

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 OCTOBER 2010

	As at 31.10.2010 RM'000	As at 31.01.2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	43,299	42,481
Investment property	7,117	7,117
Land held for property development	22,175	9,821
Intangible asset	5,322	4,667
Other investment	6	6
	77,919	64,092
Current assets		
Inventories	10,233	9,471
Trade receivables	15,575	13,067
Other receivables	2,542	108,427
Tax recoverable	18	18
Cash and cash equivalents	59,428	891
	87,796	131,874
Assets held for sale	-	102,480
	87,796	234,354
TOTAL ASSETS	165,715	298,446
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	49,327	44,617
Share premium	9,758	1,965
ESOS reserve	2,466	-
Capital reserve	10,142	10,142
Revaluation reserve	9,990	22,334
Accumulated losses	(4,196)	(29,666)
	77,487	49,392
Non-controlling interests	22,765	16,237
Total Equity	100,252	65,629
Non-current liabilities		
Borrowings	9,596	9,298
Deferred tax liabilities	4,313	4,312
	13,909	13,610
Current liabilities		
Borrowings	16,549	179,810
Trade payables	6,847	7,313
Other payables	28,158	24,900
Provision for taxation	-	65
	51,554	212,088
Liabilities directly associated with assets held for sale	-	7,119
	51,554	219,207
Total liabilities	65,463	232,817
TOTAL EQUITY AND LIABILITIES	165,715	298,446
Net assets per share attributable to ordinary equity holders of the parent (sen)	79	55

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 2010.

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

	Current quarter ended 31.10.2010	9-month cumulative for current financial year to date ended 31.10.2010	Comparable quarter ended 31.10.2009	Comparable 9- month cumulative for preceding financial year to date ended 31.10.2009
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	110,370	141,598	14,297	44,591
Other income	42,828	43,489	214	519
Operating expenses	(137,322)	(170,531)	(13,169)	(43,041)
Finance costs	(522)	(1,336)	(3,543)	(10,415)
Profit/ (Loss) before tax	15,354	13,220	(2,201)	(8,346)
Income tax expense	7,118	7,118	-	2,196
Profit/ (Loss) for the period from continuing operations	22,472	20,338	(2,201)	(6,150)
Discontinued operations				
Profit/ (Loss) for the period from discontinued operations	(241)	(684)	(169)	(452)
Total comprehensive income/(loss) for the period	22,231	19,654	(2,370)	(6,602)
Attributable to:				
Owners of the Company	15,360	13,126	(1,140)	(4,020)
Non-controlling interests	6,871	6,528	(1,230)	(2,582)
	22,231	19,654	(2,370)	(6,602)
Earnings per share attributable to Owners of the Company (sen):				
Basic:	17.00	14.52	(1.41)	(4.95)
- Continuing operations	17.14	14.93	(1.29)	(4.61)
- Discontinued operations	(0.14)	(0.41)	(0.11)	(0.34)
Diluted:	12.82	10.95	N/A	N/A
- Continuing operations	12.93	11.26	N/A	N/A
- Discontinued operations	(0.11)	(0.31)	N/A	N/A

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 2010.

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

	9-month ended 31 October, 2010 RM'000	9-month ended 31 October, 2009 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation:		
Continuing operations	13,220	(8,346)
Discontinuing operations	(684)	(452)
Adjustments for:		
Non-cash items	5,757	3,184
Non-operating items	(40,313)	10,331
Operating (loss)/profit before working capital changes	(22,020)	4,717
Net change in current assets	205,110	2,412
Net change in current liabilities	1,995	(3,211)
Cash generated (for)/from operations	185,085	3,918
Income tax paid	(66)	(8)
Interest paid	(1,344)	(1,387)
Net cash (used in)/generated from operating activities	183,675	2,523
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,810)	(1,563)
Proceeds from disposal of property, plant and equipment	495	189
Land and development costs incurred	(454)	-
Net cash outflow on acquisition of subsidiaries company	(200)	-
Net cash generated from/(used in) investing activities	(4,969)	(1,374)
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from ESOS exercised	603	-
Repayment of hire purchase	(568)	(324)
Net repayment of bill payables	(267)	46
Repayment of term loan	(123,634)	(2,255)
Drawdown of hire purchase	2,032	-
Drawdown of term loan	1,950	-
Net cash used in financing activities	(119,885)	(2,533)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	58,821	(1,384)
CASH AND CASH EQUIVALENTS AT 01 FEBRUARY, 2010 / 2009	118	1,384
CASH AND CASH EQUIVALENTS AT 31 OCTOBER, 2010 / 2009	58,939	-
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances from continuing operations	2,020	937
Cash and bank balances from discontinuing operations	-	(167)
Fixed deposits with licensed banks	57,408	110
	59,428	880
Bank overdraft	(489)	(880)
	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 2010.

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 2010

	Attributable to Owners of the Company						Non-Controlling Interests <i>RM'000</i>	Total Equity <i>RM'000</i>
	Share Capital <i>RM'000</i>	Share Premium <i>RM'000</i>	ESOS Reserve <i>RM'000</i>	Capital Reserve <i>RM'000</i>	Revaluation Reserve <i>RM'000</i>	Accumulated Losses <i>RM'000</i>		
At 1 February 2009	81,135	35,803	-	-	31,063	(124,551)	6,998	30,448
Total comprehensive loss for the period	-	-	-	-	-	(4,020)	(2,582)	(6,602)
At 31 October 2009	81,135	35,803	-	-	31,063	(128,571)	4,416	23,846
At 1 February 2010	44,617	1,965	-	10,142	22,334	(29,666)	16,237	65,629
Realisation on revaluation reserve	-	-	-	-	(12,344)	12,344	-	-
Share option granted under ESOS	-	-	2,466	-	-	-	-	2,466
Exercise of ESOS	335	268	-	-	-	-	-	603
Issuance of shares for Ipoh Land Acquisition	4,375	7,525	-	-	-	-	-	11,900
Total comprehensive income for the period	-	-	-	-	-	13,126	6,528	19,654
At 31 October 2010	49,327	9,758	2,466	10,142	9,990	(4,196)	22,765	100,252

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 2010.

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 2010.

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 2010.

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 2010:

FRSs/IC Interpretations	Effective date
FRS 4 Insurance Contracts	1 January 2010
FRS 7 Financial Instruments: Disclosures	1 January 2010
FRS 8 Operating Segments	1 July 2009
Revised FRS 101 (2009) Presentation of Financial Statements	1 January 2010
Revised FRS 123 (2009) Borrowing Costs	1 January 2010
Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 7: FRS 139 and IC Interpretation 9	1 January 2010
Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision In Relation To Compound Instruments	1 January 2010 / 1 March 2010
IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13 Customer Loyalty Programmes	1 January 2010
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
Annual Improvements to FRSs (2009)	1 January 2010

The above FRSs, IC Interpretations and amendments are not relevant to the Group's operations except as follows:

(a) FRS 8 Operating Segments

Prior to the adoption of FRS 8, the Group's segment reporting was based on four business segments: Manufacturing, Investment Holding, Property Development and Others.

With the adoption of FRS 8, Segment Reporting requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the chief operating decision maker, who makes decisions on the allocation of resources and assesses the performance of the reportable segments.

The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified, there will be no impact on the financial position or results of the Group.

(b) FRS 101 Presentation of Financial Statements

Prior to 1 January 2010, the components of a set of financial statements consisted of balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements.

With the adoption of revised FRS 101, a set of financial statements now comprise of a statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flow and notes to the financial statements. The statement of comprehensive income consists of profit or loss for the period and other comprehensive income. All non-owner changes in equity previously presented in the consolidated statement of changes in equity are now presented as components in the statement of comprehensive income.

(c) FRS 117 Leases

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid lease payments on the statement of financial position.

Upon adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership lie.

The Group has determined that all leasehold land of the Group are in substances as finance lease and has reclassified its leasehold land from prepaid lease payments to property, plant and equipment.

The effects of the reclassification on the consolidated statement of financial position as at 31 January 2010 are as follows :-

	As previously reported RM'000	Effects on adoption of FRS 117 RM'000	As restated RM'000
Property, plant and equipment	36,886	5,595	42,481
Prepaid lease payment	5,595	(5,595)	-
	<u>42,481</u>	<u>-</u>	<u>42,481</u>

(d) FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognition and measurement of financial instruments. A financial asset or a financial liability shall be recognised in statement of financial position when, and only when, the group becomes a party to the contractual provisions of the instruments. A financial asset or financial liability is recorded at fair value upon initial recognition plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial Assets

Subsequent to initial recognition, financial assets are classified as 'financial assets at fair value through profit or loss', 'held-to-maturity investments', 'loans and receivables', 'available for sale financial assets' or derivatives designated as hedging instruments, as appropriate.

The Group's financial assets include trade and other receivables, cash and short-term deposits, which are categorised as 'loans and receivables'.

Prior to adoption of FRS 139, loans and receivables were stated at cost less allowance for doubtful debts. Under FRS 139, financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest methods. Gains or losses arising from amortisation process, impairment or derecognition of loans and receivables are recognised in profit or loss.

Financial Liabilities

After initial recognition, financial liabilities are classified as 'fair value through profit or loss', 'amortised cost' or 'derivatives designated as hedging instruments' as, appropriate.

The Group's financial liabilities include borrowings, trade and other payables.

Prior to adoption of FRS 139, all financial liabilities were stated at cost. Under FRS 139, financial liabilities are subsequently measured at amortised cost.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Company has provided various financial guarantees to banks or financial institutions for the guarantee of credit facilities granted to its subsidiaries.

The Company also monitors the performance of its subsidiaries closely to ensure they meet all their financial obligations on time. In view of the minimal risk of default, the Company has derecognised the guarantee as financial liability.

Inter-company Advances or Loans

Prior to 1 January 2010, the loans or advances granted from the Company to its subsidiaries were at interest free and were recorded at cost.

Upon adoption of FRS 139, the advances and loans are classified as Loans and Receivables. As the loan is interest free and only payable at demand, the difference between the fair value and amortised cost of the loan or advance is derecognised.

A2 Status of Audit Qualifications

The audited financial statements of the Group for year ended 31 January 2010 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 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 except for the following:

(i) Share capital

A total of 9,420,000 new ordinary shares of RM0.50 each were issued as follows:-

Shares issued pursuant to exercise of ESOS Options	670,000 shares
Shares issued pursuant to Proposed Ipoh Land Acquisition as mentioned in Note B3(iii)	8,750,000 shares
Total	<u>9,420,000 shares</u>

(ii) Warrants

40,567,250 free warrants were issued on 19 February 2010 on the basis of one (1) warrant for every two (2) existing shares of RM0.50 each. The warrants may be exercised at any time within a period of three (3) years from the issue date. No warrant had been exercised as at 31 October 2010.

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 2010:

	Gross Revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Continuing operations:				
Manufacturing	48,147	3,158	88,096	45,488
Investment holding	-	5,259	101,623	55,056
Property development/investment	94,245	6,284	94,286	45,277
Others	1,086	(1,398)	7,307	34,236
	<u>143,478</u>	<u>13,303</u>	<u>291,312</u>	<u>180,057</u>
Discontinued operations:				
Others*	-	(684)	-	-
Elimination	(1,880)	(83)	(125,615)	(118,907)
	<u>141,598</u>	<u>12,536</u>	<u>165,697</u>	<u>61,150</u>
Unallocated Assets			18	-
Unallocated Liabilities			-	4,313
			<u>165,715</u>	<u>65,463</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 except the following:

- (i) As per Sale of Share Agreement dated 15 July 2010, Polypulp Enterprises Sdn Bhd ("Polypulp") a wholly owned subsidiary of KYM Holdings Bhd ("KYM") acquired 51,000 ordinary shares of RM1.00 each in Omni Green Sdn Bhd ("Omni") for cash consideration of RM200,000, resulting in Omni becoming a 51%-owned subsidiary of Polypulp.
- (ii) KYM has on 12 October 2010 acquired the 100% equity interest comprising of 2 ordinary shares of RM1.00 each in KYM Bangi Villa Sdn Bhd ("KBVSB"), which is a dormant company incorporated under the Companies Act, 1965 for a total cash consideration of RM2.00 only. The intended principal activity of KBVSB is property development.
- (iii) On 1 December 2010, KYM Properties Sdn Bhd, a wholly-owned subsidiary of KYM, has acquired 100% equity interest comprising of 2 ordinary shares of RM1.00 each in Austin Star Sdn Bhd ("ASSB"), which is a dormant company incorporated under the Companies Act, 1965 for a total cash consideration of RM2.00 only.

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 2010.

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 31.10.2010 RM'000	Cumulative Year to-date ended 31.10.2010 RM'000
Income tax	-	-
Deferred tax	(7,118)	(7,118)
	<u>(7,118)</u>	<u>(7,118)</u>

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".

The Sale of Disposal Properties in B3(i)(a) above is deemed completed on 8 February 2010.

KYM, HMSB and Vale Malaysia Manufacturing Sdn Bhd had, on 31 March 2010 entered into an Option SPA to exercise their option to purchase the Option Properties as stated in B3(i)(b) above. The disposal of Option Properties is deemed completed on 11 October 2010.

- (ii) 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 consideration in respect of the sale of Disposal Properties on 8 February 2010, RM70 million has been paid to the bankers as part payment of the RM120 million. On 1 October 2010, the remaining RM50 million has been paid to the bankers upon receipt of consideration for the disposal of Option Properties.

(iii) Proposed Acquisition of a Leasehold Land

- (a) On 30 March 2010, the Company had entered into a sale and purchase agreement to purchase a piece of leasehold land from a related party, Idaman Bina Makmur Sdn Bhd, for an aggregate purchase consideration of RM12 million. The purchase consideration will be satisfied by a cash consideration of RM100,000 and the balance of RM11,900,000 via the issuance of the ordinary shares of the Company at an issue price of RM1.36 per ordinary share ("Proposed Ipoh Land Acquisition").
- (b) Dato' Lim Kheng Yew has proposed to seek an exemption under Practice Note 2.9.1 of the Code from the obligation to undertake a MGO for the remaining Company's shares not already owned by him and parties acting in concert with him upon the issuance of new ordinary shares pursuant to the Proposed Ipoh Land Acquisition above ("Proposed Exemption")

The Company had obtained approval from its shareholders at an Extraordinary General Meeting held on 26 August 2010 for the Proposed Ipoh Land Acquisition and the Proposed Exemption.

Securities Commission had, vide its letter dated 22 September 2010 (which was received on 23 September 2010), approved the Proposed Exemption.

As such, all the conditions precedent stipulated in the sale and purchase agreement dated 30 March 2010 in relation to the Proposed Ipoh Land Acquisition have been fulfilled. Accordingly, the Proposed Ipoh Land Acquisition has become unconditional on 23 September 2010.

8,750,000 KYM Shares, which satisfies the balance of RM11,900,000 of the purchase consideration for the Ipoh Land Acquisition has been listed on 25 October 2010. Hence, the Ipoh Land Acquisition is deemed completed.

- (iv) On 6 August 2010, Polypulp had entered into a conditional sale share agreement with Dato' Ayoub Bin Ismail and Datin Miriam Nazlee Bt Tan Sri A. B. Samad for the proposed acquisition of 50,000 ordinary shares of RM1.00 each in Tegas Consolidated Sdn Bhd ("Tegas") representing the remaining 10% of the issued and paid up share capital of Tegas not already held by Polypulp for a purchase consideration of RM3,000,000 ("Proposed Acquisition"). The purchase consideration of RM3,000,000.00 will be satisfied in the following manner:
 - (i) cash consideration of RM1,000,000.00; and
 - (ii) the balance to be satisfied by way of issuance of 1,470,588 KYM shares at a price of RM1.36 per share.

Bursa Malaysia Securities Berhad ("Bursa Securities") has, vide its approval letter dated 30 November 2010, approved the listing application in relation to the Proposed Acquisition. An EGM will be held on 23 December 2010 for the purpose of considering and, if thought fit, passing with or without modifications, the resolution to give effect to the Proposed Acquisition.

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

B4 Borrowing and debt securities

	As at 31.10.2010 RM'000
Short term	
Secured	16,549
Unsecured	-
	16,549
Long term	
Secured	9,596
Unsecured	-
	9,596

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 RM110.370 million as compared to RM16.534 million in the preceding quarter. This is due to the completion of the Option Properties to Vale pursuant to the SPA dated 11 June 2009, as stated in Note B3(i)(b).

The Group's profit after taxation from continuing operations is RM22.472 million for the current quarter under review, compared to a loss of RM2.632 million for the preceding quarter. The improvement in operating results is mainly due to following reasons:

- (i) waiver of loan interest of RM42.190 million, derived from the apportionment on waiver based on the payment to bankers as mentioned in the Debt Settlement Agreement described in Note B3(ii) upon completion of the disposal of Option Properties;
- (ii) share to minority interests on the waiver of loan interest amounting to RM14.050 million; and
- (iii) loss amounting to RM4.714 million from the disposal of Option Properties, as mentioned in Note B3(i)(b).

B8 Review of Performance

The Group's turnover from continuing operations for the current quarter of RM110.370 million has improved compared to the turnover for the same quarter of previous year of RM14.297 million due to the reasons as mentioned in Note B7 above.

The Group's profit after taxation from continuing operations for the current quarter was RM22.472 million compared to the previous year corresponding quarter loss of RM2.201 million mainly due to the reasons as mentioned in Note B7 above.

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.

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 October 2010.

B12 Earnings per share attributable to owners of the Company

	Current Quarter ended 31.10.2010	Cumulative Year to- date ended 31.10.2010
(a) <u>Basic earnings per share</u>		
Profit/(Loss) for the period (RM'000)	15,360	13,126
- Continuing operations	15,490	13,495
- Discontinued operations	(130)	(369)
Weighted average number of ordinary shares in issue ('000)	90,377	90,377
Basic Earnings per share for profit/(loss) for the period (sen)	17.00	14.52
- Continuing operations	17.14	14.93
- Discontinued operations	(0.14)	(0.41)

	Current Quarter ended 31.10.2010	Cumulative Year to- date ended 31.10.2010
(a) <u>Diluted earnings per share</u>		
Profit/(Loss) for the period (RM'000)	15,360	13,126
- Continuing operations	15,490	13,495
- Discontinued operations	(130)	(369)
Weighted average number of ordinary shares in issue ('000)	90,377	90,377
- Dilution due to ESOS	2,883	2,883
- Dilution due to warrants	26,578	26,578
Adjustable weighted average number of ordinary shares in issue and issuable ('000)	119,838	119,838
Diluted earnings per share for profit/(loss) for the period (sen)	12.82	10.95
- Continuing operations	12.93	11.26
- Discontinued operations	(0.11)	(0.31)

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
22 December 2010

c.c. Securities Commission