

## KYM HOLDINGS BERHAD ("KYM" OR "COMPANY")

### - STATUS OF PROPOSED RESTRUCTURING OF FINANCING FACILITIES

We refer to the announcement dated 11 December 2009 and the query dated 14 December 2009 received from Bursa Malaysia Securities Berhad (“Queries”).

On behalf of the Board of Directors of KYM, MIMB Investment Bank Berhad is pleased to reply to the Queries as follows.

#### 1. Basis in arriving at gain of RM34.8 million resulting from the Debt Settlement:

The gain of RM34.8 million was arrived at based on the following:

	<b>The disposal of the Disposal Properties RM'000</b>	<b>The disposal of the ASB Land to Ascotsun Sdn Bhd (i) RM'000</b>	<b>The disposal of the Option Properties RM'000</b>
Sale consideration	101,875	3,574	93,759
Less:			
Carrying value	(83,180)	(4,266)	(102,480)
Property Development costs written off	(1,471)	-	-
Expenses for the disposal exercise	(800)	-	-
Other expenses (ii)	(30,000)	-	(10,000)
	<u>(115,451)</u>	<u>(4,266)</u>	<u>(112,480)</u>
Waivers granted:			
Interest waiver	32,572	-	27,354
Restructuring fee	4,574	-	-
	<u>37,146</u>	<u>-</u>	<u>27,354</u>
Realisation of deferred tax	4,711	417	8,070
Share of (gain)/loss by minority shareholders	(6,683)	127	(3,296)
<b>Net gain on disposal</b>	<b><u>21,598</u></b>	<b><u>(148)</u></b>	<b><u>13,407</u></b>

Notes:

(i) The ASB Land is a parcel of land measuring 39,463 sq. m disposed by Harta Makmur Sdn Bhd to Ascotsun Sdn Bhd via a conditional sale and purchase agreement dated 16 December 2005 and completed on 26 May 2009. Further details on the ASB Land disposal are set out in the Company's announcement dated 11 June 2009.

(ii) Includes compensation and settlement charges.

**2. To state in detail on how the asset revaluation of RM10.762 million and accumulated profit of RM6.726 million was derived at.**

The asset revaluation reserve of RM10.762 million is derived from the reversal of revaluation reserves pursuant to the disposal of the Disposal Properties and Option Properties.

<b>Revaluation Reserve</b>	<b>RM'000</b>
As at 31 January 2009	31,063
Realisation upon the disposal of the Disposal Properties	(7,956)
Realisation upon the disposal of the Option Properties	(12,345)
	<hr/> <b>10,762</b> <hr/>

The accumulated profit of RM6.726 million was derived at based on the following:

<b>Accumulated profit/ (losses)</b>	<b>RM'000</b>
As at 31 January 2009	(124,551)
Add:	
Credit arising from the Share Premium Reduction	35,803
Credit arising from the Par Value Reduction <sup>(i)</sup>	40,317
Gain in disposal of the Disposal Properties <sup>(ii)</sup>	29,554
Gain in disposal of the Option Properties <sup>(iii)</sup>	25,752
Less:	
Loss on the disposal of the ASB Land	(148)
	<hr/> <b>6,727</b> <hr/>

*Notes:*

- (i) After deducting estimated expenses of RM0.25 million for the Share Premium Reduction and the Par Value Reduction.*
- (ii) Including revaluation reserve of RM7.956 million for the Disposal Properties.*
- (iii) Including revaluation reserve of RM12.345 million for the Option Properties.*

This announcement is dated 14 December 2009.