Master Alliance Communications (M) Sdn. Bhd.

KYM HOLDINGS BHD.

(Co. No.: 84303-A)

ANNUAL REPORT 2009

contents

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Seventh Annual General Meeting of KYM Holdings Bhd. will be held at the Company's Office at No. 12 Lorong Medan Tuanku Satu 50300 Kuala Lumpur on Thursday, 30 July 2009 at 2:30 p.m. for the following purposes:-

1. To receive the Financial Statements for the financial year ended 31 January 2009 together with the Reports of the Directors and Auditors thereon. **(RESOLUTION 1)**

2. To approve the payment of Directors' Fees for financial year ended 31 January 2009. **(RESOLUTION 2)**

3. To re-elect the following Directors retiring in accordance with the Company's Articles of Association:

   i. Dato' Seri Dr. Isahak bin Yeop Mohamad Shar (Article 103) **(RESOLUTION 3)**

   ii. Datuk Mansor bin Masikon (Article 103) **(RESOLUTION 4)**

   iii. Chiam Tau Meng (Article 94) **(RESOLUTION 5)**

4. To re-appoint Dato' Wira Abdul Rahman bin Haji Ismail who retires pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the next Annual General Meeting. **(RESOLUTION 6)**

5. To re-appoint Messrs Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. **(RESOLUTION 7)**

6. As Special Business, to consider and if thought fit, pass with or without any modification, the following resolutions:

Ordinary Resolution 1
Authority To Allot And Issue Shares Pursuant To Section 132D of the Companies Act, 1965

"That pursuant to Section 132D of the Companies Act 1965, the Directors be and are hereby authorised to allot and issue shares in the Company at any time at such price and upon such terms and conditions and for such purposes and to such person or persons whomever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." **(RESOLUTION 8)**

Ordinary Resolution 2
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"That, subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, the shareholders' mandate for the recurrent related party transactions of a revenue or trading nature as approved by the shareholders of the Company on 31 July 2008 authorising the Company and its subsidiaries ("KYM Group") to enter into any of the recurrent transactions of a revenue or trading nature of the Group as set out in Section 2.2 of the Circular to Shareholders dated 8 July 2009 with the related party mentioned therein which are necessary for the day-to-day operations of the KYM Group be and is hereby renewed provided that the transactions are in the ordinary course of business, at arms' length basis and are on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year.

And that such approval conferred shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which such Proposed Shareholders' Mandate passed, at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed; or

(ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(iii) revoked or varied by resolution passed by the shareholders in a general meeting.

whichever is earlier,

And that the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give effect to the Proposed Shareholders' Mandate."

(RESOLUTION 9)

7. To transact any other matter of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

By Order of the Board

CHEE MIN ER
(MAICSA 7016822)
Secretary

Kuala Lumpur
8 July 2009

Notes:-

1. *A member entitled to attend and vote at the meeting is entitled to attend and vote in person or by proxy or by attorney or by duly authorised representative. A proxy or an attorney or a duly authorised representative need not be a member of the Company.*

2. *The power of attorney or a certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing. If the appointer is a corporation, it must be executed under its seal or in the manner authorised by its constitution.*

3. *The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a duly certified copy thereof must be deposited at the Registered Office, No. 12 Lorong Medan Tuanku Satu 50300 Kuala Lumpur at least 48 hours before the time appointed for holding the Meeting or any adjournment thereof.*

4. *If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit. Where a member appoints two or more proxies, he shall specify in the instrument appointing the proxies, the proportion of his shareholdings to be represented by each proxy.*

Explanatory Notes to Special Business:

Authority To Allot And Issue Shares Pursuant To Section 132D of the Companies Act, 1965

The proposed resolution 8, if approved, will authorise the Directors to issue shares (other than bonus or rights issue) in the Company up to an aggregate amount of not exceeding 10% of the issued capital of the Company without convening a general meeting. The approval is sought to avoid any delay and costs involved in convening a general meeting for such issuance of shares. The authority will expire at the next Annual General Meeting of the Company.

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed resolution 9, if approved, will authorise KYM Group to continue entering into any of the categories of recurrent related party transactions of a revenue or trading nature with related parties, particulars of which are set out in Section 2.2 of the Circular to Shareholders dated 8 July 2009 circulated together with this Annual Report. These authorities, unless revoked or varied by the Company at a general meeting will expire at the next Annual General Meeting of the Company.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.28 of the Listing Requirements of Bursa Malaysia Securities Berhad, additional information in respect of the particulars of the directors who are standing for re-election, attendance of directors at board meetings are set out on pages 9, 11, 13, & 18 of this annual report.

Date, Time and Venue of the Annual General Meeting

Thursday, 30 July 2009 at 2.30 p.m.
at the Company's Office at No. 12 Lorong Medan Tuanku Satu, 50300 Kuala Lumpur

BOARD OF DIRECTORS

Dato' Seri Dr. Isahak bin Yeop Mohamad Shar
Executive Chairman and Chief Executive Officer

Dato' Chong Thin Choy
Managing Director

Dato' Lim Kheng Yew
Executive Director

Dato' Wira Abdul Rahman bin Haji Ismail
Independent Non-Executive Director

Datuk Mansor bin Masikon
Independent Non-Executive Director

Dato' Ir. Mohamad Othman bin Zainal Azim
Independent Non-Executive Director

Dato' Rahadian Mahmud bin Mohammad Khalil
Independent Non-Executive Director

Dato' Mohd Azmi bin Othman
Independent Non-Executive Director

Chiam Tau Meng
Independent Non-Executive Director

EXECUTIVE COMMITTEE

Dato' Seri Dr. Isahak bin Yeop Mohamad Shar
Executive Chairman and Chief Executive Officer

Dato' Chong Thin Choy
Managing Director

Dato' Lim Kheng Yew
Executive Director

AUDIT COMMITTEE

Dato' Wira Abdul Rahman bin Haji Ismail
Chairman
Independent Non-Executive Director

Datuk Mansor bin Masikon
Independent Non-Executive Director

Dato' Ir. Mohamad Othman bin Zainal Azim
Independent Non-Executive Director

Chiam Tau Meng
Independent Non-Executive Director

REMUNERATION COMMITTEE

Dato' Wira Abdul Rahman bin Haji Ismail
Independent Non-Executive Director

Dato' Ir. Mohamad Othman bin Zainal Azim
Independent Non-Executive Director

Dato' Mohd Azmi bin Othman
Independent Non-Executive Director

SECRETARY

Chee Min Er (MAICSA 7016822)

REGISTERED OFFICE

12 Lorong Medan Tuanku Satu
50300 Kuala Lumpur
Tel : 03-2692 2923
Fax : 03-2692 8382

AUDITORS

Horwath
Chartered Accountants
Level 16 Tower C
Megan Phileo Avenue
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur

PRINCIPAL BANKERS

CIMB Bank Berhad
United Overseas Bank (Malaysia) Berhad
RHB Investment Bank Berhad

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 26 Menara Multi-Purpose
Capital Square
No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03-2721 2222
Fax : 03-2721 2530

STOCK EXCHANGE

Bursa Malaysia Securities Berhad, Main Board

Profile of Directors

01

Dato' Seri Dr. Isahak bin Yeop Mohamad Shar

Executive Chairman and Chief Executive Officer

02

Dato' Chong Thin Choy

Managing Director

03

Dato' Lim Kheng Yew

Executive Director

04

Dato' Wira Abdul Rahman bin Haji Ismail

Independent Non-Executive Director

05

Datuk Mansor bin Masikon

Independent Non-Executive Director

06

Dato' Ir. Mohamad Othman bin Zainal Azim

Independent Non-Executive Director

07

Dato' Rahadian Mahmud bin Mohammad Khalil

Independent Non-Executive Director

08

Dato' Mohd Azmi bin Othman

Independent Non-Executive Director

09

Chiam Tau Meng

Independent Non-Executive Director

01

DATO' SERI DR. ISAHAK BIN YEOP MOHAMAD SHAR

Executive Chairman and Chief Executive Officer

Malaysian

Dato’ Seri Dr. Isahak bin Yeop Mohamad Shar, aged 60, graduated from University of Malaya in Bachelor of Arts (Sociology) in 1973. He received his Masters and Doctorate of Philosophy in Public Administration from University of Southern California in 1978 and 1990 respectively.

He was appointed to the Board of KYM Holdings Bhd. on 2 October 2006 and was appointed as Chief Executive Officer and Executive Chairman on 21 November 2006.

He began his career as a lecturer with the National Institute of Public Administration (INTAN) from 1974 to 1977. He was in the Public Service Department (PSD) for 10 years as a lecturer and subsequently as Service Division Assistant Director. He was with the State Government of Perak from 1995 to 2004.

Dato' Seri Dr. Isahak bin Yeop Mohamad Shar was the Secretary General for the Ministry of Natural Resources and Environment from 2004 to 2006. He is currently the President of Integrity Institute of Malaysia (IIM).

He has no family relationship with any other Director and/or major shareholder of the Company and does not hold any shares in the Company and subsidiary companies. He has not entered into any transaction, whether directly or indirectly, has a conflict of interest with the Company. He has not been convicted for any offences within the past 10 years other than traffic offences.

02

DATO' CHONG THIN CHOY

Managing Director

Malaysian

Dato' Chong Thin Choy, age 48, was appointed to the Board on 14 December 2005. He was appointed as an Executive Director on 19 May 2006 and subsequently re-designated as a Managing Director on 22 March 2007.

He holds a Bachelor of Business Administration (BBA) (London) degree and is one of the founding members and Director of Idaman Ikhlas Sdn Bhd, an established construction firm in Kuala Lumpur with a PKK Class "A" license. He has more than 17 years of experience in property development, construction and quarrying business. He is also a director of several private limited companies.

He has no family relationship with any other Director and/or major shareholder of the Company and does not hold any shares in the Company and subsidiary companies. He has not entered into any transaction, whether directly or indirectly, has a conflict of interest with the Company. He has not been convicted for any offences within the past 10 years other than traffic offences.

03

DATO' LIM KHENG YEW

Executive Director

Malaysian

Dato' Lim Kheng Yew, age 58, was appointed to the Board on 12 August 1992. Dato' Lim Kheng Yew is a Fellow Member of the Institute of Chartered Accountants in England and Wales. He started his career with international accounting firms in London then Kuala Lumpur. Subsequently, he was attached to a leading merchant bank in Kuala Lumpur. At present, he is also a Director of TSM Global Berhad and Edaran Berhad.

He is a member of the Executive Committee and Chairman of the Investment Committee of the Company.

Dato' Lim Kheng Yew is a substantial shareholder of the Company. His shareholding in the Company is set out in Page 110 of this Annual Report. He has no family relationship with any other Director and/or major shareholder of the Company. Save for the recurrent related party transaction as disclosed in this Annual Report, he has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company. He has not been convicted for any offences within the past 10 years other than traffic offences.

04

DATO' WIRA ABDUL RAHMAN BIN HAJI ISMAIL

Independent Non-Executive Director

Malaysian

Dato' Wira Abdul Rahman bin Haji Ismail, age 80, was appointed to the Board since 8 January 1996. He was formerly a Deputy Inspector General of Police. Presently, he is also a Director of United U-Li Corporation Berhad and TSM Global Berhad.

He is the Chairman of the Audit Committee and Remuneration Committee of the Company.

He has no family relationship with any other Director and/or major shareholder of the Company and does not hold any shares in the Company and subsidiary companies. He has not entered into any transaction, whether directly or indirectly, has a conflict of interest with the Company. He has not been convicted for any offences within the past 10 years other than traffic offences.

05

DATUK MANSOR BIN MASIKON

Independent Non-Executive Director

Malaysian

Datuk Mansor bin Masikon, age 65, is an associate member of Chartered Insurance Institute (London) and associate member of Chartered Institute of Secretaries (London). Datuk Mansor obtained his Master of Business Administration from University of California at Berkeley, USA in 2005. He was appointed to the Board on 25 June 2003. Datuk Mansor has extensive experience in the insurance industry and has been an advisor to Cullis Reggett International Ltd, Lloyds Insurance Brokers, London since 1995. He served as Chief Executive Officer of several insurance companies. He was appointed as Chairman of the General Insurance Association of Malaysia (1981 – 1985) and Deputy Chairman of ASEAN Insurance Council (1981 – 1985). He was a member of Parliment Malaysia from 1995 till 1999.

He is also a member of the Audit Committee of the Company.

He has no family relationship with any other Director and/or major shareholder of the Company and does not hold any shares in the Company and subsidiary companies. He has not entered into any transaction, whether directly or indirectly, has a conflict of interest with the Company. He has not been convicted for any offences within the past 10 years other than traffic offences.

Profile of Directors

06

DATO' IR. MOHAMAD OTHMAN BIN ZAINAL AZIM

Independent Non-Executive Director

Malaysian

Dato' Ir Mohamad Othman bin Zainal Azim, aged 55, graduated with Bachelor of Science (Hons) in Civil Engineering from University of Southampton, United Kingdom. He received his Master of Science in Engineering from University of Birmingham, United Kingdom in 1987.

He began his career as an engineer with the Government Public Works Department Headquarters in Kuala Lumpur, Negeri Sembilan and Perak until 2000. He was formerly the Chief Executive Officer of Putrajaya Holdings Sdn Bhd, a developer of Federal Government Administrative Centre, Putrajaya and the largest urban development project in the country. He is a director of several private limited companies. Dato' Ir. Mohamad Othman is also the Chief Operating Officer of the Project Monitoring Unit (PMU) in the Finance Ministry.

He was appointed to the Board of KYM Holdings Bhd. on 12 February 2007. He is also a member of the Audit Committee and Remuneration Committee of the Company.

He has no family relationship with any other Director and/or major shareholder of the Company and does not hold any shares in the Company and subsidiary companies. He has not entered into any transaction, whether directly or indirectly, has a conflict of interest with the Company. He has not been convicted for any offences within the past 10 years other than traffic offences.

07

DATO' RAHADIAN MAHMUD BIN MOHAMMAD KHALIL

Independent Non-Executive Director

Malaysian

Dato' Rahadian Mahmud bin Mohammad Khalil, aged 36, is involved mainly in the business of reforestation and in the construction and manufacturing sectors.

He was appointed to the Board of KYM Holdings Bhd. on 2 October 2006.

He is the Executive Chairman of Permaju Industries Berhad. He also sits on the Board of Sanbumi Holdings Berhad and Magna Prima Berhad. He is also a director of several private limited companies.

He has no family relationship with any other Director and/or major shareholder of the Company and does not hold any shares in the Company and subsidiary companies. He has not entered into any transaction, whether directly or indirectly, has a conflict of interest with the Company. He has not been convicted for any offences within the past 10 years other than traffic offences.

08

DATO' MOHD AZMI BIN OTHMAN

Independent Non-Executive Director

Malaysian

Dato' Mohd Azmi bin Othman, aged 41, graduated with Bachelor of Laws (LL.B) from Universiti Teknologi MARA. He is the founder and principal partner of a legal firm based in Ipoh, Perak and a senior member of the Bar Council Malaysia, sitting as a Disciplinary Committee member of the Bar Council. He is a director of several private limited companies.

He was appointed to the Board of KYM Holdings Bhd. on 12 February 2007. He is also a member of the Remuneration Committee of the Company.

He has no family relationship with any other Director and/or major shareholder of the Company and does not hold any shares in the Company and subsidiary companies. He has not entered into any transaction, whether directly or indirectly, has a conflict of interest with the Company. He has not been convicted for any offences within the past 10 years other than traffic offences.

09

CHIAM TAU MENG

Independent Non-Executive Director

Malaysian

Mr Chiam Tau Meng, aged 56, was appointed an Independent Non-Executive Director of KYM on 27 April 2009. He is also a member of the Audit Committee.

Mr Chiam Tau Meng graduated with a Bachelor of Commerce degree majoring in Accountancy from the University of Otago, Dunedin, New Zealand in 1976. He is an Associate Chartered Accountant of the Institute of Chartered Accountants of New Zealand and Malaysian Institute of Accountants.

Mr Chiam Tau Meng started his career in 1976 as Finance Manager of Tolley Industries Ltd (New Zealand) and in 1979, he joined Malaysian Containers (1974) Berhad as Finance Manager cum Company Secretary. In 1984, he joined Menang Corporation (M) Berhad as General Manager of Corporate Services and in 1989 he joined Bee Hin Holdings Sdn Bhd as General Manager of Corporate Finance, in charge of the reconstruction scheme under Section 176 of the Companies Act, 1965 on Kuala Lumpur Industries Berhad. In 1992, he joined the management consultancy practice of an international accounting organization and in 1994, he set up his own consulting practice.

Presently, he sits on the Board of Comintel Corporation Berhad, Success Transformer Corporation Bhd, Menang Corporation (M) Berhad and LCL Corporation Berhad. He also sits on the Board of various private limited companies, both international and local, as Independent Director.

He has no family relationship with any other Director and/or major shareholder of the Company and does not hold any shares in the Company and subsidiary companies. He has not entered into any transaction, whether directly or indirectly, has a conflict of interest with the Company. He has not been convicted for any offences within the past 10 years other than traffic offences.

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of the Company for the financial year ended 31 January 2009.

OVERALL

As everybody knows, the business environment for the reporting financial year was affected by various unusual and unpredictable events starting with the run up to record levels for crude oil and commodities prices and its subsequent plunge. The confirmation of a financial (subprime lending) crisis in the United States of America, the effects of which has quickly spread to the rest of the world, leaving many developed countries in the world in various state of economic recession.

The above events have affected the businesses of the Group but I am pleased to inform that the Group management has managed to cope with this very difficult situation and did not result in a significant layoff of employees or closing down of business.

I am certain that the developed countries economies are climbing out of their financial predicaments and we look forward to better times.

On 11th June 2009, we announced that we have entered into an agreement with VALE S.A., a large multinational mineral based company to sell our land at Teluk Rubiah, Lumut, Perak. The negotiations for the disposal started in late 2008 and I have to convey my appreciation to members of the negotiating teams both from the Group and VALE for the understanding and determination to come to an agreement on the terms of the sale.

At the date of this report, the feasibility evaluation process of their investment, of which has been reported to be in the region of RM9 Billion, is still ongoing but I am confident that the project will be implemented with the acquisition of the land as a positive first step towards that end.

As for new business, the proposed Melaka Health Administrative Center project which we have announced earlier have not progressed as quickly as we anticipated perhaps due to the financial crisis and we hope to make further announcements during the rest the year.

FINANCIAL HIGHLIGHTS

For the financial year ended 31 January 2009, the Group registered a turnover of RM54.2 million, a decrease of 24% compared to a turnover RM71.4 million for the financial year ended 31 January 2008. The lower turnover for the Group was mainly due to the lower turnover of the Manufacturing Division.

The result of operations for this financial year shows a loss before taxation of RM19.5 million an increase of 78% as compared to the loss before taxation of RM10.9 million recorded in the previous year. The increase in losses is attributed mainly to the lower gross margin contribution of RM7.8 million as compared to RM12.5 million for the previous year and the increase in interest cost for the year.

The earnings per share for this financial year, as a result of the higher losses incurred, is a loss of 17.3 sen per share as compared to a loss of 9.9 sen per share for the previous year.

DIVIDEND

No dividend has been declared in respect of the financial year ended 31 January 2009.

PROSPECTS

Packaging Division

The packaging industry is expected to remain competitive.

Turnover for this Division for the coming financial year should be higher than the previous year, should the economies of the developed countries continue to improve.

The lower cost of raw materials as a result of the financial crisis is expected to reverse and to trend higher for the coming year.

However, overall the operating results of this Division are expected to improve.

Property Division

For the coming year, we are looking forward to the completion of the sale of land at Teluk Rubiah, which was mentioned earlier and also to the settlement of the loan taken to acquire the land. The positive results from the land disposal, as well as, the significant reduction in interest cost will augur well for the financial position of the Group.

I also look forward to the implementation of certain development projects which we have been planning and of which the current market conditions may not have been conducive.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to thank the Management and staff for their hard work. I wish also to extend gratitude to our shareholders, customers, business associates, financial institutions and the governmental authorities for their assistance and continuing support during the year.

DATO' SERI DR. ISAHAK
BIN YEOP MOHAMAD SHAR
Executive Chairman

Date: 8 July 2009

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of KYM recognises their responsibility for good corporate governance. The Board and Management remain committed to ensuring the highest standards of corporate governance are observed.

The following set out how the Board of Directors of KYM and its subsidiaries applied the Principles of the Code and the extent of compliance with the Best Practices of the Code during the financial year ended 31 January 2009.

BOARD OF DIRECTORS

COMPOSITION AND BALANCE

As at the date of this Report, the Board comprises an Executive Chairman, a Managing Director, an Executive Director and six (6) Independent Non-Executive Directors. The directors, with different backgrounds and specializations, bring with them a wide range of business, industrial and financial experience to lead the Company. Brief background descriptions of each Director are set out on pages 8 to 13.

There is a clear division of responsibilities between the Executive Chairman and the Managing Director. The Executive Chairman is primarily responsible for the working of the Board and to ensure that all relevant issues are on the agenda. The Managing Director is primarily responsible for the implementation of the policies and strategies adopted by the Board and making and implementing operational decisions.

The Non-Executive Directors play a supporting role to contribute knowledge and experience when formulating the strategic plans for and analyzing the strategic decisions faced by the Company. Where a potential conflict of interest may arise, it is mandatory practice for the director concerned to declare his interest and abstain from the decision-making process.

Dato' Wira Abdul Rahman bin Hj Ismail, an Independent Non-Executive Director, assumes the role as a Senior Independent Director.

BOARD RESPONSIBILITIES

The Board retains full and effective control of the Company. The responsibility of the Board includes formulating and adopting a strategic plan and reviewing the Company's internal control systems for the company. Certain key matters such as approval of annual and quarterly results, acquisitions and disposals, borrowings, as well as material agreements, major capital expenditure and budgets are reserved for the Board. All proposals for acquisitions and or disposals and matters that are critical to the Group are deliberated extensively at the meeting before appropriate actions are undertaken. The Non-Executive Directors participated actively in the discussions at the Board Meetings as well as meetings with external parties.

The Board has delegated certain responsibilities to the Board Committees that operate within clearly defined terms of references. Currently, the Board Committee comprises Executive Committee, Remuneration Committee and Audit Committee. The respective Committee reports to the Board on matters considered and their recommendation thereon.

BOARD MEETINGS

The Board meets on a scheduled basis, at least four times a year. Special meetings are convened as and when required. During the financial year, six (6) Board Meetings were held and the attendance of the Board members were as follows:

Name of Director	No. of Meeting Attended
Dato' Seri Dr. Isahak bin Yeop Mohamad Shar	6/6
Dato' Wira Abdul Rahman bin Haji Ismail	6/6
Dato' Chong Thin Choy	6/6
Dato' Lim Kheng Yew	4/6
Datuk Mansor bin Masikon	4/6
Dato' Rahadian Mahmud bin Mohammad Khalil	4/6
Dato' Ir. Mohamad Othman bin Zainal Azim	6/6
Dato' Mohd Azmi bin Othman	6/6
Chiam Tau Meng (appointed w.e.f. 27 April 2009)	N/A

SUPPLY OF INFORMATION

All Directors are provided with reports and other relevant information on a timely basis. Due notice on issues to be discussed at the Board Meeting together with related papers are given to the Directors to enable the Directors to obtain further explanations, where necessary. Among others, Board papers provide information on major operational, financial and corporate issues, financial budget, proposals for acquisitions and disposals.

The Directors are also informed of the corporate announcements released to Bursa Securities and any impending restrictions in dealing with the securities of the Company at least one month prior to the release of the quarterly financial announcements.

Directors have access to all information within the Company whether as full Board members or in their individual capacity, in furtherance of their duties.

Directors have direct access to the advice and services of the Company Secretary and may seek independent advice should the need arise.

DIRECTORS' TRAINING

The Board of Directors shall from time to time evaluate and determine the training needs of the Directors to further enhance their skills and knowledge.

The Directors were informed of the amendments to the Companies Act, 1965 and updates of the Listing Requirements of Bursa Malaysia Securities Berhad.

APPOINTMENTS TO THE BOARD AND RE-ELECTION

The Remuneration Committee which also acts as the Nomination Committee annually reviews the effectiveness of the Board as a whole, the committees of the Board and assesses the contribution of each individual Director. During the financial year, one (1) meeting was held to review the composition of the Audit Committee and to assess the effectiveness of the Board as a whole.

At least one third of the Directors retire by rotation at each Annual General Meeting and all directors retire from office once at least every three (3) years in accordance with the Company's Articles of Association. The Managing Director shall also retire once in every three (3) years subject to re-election and re-appointment. In addition, Director who attains the age over 70 retires at every Annual General Meeting in accordance with Section 129(6) of the Companies Act, 1965.

DIRECTORS' REMUNERATION

The Remuneration Committee is responsible for reviewing policies and making recommendations to the Board on remuneration packages and benefits annually as extended to the Executive Directors. The Executive Directors do not participate in the decision making relating to their own remuneration.

Fees payable to Non-Executive Directors are determined by the Board with the approval from shareholders at the Annual General Meeting. The individuals concerned abstain from discussions of their own remuneration.

The policy of the Remuneration Committee is in line with the Group's overall practice on compensation and benefits. The Group operates a bonus and incentive scheme for all employees, including the Executive Directors. The criteria for the scheme is dependent on the financial performance of the Group based on an established formula.

The details of the remuneration of the Directors of the Company for the financial year under review are as follows:

	Salary, Bonuses and other emoluments (RM)	Fees (RM)	Meeting Allowance (RM)
Executive Directors	888,160	-	-
Non-Executive Directors	-	54,000	16,250

The number of Directors whose total remuneration fall within the following bands:

	Number of Directors	
Range of Remuneration	**Executive**	**Non-Executive**
Below RM50,000	-	5
RM50,001 - RM100,000	-	-
RM100,001 – RM150,000	-	-
RM150,001 – RM200,000	1	-
RM200,001 – RM250,000	-	-
RM250,001 – RM300,000	1	-
Above RM300,000	1	-

SHAREHOLDERS

RELATIONSHIPS WITH INVESTORS AND SHAREHOLDERS

The Board and Management convey information about the Company's performance, corporate strategy and other matters affecting shareholders' interests to the shareholders and investors through timely dissemination of information which include distribution of annual reports and relevant circulars and issuance of press releases.

Presentations are made, where appropriate, to explain the Group's strategy and performances to the investors. However, any information that may be regarded as undisclosed information about the Group will not be disclosed to any single shareholder until after the prescribed announcement to the Bursa Securities has been made.

ANNUAL GENERAL MEETING

The Annual General Meeting remains the principal forum for dialogue with shareholders. Notice of the Annual General Meeting together with annual reports are sent out to shareholders at least 21 days before the date of the meeting in accordance with the Company's Articles of Association.

At each Annual General Meeting, the Board encourages shareholders full participation by the shareholders and every opportunity is given to the shareholders to ask questions and seek clarification on the business and performance of the Group. Members of the Board and the External Auditors are present to respond to shareholders' questions during the Meeting.

For re-election of Directors, the Board ensures that full information is disclosed through the notice of meetings regarding directors who are standing for re-election. Items of special business included in the notice of the meeting are accompanied by an explanation to facilitate full understanding and evaluation of the issues involved.

ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF AUDITED FINANCIAL STATEMENTS

The Directors are legally required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and the results and cash flow of the Group and of the Company for the financial year then ended.

In preparing the financial statements of the Group and the Company for the financial year ended 31 January 2009, the Directors have adopted appropriate accounting policies and applied them consistently, made judgement and estimates that are prudent and reasonable and ensured the applicable approved accounting standards have been followed.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and of the Company and to detect and prevent any fraud as well as any other irregularities.

INTERNAL CONTROLS

The Statement on Internal Control is set out on pages 28 to 30 of the Annual Report.

RELATIONSHIP WITH AUDITORS

The role of the Audit Committee in relation to the external auditors may be found in the Report on Audit Committee as set out on pages 24 to 27. The Company has always maintained a formal and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia.

At **KYM**, CRS is about who we are and how we operate as company. **KYM** considers the economic, social and environmental impacts of our activities. We believe this brings sustained, collective value to our employees, our customers and the community.

The CSR contributions of the Group during the year are as follows:

THE WORK PLACE

KYM recognizes that employees are important assets. We offer competitive package to our staff and incentives to those who meet the targets set by the individual department or division. We apply fair labour practices and also arrange internal and or external training programs for all levels of staff from time to time and as and when required. At least 192 training hours were completed by all level of staff in the past financial year.

We are committed to provide a healthy and safe working environment for all our staff. Personal Protective Equipment (safety boots, ear plug and ear muff) is provided all workers. A proper health and safety management system has been put in place and is subject to the audit of Jabatan Keselamatan dan Kesihatan Pekerja. We conducted briefing and put up signage and circular board at all factories to create safety awareness. 40 hours of training on health and safety were completed during the financial year.

THE ENVIRONMENT

KYM has converted the use of fuel oil with natural gas in some operations to reduce energy consumption thereby achieving savings of about 40% - 60% of the total cost of production. We have switched to Hot Roll System from Waste Water Treatment Plant to ensure waste water and ink slugs are disposed properly. Air Monitoring Test is conducted every six (6) months to ensure compliances with Workers are not allowed to throw away chemical waste into drains or dustbins. Printing waste is treated or disposed through Kualiti Alam Management.

We also take into account the good environmental practices when purchasing the supplies and help the suppliers understand our purchasing policy through on site visits, suppliers purchasing charters and suppliers audit.

THE COMMUNITY

We also provide post graduate practical training for local college and/or local university students which are needed in completing their respective diploma and degrees. During the financial year, 1 practical student took part in industry training at the Information Technology and Technical Departments for 6 months.

The Group continues to do its best to support and help strengthen the local communities where it works through donations or charity work.

OTHER INFORMATION

During the financial year under review:

- the Company did not enter into any share buyback transaction.

- no options, warrant or convertible securities were exercised and the Company did not issue any warrants convertible securities.

- the Company did not sponsor any ADR or GDR programme.

- there were no sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies.

- the non-audit fees incurred for services rendered by the external auditors or a firm affiliated with the auditors' firm during the financial year were RM58,000.

- there were no variances of 10% or more between the results for the financial year and the unaudited results and the profit forecast previously announced.

- save for those transactions entered pursuant to the Shareholder Mandate for Recurrent Related Party Transactions, there were no material contracts entered into by the Company and its subsidiaries involving directors and substantial shareholders during the financial year or still subsisting at the end of the financial year.

- the Group has undertaken to revalue all its land and buildings every 5 years to reflect the current market value of assets in its accounts.

Audit Committee Report

COMPOSITION

The Audit Committee, which was established by the Board of Directors on 22 July 1994, comprises 4 Directors, all of whom are independent.

MEMBERS OF THE AUDIT COMMITTEE

Dato' Wira Abdul Rahman bin Haji Ismail	-	Chairman, Independent Non-Executive Director
Datuk Mansor bin Masikon	-	Member, Independent Non-Executive Director
Dato' Ir Mohamad Othman bin Zainal Azim	-	Member, Independent Non-Executive Director
Chiam Tau Meng	-	Member, Independent Non-Executive Director *

* A Member of the Malaysian Institute of Accountants

DUTIES AND RESPOSIBILITIES

The duties and responsibilities of the Audit Committee are:

1. To review the following and report the same to the board of directors of the Company:

   (a) With the external auditors, the audit plan;
   (b) With the external auditors, its audit report;
   (c) The assistance given by the Company's officers to the external auditors;
   (d) The quarterly results and year end financial statements, prior to the approval by the board of directors, focusing particularly on:
      (i) changes in or implementation of major accounting policy changes;
      (ii) significant adjustments arising from the audit;
      (iii) the going concern assumption;
      (iv) significant and unusual events; and
      (v) compliance with accounting standards and other legal requirements;
   (e) Any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
   (f) The external auditor's management letters and management response;
   (g) Any letter of resignation from the Company's external auditors;
   (h) Whether there is reason (supported by grounds) to believe that the Company's external auditors is not suitable for re-appointment;

(i) The internal audit function:
   (i) Review the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
   (ii) Review the internal audit programme, processes, the results of the internal audit programme, processes or investigations, undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
   (iii) With the external auditors, its evaluation of the system of internal controls;
   (iv) Consider major findings of internal investigations and management's response;
   (v) Review any appraisal or assessment of the performance of members of the internal audit function;
   (vi) Approve any appointment or termination of internal audit staff members; and
   (vii) Note resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

2. To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary);

3. To recommend the nomination of a person or persons as external auditors;

4. Other functions as may be agreed to by the Audit Committee and the Board of Directors.

Meetings

The Chairman shall convene a meeting of the Committee if requested to do so by any member, the management or the internal or external auditors to consider any matter within the scope and responsibilities of the Committee.

The Head of Finance Department will normally be invited to attend all meetings of the Committee. The internal auditor and external auditors are invited to attend when appropriate. However, the Committee may invite any person to be in attendance to assist it in its deliberation.

Notice of meetings is sent to all members of the Committee and any other persons who may be required to attend.

Secretary

The Company Secretary is the secretary of the Committee and as a reporting procedure, the minutes are circulated to all members of the Board.

Quorum

The quorum for any meeting is two (2) members, the majority of members present must be independent directors.

Five (5) Audit Committee Meetings were held during the financial year. The record of attendance of the Audit Committee members is as follows:

Name	No. of meetings attended
Dato' Wira Abdul Rahman bin Haji Ismail	5/5
Datuk Mansor bin Masikon	2/5
Dato' Ir. Mohamad Othman bin Zainal Azim	5/5
Dato' Lim Kheng Yew (Resigned w.e.f. 3 March 2009)	2/5
Chiam Tau Meng (Appointed w.e.f. 27 April 2009)	N/A

ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year, the Audit Committee has reviewed the Group's quarterly financial results and year end financial statements before presenting to the Board of Directors for approval. At the Board Meetings, the Chairman of the Audit Committee briefed the Board on the significant accounting issues raised in respect of the financial statements and recommendations of the Audit Committee thereon.

Prior to the commencement of the audit of the Group Financial Statements, the Audit Committee reviewed the audit plan prepared by the External Auditors, Messrs Horwath. The External Auditors also updated the Audit Committee on new developments of accounting standards that are applicable to the Company's financial statements for financial year ended 31 January 2009. The representatives of the external auditors were also present at the meeting to brief the Audit Committee on their findings and accounting issues arising from their audit together with recommendations in respect of the findings.

The Audit Committee has assessed the functions, competency and resources of the outsourced internal audit function.

During the financial year, the Audit Committee reviewed the recurrent related party transactions entered by the Group pursuant to the Shareholders' Mandate every quarter.

INTERNAL AUDIT FUNCTION

The Audit Committee is assisted by an independent internal audit function that has been outsourced to a professional services firm. The Internal Auditors reviews and assesses the operational procedures and effectiveness of internal audit control system on all the Strategic Business Units of the Group. During the financial year, the Group has appointed CGRM Infocomm Sdn Bhd, an independent consulting firm, in place of Audex Governance Sdn Bhd.

The Internal Auditors carried out a high level review to familiarise and understand the structure and operations of the Company and its five Strategic Business Units. The Internal Auditors have adopted the Committee of Sponsoring Organisations of the Treadway Commission (COSO) principle as the benchmark or the review using a top-down and bottom-up as well as cross-functional approach. The Internal Auditors were invited to attend the Audit Committee Meeting to table and discuss the high level review report.

Following the completion of the high level review report, an Internal Audit Plan has been prepared and approved by the Audit Committee. The Internal Auditors shall undertake the audit review based on the said Internal Audit Plan. The audit will focus on areas with high risk and inadequate controls to ensure that an adequate action plan will be put in place to improve the controls. Cost incurred for the internal audit function in respect of the financial year is RM7,000.

The Internal Audit Reports which shall incorporate the audit findings, recommendations and Management's response will be issued to and reviewed by the Audit Committee on a quarterly basis.

INTRODUCTION

The Board of Directors ("Board") recognizes the importance of maintaining a sound system of internal control. Hence, the Board is pleased to present the Statement on Internal Control of the Group pursuant to paragraph 15.26 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

BOARD RESPONSIBILITY

The Malaysian Code of Corporate Governance requires the Board to maintain a sound system of internal control to safeguard shareholders' investment and Group's assets. The Board further affirms the overall responsibility for KYM Holdings Berhad Group's system of internal control which covers not only financial, but also operational controls, and for reviewing the adequacy and integrity of those systems on an on-going basis.

RISK MANAGEMENT

The Board, throughout the financial year under review, has identified, evaluated and managed the significant risks faced by the Group through monitoring of the Group's operational efficiency and performance at its Board Meeting. The Board has assigned to the Audit Committee the duty of reviewing and monitoring the effectiveness of the Group's internal control system. At operation levels, risks were discussed on ad hoc basis during the periodic management operations meetings.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives. Accordingly, the internal control system can only provide reasonable and not absolute assurance against material misstatement or loss.

INTERNAL AUDIT FUNCTION

CGRM Infocomm Sdn Bhd ("CGRM"), an independent professional firm, supports the Audit Committee, and by extension, the Board, by providing independent assurance on the effectiveness of the Group's system of internal control.

In particular, CGRM appraises and contributes towards improving the Group's risk management and control systems and reports to the Audit Committee on a quarterly basis. During the financial year under review, CGRM has undertaken a high level review assignment as the preliminary review to understand the overall system of the Group's internal controls and processes. In assessing the adequacy and effectiveness of the system of internal control and financial control procedures of the Group, the Audit Committee reports to the Board on its activities, significant audit results or findings and the necessary recommendations or actions needed to be taken by management to rectify those issues.

The internal audit work plan, which reflects the risk profile of the Group's major business sectors is routinely reviewed and approved by the Audit Committee. The scope of CGRM's function covered the audit and review of governance, risk assessment, compliance, operational and financial control across all business units.

CGRM conforms to the requirements of the Guidelines on the Internal Audit Function issued by The Institute of Internal Auditors Malaysia in July 2002 as well as the Standards for the Professional Practice of Internal Auditing (SPPIA) and the Code of Ethics issued by The Institute of Internal Auditors Inc.

INTERNAL CONTROL SYSTEM

The Group's key internal control processes based on the Committee of Sponsoring Organisations of the Treadway Commission (COSO) integrated framework on internal control are as follows:

CONTROL ENVIRONMENT

- There is a clear Group vision and mission statement which are communicated to employees at all levels.
- An organization structure with clear defined lines of responsibilities and accountabilities of the Board and management has been established.
- The established Group's 3-year business plan sets forth its strategic and business objectives
- Board approved annual budgets prepared by each operating subsidiary and consolidated by the Group Finance function.

RISK ASSESSMENT

- The Board has been consistent in maintaining its overall responsibility to ensure that systems are in place to effectively monitor and manage the Group's business risk and to continually update and identify the various and continuously changing risk factors that could have a potentially significant impact on performance and long term business objectives.

CONTROL ACTIVITIES

- The manufacturing units ISO procedures, standard operating policies and procedures reflect current practices of the business processes and key functions. Internal control measures and practices have been incorporated into these procedures to enhance controls and monitoring of day-to-day operations
- An enterprise business application software which incorporates several in-built system controls is being progressively implemented to assist manufacturing unit Management to achieve its internal control objectives
- A Computer Usage and Technology Resource Policy outlines the general controls with regards to HQ information technology usage and security.
- Audits (ISO and internal) are conducted to boost operations efficiencies and ensure consistency of product quality, work standards and internal controls.
- The Group maintains a human resources function that coordinates the employees' training and development programs as well as occupational health and safety courses are emphasized at all levels to enhance their work quality, ability, safety and competencies.

INFORMATION AND COMMUNICATION

- Regular management meetings are conducted at the Group and subsidiary levels and are attended by all heads of departments to discuss and resolve issues or challenges faced with regard to operational and administrative matters. The proceedings of these meetings are minuted for further action and reference.
- The communication channels most widely used are via email and face-to-face discussions with emphasis placed on effective and “free-flow” or open communication within the Group.

MONITORING

- Management maintains a macro view of the Group operations whilst keeping abreast with the operational issues through constant communication with the heads of the respective subsidiaries.
- Annual budgets and forecasts are used to track and monitor the performances of the Group. Monthly and quarterly reviews are conducted on budget and variances.
- Monthly financial and departmental reports are compared against Key Performance Indicators (KPI) to analyze and monitor department’s performance and achievements.
- Monthly Group and subsidiary level management meetings form an avenue for discussion and corrective action of the Group’s business performances and variances.
- Quality and internal audits are conducted during the financial year and the results and findings of these audits are communicated to the process owners and department heads for discussion and corrective action.

CONCLUSION

The external auditors have reviewed this Statement on Internal Control for the inclusion in the annual report for the year ended 31 January 2009 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

The management will continue to take measures and maintain an ongoing commitment to strengthen the Group’s control environment and processes. During the financial year, there were no material losses caused by the breakdown in internal controls.

This statement was made in accordance with a resolution of the Board dated 28 May 2009.

financial statements

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 January 2009.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM'000	THE COMPANY RM'000
Loss after taxation for the financial year	(18,614)	(5,611)
Attributable to:-		
Equity holders of the Company	(14,075)	(5,611)
Minority interests	(4,539)	-
	(18,614)	(5,611)

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would further require the writing off of bad debts, or the additional allowance for doubtful debts in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate. The financial statements of the Group and of the Company are prepared on the basis of accounting principles applicable to a going concern as explained in Note 4(b) to the financial statements.

CONTINGENT AND OTHER LIABILITIES

The contingent liability is disclosed in Note 44 to the financial statements. At the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

Other than as disclosed in the financial statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Dato' Seri Dr. Isahak Bin Yeop Mohamad Shar
Dato' Lim Kheng Yew
Dato' Wira Abdul Rahman Bin Haji Ismail
Datuk Mansor Bin Masikon
Dato' Chong Thin Choy
Dato' Rahadian Mahmud Bin Mohammad Khalil
Dato'Ir. Mohamad Othman Bin Zainal Azim
Dato' Mohd Azmi Bin Othman
Chiam Tau Meng (Appointed on 27.4.2009)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	NUMBER OF ORDINARY SHARES OF RM1 EACH			
	AT 1.2.2008	BOUGHT	SOLD	AT 31.1.2009
THE COMPANY				
DIRECT INTEREST				
- Dato' Lim Kheng Yew	3,003,193	-	-	3,003,193
INDIRECT INTEREST				
- Dato' Lim Kheng Yew	29,141,055	71,945	-	29,213,000

By virtue of his shareholding in the Company, Dato' Lim Kheng Yew is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interest, in accordance with Section 6A of the Companies Act, 1965.

The other directors holding office at the end of the financial year had no interests in shares in the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business as disclosed in Note 43 to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events of the Group and of the Company during the financial year are disclosed in Note 45 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

The significant event of the Group and of the Company subsequent to the financial year is disclosed in Note 46 to the financial statements.

AUDITORS

The auditors, Messrs. Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 28 MAY 2009

Dato' Seri Dr. Isahak Bin Yeop Mohamad Shar

Dato' Chong Thin Choy

Statement By Directors

We, Dato' Seri Dr. Isahak Bin Yeop Mohamad Shar and Dato' Chong Thin Choy, being two of the directors of KYM Holdings Bhd., state that, in the opinion of the directors, the financial statements set out on pages 39 to 107 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 January 2009 and of their results and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 28 MAY 2009

Dato' Seri Dr. Isahak Bin Yeop Mohamad Shar **Dato' Chong Thin Choy**

Statutory Declaration

I, Chin Kong Yaw, I/C No. 591126-05-5275, being the officer primarily responsible for the financial management of KYM Holdings Bhd., do solemnly and sincerely declare that the financial statements set out on pages 39 to 107 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Chin Kong Yaw,
I/C No. 591126-05-5275
at Kuala Lumpur in the Federal Territory
on this 28 May 2009

Chin Kong Yaw

Before me

Mohd. Radzi Bin Yasin (No: W 327)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of KYM Holdings Bhd., which comprise the balance sheets as at 31 January 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 39 to 107.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 January 2009 and of their financial performance and cash flows for the financial year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Horwath
Firm No: AF 1018
Chartered Accountants

Lee Kok Wai
Approval No: 2760/06/10 (J)
Partner

Kuala Lumpur
28 MAY 2009

	NOTE	THE GROUP 2009 RM'000	THE GROUP 2008 RM'000	THE COMPANY 2009 RM'000	THE COMPANY 2008 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	7	-	-	30,960	33,635
Other investments	8	6	6	-	-
Land held for property development	9	185,251	185,251	-	-
Property, plant and equipment	10	56,652	59,200	697	707
Prepaid lease payments	11	7,894	8,022	-	-
Investment properties	12	-	3,500	3,561	3,561
Intangible asset	13	4,667	4,667	-	-
Amount owing by subsidiaries	14	-	-	171,638	160,637
		254,470	260,646	206,856	198,540
CURRENT ASSETS					
Property development costs	15	1,471	1,659	-	-
Inventories	16	7,159	6,560	-	-
Trade receivables	17	10,860	14,513	-	-
Other receivables, deposits and prepayments	18	950	1,455	148	222
Amount owing by subsidiaries	14	-	-	27,460	29,297
Amount owing by a related party	19	-	66	-	-
Tax recoverable		12	69	-	-
Fixed deposits with licensed banks	20	177	124	-	-
Cash and bank balances		2,025	1,718	981	19
		22,654	26,164	28,589	29,538
TOTAL ASSETS		277,124	286,810	235,445	228,078

The annexed notes form an integral part of these financial statements.

Balance Sheets

At 31 January 2009 (Cont'd)

		THE GROUP		THE COMPANY	
		2009	2008	2009	2008
	NOTE	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	21	81,135	81,135	81,135	81,135
Share premium	22	35,803	35,803	35,803	35,803
Revaluation reserve	23	31,063	31,306	35	35
Accumulated losses		(124,551)	(111,109)	(87,291)	(81,680)
		23,450	37,135	29,682	35,293
MINORITY INTERESTS		6,998	11,205	-	-
TOTAL EQUITY		30,448	48,340	29,682	35,293
NON-CURRENT LIABILITIES					
Hire purchase payables	24	705	876	344	375
Term loans	25	12,879	10,432	-	-
Deferred tax liabilities	26	16,462	18,166	-	-
		30,046	29,474	344	375
CURRENT LIABILITIES					
Trade payables	27	6,005	8,201	-	-
Other payables and accruals	28	11,716	10,405	1,884	1,770
Amount owing to subsidiaries	14	-	-	22,215	21,064
Amount owing to related parties	19	2,014	1,160	1,251	1,119
Amount owing to directors	29	746	-	-	-
Hire purchase payables	24	370	772	143	117
Provision for taxation		4	-	-	-
Short-term borrowings	30	194,957	188,116	179,926	168,340
Bank overdrafts	31	818	342	-	-
		216,630	208,996	205,419	192,410
TOTAL LIABILITIES		246,676	238,470	205,763	192,785
TOTAL EQUITY AND LIABILITIES		277,124	286,810	235,445	228,078

The annexed notes form an integral part of these financial statements.

	NOTE	THE GROUP 2009 RM'000	THE GROUP 2008 RM'000	THE COMPANY 2009 RM'000	THE COMPANY 2008 RM'000
REVENUE	32	54,248	71,404	-	-
COST OF SALES		(47,776)	(62,156)	-	-
GROSS PROFIT		6,472	9,248	-	-
OTHER INCOME	33	1,321	3,324	76	1,488
		7,793	12,572	76	1,488
SELLING AND DISTRIBUTION EXPENSES		(2,959)	(4,075)	-	-
ADMINISTRATIVE EXPENSES		(5,843)	(5,719)	(600)	(498)
OTHER EXPENSES	34	(2,290)	(3,092)	(3,551)	(3,392)
FINANCE COSTS	35	(16,197)	(10,636)	(1,536)	(1,176)
LOSS BEFORE TAXATION	36	(19,496)	(10,950)	(5,611)	(3,578)
INCOME TAX EXPENSE	38	882	(227)	-	-
LOSS AFTER TAXATION		(18,614)	(11,177)	(5,611)	(3,578)
ATTRIBUTABLE TO:-					
Equity holders of the Company		(14,075)	(8,001)	(5,611)	(3,578)
Minority interests		(4,539)	(3,176)	-	-
		(18,614)	(11,177)	(5,611)	(3,578)
BASIC LOSS PER SHARE (SEN)	39	(17.3)	(9.9)		

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

For The Financial Year Ended 31 January 2009

	NOTE	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	REVALUATION RESERVE RM'000	ACCUMULATED LOSSES RM'000	SHAREHOLDERS' EQUITY RM'000	MINORITY INTERESTS RM'000	TOTAL EQUITY RM'000
THE GROUP								
Balance at 1.2.2007		81,135	35,803	31,794	(103,707)	45,025	14,381	59,406
Effect of partial disposal of a subsidiary		-	-	(261)	-	(261)	-	(261)
Revaluation surplus #		-	-	666	-	666	-	666
Impairment loss #		-	-	(294)	-	(294)	-	(294)
		-	-	372	-	372	-	372
Realisation of revaluation reserve #	23	-	-	(599)	599	-	-	-
Loss after taxation for the financial year		-	-	-	(8,001)	(8,001)	(3,176)	(11,177)
Balance at 31.1.2008/1.2.2008		81,135	35,803	31,306	(111,109)	37,135	11,205	48,340
Realisation of revaluation reserve #	23	-	-	(243)	243	-	-	-
Recognition of deferred tax as a result of changes in tax rate #		-	-	-	390	390	332	722
Loss after taxation for the financial year		-	-	-	(14,075)	(14,075)	(4,539)	(18,614)
Balance at 31.1.2009		81,135	35,803	31,063	(124,551)	23,450	6,998	30,448

- represents net gain / (loss) not recognised in the income statements.

The annexed notes form an integral part of these financial statements.

	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	REVALUATION RESERVE RM'000	ACCUMULATED LOSSES RM'000	TOTAL RM'000
The Company					
Balance at 31.1.2007/ 1.2.2007	81,135	35,803	35	(78,102)	38,871
Loss attributable to shareholders	-	-	-	(3,578)	(3,578)
Balance at 31.1.2008/ 1.2.2008	81,135	35,803	35	(81,680)	35,293
Loss attributable to shareholders	-	-	-	(5,611)	(5,611)
Balance at 31.1.2009	81,135	35,803	35	(87,291)	29,682

The annexed notes form an integral part of these financial statements.

Cash Flow Statements

For The Financial Year Ended 31 January 2009

	NOTE	THE GROUP 2009 RM'000	THE GROUP 2008 RM'000	THE COMPANY 2009 RM'000	THE COMPANY 2008 RM'000
CASH FLOWS (FOR)/ FROM OPERATING ACTIVITIES					
Loss before taxation		(19,496)	(10,950)	(5,611)	(3,578)
Adjustments for:-					
Allowance for doubtful debts		112	410	860	820
Amortisation of prepaid lease payments		128	128	-	-
Bad debts written off		28	11	-	705
Depreciation of property, plant and equipment		3,744	4,135	194	183
Deposit written off		25	40	-	-
Development costs written off		188	758	-	-
Equipment written off		28	77	-	3
Fair value adjustment of investment properties		-	(43)	-	-
Impairment loss on investments in subsidiaries		-	-	1,900	1,545
Impairment loss on property		-	435	-	-
Interest expense		15,924	10,478	12,337	7,275
Loss on disposal of investment properties		-	136	-	136
Loss on disposal of subsidiaries		757	-	597	-
Deposit forfeited		(67)	-	-	-
Gain on partial disposal of a subsidiary		-	(261)	-	-
Interest income		(5)	(1)	(11,070)	(6,255)
Net loss/(gain) on disposal of plant and equipment		157	(70)	(9)	(76)
Waiver of interest expense		-	(2,469)	-	(995)
Writeback of allowance for doubtful debts		(8)	(10)	-	-
Writeback of equipment written off		(54)	-	-	-
Operating profit/(loss) before working capital changes carried forward		1,461	2,804	(802)	(237)

The annexed notes form an integral part of these financial statements.

	NOTE	THE GROUP 2009 RM'000	THE GROUP 2008 RM'000	THE COMPANY 2009 RM'000	THE COMPANY 2008 RM'000
Operating profit/(loss) before working capital changes brought forward		1,461	2,804	(802)	(237)
(Increase)/Decrease in inventories		(598)	991	-	-
Decrease/(Increase) in trade and other receivables		1,534	2,860	(2,393)	54
(Decrease)/Increase in trade and other payables		(526)	881	15	106
Decrease/(Increase) in amount owing by a related party		66	(66)	-	-
CASH FROM/(FOR) OPERATIONS		1,937	7,470	(3,180)	(77)
Income tax refunded		57	86	-	-
Income tax paid		-	(10)	-	-
Interest paid		(2,172)	(2,710)	(652)	(699)
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(178)	4,836	(3,832)	(776)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Repayment from/(Advances to) subsidiaries		-	-	1,046	(1,443)
Interest received		5	1	-	1
Proceeds from disposal of investment properties		-	350	-	350
Proceeds from disposal of plant and equipment		286	136	9	76
Purchase of plant and equipment	40	(1,330)	(1,039)	(47)	(69)
Proceeds from disposal of subsidiaries	41	2,645	-	2,645	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES		1,606	(552)	3,653	(1,085)
Balance carried forward		1,428	4,284	(179)	(1,861)

The annexed notes form an integral part of these financial statements.

Cash Flow Statements

For The Financial Year Ended 31 January 2009 (Cont'd)

		THE GROUP		THE COMPANY	
		2009	2008	2009	2008
	NOTE	RM'000	RM'000	RM'000	RM'000
Balance brought forward		1,428	4,284	(179)	(1,861)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Net repayment of bills payable		(5,570)	(2,071)	-	-
Repayment of hire purchase obligations		(819)	(753)	(142)	(100)
Drawdown of term loans		5,800	-	-	-
Repayment of term loans		(2,555)	(2,149)	-	-
Advances from directors		746	-	-	-
Advances from related parties		854	1,160	132	1,119
Advances from subsidiaries		-	-	1,151	658
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(1,544)	(3,813)	1,141	1,677
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(116)	471	962	(184)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		1,500	1,029	19	203
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	42	1,384	1,500	981	19

The annexed notes form an integral part of these financial statements.

1. General Information

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office, which is also the principal place of business, is at 12, Lorong Medan Tuanku Satu, 50300 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 28 May 2009.

2. Principal Activities

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. Financial Risk Management Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its market, credit, liquidity and cash flow risks. The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign exchange risk on sales and purchases that are denominated in currencies other than Ringgit Malaysia. The foreign currencies giving rise to this risk are disclosed in Note 47 to the financial statements.

Foreign currency risk is monitored closely and managed to an acceptable level.

(ii) Interest Rate Risk

The Group's exposure to interest rate risk arises mainly from banking and hire purchase facilities. Its policy is to obtain the most favourable interest rates available.

Surplus funds are placed with licensed banks at the most favourable interest rates.

(iii) Price Risk

The Group has investments in quoted shares which are subject to price risks as the market values of these investments are affected by changes in market prices.

The Group manages the disposal of its investments to optimise returns on realisation.

3. Financial Risk Management Policies (Cont'd)

(b) Credit Risk

The Group's exposure to credit risks, or the risk of counterparties defaulting, arises mainly from receivables. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet reduced by the effects of any netting arrangements with counterparties.

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

(c) Liquidity and Cash Flow Risks

The Group's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practises prudent liquidity risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

4. Basis Of Accounting

(a) Basis of Preparation

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

During the current financial year, the Group has adopted the following:

(i) FRSs issued and effective for financial periods beginning on or after 1 July 2007:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

FRS 120 is not relevant to the Group's operations. The adoption of the other standards did not have any material impact on the form and content of disclosures presented in the financial statements.

(ii) Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation issued and effective for financial periods beginning on or after 1 July 2007.

This amendment is not relevant to the Group's operations.

4. Basis Of Accounting (Cont'd)

(a) Basis of Preparation (Cont'd)

(iii) IC Interpretations issued and effective for financial periods beginning on or after 1 July 2007:

IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129_{2004} Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The above IC Interpretations are not relevant to the Group's operations.

The Group has not adopted the following FRSs and IC Interpretations that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group:

(i) FRS issued and effective for financial periods beginning on or after 1 July 2009:

FRS 8	Operating Segments

FRS 8 replaces FRS 114_{2004} 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.

4. Basis Of Accounting (Cont'd)

(a) Basis of Preparation (Cont'd)

(ii) FRSs issued and effective for financial periods beginning on or after 1 January 2010 (Cont'd):

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.

(b) Going Concern

At the balance sheet date, the Group and the Company had the following:-

(i) net current liabilities of approximately RM193,976,000 and RM176,830,000 respectively;
(ii) loss attributable to equity holders of approximately RM14,075,000 and RM5,611,000 respectively; and
(iii) net cash outflow from operating activities of approximately RM178,000 and RM3,832,000 respectively.

The directors have taken into consideration the corporate proposal detailed in Note 6 to the financial statements in assessing the appropriateness of using the going concern basis in preparing the financial statements of the Group and of the Company. The directors are of the opinion that the corporate proposal will be completed successfully, and accordingly, are of the opinion that the going concern basis used in the preparation of the financial statements is appropriate.

5. Significant Accounting Policies

(a) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Impairment of Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the Group is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Classification between Investment Properties and Owner-Occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

5. Significant Accounting Policies (Cont'd)

(a) Critical Accounting Estimates and Judgements (Cont'd)

(iv) Classification between Investment Properties and Owner-Occupied Properties (Cont'd)

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(v) Allowance for Doubtful Debts of Receivables

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

(vi) Allowance for Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(vii) Revaluation of Properties and Plant and Machinery

The Group's properties and plant and machinery which are reported at valuation are based on valuation performed by independent professional valuers.

The independent professional valuers have exercised judgement in determined discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market rental and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

(viii) Fair Value Estimates for Investment Properties

The Group carries investment properties at fair value, which requires extensive use of accounting estimates and judgements. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these investment properties would affect profit and equity.

(b) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group or the Company has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

5. Significant Accounting Policies (Cont'd)

(b) Financial Instruments (Cont'd)

Financial instruments are offset when the Group or the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

(c) Functional and Foreign Currency

(i) Functional and Presentation Currency

The functional currency of the Group is measured using the currency of the primary economic environment in which the Group operates.

The consolidated financial statements are presented in Ringgit Malaysia ("RM") which is the Group's functional and presentation currency.

(ii) Transactions and Balances

Transactions in foreign currency are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the balance sheet date are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are taken to the income statement.

(d) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to 31 January 2009.

A subsidiary is defined as a company in which the Company has the power, directly or indirectly, to exercise control over the financial and operating policies so as to obtain benefits from its activities.

All subsidiaries are consolidated using the purchase method. Under the purchase method, the results of subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

5. Significant Accounting Policies (Cont'd)

(d) Basis of Consolidation (Cont'd)

Minority interests in the consolidated balance sheets consist of the minorities' share of fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition and the minorities' share of movements in the acquiree's equity.

Minority interests are presented in the consolidated balance sheet of the Group within equity, separately from the Company's equity holders, and are separately disclosed in the consolidated income statement of the Group.

The gain or loss on the disposal of a subsidiary is the difference between the net disposal proceeds and the Group's share of its net assets.

(e) Goodwill on Consolidation

Goodwill on consolidation represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable net assets of the subsidiaries at the date of acquisition.

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in a subsequent period.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised immediately in the consolidated income statement.

(f) Investments

(i) Investments in Subsidiaries

Investments in subsidiaries are stated at cost or valuation in the balance sheet of the Company and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

The surplus on the revaluation of the investment in a subsidiary was made pursuant to the Company's listing on Bursa Malaysia Securities Berhad in 1991. The directors have not adopted a policy of regular revaluation of investments in subsidiaries.

(ii) Other Investments

Other investments are held on a long-term basis and are stated at cost less allowance for permanent diminution in value.

On the disposal of these investments, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

5. Significant Accounting Policies (Cont'd)

(g) Land Held For Property Development

The Group has carried its land held for property development at revalued amount, as allowed under FRS 201 - Property Development Activities. The Group continues to retain the revalued amount of the land (and subsequently, its carrying costs) as its surrogate cost.

Land held for property development is classified as non-current asset where no development activities are carried out or where development activities are not expected to be completed within the normal operating cycle.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Pre-acquisition costs are charged to the income statement as incurred unless such costs are directly identifiable to the consequent property development activity.

Land held for property development is transferred to current asset when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(h) Property Development Costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs that are not recognised as an expense are recognised as an asset and carried at the lower of cost and net realisable value.

When the financial outcome of a development activity can be reliably estimated, the amount of property revenues and expenses recognised in the income statement are determined by reference to the stage of completion of development activity at the balance sheet date.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable. The property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Where it is probable that property development costs will exceed property development revenue, any expected loss is recognised as an expense immediately, including costs to be incurred over the defects liability period.

(i) Progress Billings/Accrued Billings

In respect of progress billings, where revenue recognised in the income statement exceeds the billings to purchasers, the balance is shown as accrued billings under current assets, and where billings to purchasers exceed the revenue recognised to the income statement, the balance is shown as progress billings under current liabilities.

5. Significant Accounting Policies (Cont'd)

(j) Property, Plant and Equipment

Property, plant and equipment, other than freehold land, are stated at cost or revalued amount less accumulated depreciation or amortisation and impairment losses, if any. Expenditure incurred in relation to the development of the chalets, golf course and golf course building are capitalised.

Freehold land is stated at cost or revalued amount less any accumulated impairment loss, and is not depreciated. Depreciation or amortisation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are as follows:-

Buildings	2%
Plant and machinery	6.7% - 33.3%
Forklifts, tools and equipment and production accessories	10% - 50%
Motor vehicles	10% - 20%
Office equipment, furniture and fittings, renovation and electrical installation	10% - 20%
Chalets	2% - 20%
Golf course, club house, driving range and related development expenditure	2% - 10%
Golf equipment and accessories	20%

Properties and plant and machinery are revalued periodically, at least once in every five years.

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at each balance sheet date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the balance sheet date. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Cost of capital work-in-progress includes direct costs, related expenditure and interest cost on borrowings taken to finance the construction or acquisition of the assets to the date that the assets are completed and put into use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is included in the income statement in the year the asset is derecognised.

5. Significant Accounting Policies (Cont'd)

(k) Impairment of Assets

The carrying value of assets other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' net selling price and its value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is charged to the income statement immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(l) Assets Under Hire Purchase

Plant and equipment acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 5(j) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are allocated to the income statement over the period of the respective hire purchase agreements.

(m) Prepaid Lease Payments

Leases of land under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases. Lease prepayment for land use right is stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged to the income statement on a straight-line basis over the lease terms.

(n) Revaluation Reserve

Surpluses arising from the revaluation of properties and plant and machinery are credited to the revaluation reserve. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are charged to the income statement.

The net increase arising from revaluation of the properties, if adjusted, is credited to a revaluation reserve. A net decrease, to the extent that it is not supported by any previous revaluation is charged to the income statement.

In the year of disposal of the revalued asset, the attributable remaining revalution surplus is transferred from the revaluation reserve to retained profits.

5. Significant Accounting Policies (Cont'd)

(o) Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Initially investment properties are measured at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is charged to the income statement; any amount in the revaluation reserve relating to that investment property is transferred to retained earnings.

(p) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes the cost of materials, labour and an appropriate proportion of production overheads.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items.

(q) Amount Owing By/To Contract Customers

The amount owing by/to contract customers is stated at cost plus profits attributable to contracts in progress less progress billings and allowance for foreseeable losses, if any. Cost includes direct materials, labour and applicable overheads.

(r) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(s) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

5. Significant Accounting Policies (Cont'd)

(t) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(u) Interest-bearing Borrowings

Interest-bearing borrowings are recorded at the amount of proceeds received, net of transaction costs.

Interest cost relating to development properties is capitalised during the period of active development until the properties are ready for their intended use. Borrowing costs directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale.

All other borrowing costs are charged to the income statement as expenses in the period in which they are incurred.

(v) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(w) Provisions

(i) General Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

(ii) Provision for Liquidated and Ascertained Damages

Liquidated and ascertained damages are compensation for late delivery of property in accordance with the respective sale and purchase agreement. Provision for liquidated and ascertained damages is recognised in the period in which the Group becomes legally or constructively committed to payment.

(x) Employee Benefits

(i) Short-Term Benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

5. Significant Accounting Policies (Cont'd)

(y) Income Taxes

Income taxes for the year comprise current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(z) Segmental Information

Segment revenue and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of property, plant and equipment (net of accumulated depreciation or amortisation, where applicable), other investments, intangible assets, inventories, receivables, fixed deposits with licensed banks and cash and bank balances.

Most segment assets can be directly attributed to the segments on a reasonable basis. Segment assets do not include income tax assets, whilst segment liabilities do not include income tax liabilities.

Segment revenue, expenses and results include transfers between segments. These transfers are eliminated on consolidation.

5. Significant Accounting Policies (Cont'd)

(aa) Related parties

A party is related to an entity if:-

(a) directly, or indirectly through one or more intermediaries, the party:-
  (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
  (ii) has an interest in the entity that gives it significant influence over the entity; or
  (iii) has joint control over the entity;
(b) the party is an associate of the entity;
(c) the party is a joint venture in which the entity is a venturer;
(d) the party is a member of the key management personnel of the entity or its parent;
(e) the party is a close member of the family of any individual referred to in (a) or (d);
(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
(g) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(ab) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(ac) Revenue Recognition

(i) Sale of Goods

Sales are recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(ii) Property Development

Property development revenues are recognised in the income statement, in respect of all building units that have been sold, when the outcome of a development activity can be estimated reliably. The amount of such revenues is recognised on the percentage of completion method. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the development activities will result in a loss.

The stage of completion is determined based on the proportion that the development costs incurred for work performed to date bear to the estimated total development costs.

5. Significant Accounting Policies (Cont'd)

(ac) Revenue Recognition (Cont'd)

(iii) Sale of Completed Properties

Revenue from the sale of completed properties is recognised upon the signing of the sale and purchase contracts.

(iv) Construction Contracts

Revenue on contracts is recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue on contracts is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

The stage of completion is determined based on the proportion of the contract costs incurred for work performed to date to the estimated total contract costs.

(v) Services

Revenue is recognised upon rendering of services.

(vi) Resort Operations

Revenue from rental of rooms, sale of food and beverage, provision of recreational facilities and other related income are recognised as and when services are rendered/performed.

(vii) Recreational and Sports Operations

Revenue from provision of recreational and sport facilities are recognised as and when services are performed.

(viii) Interest Income

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

(ix) Rental Income

Rental income is recognised on an accrual basis.

6. Corporate Proposals

(a) Restructuring of term loans

As disclosed in Note 25 to the financial statements, the directors of the Company had, during the current financial year, accepted the letter of offer dated 25 April 2008 by its lenders pertaining to the restructuring of certain term loans into 7-year term loans commencing 1 July 2007 to 30 June 2014. The total amount to be restructured is approximately RM161,857,000 ("Restructuring").

The Restructuring has not yet been completed as the Company is negotiating with its lenders on a new proposed settlement in light of the proposed disposal of properties as set out below. The lenders have, via its letter dated 27 May 2009, indicated its willingness to consider the proposed settlement of the relevant term loans.

6. Corporate Proposals (Cont'd)

(b) Proposed disposal of properties

The Company and one of its subsidiaries, Harta Makmur Sdn Bhd, are in final negotiations to enter into an agreement with a third party foreign corporation to dispose of certain properties belonging to the subsidiary for a total consideration of approximately RM112 million with an option granted to the purchaser to purchase additional properties belonging to the subsidiary for a cash consideration of approximately RM94 million.

The conclusion of the agreement is subject to the following salient conditions precedent:

(i) The approval of the shareholders of Harta Makmur Sdn Bhd at an extraordinary general meeting;

(ii) The approval of the shareholders of the Company at an extraordinary general meeting;

(iii) The approval of the Securities Commission in respect of the proposed disposal of properties;

(iv) The vendor obtaining from all the respective chargees confirmation of their approval or consent for the disposal of the properties;

(v) The approval of the Foreign Investment Committee;

(vi) The approval of the State Authority; and

(vii) The execution of another agreement between the purchaser and other third parties for the purchase of an adjacent property.

The directors are confident that the aforesaid agreement will be successfully concluded.

7. Investments In Subsidiaries

	THE COMPANY	
	2009	**2008**
	RM'000	**RM'000**
Unquoted shares:		
- at cost	36,137	37,037
- surplus on revaluation of investment in a subsidiary	493	493
	36,630	37,530
Accumulated impairment losses		
At 1 February 2008/2007	(3,895)	(4,310)
Addition during the financial year	(1,900)	(1,545)
Writeback during the financial year	125	1,960
At 31 January	(5,670)	(3,895)
	30,960	33,635

7. Investments In Subsidiaries (Cont'd)

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:-

Name of Company	Effective Equity Interest 2009	Effective Equity Interest 2008	Principal Activities
KYM Industries (M) Sdn. Bhd.	100%	100%	Manufacturing and sale of corrugated fibre boards and boxes
Anabatic Sdn. Bhd. (1)	100%	100%	Property investment
KYM Industries (Penang) Sdn. Bhd. (1)	100%	100%	Dormant
Teguh Amalgamated Sdn. Bhd. (1)	100%	100%	Property investment
KCP Carton Sdn. Bhd. (1)	100%	100%	Dormant
KYM Industries (Johor) Sdn. Bhd.	100%	100%	Manufacturing and sale of corrugated fibre boards and boxes
Panorama Industries Sdn. Bhd. (2)	100%	100%	Property investment
KYM Industries (BP) Sdn. Bhd.	95%	95%	Dormant
PPI Bags Sdn. Bhd.	51%	100%	Manufacturing and sale of industrial woven bags
KYM Industries (Melaka) Sdn. Bhd.	100%	100%	Manufacturing and sale of corrugated carton boxes
Polypulp Enterprises Sdn. Bhd.	100%	100%	Investment holding
Tegas Consolidated Sdn. Bhd. * (3)	90%	90%	Investment holding
Harta Makmur Sdn. Bhd. (4)	54%	54%	Property investment and development
Teluk Rubiah Resorts Sdn. Bhd. (5)	54%	54%	Resort operator
Teluk Rubiah Country Club Sdn. Bhd. (5)	54%	54%	Provide recreational and sport facilities and operating a golf course

7. Investments In Subsidiaries (Cont'd)

Name of Company	Effective Equity Interest 2009	Effective Equity Interest 2008	Principal Activities
Suria Makmur Development Sdn. Bhd. [5]	54%	54%	Property development
Enchant Delight Sdn. Bhd. [5]	54%	54%	Dormant
Hasrat Meranti Capital Sdn. Bhd.	100%	100%	Investment holding
KYM Properties Sdn. Bhd.	100%	100%	Property management
KYM Built Sdn. Bhd. [6]	100%	100%	General construction
KYM Development (Perak) Sdn. Bhd. * [6]	100%	100%	Property development
KYM Leisure Sdn. Bhd. [6]	100%	100%	Dormant
KYM Maserba Sdn. Bhd. [7]	100%	100%	Dormant
KMG Assets Sdn. Bhd.	100%	100%	Providing management services
KYM Industries (Ipoh) Sdn. Bhd.	-	100%	Dormant
Hasrat Meranti Sdn. Bhd.	100%	100%	Manufacturing and sale of multi-wall industrial paper bags
Ireson Perniagaan Sdn. Bhd.	-	100%	Property investment
KYM 2000 Sdn. Bhd.	100%	100%	Dormant

* – The unquoted shares in these subsidiaries have been pledged to licensed banks as security for banking facilities granted to the Company.

(1) – Interest held by KYM Industries (M) Sdn. Bhd.
(2) – Interest held by KYM Industries (Johor) Sdn. Bhd.
(3) – Interest held by Polypulp Enterprises Sdn. Bhd.
(4) – Interest held by Tegas Consolidated Sdn. Bhd.
(5) – Interest held by Harta Makmur Sdn. Bhd.
(6) – Interest held by KYM Properties Sdn. Bhd.
(7) – Interest held by KYM Leisure Sdn. Bhd.

8. Other Investments

	THE GROUP 2009 RM'000	THE GROUP 2008 RM'000
Shares quoted in Malaysia:-		
At cost	8	8
Allowance for diminution in value	(2)	(2)
	6	6
At market value	4	5

9. Land Held For Property Development

	THE GROUP 2009 RM'000	THE GROUP 2008 RM'000
Long leasehold land held for development		
- At cost	97,423	97,423
Development expenditure		
- At cost		
At 1 February 2008/2007	87,828	90,700
Waiver of interest capitalised in the previous financial year (Note 25)	-	(2,872)
At 31 January	87,828	87,828
	185,251	185,251

The long leasehold land is pledged to financial institutions for credit facilities granted to the Company. A lienholder's caveat over the long leasehold land has been granted to the financial institutions.

The long leasehold land held for property development was revalued by the directors on the open market basis in the financial period ended 31 January 2003 based on a valuation carried out by an independent firm of professional valuers. The surplus arising from the revaluation has been credited to the revaluation reserve account in the same financial period. The corresponding deferred tax of the Group has been provided for accordingly.

The Group has adopted the transitional provisions under FRS 201 - Property Development Activities to retain the revalued amount of the land held for property development as its surrogate cost.

10. Property, Plant And Equipment

	FREEHOLD LAND RM'000	BUILDINGS RM'000	PLANT AND MACHINERY RM'000	FORKLIFTS, TOOLS AND EQUIPMENT AND PRODUCTION ACCESSORIES RM'000	MOTOR VEHICLES RM'000	OTHER ASSETS # RM'000	CAPITAL WORK-IN-PROGRESS RM'000	TOTAL RM'000
The Group								
Net book value at 1.2.2008	3,600	17,754	21,639	1,000	932	14,266	9	59,200
Additions	-	-	163	503	286	590	34	1,576
Adjustments	-	-	29	12	(3)	(2)	-	36
Writeback	-	-	-	-	54	-	-	54
Disposals	-	-	(420)	-	-	(22)	-	(442)
Written off	-	-	-	(13)	-	(15)	-	(28)
Depreciation charge for the financial year	-	(312)	(2,224)	(488)	(258)	(462)	-	(3,744)
Net book value at 31.1.2009	3,600	17,442	19,187	1,014	1,011	14,355	43	56,652

	FREEHOLD LAND RM'000	BUILDINGS RM'000	PLANT AND MACHINERY RM'000	FORKLIFTS, TOOLS AND EQUIPMENT AND PRODUCTION ACCESSORIES RM'000	MOTOR VEHICLES RM'000	OTHER ASSETS # RM'000	CAPITAL WORK-IN-PROGRESS RM'000	TOTAL RM'000
The Group								
Net book value at 1.2.2007 (Restated)	3,565	18,022	23,683	1,182	1,019	14,679	9	62,159*
Additions	-	-	263	479	271	252	-	1,265
Adjustment	-	-	-	-	-	(106)	-	(106)
Disposals	-	-	-	(1)	(57)	(7)	-	(65)
Written off	-	-	-	-	(53)	(24)	-	(77)
Depreciation charge for the financial year	-	(392)	(2,307)	(660)	(248)	(528)	-	(4,135)
Revaluation surplus	35	853	-	-	-	-	-	888
Impairment loss	-	(729)	-	-	-	-	-	(729)
Net book value at 31.1.2008	3,600	17,754	21,639	1,000	932	14,266	9	59,200

10. Property, Plant And Equipment (Cont'd)

	FREEHOLD LAND RM'000	BUILDINGS RM'000	PLANT AND MACHINERY RM'000	FORKLIFTS, TOOLS AND EQUIPMENT AND PRODUCTION ACCESSORIES RM'000	MOTOR VEHICLES RM'000	OTHER ASSETS # RM'000	CAPITAL WORK-IN-PROGRESS RM'000	TOTAL RM'000
The Group								
At 31.1.2009								
Cost	-	-	426	10,088	1,866	9,875	43	22,298
Valuation	3,600	17,754	23,159	-	-	13,982	-	58,495
Accumulated depreciation	-	(312)	(4,398)	(9,074)	(855)	(9,502)	-	(24,141)
Net book value	3,600	17,442	19,187	1,014	1,011	14,355	43	56,652
At 31.1.2008								
Cost	-	-	263	10,236	1,843	9,611	9	21,962
Valuation	3,600	17,754	23,683	-	-	13,982	-	59,019
Accumulated depreciation	-	-	(2,307)	(9,236)	(911)	(9,327)	-	(21,781)
Net book value	3,600	17,754	21,639	1,000	932	14,266	9	59,200

- The analysis of the other assets is set out below.

10. Property, Plant And Equipment (Cont'd)

Analysis Of Other Assets

	OFFICE EQUIPMENT, FURNITURE AND FITTINGS, RENOVATION AND ELECTRICAL INSTALLATION RM'000	CHALETS RM'000	GOLF COURSE, CLUB HOUSE, DRIVING RANGE AND RELATED DEVELOPMENT EXPENDITURE RM'000	GOLF EQUIPMENT AND ACCESSORIES RM'000	TOTAL OTHER ASSETS RM'000
The Group					
Net book value at 1.2.2008	1,128	3,283	9,839	16	14,266
Additions	150	19	421	-	590
Adjustment	(2)	-	-	-	(2)
Disposal	(22)	-	-	-	(22)
Written off	(15)	-	-	-	(15)
Depreciation charge for the financial year	(277)	(73)	(107)	(5)	(462)
Net book value at 31.1.2009	962	3,229	10,153	11	14,355
Net book value at 1.2.2007	1,403	3,327	9,946	3	14,679
Additions	205	29	-	18	252
Adjustment	(106)	-	-	-	(106)
Disposal	(7)	-	-	-	(7)
Written off	(24)	-	-	-	(24)
Depreciation charge for the financial year	(343)	(73)	(107)	(5)	(528)
Net book value at 31.1.2008	1,128	3,283	9,839	16	14,266

10. Property, Plant And Equipment (Cont'd)

Analysis Of Other Assets (Cont'd)

	OFFICE EQUIPMENT, FURNITURE AND FITTINGS, RENOVATION AND ELECTRICAL INSTALLATION RM'000	CHALETS RM'000	GOLF COURSE, CLUB HOUSE, DRIVING RANGE AND RELATED DEVELOPMENT EXPENDITURE RM'000	GOLF EQUIPMENT AND ACCESSORIES RM'000	TOTAL OTHER ASSETS RM'000
At 31.1.2009					
Cost	8,398	60	428	989	9,875
Valuation	-	3,615	10,367	-	13,982
Accumulated depreciation	(7,436)	(446)	(642)	(978)	(9,502)
Net book value	962	3,229	10,153	11	14,355
At 31.1.2008					
Cost	8,574	41	7	989	9,611
Valuation	-	3,615	10,367	-	13,982
Accumulated depreciation	(7,446)	(373)	(535)	(973)	(9,327)
Net book value	1,128	3,283	9,839	16	14,266

	OFFICE EQUIPMENT FURNITURE FITTINGS AND RENOVATION RM'000	MOTOR VEHICLES RM'000	TOTAL RM'000
The Company			
Net book value at 1.2.2008	122	585	707
Additions	10	169	179
Transfer	5	-	5
Depreciation charge for the financial year	(24)	(170)	(194)
Net book value at 31.1.2009	113	584	697

10. Property, Plant And Equipment (Cont'd)

	OFFICE EQUIPMENT FURNITURE FITTINGS AND RENOVATION RM'000	MOTOR VEHICLES RM'000	TOTAL RM'000
Net book value at 1.2.2007	198	732	930
Additions	63	6	69
Adjustment	(106)	-	(106)
Written off	(3)	-	(3)
Depreciation charge for the financial year	(30)	(153)	(183)
Net book value at 31.1.2008	122	585	707
At 31.1.2009			
Cost	845	940	1,785
Accumulated depreciation	(732)	(356)	(1,088)
Net book value	113	584	697
At 31.1.2008			
Cost	830	923	1,753
Accumulated depreciation	(708)	(338)	(1,046)
Net book value	122	585	707

* - The opening balances at 1.2.2007 were restated after incorporating the effects of adopting FRS 117 - Leases, as disclosed in Note 49 to the financial statements.

The freehold land, buildings, chalets, golf course, club house and driving range of the Group were revalued by the directors on the open market value basis in the financial year ended 31 January 2008, based on a valuation carried out by an independent firm of professional valuers.

10. Property, Plant And Equipment (Cont'd)

The plant and machinery were revalued by the directors based on a valuation carried out by an independent firm of professional valuers using the depreciated replacement cost method in the financial year ended 31 January 2008.

The surpluses arising from the above revaluations have been credited to the revaluation reserve account.

The impairment loss arising from the revaluation in the previous financial year had been charged to the following accounts:-

	THE GROUP RM'000
Other expenses	435
Revaluation reserve	294
	729

Had the revalued properties and plant and machinery been carried at cost less accumulated depreciation, the net book values of the properties and plant and machinery that would have been included in the financial statements are as follows:-

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Freehold land	2,624	2,624	-	-
Buildings	14,971	15,371	-	-
Plant and machinery	10,036	13,535	-	-
Chalets	4,710	4,993	-	-
Golf course, club house, driving range and related development expenditure	9,528	9,705	-	-
	41,869	46,228	-	-

10. Property, Plant And Equipment (Cont'd)

Included in the net book value of property, plant and equipment at the balance sheet date are the following assets pledged to financial institutions as security for banking facilities granted to the Company and certain subsidiaries:-

	THE GROUP	
	2009	2008
	RM'000	RM'000
Freehold land	3,600	3,600
Buildings	17,442	17,754
Plant and machinery	19,187	14,763
Forklift, tools and equipment and production accessories	1,014	624
Motor vehicles	304	90
Other assets	14,036	13,652
	55,583	50,483

Included in the net book value of property, plant and equipment at the balance sheet date are the following assets acquired under hire purchase terms:-

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Plant and machinery	1,698	2,283	-	-
Forklifts, tools and equipment and production accessories	-	41	-	-
Motor vehicles	938	896	580	580
	2,636	3,220	580	580

10. Property, Plant And Equipment (Cont'd)

Included in the property, plant and equipment are the following fully depreciated property, plant and equipment which are still in use:-

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At cost:-				
Plant and machinery	-	3	-	-
Forklifts, tools and equipment and production accessories	8,146	7,415	-	-
Motor vehicles	288	439	4	156
Other assets	6,359	6,662	653	653
	14,793	14,519	657	809

On 16 December 2005, Harta Makmur Sdn. Bhd., a 54% owned subsidiary of the Company entered into the following agreements:-

(a) a conditional Sale and Purchase Agreement with Ascotsun Sdn. Bhd. ("ASB"), a company in which Dato' Lim Kheng Yew and a person connected to him have substantial financial interests, for the disposal of a piece of vacant leasehold land held under Qualified Title HS(D) Dgs. 101 PT4100, in the Mukim of Lumut, District of Manjung, State of Perak for a total cash consideration of RM3,574,812; and

(b) an Option Agreement with ASB to grant ASB an option to purchase a piece of vacant leasehold land held under Qualified Title HS(D) Dgs. 102 PT4105, in the Mukim of Lumut, District of Manjung, State of Perak at a purchase price of RM804,648.

The above agreements have not been completed at the balance sheet date.

11. Prepaid Lease Payments

	THE GROUP	
	2009 RM'000	2008 RM'000
Cost	8,676	8,676
Accumulated amortisation	(782)	(654)
	7,894	8,022

11. Prepaid Lease Payments (Cont'd)

	THE GROUP	
	2009	2008
	RM'000	RM'000
Accumulated amortisation:-		
At 1 February 2008/2007	(654)	(526)
Amortisation during the financial year	(128)	(128)
At 31 January	(782)	(654)

The leasehold land of the Group was revalued by the directors on the open market value basis in the financial period ended 31 January 2003, based on a valuation carried out by an independent firm of professional valuers. The surplus arising from the revaluation has been credited to the revaluation reserve account in the same financial period.

The Group has adopted the transitional provisions under FRS 117 - Leases to retain the revalued amount of the leasehold land as its surrogate cost.

The prepaid lease payments which represent leasehold land are pledged to financial institutions as security for banking facilities granted to the Company and certain subsidiaries.

12. Investment Properties

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
At fair value:-				
At 1 February 2008/2007	3,500	3,943	3,561	4,047
Disposed during the financial year through disposal of a subsidiary	(3,500)	(486)	-	(486)
Fair value adjustment	-	43	-	-
At 31 January	-	3,500	3,561	3,561

The investment properties of the Company are pledged to financial institutions for credit facilities granted to the Company and a subsidiary.

12. Investment Properties (Cont'd)

The following investment properties are held under lease terms:-

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Leasehold land	-	1,700	1,211	1,211
Building	-	1,800	2,350	2,350
At 31 January	-	3,500	3,561	3,561

Direct operating expenses arising from the investment properties are as follows:-

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Properties that generate income:-				
Insurance	-	-	13	16
Quit rent and assessment	-	-	21	24
Properties that did not generate income:-				
Insurance	3	10	-	-
Professional fee	-	2	-	-
Quit rent and assessment	22	22	-	-

13. Intangible Asset

	THE GROUP	
	2009	2008
	RM'000	RM'000
Goodwill on consolidation	6,392	6,392
Impairment loss	(1,725)	(1,725)
	4,667	4,667

13. Intangible Asset (Cont'd)

During the financial year, the Group assessed the recoverable amount of the goodwill, and determined that no further impairment is required on the goodwill on consolidation.

The recoverable amount of a cash-generating unit is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a period of five years. The key assumptions used for value-in-use calculations are:-

Growth rate	Between 4% to 11%
Gross margin	Between 18% to 22%
Discount rate	6.7%

Management determined the budgeted gross margin based on past and expected performances. The growth rate used is based on anticipated demand over the projected years. The discount rate used is pre-tax and reflects specific risks relating to the relevant segments.

14. Amounts Owing By/(To) Subsidiaries

	THE COMPANY	
	2009	**2008**
	RM'000	**RM'000**
Non-Current:-		
Amount owing by subsidiaries	171,638	160,637

The amount owing is non-trade in nature, unsecured and bore an effective interest rate at 6.5% (2008 - 6.75%) per annum at the balance sheet date. The amount owing is not expected to be repaid within twelve months after the balance sheet date. The amount owing is to be settled in cash.

	THE COMPANY	
	2009	**2008**
	RM'000	**RM'000**
Current:-		
Amount owing by subsidiaries	61,610	62,587
Allowance for doubtful debts		
At 1 February 2008/2007	(33,290)	(32,470)
Addition during the financial year	(860)	(820)
At 31 January	(34,150)	(33,290)
	27,460	29,297

14. Amount Owing By/(To) Subsidiaries (Cont'd)

	THE COMPANY	
	2009	2008
	RM'000	RM'000
Current:-		
Amount owing to subsidiaries	22,215	21,064

The amounts owing are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

15. Property Development Costs

	THE GROUP	
	2009	2008
	RM'000	RM'000
Development costs		
At 1 February 2008/2007	1,659	2,417
Written off during the financial year	(188)	(758)
At 31 January	1,471	1,659

16. Inventories

	THE GROUP	
	2009	2008
	RM'000	RM'000
At cost:-		
Raw materials	4,186	3,137
Goods-in-transit	-	395
Work-in-progress	927	1,131
Finished goods	1,000	903
Completed bungalow lots	825	825
Others	14	25
	6,952	6,416
At net realisable value:-		
Finished goods	207	144
	7,159	6,560

17. Trade Receivables

	THE GROUP	
	2009	2008
	RM'000	RM'000
Trade receivables	16,380	19,957
Allowance for doubtful debts		
At 1 February 2008/2007	(5,444)	(5,091)
Addition during the financial year	(112)	(363)
Writeback during the financial year	8	10
Written off during the financial year	28	-
At 31 January	(5,520)	(5,444)
	10,860	14,513

The normal trade credit terms of trade receivables range from 30 to 180 days. Other credit terms are assessed and approved on a case-by-case basis.

The foreign currency exposure profile of the trade receivables is as follows:-

	THE GROUP	
	2009	2008
	RM'000	RM'000
RM equivalent of trade receivables denominated in:-		
Singapore Dollar	1,032	900
United States Dollar	299	264

18. Other Receivables, Deposits And Prepayments

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Other receivables, deposits and prepayments	1,003	1,508	148	222
Allowance for doubtful debts				
At 1 February 2008/2007	(53)	(6)	-	-
Addition during the financial year	-	(47)	-	-
At 31 January	(53)	(53)	-	-
	950	1,455	148	222

19. Amounts Owing By/(To) Related Parties

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Amount owing by a related party:				
- Trade balances	-	66	-	-

A related party refers to a company in which a director is a common director and has a substantial financial interest. The normal trade credit term granted to the related party was 60 days.

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Amount owing to related parties:				
- Non-trade balances	(2,014)	(1,160)	(1,251)	(1,119)

19. Amounts Owing By/(To) Related Parties (Cont'd)

Related parties refer to companies in which certain directors and a person connected to a director are common directors and/or have substantial financial interests and individuals connected to a director of the Company.

The amounts owing by/to related parties are unsecured, repayable on demand and interest-free except for an amount owing to a related party of approximately RM726,000 (2008 - Nil) which bore an effective interest rate of 8.8% (2008 - Nil) per annum and is repayable in 10 monthly instalments of RM100,000 per month. The amounts owing are to be settled in cash.

20. Fixed Deposits With Licensed Banks

The fixed deposits with licensed banks of the Group are pledged to licensed banks for banking facilities granted to certain subsidiaries.

The weighted average interest rate of the fixed deposits at the balance sheet date was 3.4% (2008 - 3.7%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 days (2008 - 30 to 365 days).

21. Share Capital

	THE COMPANY			
	2009	2008	2009	2008
	NUMBER OF SHARES			
	'000	'000	RM'000	RM'000
Ordinary Shares Of RM1 Each:-				
Authorised	1,000,000	1,000,000	1,000,000	1,000,000
Issued And Fully Paid-Up	81,135	81,135	81,135	81,135

22. Share Premium

The share premium is not distributable by way of cash dividends and may be utilised in the manner as set out in Section 60(3) of the Companies Act, 1965.

23. Revaluation Reserve

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
At 1 February 2008/2007	31,306	31,794	35	35
Effect of partial disposal of a subsidiary	-	(261)	-	-
Arising from the revaluation of plant and machinery	-	-	-	-
Arising from the revaluation of property:				
- revaluation surplus	-	666	-	-
- impairment loss	-	(294)	-	-
	-	372	-	-
Realisation of revaluation reserve	(243)	(599)	-	-
At 31 January	31,063	31,306	35	35

The revaluation reserve represents the surplus arising from the revaluation of properties, land held for property development and plant and machinery and is not distributable by way of cash dividends.

24. Hire Purchase Payables

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Minimum hire purchase payments:				
- not later than one year	419	867	161	138
- later than one year and not later than five years	788	959	389	413
- later than five years	34	26	-	-
	1,241	1,852	550	551
Future finance charges	(166)	(204)	(63)	(59)
Present value of hire purchase payables	1,075	1,648	487	492

24. Hire Purchase Payables (Cont'd)

The net hire purchase payables are repayable as follows:-

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current:				
- not later than one year	370	772	143	117
Non-current:				
- later than one year and not later than five years	678	852	344	375
- later than five years	27	24	-	-
Total non-current portion	705	876	344	375
	1,075	1,648	487	492

The hire purchase payables bore effective interest rates at the balance sheet date of between 4.2% to 8.4% (2008 - 4.7% to 8.4%) per annum.

The Group and the Company have hire purchase contracts for certain plant and equipment as disclosed in Note 10 to the financial statements. There are no restrictions imposed on the Group and the Company by the hire purchase arrangements and the Group and the Company have not entered into any arrangements for contingent rent payments.

Included in the hire purchase payables in the current financial year is an amount of approximately RM84,000 secured by way of a guarantee from a director in a subsidiary.

Included in the hire purchase payables in the previous financial year was an amount of approximately RM22,000 secured by way of a corporate guarantee from the Company.

25. Term Loans

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Current portion:				
- repayable within one year (Note 30)	183,227	170,816	179,926	168,340
Non-current portion:				
- repayable between one to two years	4,262	3,236	-	-
- repayable between two to five years	4,825	7,196	-	-
- repayable after five years	3,792	-	-	-
Total non-current portion	12,879	10,432	-	-
	196,106	181,248	179,926	168,340

Details of the repayment terms of the term loans are as follows:-

TERM LOAN	NUMBER OF MONTHLY INSTALMENTS	MONTHLY INSTALMENT RM	DATE OF COMMENCEMENT OF REPAYMENT	THE GROUP 2009 RM'000	THE GROUP 2008 RM'000	THE COMPANY 2009 RM'000	THE COMPANY 2008 RM'000
1.	-	-	Note 24(b)	30,317	28,338	30,317	28,338
2.	-	-	Note 24(b)	8,288	7,769	8,288	7,769
3.	-	-	Note 24(b)	141,321	132,233	141,321	132,233
4.	12	80,000	June 2009	6,553	7,126	-	-
	24	100,000	June 2010				
	12	120,000	June 2012				
	12	140,000	June 2013				
	12	170,000	June 2014				
5.	180	16,877	March 2008	1,921	-	-	-
6.	84	21,821	February 2005	673	867	-	-
7.	72	35,434	June 2004	888	1,243	-	-
8.	72	58,613	June 2004	1,473	2,064	-	-
9.	72	50,166	March 2006	1,112	1,608	-	-
10.	12	30,000	June 2008	3,560	-	-	-
	12	100,000	June 2009				
	11	160,000	June 2010				
	3	160,000	May 2011				
				196,106	181,248	179,926	168,340

25. Term Loans (Cont'd)

The directors of the Company had, on 7 May 2008, accepted the letter of offer dated 25 April 2008 from its lenders pertaining to the restructuring of term loans 1, 2 and 3 into 7-year term loans commencing 1 July 2007 to 30 June 2014. The total amount to be restructured is approximately RM161,857,000 ("Restructuring").

The salient terms and conditions of the Restructuring are as follows:-

(a) Interest rate

(i) Interest rate for the first 3 years is at the lender's prevailing Base Lending Rate ("BLR") (currently at 6.75% per annum) and to be payable via:
- issuance of the Company shares *
- cash proceeds from sale of Identified Securities **

* 18 million shares of RM1.00 each to be issued proportionately for the 3 term loans. The shares are subject to a 3-year call option granted by the lenders to certain directors jointly and severally. In the event the shares or any part thereof are not issued within 6 months from the date of the letter of offer, the Company is to pay cash in lieu of the Company's shares (on the basis of one share being RM1 equivalent) immediately.

** The Identified Securities comprise certain land and building held by subsidiaries with cash proceeds realised from sale to be paid within 3 years from 1 July 2007 and shared proportionately for the 3 term loans. Certain directors are to jointly and severally undertake to purchase the Identified Securities within 3 years from 1 July 2007 at a price which is not lower than a proposed redemption sum.

(ii) Interest rates from the 4th to 7th year are at the lenders' prevailing BLR or at 1% per annum above the average effective cost of funds of the lenders, whichever is higher, payable on a monthly basis.

(b) Repayment of principal

The term loans shall be payable in accordance with the following fixed minimum repayment schedule, irrespective of the redemption of the charged properties/ shares:-

YEAR	DUE DATE	PRINCIPAL REPAYMENT			
		TERM LOAN 1 RM'000	TERM LOAN 2 RM'000	TERM LOAN 3 RM'000	TOTAL RM'000
3	30 June 2010	841	230	3,929	5,000
4	30 June 2011	1,683	460	7,857	10,000
5	30 June 2012	4,207	1,151	19,642	25,000
6	30 June 2013	8,414	2,302	39,284	50,000
7	30 June 2014	12,091	3,308	56,458	71,857
		27,236	7,451	127,170	161,857

25. Term Loans (Cont'd)

(c) Securities

The term loans will be secured by:-

(i) legal charges over the freehold land, leasehold land and buildings of certain subsidiaries;

(ii) a debenture incorporating fixed and floating charges over the assets of the Company and certain subsidiaries;

(iii) a pledge over quoted shares of a company in which certain directors have substantial financial interests;

(iv) a pledge over the Company's shares;

(v) a pledge over unquoted shares of the investments in certain subsidiaries; and

(vi) an assignment over the credit balances in the proceeds account.

(d) Share of profit

The lenders are also entitled to a share of profit of RM13 million from certain development projects undertaken by the Group which is payable upon full settlement of the restructured term loans.

In conjunction with the Restructuring, the lenders have granted an upfront interest waiver of approximately RM12,052,000 for the period from 1 October 2006 to 30 June 2007. The interest waiver has the following effects on the financial statements:-

	THE GROUP		**THE COMPANY**	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Waiver of interest from 1.10.2006 to 31.1.2007				
- recognised as other income (Note 33)	-	2,469	-	995
- recognised in land held for property development (Note 9)	-	2,872	-	-
	-	5,341	-	995
Interest expense not recognised due to interest waiver from 1.2.2007 to 30.6.2007	-	6,711	-	267
Total waiver of interest	-	12,052	-	1,262

25. Term Loans (Cont'd)

The Restructuring has not yet been completed as the Company is negotiating with its lenders on a new proposed settlement in light of the proposed disposal of properties as set out in Note 6 to the financial statements. The lenders have, via its letter dated 27 May 2009, indicated its willingness to consider the proposed settlement of the relevant term loans.

Term loans 4 and 5 bore effective interest rates at the balance sheet date which ranged from 5.75% to 9.05% (2008 - 9.30%) per annum and are secured in the same manner as the bills payable disclosed in Note 30 to the financial statements.

Term loans 6 to 10 bore effective interest rates at the balance sheet date which ranged from 6.25% to 7.95% (2008 - 6.25% to 8.75%) per annum and are secured by:-

(i) legal charges over leasehold land and buildings of certain subsidiaries and the holding company;

(ii) fixed and floating charges over the assets of certain subsidiaries;

(iii) a pledge of the fixed deposits of the Group;

(iv) a negative pledge on the assets of a subsidiary;

(v) a joint and several guarantee from a director of a subsidiary and a related party; and

(vii) a corporate guarantee of the Company.

26. Deferred Tax Liabilities

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At 1 February 2008/2007	18,166	17,694	-	-
Recognised in the equity:				
- changes in tax rate	(722)	-	-	-
- arising from the revaluation of property	-	222	-	-
	(722)	222	-	-
Disposal of a subsidiary	(96)	-	-	-
Recognised in the income statements (Note 38)	(886)	250	-	-
At 31 January	16,462	18,166	-	-

26. Deferred Tax Liabilities (Cont'd)

The deferred tax consists of the tax effects of the following items:-

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Deferred tax liabilities:-				
Accelerated capital allowances	3,359	2,949	203	190
Revaluation of property	18,265	19,197	320	372
Revaluation of plant and machinery	1,527	1,813	-	-
	23,151	23,959	523	562
Deferred tax assets:-				
Allowance for doubtful debts	(250)	(260)	-	-
Unabsorbed capital allowances	(3,868)	(3,899)	(209)	(204)
Unutilised tax losses	(2,571)	(1,634)	(314)	(358)
	(6,689)	(5,793)	(523)	(562)
	16,462	18,166	-	-

No deferred tax assets are recognised on the following items:-

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Unabsorbed capital allowances	9,940	9,380	-	-
Unutilised tax losses	47,867	46,913	1,930	1,809
Others	408	285	-	-
	58,215	56,578	1,930	1,809

27. Trade Payables

The normal credit terms of trade payables range from 30 to 180 days.

The foreign currency exposure profile of the trade payables is as follows:-

	THE GROUP	
	2009	2008
	RM'000	RM'000
RM equivalent of trade payables denominated in:-		
United States Dollar	1,456	661

28. Other Payables And Accruals

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Deposit received for the disposal of land	2,222	2,222	-	-
Import duties	84	168	-	-
Interest expense	3,389	1,249	156	57
Restructuring fee	422	155	422	155
Others	5,599	6,611	1,306	1,558
	11,716	10,405	1,884	1,770

The deposit for the disposal of land was received from a company in which Dato' Lim Kheng Yew and a person connected to him have substantial financial interests, as disclosed in Note 10 to the financial statements.

29. Amount Owing To Directors

The amounts owing are unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

30. Short-Term Borrowings

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Secured:-				
Bills payable	11,730	17,300	-	-
Term loans (Note 25)	183,227	170,816	179,926	168,340
	194,957	188,116	179,926	168,340

30. Short-Term Borrowings (Cont'd)

The bills payable bore a weighted average interest rate of 5.9% (2008 - 5.7%) per annum at the balance sheet date and are secured by:-

(i) legal charges over leasehold land and buildings of certain subsidiaries;

(ii) a debenture incorporating fixed and floating charges over the assets of a subsidiary; and

(iii) a corporate guarantee from a subsidiary and the Company.

31. Bank Overdrafts

The bank overdrafts bore a weighted average interest rate of 7.4% (2008 - 8.1%) per annum at the balance sheet date and are secured in the same manner as the bills payable disclosed in Note 30 to the financial statements.

32. Revenue

	THE GROUP	
	2009	2008
	RM'000	RM'000
Sale of goods	52,612	69,763
Others	1,636	1,641
	54,248	71,404

33. Other Income

Included in other income of the Group and of the Company are the following items:-

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Gain on partial disposal of a subsidiary	-	261	-	-
Waiver of interest expense (Note 25)	-	2,469	-	995

34. Other Expenses

Included in other expenses of the Group and of the Company are the following items:-

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Allowance for doubtful debts	112	410	860	820
Amortisation of prepaid lease payments	128	128	-	-
Bad debts written off	28	11	-	705
Depreciation on property, plant and equipment	842	858	194	183
Development costs written off	188	758	-	-
Impairment loss on investments in subsidiaries	-	-	1,900	1,545
Impairment loss on property	-	435	-	-
Loss on disposal of investment properties	-	136	-	136
Loss on disposal of subsidiaries	757	-	597	-

35. Finance Costs

Included in finance costs of the Group and of the Company are the following items:-

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Interest expense	(15,924)	(10,478)	(12,337)	(7,275)
Interest income receivable from subsidiaries	-	-	11,070	6,254

Certain banking facilities obtained by the Company are utilised by its subsidiaries. Accordingly, the interest income from these subsidiaries are presented net of interest expense incurred on these banking facilities.

36. Loss Before Taxation

In addition to those disclosed in Notes 33, 34 and 35 to the financial statements, the loss before taxation is arrived at after charging/(crediting) the following:-

		THE GROUP		THE COMPANY	
		2009	2008	2009	2008
	NOTE	RM'000	RM'000	RM'000	RM'000
Audit fee					
- for the financial year		105	102	23	18
- underprovision in the previous financial year		15	10	5	6
Deposit written off		25	40	-	-
Depreciation of property, plant and equipment		2,902	3,277	-	-
Directors' fee	37	54	58	54	58
Directors' non-fee emoluments	37	889	776	-	-
Equipment written off		28	77	-	3
Rental expense		498	630	274	268
Staff costs		9,127	11,441	-	-
Deposit forfeited		(67)	-	-	-
Fair value adjustment of investment properties		-	(43)	-	-
Net (gain)/loss on foreign exchange - realised		(51)	2	-	-
Interest income		(5)	(1)	-	(1)
Net loss/(gain) on disposal of plant and equipment		157	(70)	(9)	(76)
Rental income		(1,535)	(1,048)	(60)	(349)
Writeback of allowance for doubtful debts		(8)	(10)	-	-
Writeback of equipment written off		(54)	-	-	-

37. Directors' Remuneration

The aggregate amount of emoluments received and receivable by the directors of the Group and of the Company during the financial year were as follows:-

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Directors of the Company:				
- Executive:				
- Fee	-	-	-	-
- Salaries and other emoluments	889	776	-	-
- Non-Executive:				
- Fee	54	58	54	58
	943	834	54	58

The number of directors of the Company whose total remuneration received from the Group during the financial year fell within the following bands is analysed below:-

	THE GROUP	
	2009	2008
Executive directors:		
- RM100,000 – RM200,000	1	1
- RM200,000 – RM300,000	1	1
- RM400,000 – RM500,000	1	1
	3	3
Non-Executive directors:		
- Below RM50,000	5	6
	8	9

38. Income Tax Expense

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Current tax expense:				
- for the financial year	4	7	-	-
- (over)/underprovision in previous financial years	-	(30)	-	-
	4	(23)	-	-
Deferred tax expense (Note 26):				
- relating to origination and reversal of temporary differences	(856)	257	-	-
- change in tax rate on the opening balance	(16)	(4)	-	-
- overprovision in previous financial years	(14)	(3)	-	-
	(886)	250	-	-
	(882)	227	-	-

During the current financial year, the statutory tax rate was reduced from 26% to 25%, as announced in Malaysian Budget 2008.

38. Income Tax Expense (Cont'd)

The reconciliations of income tax expense applicable to the loss before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:-

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Loss before taxation	(19,496)	(10,950)	(5,611)	(3,578)
Tax at the statutory tax rate of 25% (2008 - 26%)	(4,874)	(2,847)	(1,403)	(930)
Tax effects of:-				
Effect on change in tax rates on opening balance of deferred tax	95	(6)	-	-
Non-taxable gains	-	(586)	-	(276)
Non-deductible expenses	4,624	3,507	1,423	1,228
Deferred tax assets not recognised during the financial year	800	595	-	-
Utilisation of deferred tax assets not recognised in the previous financial year	(1,513)	(403)	(20)	(22)
Overprovision in previous financial years:				
- current tax	-	(30)	-	-
- deferred tax	(14)	(3)	-	-
	(882)	227	-	-

Subject to agreement with the tax authorities, the Group has unabsorbed reinvestment allowances of approximately RM17,615,000 (2008 - RM18,236,000) available at the balance sheet date to be carried forward for offset against future taxable business income.

39. Basic Loss Per Share

The basic earnings per share is arrived at by dividing the Group's loss attributable to shareholders by the number of ordinary shares in issue during the financial year. The computation is as follows:-

	THE GROUP	
	2009	2008
Loss attributable to shareholders (RM'000)	(14,075)	(8,001)
Number of ordinary shares in issue ('000)	81,135	81,135
Basic loss per share (sen)	(17.3)	(9.9)

The fully diluted loss per share for the Group is not presented as there were no dilutive potential ordinary shares during the financial year.

40. Purchase Of Plant And Equipment

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cost of plant and equipment purchased	(1,576)	(1,265)	(184)	(69)
Amount financed though hire purchase	246	206	137	-
Set-off against trade receivables	-	20	-	-
Cash disbursed for the purchase of plant and equipment	(1,330)	(1,039)	(47)	(69)

41. Disposal Of Subsidiaries

On 5 September 2008, the Company entered into a Share Sale Agreement with Tee Siew Kiong and Lee Choon Guek for the sale of 310,500 ordinary shares of RM1.00 each in Ireson Perniagaan Sdn. Bhd. ("IPSB"), a subsidiary of the Company, representing the entire issued and paid up share capital of IPSB for a total cash consideration of RM2,710,000. The sale was completed on 19 January 2009.

On 20 October 2008, a members' resolution was passed at a General Meeting of KYM Industries (Ipoh) Sdn. Bhd. ("KYM Ipoh"), a subsidiary of the Company, to strike off the name of KYM Ipoh from Companies Commission of Malaysia. The strike off was effective on 29 January 2009.

The effects of the disposal and deemed disposal of subsidiaries on the financial results of the Group at the end of the financial year are as follows:-

	THE GROUP	
	2009	**2008**
	RM'000	**RM'000**
Administrative expenses	(28)	-
Increase in net loss of the Group	(28)	-

The effects of the disposal and deemed disposal of subsidiaries on the financial position of the Group at the end of the financial year are as follows:-

	THE GROUP	
	2009	**2008**
	RM'000	**RM'000**
Investment property	3,500	-
Non-current liabilities	(96)	-
Current liabilities	(2,469)	-
Decrease in net assets of the Group	935	-

41. Disposal Of Subsidiaries (Cont'd)

The details of net assets disposed and cash flow arising from the disposal and deemed disposal of subsidiaries are as follows:-

	THE GROUP	
	2009	**2008**
	RM'000	**RM'000**
Investment properties	3,500	-
Non-current liabilities	(96)	-
Current liabilities	(2,469)	-
Fair value of net assets disposed	935	-
Loss on disposal of subsidiaries	(757)	-
Bad debts written off as a result of disposals	2,467	-
Proceeds from disposal of subsidiaries	2,645	-
Cash and cash equivalents of subsidiaries disposed	-	-
Net cash inflow for disposal of subsidiaries*	2,645	-

* - The net cash inflow was after taking into consideration incidental costs of the disposals amounted to approximately RM65,000.

42. Cash And Cash Equivalents

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fixed deposits with licensed banks	177	124	-	-
Cash and bank balances	2,025	1,718	981	19
Bank overdrafts (Note 31)	(818)	(342)	-	-
	1,384	1,500	981	19

43. Related Party Disclosures

(a) Identities of related parties

The Group and/or the Company have related party relationships with:-

(i) its subsidiaries as disclosed in Note 7 to the financial statements;

(ii) the directors who are the key management personnel;

(iii) companies in which certain directors are common directors and/or substantial shareholders; and

(iv) persons connected to a director of the Company.

(b) In addition to the information detailed elsewhere in the financial statements, the Group and the Company carried out the following transactions with related parties during the financial year:-

(i) Subsidiaries

	THE GROUP		**THE COMPANY**	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest income charged to subsidiaries:				
- Harta Makmur Sdn. Bhd.	-	-	9,088	5,084
- Polypulp Enterprises Sdn. Bhd.	-	-	1,979	1,113
- Teguh Amalgamated Sdn. Bhd.	-	-	3	57
Rental charged to a subsidiary:				
- KYM Industries (Johor) Sdn. Bhd.	-	-	60	338

43. Related Party Disclosures (Cont'd)

(i) Subsidiaries (Cont'd)

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Rental charged by a subsidiary:				
- Teguh Amalgamated Sdn. Bhd.	-	-	240	240

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Equipment transferred from a subsidiary:				
- KYM Industries (Melaka) Sdn Bhd	-	-	3	-
- KYM Industries (Johor) Sdn Bhd	-	-	2	-

(ii) Key management personnel

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Short-term employee benefits (Note 37)	943	834	54	58

(iii) Other related parties

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Sales to:				
- J.K. Wire Harness Sdn. Bhd. #	14	152	-	-

43. Related Party Disclosures (Cont'd)

(iii) Other related parties (Cont'd)

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Interest charged by:				
- Datin Millie Lee Siew Kim ^	26	-	-	-
- Idaman Bina Makmur Sdn. Bhd. ##	10	7	-	-
- Cabaran Minetech Sdn. Bhd. *	6	1	-	-
- Tzel Assets Sdn. Bhd. **	14	13	-	-
Transfer of a motor vehicle from:				
- TSM Global Berhad ***	-	37	-	-

- A company in which Dato' Lim Kheng Yew is a director and has a substantial financial interest.

^ - Wife of Dato' Lim Kheng Yew.

- A company in which Dato' Chong Thin Choy and Datin Millie Lim Siew Kim are directors and have substantial financial interests.

* - A company in which Dato' Chong Thin Choy has a substantial financial interest.

** - A company in which Dato' Lim Kheng Yew and Dato' Chong Thin Choy are directors and Dato' Lim Kheng Yew has a substantial financial interest.

*** - A company in which Dato' Wira Abdul Rahman Bin Haji Ismail and Dato' Lim Kheng Yew are directors and Dato' Lim Kheng Yew has a substantial financial interest.

44. Contingent Liability

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
UNSECURED:				
Corporate guarantee given to licensed banks for banking facilities granted to certain subsidiaries	-	-	28,727	30,572

45. Significant Events During The Financial Year

(a) On 7 May 2008, the directors of the Company accepted the letter of offer by certain financial institutions pertaining to the restructuring of banking facilities with a total amount of approximately RM161,858,000 owing to the financial institutions. The details of the salient terms and conditions of the restructuring are disclosed in Note 25 to the financial statements.

(b) On 5 September 2008, the Company disposed of the entire equity interest in IPSB, a subsidiary of the Company, to Tee Siew Kiong and Lee Choon Guek for a total cash consideration of RM2,710,000, resulting in a loss of approximately RM759,000 and RM594,000 to the Group and to the Company, respectively.

46. Significant Event Subsequent To The Financial Year

The Company and one of its subsidiaries, Harta Makmur Sdn Bhd, are in final negotiations to enter into an agreement with a third party foreign corporation to dispose of certain properties belonging to the subsidiary for a total consideration of approximately RM112 million with an option granted to the purchaser to purchase additional properties belonging to the subsidiary for a cash consideration of approximately RM94 million. The details of the salient conditions precedent are disclosed in Note 6 to the financial statements.

47. Foreign Exchange Rates

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent) for the translation of the foreign currency balances at the balance sheet date are as follows:-

	2009	2008
	RM	RM
United States Dollar	3.61	3.24
Singapore Dollar	2.39	2.28

48. Segmental Reporting

	MANUFACTURING RM'000	INVESTMENT HOLDING RM'000	PROPERTY RM'000	OTHERS RM'000	ELIMINATIONS RM'000	GROUP RM'000
2009						
Revenue	53,679	-	336	2,358	(2,125)	54,248
Results:						
Segment results (external)	522	(3,601)	(719)	(1,950)	2,449	(3,299)
Finance costs	(1,540)	(3,874)	(10,775)	(8)	-	(16,197)
Loss before taxation						(19,496)
Income tax expense						882
Loss after taxation						(18,614)
Minority interests						4,539
Net loss attributable to shareholders						(14,075)
Other Information:						
Segment assets	85,668	248,105	201,129	23,867	(281,657)	277,112
Unallocated assets						12
						277,124
Segment liabilities	51,094	239,396	177,708	33,535	(271,523)	230,210
Unallocated liabilities						16,466
						246,676
Capital expenditure	731	845	-	-	-	1,576
Depreciation and amortisation	3,194	267	119	292	-	3,872
Development costs written off	-	-	188	-	-	188

48. Segmental Reporting (Cont'd)

	MANUFACTURING RM'000	INVESTMENT HOLDING RM'000	PROPERTY RM'000	OTHERS RM'000	ELIMINATIONS RM'000	GROUP RM'000
2008						
Revenue	71,235	-	386	2,891	(3,108)	71,404
Results:						
Segment results (external)	322	(1,516)	(382)	(302)	1,564	(314)
Finance costs	(2,014)	(2,500)	(6,122)	-	-	(10,636)
Loss before taxation						(10,950)
Income tax expense						(227)
Loss after taxation						(11,177)
Minority interests						3,176
Net loss attributable to shareholders						(8,001)
Other Information:						
Segment assets	92,277	240,737	201,377	23,521	(271,171)	286,741
Unallocated assets						69
						286,810
Segment liabilities	56,746	224,018	166,551	31,672	(258,683)	220,304
Unallocated liabilities						18,166
						238,470
Capital expenditure	1,213	69	88	94	(199)	1,265
Depreciation and amortisation	3,607	263	135	258	-	4,263
Development costs written off	-	-	758	-	-	758
Impairment loss on property	435	-	-	-	-	435

48. Segmental Reporting (Cont'd)

No segmental information is provided on a geographical basis as the Group's activities are conducted wholly in Malaysia.

49. Effects Arising From The Adoption Of FRS 117

The following comparative figures as at 1 February 2007 have been restated as a result of adopting FRS 117 in the previous financial year:-

	AS PREVIOUSLY STATED RM'000	EFFECTS OF FRS 117 RM'000	AS RESTATED RM'000
The Group			
Balance Sheet (Extract):-			
Property, plant and equipment	70,309	(8,150)	62,159
Prepaid lease payments	-	8,150	8,150

50. Fair Values Of Financial Instruments

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

(a) Quoted Investments

The fair values of quoted investments of the Group at the balance sheet date are as follows:-

	THE GROUP	
	CARRYING AMOUNT RM'000	FAIR VALUE RM'000
Quoted investments	6	4

50. Fair Values Of Financial Instruments (Cont'd)

(a) Quoted Investments (Cont'd)

No further allowance is made for the diminution in value of the quoted securities in Malaysia as the directors are of the opinion that they are held for long-term purposes and will yield returns.

(b) Amount Owing By Subsidiaries - Non Current

It is not practicable to estimate the fair value of the amount owing by the subsidiaries due principally to the lack of fixed repayment terms. However, the Company does not anticipate the carrying amount recorded at the balance sheet date to be significantly different from the value that would eventually be received.

(c) Bank Balances and Other Short-Term Receivables/Payables

The carrying amounts approximated their fair values due to the relatively short-term maturity of these instruments.

(d) Long-Term Borrowings

The carrying amounts approximated the fair values of these instruments. The fair values of the long-term borrowings are determined by discounting the relevant cash flows using current interest rates for similar types of instruments at the balance sheet date.

(e) Contingent Liabilities

Corporate Guarantee

The nominal amount and net fair value of financial instruments not recognised in the balance sheets of the Group and of the Company are as follows:

		THE GROUP		THE COMPANY	
	NOTE	NOMINAL AMOUNT RM'000	NET FAIR VALUE RM'000	NOMINAL AMOUNT RM'000	NET FAIR VALUE RM'000
At 31.1.2009					
Contingent liabilities	44	-	-	28,727	*
At 31.1.2008					
Contingent liabilities	44	-	-	30,572	*

* - The net fair value of the contingent liabilities is estimated to be minimal as the subsidiaries are expected to fulfill their obligations to repay their borrowings.

51. Comparative Figures

The following comparative figures have been reclassified to conform with the presentation of the current financial year:-

	AS RESTATED RM'000	AS PREVIOUSLY REPORTED RM'000
The Company		
Balance Sheets (Extract):-		
Non-Current Assets		
Amount owing by subsidiaries	160,637	182,296
Current Assets		
Amount owing by subsidiaries	29,297	7,638

List of Properties

Location/Address	Land Area (m2)	Tenure	Date of Acquisition/ (Revaluation)	Description	Approx. Age of Building	Net Book Value (RM)
PLO 9 Jalan Perindustrian Senai Industrial Area 1 Senai Held under HS(D) No. 60787 PTD No. 18692 Mukim of Senai-Kulai District of Johor Bahru State of Johor	8,093.7	60 years leasehold expiring on 31.8.2042	(31.01.2008)	Industrial land with factory building, offices and warehouse erected thereon.	20 years	3,314,757
PLO 19 Jalan Perindustrian Senai Industrial Area 1 Senai Held under HS(D) No. 124979 PTD No. 8790 Mukim of Senai-Kulai District of Johor Bahru State of Johor	8,093.7	60 years leasehold expiring on 22.9.2045	(31.01.2008)	Industrial land with factory building, offices and warehouse erected thereon.	21 years	3,229,727
Lot No. PT 2 (Lot 5) Jalan Perusahaan 1 Kawasan Perusahaan Beranang Held under HS(D) 58958 Bandar Batu 26 Beranang District of Hulu Langat Selangor	11,460	99 years leasehold expiring on 9.10.2099	(31.01.2008)	Industrial land with factory building, offices and warehouse erected thereon.	17 years	6,315,402
Lot No. PT 4 (Lot 7) Jalan Perusahaan 1 Kawasan Perusahaan Beranang Held under HS (D) 58960 Bandar Batu 26 Beranang District of Hulu Langat Selangor	36,420	99 years leasehold expiring on 09.10.2099	(31.01.2008)	Industrial land with factory building and warehouse erected thereon.	17 years	4,540,956
12 & 14 Lorong Medan Tuanku Satu 50300 Kuala Lumpur (Geran 6039 & 6040)	1,200	Freehold	(31.01.2008)	2 adjourning units of 5-storey shop/office buildings housing the corporate office	24 years	5,952,000

Location/Address	Land Area (m2)	Tenure	Date of Acquisition/ (Revaluation)	Description	Approx. Age of Building	Net Book Value (RM)
Lot 10, 11 & 12 Persiaran Perindustrian Kanthan 5 Kanthan Industrial Estate Chemor Ipoh Held under PN 149338 Lot 198895 Mukim of Hulu Kinta District of Kinta, Perak	13,760	99 years leasehold expiring on 07.06.2060	(31.01.2008)	Industrial land with factory building, office and warehouse built thereon.	16 years	5,683,311
PN 210047, Lot No. 6916 PN 210048, Lot No. 6917, PN 210049, Lot No. 6918, PN 210050, Lot No. 6919, PN 210051, Lot No. 6920, PN 210052, Lot No. 6922, PN 210053, Lot No. 6923, PN 210054, Lot No. 6924, PN 210055, Lot No. 6925, PN 210060, Lot No. 6926, PN 210061, Lot No. 6927; PN 210065, Lot No. 6928, PN 210062, Lot No. 6930, PN 210063, Lot No. 6931, PN 210064, Lot No. 6932, PN 210066, Lot No. 6933, PN 210068, Lot No. 6934, PN 210069, Lot No. 6935, PN 210070, Lot No. 6936 PN 210073, Lot No. 6937, PN 210074, Lot No. 6938, PN 210078, Lot No. 6939, PN 210075, Lot No. 6940, PN 210076, Lot No. 6941, PN 210077, Lot No. 6942, PN 210079, Lot No. 6943, & H.S.(D)489 PT No.4116, all in the Mukim of Lumut, Daerah Manjung, Perak PN 210056, Lot No. 32704, PN 210057, Lot No. 32705, PN 210058, Lot No. 32706, PN 210059, Lot No. 32707, PN 210071, Lot No. 32708 & PN 210072, Lot No. 32850, all in the Mukim Sitiawan, District of Manjung, Perak	5,171,316	99 years leasehold expiring on 14.03.2089	(31.01.2008)	Partially developed:- Golf course, Chalets & Bungalow lots	-	185,250,890

Substantial Shareholders

As registered in the Register of Substantial Shareholders as at 29 May 2009

	No. of Shares Held		% of Issued
	Direct	Indirect	Capital
Cheong Chan Holdings Sdn Bhd	22,300,000	-	27.49
Dato' Lim Kheng Yew	3,003,193	#29,213,000	39.71
Ultra-Link Resources Sdn Bhd	9,214,285	-	11.36
Dato' Wan Malek bin Ibrahim	-	*9,214,285	11.36

Deemed interest by virtue of his direct and indirect shareholding in Cheong Chan Holdings Sdn Bhd, KYM Sdn Bhd and interest of the children.

* Deemed interest by virtue of his direct shareholding in Ultra-Link Resources Sdn Bhd

Statement Of Directors' Interests In The Company And Related Corporations as at 29 May 2009

	No. of Shares Held		Total Interest
Name	Direct (%)	Indirect (%)	(%)
Dato' Seri Dr. Isahak bin Yeop Mohamad Shar	-	-	-
Dato' Lim Kheng Yew	3,003,193 (3.70)	# 29,213,000 (36.01)	32,216,193 (39.71)
Dato' Wira Abdul Rahman bin Haji Ismail	-	-	-
Dato' Chong Thin Choy	-	-	-
Datuk Mansor bin Masikon	-	-	-
Dato' Ir. Mohamad Othman bin Zainal Azim	-	-	-
Dato' Rahadian Mahmud bin Mohammad Khalil	-	-	-
Dato' Mohd Azmi bin Othman	-	-	-
Chiam Tau Meng	-	-	-

Deemed interest by virtue of his direct and indirect shareholding in Cheong Chan Holdings Sdn Bhd, KYM Sdn Bhd and interest of the children.

Dato' Lim Kheng Yew is deemed to have an interest in all the shares held by the Company in its related corporations by virtue of his substantial shareholding in the Company.

Statistics of Shareholders (as at 29 May 2009)

Class of Securities	:	Ordinary Shares of RM1.00 each
Authorised Share Capital	:	RM1,000,000,000 divided into 1,000,000,000 Ordinary Shares of RM1.00 each
Issued and Fully Paid Up Share Capital	:	RM81,134,500.00
Voting Rights	:	1 vote per share
No. of Shareholders	:	1,774

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding	Number of Holders	Total Holdings	%
1- 99	10	287	0.00
100 – 1,000	734	713,471	0.88
1,001 – 10,000	817	3,279,594	4.04
10,001 – 100,000	173	4,654,042	5.74
100,001 – 4,056,724	37	40,972,821	50.50
4,056,725 and above	3	31,514,285	38.84
Total	**1,774**	**81,134,500**	**100.00**

THIRTY LARGEST SHAREHOLDERS (as at 29 May 2009)

	Name of Shareholders	No. of Ordinary Shares held	% of Issued Capital
1.	Cheong Chan Holdings Sdn Bhd	11,940,000	14.72
2.	UOBM Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Cheong Chan Holdings Sdn Bhd)	10,360,000	12.77
3.	Ultra-Link Resources Sdn Bhd	9,214,285	11.36
4.	Ong Har Hong	3,983,000	4.91
5.	KYM Sdn Bhd	3,800,000	4.68
6.	Mayban Securities Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tan Ching Ching)	3,296,000	4.06
7.	Chan Wan Moi	3,254,000	4.01
8.	Lim Eng Huat	2,768,500	3.41
9.	RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lim Kheng Yew)	2,500,000	3.08
10.	Renfield Investment Limited	2,500,000	3.08
11.	Wong Hok Yim	2,453,500	3.02
12.	Melissa Lim Su Lin	2,020,000	2.49
13.	Ihsan Indah (M) Sdn Bhd	1,974,000	2.43
14.	TS Capital Sdn Bhd	1,176,000	1.45
15.	Lim Tze Thean	1,093,000	1.35
16.	Marathon Capital Sdn Bhd	1,000,000	1.23
17.	Alliancegroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ravindran Navaratnam)	950,000	1.17
18.	Kenanga Nominees (Asing) Sdn Bhd (Cantal Capital Inc)	800,000	0.99
19.	Magnitude Network Sdn Bhd	775,273	0.96
20.	Chew Boon Seng	745,500	0.92
21.	HSBC Nominees (Asing) Sdn Bhd (Exempt An For Credit Suisse)	600,000	0.74
22.	Lim Kheng Yew	503,193	0.62
23.	Macro Herald Sdn Bhd	500,000	0.62
24.	Mel Capital Sdn Bhd	500,000	0.62
25.	Tan Han Chuan	434,000	0.53
26.	Ong Huey Peng	423,500	0.52
27.	Kenanga Nominees (Asing) Sdn Bhd (Emmel Inc.)	350,000	0.43
28.	Navasham Holdings Sdn Bhd	315,000	0.39
29.	Macro Herald Sdn Bhd	300,000	0.37
30.	Mel Capital Sdn Bhd	300,000	0.37
		70,828,751	**87.30**

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FORM OF PROXY

KYM HOLDINGS BHD.
(Co. No. 84303-A)
(Incorporated in Malaysia)

Number of Shares Held	

I/We ……………………………………………………………………………...........................(NRIC No.: ……………………..……….................)
of ………...
being a member of KYM Holdings Bhd. hereby appoint ………………………………………………………………….....................................
……………………………………………………………………………...................................(NRIC No.: ……………………..……….................)
of ………...
or failing him …………………..……………………………………………………....................................(NRIC No.: ……………………..……….................)
of ………...
as *my/our proxy to vote for *me/us and on *my/our behalf at the Twenty-Seventh Annual General Meeting of the Company to be held at 3rd Floor, No. 12 Lorong Medan Tuanku Satu 50300 Kuala Lumpur on Thursday, 30 July 2009 at 2:30 p.m. and at any adjournment thereof.

*My/Our proxy is to vote as indicated below:

No.	Resolution	For	Against
1.	Adoption of Reports and Accounts		
2.	Approval of Directors' Fee		
3.	Re-election of Dato' Seri Dr. Isahak bin Yeop Mohamad Shar		
4.	Re-election of Datuk Mansor bin Masikon		
5.	Re-election of Chiam Tau Meng		
6.	Re-appointment of Dato' Wira Abdul Rahman bin Haji Ismail		
7.	Re-appointment of Auditors		
8.	Authority to Allot and Issue Shares		
9.	Proposed Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature		

Please indicate with an "X" in the space provided, how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.

Dated this …………… day of …………………….. , 2009

………………………………………………………………………………………
Signature of Member/Common Seal

Notes:

1. A member entitled to attend and vote at the meeting is entitled to attend and vote in person or by proxy or by attorney or by duly authorised representative. A proxy or attorney or duly authorised representative need not be a member of the Company.
2. The power of attorney or a certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing. If the appointer is a corporation, it must be executed under its seal or in the manner authorised by its constitution.
3. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a duly certified copy thereof must be deposited at the Registered Office, No. 12 Lorong Medan Tuanku Satu, 50300 Kuala Lumpur at least 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
4. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit. Where a member appoints two or more proxies, he shall specify in the instrument appointing the proxies, the proportion of his shareholdings to be represented by each proxy.

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Stamp

The Company Secretary

KYM HOLDINGS BHD.
(Co. No. 84303-A)

12 Lorong Medan Tuanku Satu
50300 Kuala Lumpur

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