due to the breakeven on operating result before tax and interest of RM70,000 as compared to the operating loss before tax and interest of RM539,000. This improvement in operating results is due to the lower cost of production as a result of lower raw material cost. The lower Base Lending Rate has also reflected the lower interest cost.

B9 Current year prospects

The Board expects the manufacturing subsidiaries continue to perform satisfactorily even though the market has soften due to the financial crises, however they are still uncertainties in the economy which may vary the results accordingly.

The interest cost on borrowing still remain high and continue to be the significant cost in the Group's results. However, we expect the interest cost will reduce substantially upon completion of the Proposed Disposal as mentioned in Note A10.

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 2009.

B12 Earnings per share attributable to equity holders of the parent

| | Current Quarter ended 30.4.2009 | Cumulative Year to- date ended 30.4.2009 |
|---|--|---|
| (a) <u>Basic earnings per share</u> | | |
| (Loss)/ Profit attributed to ordinary equity holders of the parent (RM'000) | (2,236) | (2,236) |
| Weighted average number of ordinary shares in issue ('000) | 81,135 | 81,135 |
| Basic Earnings per share for (loss)/ Profit for the period (sen) | (2.76) | (2.76) |

(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 30 April 2009.

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
30 June 2009

c.c. Securities Commission