

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2010

	As at 30.04.2010 RM'000	As at 31.01.2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	43,570	42,481
Investment property	7,117	7,117
Land held for property development	9,821	9,821
Intangible asset	4,667	4,667
Other investment	6	6
	65,181	64,092
Current assets		
Property development costs	-	-
Inventories	9,204	9,471
Trade receivables	13,214	13,067
Other receivables	16,630	108,427
Tax recoverable	18	18
Cash and cash equivalents	13,313	891
	52,379	131,874
Assets held for sale	102,480	102,480
	154,859	234,354
TOTAL ASSETS	220,040	298,446
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	44,617	44,617
Share premium	1,965	1,965
Capital reserve	10,142	10,142
Revaluation reserve	22,334	22,334
Accumulated losses	(29,212)	(29,666)
	49,846	49,392
Non-controlling interests	16,119	16,237
Total Equity	65,965	65,629
Non-current liabilities		
Borrowings	10,762	9,298
Deferred tax liabilities	4,313	4,312
	15,075	13,610
Current liabilities		
Borrowings	110,415	179,810
Trade payables	5,877	7,313
Other payables	15,524	24,900
Provision for taxation	65	65
	131,881	212,088
Liabilities directly associated with assets held for sale	7,119	7,119
	139,000	219,207
Total liabilities	154,075	232,817
TOTAL EQUITY AND LIABILITIES	220,040	298,446
Net assets per share attributable to ordinary equity holders of the parent (sen)	56	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 THREE-MONTH PERIOD ENDED 30 APRIL 2010

	2010		2009	
	Current quarter ended 30.04.2010	3-month cumulative for current financial year to date ended 30.04.2010	Comparable current quarter ended 30.04.2009	Comparable 3-month cumulative for preceding financial year to date ended 30.04.2009
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	14,694	14,694	12,098	12,098
Other income	415	415	180	180
Operating expenses	(14,207)	(14,207)	(12,048)	(12,048)
Finance costs	(405)	(405)	(3,439)	(3,439)
Profit/ (Loss) before tax	497	497	(3,209)	(3,209)
Income tax expense	-	-	-	-
Profit/ (Loss) for the period from continuing operations	497	497	(3,209)	(3,209)
Discontinued operations				
Profit/ (Loss) for the period from discontinued operations	(161)	(161)	(161)	(161)
Total comprehensive income/(loss) for the period	336	336	(3,370)	(3,370)
Attributable to:				
Owners of the Company	454	454	(2,236)	(2,236)
Non-controlling interests	(118)	(118)	(1,134)	(1,134)
	336	336	(3,370)	(3,370)
Earnings per share attributable to Owners of the Company (sen):				
Basic:	0.55	0.55	(2.76)	(2.76)
- Continuing operations	0.65	0.65	(2.65)	(2.65)
- Discontinued operations	(0.10)	(0.10)	(0.11)	(0.11)
Diluted:				
- Continuing operations	N/A	N/A	N/A	N/A
- Discontinued operations	N/A	N/A	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 THREE-MONTH PERIOD ENDED 30 APRIL 2010

	3-month ended 30 April, 2010 RM'000	3-month ended 30 April, 2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation:		
Continuing operations	497	(3,209)
Discontinuing operations	(161)	(161)
Adjustments for:		
Non-cash items	1,004	979
Non-operating items	367	3,420
Operating profit/ (loss) before working capital changes	1,707	1,029
Net change in current assets	91,918	(421)
Net change in current liabilities	(10,812)	(430)
Cash generated from operations	82,813	178
Income tax (paid) / refund	-	(1)
Interest paid	(214)	(484)
Net cash generated from/ (used in) operating activities	82,599	(307)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,317)	(283)
Proceeds from disposal of property, plant and equipment	70	5
Proceed from land held for development	-	-
Interest received	-	-
Net cash inflow on disposal of subsidiary	-	-
Net cash generated from/(used in) investing activities	(2,247)	(278)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement	-	-
Advances from directors	-	-
Advances from related parties	-	-
Repayment of hire purchase	(282)	(118)
Net advance of bill payables	(113)	148
Repayment of term loan	(70,843)	(749)
Drawdown of hire purchase	1,404	-
Drawdown of term loan	1,950	-
Net cash generated from/(used in) financing activities	(67,884)	(719)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	12,468	(1,304)
CASH AND CASH EQUIVALENTS AT 01 FEBRUARY, 2010 / 2009	118	1,384
CASH AND CASH EQUIVALENTS AT 30 APRIL, 2010 / 2009	12,586	80
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances from continuing operations	3,203	845
Cash and bank balances from discontinuing operations	-	(143)
Fixed deposits with licensed banks	10,110	177
	13,313	879
Bank overdraft	(727)	(799)
	12,586	80

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 THREE-MONTH PERIOD ENDED 30 APRIL 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>	Capital Reserve <i>RM'000</i>	Revaluation Reserve <i>RM'000</i>	Accumulated Losses <i>RM'000</i>	Total <i>RM'000</i>		
At 1 February 2009	81,135	35,803	-	31,063	(124,551)	23,450	6,998	30,448
Total comprehensive 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
At 1 February 2010	44,617	1,965	10,142	22,334	(29,666)	49,392	16,237	65,629
Total comprehensive income for the period	-	-	-	-	454	454	(118)	336
At 30 April 2010	44,617	1,965	10,142	22,334	(29,212)	49,846	16,119	65,965

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)	-
	42,481	-	42,481

(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 30 April 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 3 months ended 30 April 2010

	Gross Revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Continuing operations:				
Manufacturing	14,925	1,490	88,250	47,241
Investment holding	-	(494)	167,858	223,330
Property development/investment	72	(175)	147,352	30,862
Others	118	(301)	6,789	31,482
	15,115	520	410,249	332,915
Discontinued operations:				
Others*	194	(161)	89	1,909
Elimination	(615)	(28)	(190,316)	(185,127)
	14,694	331	220,022	149,697
Unallocated Assets			18	-
Unallocated Liabilities			-	4,378
			220,040	154,075

* 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 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

There was no taxation provided for in the financial statements 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

- (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 Properties in B3(i)(a) above is deemed completed.

KYM, HMSB and Vale has 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 proposed disposal of Option Properties is expected to complete in Quarter 2 FY2011.

- (ii) 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.

The ESOS was approved by the shareholders of the Company at an Extraordinary General Meeting held on 13 April 2010 and implemented on 16 April 2010.

- (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 will seek the approval from its shareholders at an extraordinary general meeting to be convened for the Proposed Ipoh Land Acquisition and the Proposed Exemption. The proposals are expected to be completed in the current financial year.

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

B4 Borrowing and debt securities

	As at 30.04.2010 RM'000
Short term	
Secured	110,415
Unsecured	-
	<hr/> 110,415 <hr/>
Long term	
Secured	10,762
Unsecured	-
	<hr/> 10,762 <hr/>

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 RM14,694 million as compared to RM117.682 million in the preceding quarter. This is due to recognition of revenue in the preceding quarter as a result of the completion of the disposal properties to Vale of RM101.8 million pursuant to the SPA dated 11 June 2009.

The Group's profit after taxation from continuing operations is RM0.492 million for the current quarter under review, compared to RM29.102 million for the preceding quarter. The lower in operating results is due to following events taken place in the preceding quarter:

- (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;
- (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;
- (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 RM14.694 million has improved compared to the turnover for the same quarter of previous year of RM12.098 million due to the increased turnover from manufacturing division.

The net profit from continuing operations for the current quarter was RM0.492 million compared to the previous year corresponding quarter loss of RM3.209 million mainly due to savings in finance costs.

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 overall Group's performance to improve with completion of the Proposed Disposal as mentioned in Note B3(i)(a) with the savings in finance costs.

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 30 April 2010.

B12 Earnings per share attributable to owners of the Company

	Current Quarter ended 30.04.2010	Cumulative Year to- date ended 30.04.2010
(a) <u>Basic earnings per share</u>		
(Loss)/ Profit for the period (RM'000)	454	454
- Continuing operations	541	541
- Discontinuing operations	(87)	(87)
Weighted average number of ordinary shares in issue ('000)	83,243	83,243
Basic Earnings per share for (loss)/ profit for the period (sen)	0.55	0.55
- Continuing operations	0.65	0.65
- Discontinuing operations	(0.10)	(0.10)

(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 2010.

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
30 June 2010

c.c. Securities Commission