

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2009

	As at 31.07.2009 RM'000	As at 31.01.2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	41,879	56,652
Prepaid lease payment	7,830	7,894
Land held for property development	112,301	185,251
Intangible asset	4,667	4,667
Other investment	6	6
	166,683	254,470
Current assets		
Property development costs	1,471	1,471
Inventories	4,751	7,159
Trade receivables	12,794	10,860
Other receivables	1,048	950
Tax recoverable	14	12
Cash and bank balances	1,180	2,202
	21,258	22,654
Assets held for sale	84,725	-
	105,983	22,654
TOTAL ASSETS	272,666	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	30,341	31,063
Accumulated Losses	(126,709)	(124,551)
	20,570	23,450
Minority interest	5,646	6,998
Total Equity	26,216	30,448
Non-current liabilities		
Borrowings	12,796	13,584
Deferred tax liabilities	11,262	16,462
	24,058	30,046
Current liabilities		
Borrowings	201,350	196,145
Trade payables	5,719	6,005
Other payables	9,633	14,480
	216,702	216,630
Liabilities directly associated with assets held for sale	5,690	-
	222,392	216,630
Total liabilities	246,450	246,676
TOTAL EQUITY AND LIABILITIES	272,666	277,124
Net assets per share attributable to ordinary equity holders of the parent (sen)	25	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 SIX-MONTH PERIOD ENDED 31 JULY 2009

	2009		2008	
	Current quarter ended 31.07.2009	6-month cumulative for current financial year to date ended 31.07.2009	Comparable current quarter ended 31.07.2008	Comparable 6-month cumulative for preceding financial year to date ended 31.7.2008
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	18,196	30,294	15,135	27,712
Other income	125	305	235	373
Operating expenses	(17,824)	(29,872)	(15,364)	(28,422)
Finance costs	(3,433)	(6,872)	(3,918)	(7,941)
Profit/ (Loss) before tax	(2,936)	(6,145)	(3,912)	(8,278)
Income tax expense	2,196	2,196	(4)	(4)
Profit/ (Loss) for the period from continuing operations	(740)	(3,949)	(3,916)	(8,282)
Discontinuing operations				
Profit/ (Loss) for the period from discontinuing operations	(122)	(283)	(170)	(366)
Profit/(Loss) for the period	(862)	(4,232)	(4,086)	(8,648)
Attributable to:				
Equity holders of the parent	(644)	(2,880)	(2,809)	(6,092)
Minority interest	(218)	(1,352)	(1,277)	(2,556)
	(862)	(4,232)	(4,086)	(8,648)
Earnings per share attributable to equity holders of the parent (sen):				
Basic, for profit/ (loss) for the period:	(0.79)	(3.55)	(3.46)	(7.51)
- Continuing operations	(0.71)	(3.36)	(3.35)	(7.26)
- Discontinuing operations	(0.08)	(0.19)	(0.11)	(0.25)
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 SIX-MONTH PERIOD ENDED 31 JULY 2009

	6-month ended 31 July, 2009 RM'000	6-month ended 31 July, 2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation:		
Continuing operations	(6,145)	(8,278)
Discontinuing operations	(283)	(366)
Adjustments for:		
Non-cash items	2,082	2,008
Non-operating items	6,816	6,889
Operating profit/ (loss) before working capital changes	2,470	253
Net change in current assets	2,921	(840)
Net change in current liabilities	(3,102)	1,877
Cash generated from operations	2,289	1,290
Income tax (paid) / refund	(2)	62
Interest paid	(901)	(1,006)
Net cash generated from/ (used in) operating activities	1,386	346
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,049)	(663)
Proceeds from disposal of property, plant and equipment	179	564
Net cash generated from/(used in) investing activities	(870)	(99)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase	(226)	(435)
Net advance of bill payables	(116)	(5,488)
Repayment of term loan	(1,368)	(1,237)
Drawdown of term loan	-	5,800
Net cash generated from/(used in) financing activities	(1,710)	(1,360)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,194)	(1,113)
CASH AND CASH EQUIVALENTS AT 01 FEBRUARY, 2009 / 01 FEBRUARY, 2008	1,384	1,500
CASH AND CASH EQUIVALENTS AT 31 JULY, 2009 / 31 JULY, 2008	190	387
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances from continuing operations	1,002	1,052
Cash and bank balances from discontinuing operations	(171)	-
Fixed deposits with licensed banks	178	196
	1,009	1,248
Bank overdraft	(819)	(861)
	190	387

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 SIX-MONTH PERIOD ENDED 31 JULY 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
Loss for the period	-	-	-	(6,092)	(6,092)	(2,556)	(8,648)
At 31 July 2008	81,135	35,803	31,306	(117,201)	31,043	8,649	39,692
At 1 February 2009	81,135	35,803	31,063	(124,551)	23,450	6,998	30,448
Realisation on revaluation reserve	-	-	(722)	722	-	-	-
Loss for the period	-	-	-	(2,880)	(2,880)	(1,352)	(4,232)
At 31 July 2009	81,135	35,803	30,341	(126,709)	20,570	5,646	26,216

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
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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

The above 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 31 July 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 6 months ended 31 July 2009

	Gross Revenue RM'000	Profit/(Loss) before tax RM'000	Segment assets RM'000	Segment liabilities RM'000
Continuing operations:				
Manufacturing	27,081	1,882	86,075	49,618
Investment holding	2,522	(2,204)	252,186	413,841
Property development	168	(4,955)	196,935	14,593
Others	529	(466)	6,593	30,302
	30,300	(5,743)	541,789	508,354
Discontinuing operations:				
Others*	1,052	(283)	14,530	2,161
Elimination	(1,058)	(119)	(283,667)	(275,331)
	30,294	(6,145)	272,652	235,184
Unallocated Assets			14	-
Unallocated Liabilities			-	11,266
			272,666	246,450

* 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

On 2 July 2009, KYM announced to undertake the Proposed Balance Sheet Restructuring as stated in Note B3(ii).

Except as mentioned in Note B3(ii), 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 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

The taxation of the Group for the financial period under review is as follows:-

	Current Quarter ended 31.07.2009 RM'000	Cumulative Year to-date ended 31.07.2009 RM'000
Deferred Tax:		
- relating to reversal of temporary differences	416	416
- overprovision	1,780	1,780
	2,196	2,196

B2 Profit/(Loss) on sale of unquoted investments and/or properties

On 26 May 2009, Harta Makmur Sdn Bhd ("HMSB"), a subsidiary of KYM Holdings Bhd ("KYM") has completed the disposal of a parcel of land to Ascotsun Sdn Bhd, a related party, for a consideration of RM3.574 million, resulting in a loss of RM0.148 million to the Group.

B3 Status of corporate proposals announced

- (i) On 11 June 2009, KYM and 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 Proposed Disposal was approved by the shareholders of KYM at an EGM held on 6 August 2009. The targeted date of completion of the SPA is Quarter 4 FY2010.

- (ii) On 2 July 2009, KYM announced to undertake the following Proposed Balance Sheet Restructuring:
- Proposed share premium reduction;
 - Proposed par value reduction;
 - Proposed Memorandum & Articles of Association amendments; and
 - Proposed issuance of free warrants.

The Proposed Balance Sheet Restructuring was approved by the shareholders of KYM at an EGM held on 6 August 2009. On 9 September 2009, KYM announced that high court has granted an order on Par Value Reduction. The said order has been lodged with the Companies Commission of Malaysia on 29 September 2009.

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

B4 Borrowing and debt securities

	As at 31.07.2009
	RM'000
Short term	
Secured	201,350
Unsecured	-
	<hr/> 201,350 <hr/>
Long term	
Secured	12,796
Unsecured	-
	<hr/> 12,796 <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 RM18.196 million as compared to RM15.135 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 from continuing operations is RM2.936 million for the current quarter under review, compared to a loss before taxation of RM3.912 million for the preceding quarter. The improvement in operating results is due to the lower cost of production as a result of lower raw material cost.

B8 Review of Performance

The Group turnover from continuing operations for the current quarter of RM18.196 million has improved compared to the turnover for the same quarter of previous year of RM15.135 million.

The net loss for the current quarter was RM0.862 million compared to the previous year corresponding quarter of RM4.086 million. This was due to disposal of a property and the overprovision of deferred tax liabilities amounted to RM2.196 million.

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 there are still uncertainties in the economy which may vary the results accordingly.

The interest cost on borrowing still remains high and continue to be the significant cost in the Group's results. However, we expect the interest cost to reduce substantially upon completion of the Proposed Disposal as mentioned in Note B3.

The Proposed Balance Sheet Restructuring will reduce the accumulated losses significantly and will be more reflective of the fundamentals of the restructured KYM Group.

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 July 2009.

B12 Earnings per share attributable to equity holders of the parent

	Current Quarter ended 31.07.2009	Cumulative Year to- date ended 31.07.2009
(a) <u>Basic earnings per share</u>		
(Loss)/ Profit attributed to ordinary equity holders of the parent (RM'000)	(862)	(4,232)
- Continuing operations	(644)	(2,880)
- Discontinuing operations	(218)	(1,352)
Weighted average number of ordinary shares in issue ('000)	81,135	81,135
Basic Earnings per share for (loss)/ profit for the period (sen)	(0.79)	(3.55)
- Continuing operations	(0.71)	(3.36)
- Discontinuing operations	(0.08)	(0.19)

(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 31 July 2009.

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
30 September 2009

c.c. Securities Commission