annual report 2010

KYM HOLDINGS BHD.

(Co. No.: 84303-A)

Contents

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Eight 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 Wednesday, 28 July 2010 at 2:30 p.m. for the following purposes:-

1. To receive the Financial Statements for the financial year ended 31 January 2010 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 2010. **(RESOLUTION 2)**

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

   i. Dato' Rahadian Mahmud bin Mohammad Khalil (Article 103) **(RESOLUTION 3)**
   ii. Dato' Ir Mohamad Othman bin Zainal Azim (Article 103) **(RESOLUTION 4)**
   iii. Dato' Mohd Azmi bin Othman (Article 103) **(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 Crowe Horwath (Formerly known as 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 I
   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)

Notice of Annual General Meeting

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 30 July 2009 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 6 July 2010 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
6 July 2010

Notice of Annual General Meeting

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:

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

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.

As at the date of Notice, 8,100,000 shares were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 30 July 2009 which will lapse at the conclusion of the 28th Annual General Meeting.

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

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 6 July 2010 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 page 8 and 9 of this annual report.

<u>Date, Time and Venue of the Annual General Meeting</u>

Wednesday, 28 July 2010 at 2.30 p.m. at the Company's Office at No. 12 Lorong Medan Tuanku Satu, 50300 Kuala Lumpur

Corporate Information

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
Dato' Chong Thin Choy
Dato' Lim Kheng Yew

AUDIT COMMITTEE

Dato' Wira Abdul Rahman bin Haji Ismail *(Chairman)*
Datuk Mansor bin Masikon
Dato' Ir. Mohamad Othman Bin Zainal Azim
Chiam Tau Meng

REMUNERATION COMMITTEE

Dato' Wira Abdul Rahman bin Haji Ismail *(Chairman)*
Dato' Ir. Mohamad Othman Bin Zainal Azim
Dato' Mohd Azmi Bin Othman

OPTION COMMITTEE

Chiam Tau Meng *(Chairman)*
Dato' Rahadian Mahmud bin Mohammad Khalil
Dato' Chong Thin Choy

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

Crowe 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
Block D13, Pusat Dagangan Dana 1,
Jalan PJU 1A/46,
47301, Petaling Jaya,
Selangor
Tel : 03-78418000
Fax : 03-78418008

STOCK EXCHANGE

Bursa Malaysia Securities Berhad, Main Market

Profile of Directors

DATO' SERI DR. ISAHAK BIN YEOP MOHAMAD SHAR
Executive Chairman and
Chief Executive Officer
Malaysian

Dato' Seri Dr. Isahak bin Yeop Mohamad Shar, aged 61, 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.

DATO' CHONG THIN CHOY
Managing Director
Malaysian

Dato' Chong Thin Choy, age 49, 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.

Profile of Directors

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.

Dato' Lim Kheng Yew is a substantial shareholder of the Company. His shareholding in the Company is set out in Page 106 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.

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 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.

DATUK MANSOR BIN MASIKON
Independent Non-Executive Director
Malaysian

Datuk Mansor bin Masikon, age 66, 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 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

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 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.

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 Eden Enterprises (M) 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.

Profile of Directors

DATO' MOHD AZMI BIN OTHMAN

Independent Non-Executive Director
Malaysian

Dato' Mohd Azmi bin Othman, aged 42, 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.

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 Seremban Engineering 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 2010.

OVERALL

We were very fortunate that the "sub-prime" financial crisis affecting many developed countries did not have a significant direct effect on the Malaysian and most Asian countries' economy. To counter any potential effects of the financial crisis may have on the country, the Government implemented certain measures which have provided a significant boost to the confidence of the consumers and people in general. I am happy to note that the worst is over evidence by the improving performance of the manufacturing division since March 2009.

On 11 June 2009, we announced that we have entered into an agreement with Vale International S.A. ("Vale"), a large multinational mineral based company to sell approximately 409 acres our land at Teluk Rubiah, Lumut, Perak for RM101.9 million cash ("Disposal") and grant an option to Vale to purchase an additional 756 acres of land ("Option Properties") for an aggregate cash consideration of RM93.8 million. I am happy to report that the transaction was completed on 8 February 2010.

On 31 March 2010, we entered into a second agreement with Vale to sell the Option Properties for RM93.8million and barring any unforeseen circumstances, this transaction should be completed in the second reporting quarter.

We also look forward to the implementation of their reported RM9.0 billion iron ore distribution center and pellet plant project on the land and are quite confident that the Group will have a part to play in construction of the project.

The Group has embarked on their plans to reactivate the property development division with the announcement of the acquisition of 41.36 acres of land in Jelapang, Ipoh, Perak. We look forward to more announcements of other development projects in due course.

We were informed that the implementation of the proposed Melaka Health Administrative Center project is further delayed due to the change in the Government's procurement method to that of the Public Private Partnership program and will be implemented under the 10th Malaysia Plan.

The other highlight for the year is the implementation of an Employees Share Option Scheme as a reward and recognition to the contribution of the staff and also serves as motivation and to align the long term interest of the employees with that of the Group.

FINANCIAL HIGHLIGHTS

For the financial year ended 31 January 2010, the Group registered a turnover of RM164.1million, an increase of 300% compared to a turnover RM54.2million for the financial year ended 31 January 2009. The significant increase is due to the sale of land in the property division of RM105.7million. Our manufacturing division turnover for this financial year of RM57.5 million was just slightly higher than that recorded in the previous financial year of RM53.7 million.

The result of operations for this financial year shows a profit after taxation and minority interest of RM19.9million as compared to the loss after taxation and minority interest of RM14.1million recorded in the previous year. The profit for the year is the result of the contribution of positive results from all divisions of the Group.

Chairman's Statement

The manufacturing division recorded a profit before tax of RM5.4million for this financial year as compared to a loss before tax of RM1.0million in the previous year. The investment division recorded a profit before tax of RM6.5million for this financial year as compared to a loss before tax of RM7.5million in the previous year. The property division recorded a profit before tax of RM12.4million for this financial year as compared to a loss before tax of RM11.5million in the previous year.

The earnings per share for this financial year, as a result of the better results, stands at 24.5 sen per share as compared to a loss of 17.3 sen per share for the previous year.

DIVIDEND

No dividend has been declared in respect of financial the year ended 31 January 2010.

PROSPECTS

Overall

We hope that the Sovereign debt problems reported during the year will be contained and will not cause a significant negative impact on the economies of the world.

Packaging Division

The packaging industry is expected to remain competitive.

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 positive.

Property Division

For the coming year, we are looking forward to the completion of the second 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 which will contribute positively to the Group.

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: 6 July 2010

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 2010.

BOARD OF DIRECTORS

COMPOSITION AND BALANCE

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 6 to 9.

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, Audit Committee, Remuneration Committee and Option Committee. The respective Committee reports to the Board on matters considered and their recommendation thereon.

Corporate Governance Statement

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, five (5) 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	5/5
Dato' Wira Abdul Rahman bin Haji Ismail	4/5
Dato' Chong Thin Choy	5/5
Dato' Lim Kheng Yew	4/5
Datuk Mansor bin Masikon	4/5
Dato' Rahadian Mahmud bin Mohammad Khalil	3/5
Dato' Ir. Mohamad Othman Bin Zainal Azim	5/5
Dato' Mohd Azmi Bin Othman	5/5
Chiam Tau Meng (appointed w.e.f. 27 April 2009)	4/4

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.

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 nomination of candidate for appointment as Director to fill the vacancy in the Audit Committee in compliance with Paragraph 15.10(1)(c) of the Listing Requirements .

Corporate Governance Statement

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.

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	1,094,183	-	-
Non-Executive Directors	-	61,671	19,250

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

	Number of Directors	
Range of Remuneration	**Executive**	**Non-Executive**
Below RM50,000	-	6
RM100,001 - RM200,000	1	-
RM200,001 - RM300,000	-	-
RM300,001 - RM400,000	1	-
RM400,001 - RM500,000	-	-
Above RM500,000	1	-

Corporate Governance Statement

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. The same information is also published in the Company's website www.kym.com.my to keep the shareholders and investors informed on the Group's performance.

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 2010, 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.

Corporate Governance Statement

INTERNAL CONTROLS

The Statement on Internal Control is set out on pages 21 to 22 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 18 to 20. 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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. 3022.5 training hours were completed by all level of staff in the past financial year, of which 224 hours were related to CPR and first aid training.

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.

Besides the annual dinner and festive dinner, KYM also organizes other recreational activities such as sports game to promote healthy lifestyle of the staff.

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 certain level of cleanliness needed is maintained. 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.

Corporate Governance Statement

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 3 months.

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

ADDITIONAL COMPLIANCE INFORMATION

During the financial year under review:

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

* Issue of shares and utilization of proceeds

  The Proposed Private Placement of up to 8,134,500 new KYM shares of RM1 each representing 10% of the existing issued and paid-up capital of KYM at an issue price of RM0.75 was completed on 29 January 2010.

  The proceeds of RM6.075 million raised from the Private Placement of 8,100,000 shares at an issue price of RM0.75 per share during the financial year have been fully utilized as working capital and defraying of expenses incidental to the Private Placement.

* No options or convertible securities were issued or exercised during the financial year.

* 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 RM139,200.

* 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.

Audit Committee Report

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	4/5
Datuk Mansor bin Masikon	4/5
Dato' Ir. Mohamad Othman bin Zainal Azim	5/5
Chiam Tau Meng (appointed w.e.f. 27 April 2009)	4/4

Audit Committee Report

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 Crowe 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 2010. The representatives of the external auditors were also present at the meeting to brief the Audit Committee on their audit findings and accounting issues arising from their audit together with recommendations in respect of the findings. The Audit Committee had met with the External Auditors without the presence of the Management once for financial year ended 31 January 2010.

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 Internal Auditors carried out internal audit review on five (5) Strategic Business Units based on the Internal Audit Plan that has been approved by the Audit Committee and formed their audit opinion based on the Committee of Sponsoring Organisations of the Treadway Commission (COSO) principle that they adopted as the reporting framework. The Internal Auditors were invited to attend the Audit Committee Meeting to table and discuss the internal review report. The Audit Committee also discussed and followed up on the Management Corrective Action in relation to the audit findings highlighted by the Internal Auditors.

Cost incurred for the internal audit function in respect of the financial year is RM56,000.

Statement on Internal Control

1. Introduction

The Board of Directors ("Board") recognises 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 15.27(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.

2. 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 Bhd 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.

3. 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.

4. 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. 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 make reference to the requirements of the International Professional Practices Framework (IPPF) issued by The Institute of Internal Auditors in discharging their duties.

5. Internal Control System

The Group's key internal control processes based on the principles of COSO Internal Controls – Integrated Framework are as follows:

Statement on Internal Control

Control Environment

- Clear reporting responsibilities are set out in the organisational structure.
- Annual budgets are prepared by each operating unit and consolidated by the Group Finance function. These are reviewed before they are tabled to the Management Committee, Audit Committee and the Board for approval.
- Monthly operation meetings are formal platforms for Management to set its tone on control culture and emphasise on Group's strategic directions as agreed upon by the Board.

Risk Assessment

- The Board and management are aware of its overall responsibility in managing the Group's enterprise risk management. Business risks and risk mitigating strategies are discussed among the Executive Directors and the Head of Business units during its monthly management meetings held at the Head Office.

Control Activities

- Procedures at subsidiary levels, where relevant, are continuously reviewed for relevancy to business processes and activities as well as for uniformity and standardisation of practices across the Group.
- Periodic and annual audit reviews by internal and external quality auditors were conducted to ensure compliance with and continuous improvement of the ISO Quality Standards certification as assurance to the quality standards of products and services provided by the Group.

Information and Communication

- Management promotes good working relationship at all levels of employees by ensuring information and communication channels are open and sinuous. Relevant information are shared both downwards (from Management to employees) and upwards (from employees to Management) for proper attention and further action.
- 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.

Monitoring

- Management maintains close monitoring of the Group operations through submission of monthly reports and constant communication with the heads of the respective subsidiaries.
- Management also constantly monitors the gaps and highlighted issues through the conduct of follow-up audits and had showed its commitment to improve on current processes and internal controls.
- During the financial year, the Board and Audit Committee have diligently continued in its role as external overseers of internal controls and monitors performances of the Group's quarterly results announcements.

Conclusion

The External Auditors have reviewed this Statement on Internal Control for the inclusion in the annual report for the year ended 31 January 2010 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.

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 25 May 2010.

Financial Statements

Directors' Report

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 2010.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6 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
Profit after taxation from continuing operations	29,582	2,835
Loss after taxation from discontinued operations	(473)	-
Profit for the financial year	29,109	2,835
Attributable to:-		
Equity holders of the Company	19,870	2,835
Minority interests	9,239	-
	29,109	2,835

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.

Directors' Report

ISSUES OF SHARES AND DEBENTURES

During the financial year, the Company completed the following transactions involving changes to its share capital:-

(a) the Company changed its authorised share capital from 1,000,000,000 ordinary shares of RM1.00 each to 2,000,000,000 ordinary shares of RM0.50 each via the cancellation of RM0.50 of the par value of the Company as a result of the Par Value Reduction;

(b) the issued and paid-up share capital of the Company has been reduced from RM81,134,500 comprising 81,134,500 ordinary shares of RM1.00 each to RM40,567,250 comprising 81,134,500 ordinary shares of RM0.50 each via the cancellation of RM0.50 of the par value of the Company's shares pursuant to Section 64 of the Companies Act 1965 ("Par Value Reduction"). The credit arising from such reduction and cancellation of RM40,567,250 has been applied towards the following:-

  (i) firstly, the creation of a capital reserve of RM10,141,813 to be utilised for the issuance of the Warrants under the Proposed Issuance of Free Warrants; and

  (ii) secondly, the balance of RM30,425,437 for setting off and eliminating the accumulated losses of the Company.

(c) the issued and paid-up share capital of the Company has been increased from RM40,567,250 comprising 81,134,500 ordinary shares of RM0.50 each to RM44,617,250 comprising 89,234,500 ordinary shares of RM0.50 each by the issuance of 8,100,000 new ordinary shares at an issue price of RM0.75 per ordinary share ("Placement Shares") under a private placement exercise ("Private Placement"). The Placement Shares issued rank pari passu in all respects with the existing issued and paid-up share capital of the Company save and except that the Placement Shares were not entitled to the free warrants issued by the Company to the shareholders on 19 February 2010 on the basis of one (1) warrant for every two (2) ordinary shares of RM0.50 each of the Company; and

(d) 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 require the further writing off of bad debts, or the additional allowance for doubtful debts in the financial statements of the Group and of the Company.

Directors' Report

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.

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

Other than as disclosed in the financial statements, 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.

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' Report

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' CHONG THIN CHOY
DATO' WIRA ABDUL RAHMAN BIN HAJI ISMAIL
DATUK MANSOR BIN MASIKON
DATO' RAHADIAN MAHMUD BIN MOHAMMAD KHALIL
DATO' IR. MOHAMAD OTHMAN BIN ZAINAL AZIM
DATO' MOHD AZMI BIN OTHMAN
CHIAM TAU MENG

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 1.2.2009	**BOUGHT**	**SOLD**	**AT 31.1.2010**
THE COMPANY				
DIRECT INTEREST				
- DATO' LIM KHENG YEW	3,003,193	-	-	3,003,193
INDIRECT INTEREST				
- DATO' LIM KHENG YEW	29,213,000	-	-	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' Report

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 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 AND AFTER THE FINANCIAL YEAR

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

AUDITORS

The auditors, Messrs. Crowe Horwath (previously known as Messrs. Horwath), have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 25 MAY 2010

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 32 to 99 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 2010 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 25 MAY 2010

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 32 to 99 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 25 May 2010

Chin Kong Yaw

Before me

Mohd. Radzi Bin Yasin (No: W327)

Independent Auditors' Report

To the members of KYM HOLDINGS BHD. (Incorporated in Malaysia) Company No : 84303 - A

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of KYM Holdings Bhd., which comprise the balance sheets as at 31 January 2010 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 32 to 99.

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 2010 and of their financial performance and cash flows for the financial year then ended.

Independent Auditors' Report

To the members of KYM HOLDINGS BHD. (Incorporated in Malaysia) Company No : 84303 - A

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.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

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

Kuala Lumpur
25 May 2010

Balance Sheets

At 31 January 2010

		THE GROUP		THE COMPANY	
		2010	**2009**	**2010**	**2009**
	NOTE	**RM'000**	**RM'000**	**RM'000**	**RM'000**
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	**-**	-	**30,230**	30,960
Other investments		**6**	6	**-**	-
Land held for property development	7	**9,821**	185,251	**-**	-
Property, plant and equipment	8	**36,886**	56,652	**494**	697
Prepaid lease payments	9	**5,595**	7,894	**-**	-
Investment properties	10	**7,117**	-	**3,561**	3,561
Intangible asset	11	**4,667**	4,667	**-**	-
Amount owing by subsidiaries	12	**-**	-	**158,301**	171,638
		64,092	254,470	**192,586**	206,856
CURRENT ASSETS					
Property development costs	13	**-**	1,471	**-**	-
Inventories	14	**9,470**	7,159	**-**	-
Trade receivables	15	**13,068**	10,860	**-**	-
Other receivables, deposits and prepayments	16	**108,340**	950	**5,946**	148
Amount owing by subsidiaries	12	**-**	-	**27,246**	27,460
Amount owing by a related party	17	**87**	-	**-**	-
Tax recoverable		**18**	12	**-**	-
Fixed deposits with licensed banks	18	**110**	177	**-**	-
Cash and bank balances		**781**	2,025	**13**	981
		131,874	22,654	**33,205**	28,589
Non-current assets classified as held for sale	19	**102,480**	-	**-**	-
		234,354	22,654	**33,205**	28,589
TOTAL ASSETS		**298,446**	277,124	**225,791**	235,445

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

Balance Sheets

At 31 January 2010

	NOTE	THE GROUP 2010 RM'000	THE GROUP 2009 RM'000	THE COMPANY 2010 RM'000	THE COMPANY 2009 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	20	**44,617**	81,135	**44,617**	81,135
Share premium	21	**1,965**	35,803	**1,965**	35,803
Revaluation reserve	22	**22,334**	31,063	**35**	35
Capitals reserve	23	**10,142**	-	**10,142**	-
Accumulated losses		**(29,666)**	(124,551)	**(18,227)**	(87,291)
		49,392	23,450	**38,532**	29,682
MINORITY INTERESTS		**16,237**	6,998	**-**	-
TOTAL EQUITY		**65,629**	30,448	**38,532**	29,682
NON-CURRENT LIABILITIES					
Hire purchase payables	24	**531**	705	**206**	344
Term loans	25	**8,767**	12,879	**-**	-
Deferred tax liabilities	26	**4,312**	16,462	**-**	-
		13,610	30,046	**206**	344
CURRENT LIABILITIES					
Trade payables	27	**7,313**	6,005	**-**	-
Other payables and accruals	28	**22,703**	11,716	**1,082**	1,884
Amount owing to subsidiaries	12	**-**	-	**22,669**	22,215
Amount owing to related parties	17	**1,010**	2,014	**898**	1,251
Amount owing to directors	29	**1,187**	746	**53**	-
Hire purchase payables	24	**405**	370	**161**	143
Provision for taxation		**65**	4	**-**	-
Short-term borrowings	30	**178,632**	194,957	**162,190**	179,926
Bank overdrafts	31	**773**	818	**-**	-
		212,088	216,630	**187,053**	205,419
Liabilityies directly associated with assets classified as held for sale	19	**7,119**	-	**-**	-
		219,207	216,630	**187,053**	205,419
TOTAL LIABILITIES		**232,817**	246,676	**187,259**	205,763
TOTAL EQUITY AND LIABILITIES		**298,446**	277,124	**225,791**	235,445

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

Income Statements

For the financial year ended 31 January 2010

	NOTE	THE GROUP 2010 RM'000	THE GROUP 2009 RM'000 (Restated)	THE COMPANY 2010 RM'000	THE COMPANY 2009 RM'000
CONTINUING OPERATIONS					
REVENUE	32	**162,009**	52,612	**-**	-
COST OF SALES		**(147,110)**	(46,077)	**-**	-
GROSS PROFIT		**14,899**	6,535	**-**	-
OTHER INCOME	33	**64,645**	1,254	**8,039**	76
		79,544	7,789	**8,039**	76
SELLING AND DISTRIBUTION EXPENSES		**(2,861)**	(2,940)	**-**	-
ADMINISTRATIVE EXPENSES		**(6,502)**	(5,587)	**(1,330)**	(600)
OTHER EXPENSES	34	**(2,601)**	(2,061)	**(1,349)**	(3,551)
FINANCE COSTS	35	**(43,144)**	(16,195)	**(2,525)**	(1,536)
PROFIT/(LOSS) BEFORE TAXATION	36	**24,436**	(18,994)	**2,835**	(5,611)
INCOME TAX EXPENSE	38	**5,146**	882	**-**	-
PROFIT/(LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS		**29,582**	(18,112)	**2,835**	(5,611)
LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS	19	**(473)**	(502)	**-**	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		**29,109**	(18,614)	**2,835**	(5,611)
ATTRIBUTABLE TO:-					
Equity holders of the Company		**19,870**	(14,075)	**2,835**	(5,611)
Minority interests		**9,239**	(4,539)	**-**	-
		29,109	(18,614)	**2,835**	(5,611)
BASIC EARNINGS/(LOSS) PER SHARE (SEN):					
- Continuing operations	39	**24.8**	(17.0)		
- Discontinued operations	39	**(0.3)**	(0.3)		
		24.5	(17.3)		

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

Statements of Changes in Equity

For the financial year ended 31 January 2010

	NOTE	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	REVALUATION RESERVE RM'000	CAPITAL RESERVE RM'000	ACCUMULATED LOSSES RM'000	SHAREHOLDERS' EQUITY RM'000	MINORITY INTERESTS RM'000	TOTAL EQUITY RM'000
THE GROUP									
Balance at 1.2.2008		81,135	35,803	31,306	-	(111,109)	37,135	11,205	48,340
Recognition of deferred tax as a result of changes in tax rate #		-	-	-	-	390	390	332	722
Realisation of revaluation reserve #	22	-	-	(243)	-	243	-	-	-
Loss after taxation for the financial year		-	-	-	-	(14,075)	(14,075)	(4,539)	(18,614)
Balance at 31.1.2009/1.2.2009		81,135	35,803	31,063	-	(124,551)	23,450	6,998	30,448
Revaluation surplus #	22	-	-	542	-	-	542	-	542
Impairment loss #	22	-	-	(485)	-	-	(485)	-	(485)
Realisation of revaluation reserve #	22	-	-	(8,786)	-	8,786	-	-	-
Par Value Reduction		(40,568)	-	-	10,142	30,426	-	-	-
Share Premium Reduction		-	(35,803)	-	-	35,803	-	-	-
Private Placement		4,050	1,965	-	-	-	6,015	-	6,015
Profit after taxation for the financial year		-	-	-	-	19,870	19,870	9,239	29,109
Balance at 31.1.2010		44,617	1,965	22,334	10,142	(29,666)	49,392	16,237	65,629

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

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

Statements of Changes in Equity

For the financial year ended 31 January 2010

	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	REVALUATION RESERVE RM'000	CAPITAL RESERVE RM'000	ACCUMULATED LOSSES RM'000	TOTAL RM'000
THE COMPANY						
Balance at 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/ 1.2.2009	81,135	35,803	35	-	(87,291)	29,682
Profit attributable to shareholders	-	-	-	-	2,835	2,835
Par Value Reduction	(40,568)	-	-	10,142	30,426	-
Share Premium Reduction	-	(35,803)	-	-	35,803	-
Private Placement	4,050	1,965	-	-	-	6,015
Balance at 31.1.2010	44,617	1,965	35	10,142	(18,227)	38,532

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

Cash Flow Statements

For the financial year ended 31 January 2010

	NOTE	THE GROUP 2010 RM'000	THE GROUP 2009 RM'000	THE COMPANY 2010 RM'000	THE COMPANY 2009 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit/(Loss) before taxation from:					
- continuing operations		**24,436**	(19,496)	**2,835**	(5,611)
- discontinued operations		**(473)**	-	**-**	-
Adjustments for:-					
Allowance for doubtful debts		**180**	112	**410**	860
Amortisation of prepaid lease payments		**128**	128	**-**	-
Bad debts written off		**713**	28	**-**	-
Depreciation of property, plant and equipment		**3,970**	3,744	**209**	194
Deposit written off		**-**	25	**-**	-
Development costs written off		**1,471**	188	**-**	-
Equipment written off		**2**	28	**2**	-
Impairment loss on investments in subsidiaries		**-**	-	**730**	1,900
Impairment loss on plant and equipment		**159**	-	**-**	-
Interest expense		**43,145**	15,924	**41,854**	12,337
Inventories written off		**825**	-	**-**	-
Loss on disposal of subsidiaries		**-**	757	**-**	597
Deposit forfeited		**-**	(67)	**-**	-
Interest income		**(1)**	(5)	**(39,331)**	(11,070)
Net loss on disposal of plant and equipment		**59**	157	**-**	(9)
Gain on strike off of a subsidiary		**(3)**	-	**-**	-
Reversal of service charge		**(400)**	-	**-**	-
Waiver of debts:					
- from lenders		**(59,067)**	-	**(59,067)**	-
- to subsidiaries		**-**	-	**52,669**	-
Waiver of profits sharing expenses		**(3,389)**	-	**(156)**	-
Waiver of restructuring fee		**(1,462)**	-	**(1,462)**	-
Balance carried forward		**10,293**	1,523	**(1,307)**	(802)

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

Cash Flow Statements

For the financial year ended 31 January 2010

	NOTE	THE GROUP 2010 RM'000	THE GROUP 2009 RM'000	THE COMPANY 2010 RM'000	THE COMPANY 2009 RM'000
Balance brought forward		**10,293**	1,523	**(1,307)**	(802)
Writeback of allowance for doubtful debts		**(2)**	(8)	**-**	-
Writeback of equipment written off		**-**	(54)	**-**	-
Operating profit/(loss) before working capital changes		**10,291**	1,461	**(1,307)**	(802)
Decrease in land held for property development		**72,950**	-	**-**	-
Increase in inventories		**(3,136)**	(598)	**-**	-
(Increase)/Decrease in trade and other receivables		**(91,085)**	1,534	**1**	(2,393)
Increase/(Decrease) in trade and other payables		**17,561**	(526)	**816**	15
(Increase)/Decrease in amount owing by a related party		**(167)**	66	**-**	-
CASH FROM/(FOR) OPERATIONS		**6,414**	1,937	**(490)**	(3,180)
Income tax refunded		**-**	57	**-**	-
Income tax paid		**(10)**	-	**-**	-
Interest paid		**(1,814)**	(2,172)	**(524)**	(652)
NET CASH FROM/(FOR) OPERATING ACTIVITIES		**4,590**	(178)	**(1,014)**	(3,832)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
(Advances to)/Repayment from subsidiaries		**-**	-	**(196)**	1,046
Interest received		**1**	5	**-**	-
Proceeds from disposal of property, plant and equipment		**160**	286	**-**	9
Purchase of property, plant and equipment	40	**(2,542)**	(1,330)	**(8)**	(47)
Proceeds from disposal of subsidiaries	41	**-**	2,645	**-**	2,645
NET CASH (FOR)/FROM INVESTING ACTIVITIES		**(2,381)**	1,606	**(204)**	3,653
Balance carried forward		**2,209**	1,428	**(1,218)**	(179)

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

Cash Flow Statements

For the financial year ended 31 January 2010

	NOTE	THE GROUP 2010 RM'000	THE GROUP 2009 RM'000	THE COMPANY 2010 RM'000	THE COMPANY 2009 RM'000
Balance brought forward		**2,209**	1,428	**(1,218)**	(179)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Net drawdown/(repayment) of bills payable		**100**	(5,570)	**-**	-
Net proceeds from Private Placement		**216**	-	**216**	-
Repayment of hire purchase obligations		**(427)**	(819)	**(120)**	(142)
Drawdown of term loans		**-**	5,800	**-**	-
Repayment of term loans		**(2,801)**	(2,555)	**-**	-
Advances from directors		**441**	746	**53**	-
(Repayment to)/Advances from related parties		**(1,004)**	854	**(353)**	132
Advances from subsidiaries		**-**	-	**454**	1,151
NET CASH (FOR)/FROM FINANCING ACTIVITIES		**(3,475)**	(1,544)	**250**	1,141
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(1,266)**	(116)	**(968)**	962
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**1,384**	1,500	**981**	19
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	42	**118**	1,384	**13**	981

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

Notes to the Financial Statements

For the financial year ended 31 January 2010

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 25 May 2010.

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 6 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 46 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.

Notes to the Financial Statements

For the financial year ended 31 January 2010

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 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.

The Group has not applied in advance the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

FRSs/IC Interpretations	Effective date
Revised FRS 1 (2010) First-time Adoption of Financial Reporting Standards	1 July 2010
Revised FRS 3 (2010) Business Combinations	1 July 2010
FRS 4 Insurance Contracts	1 January 2010
FRS 7 Financial Instruments: Disclosures	1 January 2010
FRS 8 Operating Segments	1 July 2009
Revised FRS 101 (2009) Presentation of Financial Statements	1 January 2010
Revised FRS 123 (2009) Borrowing Costs	1 January 2010
Revised FRS 127 (2010) Consolidated and Separate Financial Statements	1 July 2010
Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement	1 January 2010

Notes to the Financial Statements

For the financial year ended 31 January 2010

4. BASIS OF PREPARATION (CONT'D)

FRSs/IC Interpretations (Cont'd)	**Effective date**
Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendment to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 2: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2: Scope of FRS 2 and Revised FRS 3 (2010)	1 July 2010
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7: FRS 139 and IC Interpretation 9	1 January 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision In Relation To Compound Instruments	1 January 2010 / 1 March 2010
Amendments to FRS 138: Consequential Amendments Arising from Revised FRS 3 (2010)	1 July 2010
IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 13 Customer Loyalty Programmes	1 January 2010
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and Revised FRS 3 (2010)	1 July 2010
Annual Improvements to FRSs (2009)	1 January 2010

4. BASIS OF PREPARATION (CONT'D)

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

The revised FRS 3 (2010) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

The Group considers financial guarantee contracts entered into 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 (including the subsequent amendments) and the revised FRS 139 (2010) on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

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.

The revised FRS 101 (2009) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. The adoption of this revised standard will only impact the form and content of the presentation of the Group's financial statements in the next financial year.

The revised FRS 127 (2010) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of the revised FRS 127 (2010) prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

Amendments to FRS 1 and FRS 127 remove the definition of "cost method' currently set out in FRS 127, and instead require an investor to recognise all dividend from subsidiaries, jointly controlled entities or associates as income in its separate financial statements. In addition, FRS 127 has also been amended to deal with situations where a parent reorganises its group by establishing a new entity as its new parent. Under this circumstance, the new parent shall measure the cost of its investment in the original parent at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the reorganisation date. The amendments will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Company for the current financial year but may impact the accounting for future.

Notes to the Financial Statements

For the financial year ended 31 January 2010

4. BASIS OF PREPARATION (CONT'D)

Amendments to FRS 5 requires assets and liabilities of a subsidiary to be classified as held for sale if the parent is committed to a plan involving loss of control of the subsidiary, regardless of whether the entity will retain a non-controlling interest after the sale. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

Amendments to FRS 138 clarify the requirements under the revised FRS 3 (2010) regarding accounting for intangible assets acquired in a business combination. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

IC Interpretation 9 requires embedded derivatives to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date the entity first became a party to the contract. The possible impacts of IC Interpretation 9 on the financial statements upon its initial application are not disclosed by virtue of the exemptions given under the revised FRS 139 (2010).

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.

IC Interpretation 11 provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash settled share-based payment transactions in the separate financial statements of the parent and group companies. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

IC Interpretation 15 supersedes FRS 201_{2004} Property Development Activities and addresses how entities should determine whether an agreement for the construction of real estate is within the scope of FRS 111 Construction Contracts or FRS 118 Revenue and when revenue from the construction of real estate should be recognised. Currently, the Group recognises revenue on property development activities using the percentage of completion method (see Note 5(ac)). Upon adoption of this Interpretation, the Group will be required to assess whether the sale and purchase agreements entered are construction service contracts or sale of goods and whether the percentage of completion method is appropriate for some agreements whilst for others, revenue is recognised only at the point the constructed goods are delivered to the customers. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed. In particular, the directors will be considering the extent to which information is available for retrospective application.

Amendments to IC Interpretation 9 are a consequential amendment from the revised FRS 3 (2010). These amendments are expected to have no material impact on the financial statements of the Group upon its initial application.

Annual Improvements to FRSs (2009) contain amendments to 21 accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application except for leasehold land where in substance a finance lease will be reclassified from 'prepaid lease payments' to 'property, plant and equipment' and measured as such retrospectively.

Notes to the Financial Statements

For the financial year ended 31 January 2010

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.

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.

Notes to the Financial Statements

For the financial year ended 31 January 2010

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(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.

Notes to the Financial Statements

For the financial year ended 31 January 2010

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 Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

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

(ii) Transactions and Balances

Transactions in foreign currencies 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 2010.

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.

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.

Notes to the Financial Statements

For the financial year ended 31 January 2010

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of Consolidation (Cont'd)

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, and is written down for impairment where it is considered necessary. 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.

Notes to the Financial Statements

For the financial year ended 31 January 2010

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.

Notes to the Financial Statements

For the financial year ended 31 January 2010

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.

(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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment of Assets (Cont'd)

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.

(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.

Notes to the Financial Statements

For the financial year ended 31 January 2010

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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) Amounts Owing By/To Contract Customers

The amounts 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.

(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.

Notes to the Financial Statements

For the financial year ended 31 January 2010

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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.

Notes to the Financial Statements

For the financial year ended 31 January 2010

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) Income Taxes (Cont'd)

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.

(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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 an 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.

(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 bear 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 beverages provision of recreational facilities and other related income are recognised as and when services are rendered/performed.

Notes to the Financial Statements

For the financial year ended 31 January 2010

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ac) Revenue Recognition (Cont'd)

(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.

(ad) Discontinued Operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.

6. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2010	**2009**
	RM'000	**RM'000**
Unquoted shares:		
- at cost	**36,137**	36,137
- surplus on revaluation of investment in a subsidiary	**493**	493
	36,630	36,630
Accumulated impairment losses		
At 1 February 2009/2008	**(5,670)**	(3,895)
Addition during the financial year	**(730)**	(1,900)
Writeback during the financial year	**-**	125
At 31 January 2010/2009	**(6,400)**	(5,670)
	30,230	30,960

Notes to the Financial Statements

For the financial year ended 31 January 2010

6. 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 2010	Effective Equity Interest 2009	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. The company has temporarily ceased its business operations.
Panorama Industries Sdn. Bhd. (2)	**100%**	100%	Property investment.
KYM Industries (BP) Sdn. Bhd.	**95%**	95%	Dormant.
PPI Bags Sdn. Bhd.	**51%**	51%	Manufacturing and sale of industrial woven bags.
KYM Industries (Melaka) Sdn. Bhd.	**100%**	100%	Manufacturing and sale of corrugated carton boxes. The company has temporarily ceased its business operations.
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.

Notes to the Financial Statements

For the financial year ended 31 January 2010

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Effective Equity Interest 2010	Effective Equity Interest 2009	Principal Activities
Suria Makmur Development Sdn. Bhd. [5]	**54%**	54%	Property development.
Enchant Delight Sdn. Bhd. [5]	**-**	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.
Hasrat Meranti Sdn. Bhd.	**100%**	100%	Manufacturing and sale of multi-wall industrial paper bags.
KYM Mineral Sdn. Bhd. (Formerly known as 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.

Notes to the Financial Statements

For the financial year ended 31 January 2010

7. LAND HELD FOR PROPERTY DEVELOPMENT

	THE GROUP	
	2010	**2009**
	RM'000	**RM'000**
Long leasehold land held for development		
- At cost		
At 1 February 2009/2008	**97,423**	97,423
Disposal during the financial year	**(38,364)**	-
Transfer to non-current asset classified as held for sale	**(53,894)**	-
At 31 January 2010/2009	**5,165**	97,423
Development expenditure		
- At cost		
At 1 February 2009/2008	**87,828**	87,828
Disposal during the financial year	**(34,586)**	-
Transfer to non-current asset classified as held for sale	**(48,586)**	-
At 31 January 2010/2009	**4,656**	87,828
	9,821	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.

Notes to the Financial Statements

For the financial year ended 31 January 2010

8. 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 1.2.2009	3,600	17,442	19,187	1,014	1,011	14,355	43	56,652
Additions	-	54	286	724	-	1,497	269	2,830
Revaluation surplus	-	722	-	-	-	-	-	722
Transferred to investment properties (Note 10)	-	(4,946)	-	-	-	-	-	(4,946)
Impairment losses	-	-	(644)	-	-	-	-	(644)
Transfers	-	-	48	(48)	-	43	(43)	-
Adjustment	-	-	-	-	-	(12)	-	(12)
Disposals	-	-	(218)	-	-	(13,526)	-	(13,744)
Written off	-	-	-	-	-	(2)	-	(2)
Depreciation charge for the financial year	-	(312)	(2,239)	(545)	(280)	(594)	-	(3,970)
Net book value at at 31.1.2010	3,600	12,960	16,420	1,145	731	1,761	269	36,886
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

Notes to the Financial Statements

For the financial year ended 31 January 2010

8. 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 31.1.2010								
Cost	-	-	712	10,525	1,866	10,520	269	23,892
Valuation	3,600	13,408	23,028	-	-	-	-	40,036
Accumulated impairment losses	-	-	(644)	-	-	-	-	(644)
Accumulated depreciation	-	(448)	(6,676)	(9,380)	(1,135)	(8,759)	-	(26,398)
Net book value	3,600	12,960	16,420	1,145	731	1,761	269	36,886
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

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

Notes to the Financial Statements

For the financial year ended 31 January 2010

8. 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 1.2.2009	962	3,229	10,153	11	14,355
Additions	416	46	259	776	1,497
Transfer	-	-	43	-	43
Adjustments	-	(10)	(2)	-	(12)
Disposals	-	(3,192)	(10,334)	-	(13,526)
Written off	(2)	-	-	-	(2)
Depreciation charge for the financial year	(285)	(73)	(119)	(117)	(594)
Net book value at 31.1.2010	1,091	-	-	670	1,761
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
At 31.1.2010					
Cost	8,755	-	-	1,765	10,520
Accumulated depreciation	(7,664)	-	-	(1,095)	(8,759)
Net book value	1,091	-	-	670	1,761
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

Notes to the Financial Statements

For the financial year ended 31 January 2010

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	OFFICE EQUIPMENT FURNITURE FITTINGS AND RENOVATION RM'000	MOTOR VEHICLES RM'000	TOTAL RM'000
THE COMPANY			
Net book value at 1.2.2009	113	584	697
Additions	8	-	8
Written off	(2)	-	(2)
Depreciation charge for the financial year	(22)	(187)	(209)
Net book value at 31.1.2010	97	397	494
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
At 31.1.2010			
Cost	851	940	1,791
Accumulated depreciation	(754)	(543)	(1,297)
Net book value	97	397	494
At 31.1.2009			
Cost	845	940	1,785
Accumulated depreciation	(732)	(356)	(1,088)
Net book value	113	584	697

The freehold land and buildings 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.

Notes to the Financial Statements

For the financial year ended 31 January 2010

8. 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 2007.

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

The impairment losses arising from the revaluation in the previousduring the current financial year had have been charged to the following accounts:-

	THE GROUP RM'000
Other expenses	159
Revaluation reserve	485
	644

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	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Freehold land	**2,624**	2,624	**-**	-
Buildings	**11,320**	14,971	**-**	-
Plant and machinery	**7,178**	10,036	**-**	-
Chalets	**-**	4,710	**-**	-
Golf course, club house, driving range and related development expenditure	**-**	9,528	**-**	-
	21,122	41,869	**-**	-

Notes to the Financial Statements

For the financial year ended 31 January 2010

8. 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	
	2010 RM'000	2009 RM'000
Freehold land	**3,600**	3,600
Buildings	**12,960**	17,442
Plant and machinery	**16,420**	19,187
Forklift, tools and equipment and production accessories	**1,145**	1,014
Motor vehicles	**240**	304
Other assets	**698**	14,036
	35,063	55,583

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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Plant and machinery	**640**	1,698	**-**	-
Motor vehicles	**678**	938	**394**	580
	1,318	2,636	**394**	580

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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At cost:-				
Forklifts, tools and equipment and production accessories	**9,447**	8,146	**-**	-
Motor vehicles	**490**	288	**4**	4
Other assets	**6,007**	6,359	**686**	653
	15,944	14,793	**690**	657

Notes to the Financial Statements

For the financial year ended 31 January 2010

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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 conditional Sale and Purchase Agreement has been completed on 26 May 2009. The Company has on 11 June 2009 entered into a Deed of Mutual Rescission and Revocation (Option Agreement) with ASB to revoke the Option Agreement.

9. PREPAID LEASE PAYMENTS

	THE GROUP	
	2010	**2009**
	RM'000	**RM'000**
Cost:-		
At 1 February 2009/2008	**8,676**	8,676
Transferred to investment properties (Note 10)	**(2,600)**	-
At 31 January 2010/2009	**6,076**	8,676
Accumulated amortisation	**(481)**	(782)
	5,595	7,894
Accumulated amortisation:-		
At 1 February 2009/2008	**(782)**	(654)
Transferred to investment properties (Note 10)	**429**	-
Amortisation during the financial year	**(128)**	(128)
At 31 January 2010/2009	**(481)**	(782)

Notes to the Financial Statements

For the financial year ended 31 January 2010

9. PREPAID LEASE PAYMENTS (CONT'D)

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.

10. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At fair value:-				
At 1 February 2009/2008	**-**	3,500	**3,561**	3,561
Disposed during the financial year through disposal of a subsidiary	**-**	(3,500)	**-**	-
Transferred from property, plant and equipment (Note 8)	**4,946**	-	**-**	-
Transferred from prepaid lease payments (Note 9)	**2,171**	-	**-**	-
At 31 January 2010/2009	**7,117**	-	**3,561**	3,561

The investment properties of the Group and the Company are pledged to financial institutions for credit facilities granted to the Company and certain subsidiaries.

The following investment properties are held under lease terms:-

	THE GROUP		THE COMPANY	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Leasehold land	**2,171**	-	**1,211**	1,211
Building	**4,946**	-	**2,350**	2,350
	7,117	-	**3,561**	3,561

Notes to the Financial Statements

For the financial year ended 31 January 2010

10. INVESTMENT PROPERTIES (CONT'D)

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

	THE GROUP		THE COMPANY	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Properties that generate income:-				
Insurance	**22**	-	**6**	13
Quit rent and assessment	**19**	-	**21**	21
Properties that did not generate income:-				
Insurance	**6**	3	**-**	-
Quit rent and assessment	**21**	22	**-**	-

11. INTANGIBLE ASSET

	THE GROUP	
	2010	**2009**
	RM'000	**RM'000**
Goodwill on consolidation	**6,392**	6,392
Impairment loss	**(1,725)**	(1,725)
	4,667	4,667

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 3% to 11%
Gross margin	Between 24% to 25%
Discount rate	6.8%

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.

Notes to the Financial Statements

For the financial year ended 31 January 2010

12. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	THE COMPANY	
	2010	**2009**
	RM'000	**RM'000**
NON-CURRENT:-		
Amount owing by subsidiaries	**158,301**	171,638

The amount owing is non-trade in nature, unsecured and bore effective interest rates which ranged from 9.0% to 9.05% (2009 - 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	
	2010	**2009**
	RM'000	**RM'000**
CURRENT:-		
Amount owing by subsidiaries	**61,806**	61,610
Allowance for doubtful debts		
At 1 February 2009/2008	**(34,150)**	(33,290)
Addition during the financial year	**(410)**	(860)
At 31 January 2010/2009	**(34,560)**	(34,150)
	27,246	27,460

	THE COMPANY	
	2010	**2009**
	RM'000	**RM'000**
CURRENT:-		
Amount owing to subsidiaries	**22,669**	22,215

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

Notes to the Financial Statements

For the financial year ended 31 January 2010

13. PROPERTY DEVELOPMENT COSTS

	THE GROUP	
	2010	**2009**
	RM'000	**RM'000**
Development costs:-		
At 1 February 2009/2008	**1,471**	1,659
Written off during the financial year	**(1,471)**	(188)
At 31 January 2010/2009	**-**	1,471

14. INVENTORIES

	THE GROUP	
	2010	**2009**
	RM'000	**RM'000**
At cost:-		
Raw materials	**6,654**	4,186
Work-in-progress	**1,325**	927
Finished goods	**1,276**	1,000
Completed bungalow lots	**-**	825
Others	**9**	14
	9,264	6,952
At net realisable value:-		
Finished goods	**206**	207
	9,470	7,159

Notes to the Financial Statements

For the financial year ended 31 January 2010

15. TRADE RECEIVABLES

	THE GROUP	
	2010	2009
	RM'000	RM'000
Trade receivables	**18,614**	16,334
Allowance for doubtful debts		
At 1 February 2009/2008	**(5,474)**	(5,444)
Addition during the financial year	**(100)**	(112)
Writeback during the financial year	**2**	8
Written off during the financial year	**26**	74
At 31 January 2010/2009	**(5,546)**	(5,474)
	13,068	10,860

The normal trade credit terms of trade receivables range from 15 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	
	2010	2009
	RM'000	RM'000
RM equivalent of trade receivables denominated in:-		
Singapore Dollar	**1,195**	1,032
United States Dollar	**564**	299

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Other receivables, deposits and prepayments	**108,393**	1,003	**5,946**	148
Allowance for doubtful debts	**(53)**	(53)	**-**	-
	108,340	950	**5,946**	148

Notes to the Financial Statements

For the financial year ended 31 January 2010

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

Included in other receivables of the Group is an amount of RM101,874,578 relates to sale proceeds from the disposal of properties, golf course and resorts which was subsequently received by the Group.

Included in other receivables of the Group and the Company is an amount of RM5,798,945 which represented the balance of the proceeds from the Private Placement. The amount was subsequently received by the Company.

17. AMOUNTS OWING BY/(TO) RELATED PARTIES

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Amount owing by a related party	**167**	-	-	-
Allowance for doubtful debt				
At 1 February 2009/2008	**-**	-	**-**	-
Addition during the financial year	**(80)**	-	**-**	-
At 31 January 2010/2009	**(80)**	-	**-**	-
	87	-	**-**	-

The amount owing is trade in nature and the normal trade credit terms range from 30 days to 90 days.

A related party refers to a company in which a person connected to a director is a common director and has a substantial financial interest.

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Amount owing to related parties:				
- Non-trade balances	**(1,010)**	(2,014)	**(898)**	(1,251)

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

The amounts owing are unsecured, repayable on demand and interest-free except for an amount owing to a related party of approximately RM726,000 in the previous financial year which bore an effective interest rate of 8.8% per annum. This amount was fully repaid during the current financial year.

The amounts owing are to be settled in cash.

Notes to the Financial Statements

For the financial year ended 31 January 2010

18. 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 2.4% (2009 - 3.4%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 days (2009 - 30 to 365 days).

19. NON-CURRENT ASSET AND LIABILITY CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

By virtue of the significant events during and after the financial year as disclosed in Note 45(a) to the financial statements, the Group has, at the balance sheet date, classified the relevant non-current asset and liability associated with the non-current asset to asset and liability held for sale, respectively. As a result of the proposed disposals, the Group's resort and golf course operations will be discontinued and the results from the resorts and golf course operations are presented separately on the consolidated income statement as discontinued operations.

An analysis of the results of the discontinued operations is as follows:-

	THE GROUP	
	2010	**2009**
	RM'000	**RM'000**
Revenue	**2,089**	1,636
Other income	**11**	67
Expenses	**(2,573)**	(2,205)
Loss before taxation from discontinued operations	**(473)**	(502)
Income tax expense	**-**	-
Loss after taxation from discontinued operations	**(473)**	(502)

Notes to the Financial Statements

For the financial year ended 31 January 2010

19. NON-CURRENT ASSET AND LIABILITY CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONT'D)

The following amounts have been included in arriving at loss before taxation of the discontinued operations:-

	THE GROUP	
	2010	**2009**
	RM'000	**RM'000**
Audit fee		
- for the financial year	**11**	5
- underprovision in the previous financial year	**-**	1
Depreciation of property, plant and equipment	**386**	229
Interest expense		
- hire purchase	**3**	1
- others	**2**	1
Rental of equipment	**78**	241
Rental of premises	**10**	5
Staff costs	**1,020**	825
Deposit forfeited	**-**	(67)
Gain on disposal of property, plant and equipment	**(10)**	-
Rental income	**(1,076)**	(963)

The cash flows attributable to the discontinued operations are as follows:-

	THE GROUP	
	2010	**2009**
	RM'000	**RM'000**
Operating cash flows	**847**	175
Investing cash flows	**(1,231)**	(575)
Financing cash flows	**375**	402
Total cash flows	**(9)**	2

The details of the asset and liability classified as held for sale on the balance sheets as at 31 January 2010 are as follows:-

	THE GROUP
	RM'000
Asset	
Land held for property development	102,480
Liability	
Deferred tax liabilities (Note 26)	7,119

Notes to the Financial Statements

For the financial year ended 31 January 2010

20. SHARE CAPITAL

The movement of the authorised share capital of the Company is as follows:-

	2010 Par Value RM	2010 Number of Shares '000	2010 Share Capital RM '000	2009 Par Value RM	2009 Number of Shares '000	2009 Share Capital RM '000
ORDINARY SHARES						
At 1 February 2009/2008	**1.00**	**1,000,000**	**1,000,000**	1.00	1,000,000	1,000,000
Increase in number of shares as a result of Par Value Reduction		**1,000,000**	**-**		-	-
At 31 January 2010/2009	**0.50**	**2,000,000**	**1,000,000**	1.00	1,000,000	1,000,000

The movements of the issued and paid-up share capital of the Company are as follows:-

	2010 Par Value RM	2010 Number of Shares '000	2010 Share Capital RM '000	2009 Par Value RM	2009 Number of Shares '000	2009 Share Capital RM '000
ORDINARY SHARES						
At 1 February 2009/2008	**1.00**	**81,135**	**81,135**		81,135	81,135
Par Value Reduction		**-**	**(40,568)**	1.00	-	-
	0.50	**81,135**	**40,567**	1.00	81,135	81,135
Private Placement	**0.50**	**8,100**	**4,050**		-	-
At 31 January 2010/2009	**0.50**	**89,235**	**44,617**	1.00	81,135	81,135

Notes to the Financial Statements

For the financial year ended 31 January 2010

21. SHARE PREMIUM

	THE GROUP/THE COMPANY 2010 RM'000	2009 RM'000
At 1 February 2009/2008	**35,803**	35,803
Share Premium Reduction	**(35,803)**	-
Premium arising from Private Placement net of placement fees	**1,965**	-
At 31 January 2010/2009	**1,965**	35,803

During the current financial year, the Company has utilised its share premium of RM35,803,053 to offset against the accumulated losses of the Company pursuant to Section 64 of the Companies Act 1965 ("Share Premium Reduction").

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.

22. REVALUATION RESERVE

	THE GROUP		THE COMPANY	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
At 1 February 2009/2008	**31,063**	31,306	**35**	35
Arising from the revaluation of property	**542**	-	**-**	-
Impairment loss on plant and machinery	**(485)**	-	**-**	-
Realisation of revaluation reserve	**(8,786)**	(243)	**-**	-
At 31 January 2010/2009	**22,334**	31,063	**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.

23. CAPITAL RESERVE

A capital reserve was set up as a result of the balance sheet restructuring exercise, as disclosed in Note 45(b) to the financial statements. The capital reserve will be utilised for the purpose of the proposed issuance of 40,567,250 free warrants ("Warrants") on the basis of one (1) Warrant for every two (2) ordinary shares of RM0.50 each ("Proposed Issuance of Free Warrants").

Notes to the Financial Statements

For the financial year ended 31 January 2010

24. HIRE PURCHASE PAYABLES

	THE GROUP		THE COMPANY	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Minimum hire purchase payments:				
- not later than one year	**437**	419	**161**	161
- later than one year and not later than five years	**631**	788	**251**	389
- later than five years	**7**	34	**-**	-
	1,075	1,241	**412**	550
Future finance charges	**(139)**	(166)	**(45)**	(63)
Present value of hire purchase payables	**936**	1,075	**367**	487

The net hire purchase payables are repayable as follows:-

	THE GROUP		THE COMPANY	
	2010	**2009**	**2010**	**2009**
Current:				
- not later than one year	**405**	370	**161**	143
Non-current:				
- later than one year and not later than five years	**525**	678	**206**	344
- later than five years	**6**	27	**-**	-
Total non-current portion	**531**	705	**206**	344
	936	1,075	**367**	487

The hire purchase payables bore effective interest rates at the balance sheet date of between 4.2% to 7.8% (2009 - 4.2% to 8.4%) per annum.

The Group and the Company have hire purchase contracts for certain plant and equipment as disclosed in Note 8 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 is an amount of approximately RM71,000 (2009 – RM84,000) secured by a guarantee from a director in a subsidiary.

Notes to the Financial Statements
For the financial year ended 31 January 2010

25. TERM LOANS

	THE GROUP 2010 RM'000	THE GROUP 2009 RM'000	THE COMPANY 2010 RM'000	THE COMPANY 2009 RM'000
Current portion:				
- repayable within one year (Note 30)	**166,802**	183,227	**162,190**	179,926
Non-current portion:				
- repayable between one to two years	**2,253**	4,262	**-**	-
- repayable between two to five years	**4,045**	4,825	**-**	-
- repayable after five years	**2,469**	3,792	**-**	-
Total non-current portion	**8,767**	12,879	**-**	-
	175,569	196,106	**162,190**	179,926

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 2010 RM'000	THE GROUP 2009 RM'000	THE COMPANY 2010 RM'000	THE COMPANY 2009 RM'000
1.	-	-	Note 25(a)	**27,206**	30,317	**27,206**	30,317
2.	-	-	Note 25(a)	**3,890**	8,288	**3,890**	8,288
3.	-	-	Note 25(a)	**131,094**	141,321	**131,094**	141,321
4.	12	80,000	December 2009	**6,237**	6,553	**-**	-
	24	100,000	December 2010				
	12	120,000	December 2012				
	12	140,000	December 2013				
	Until full settlement	170,000	December 2014				
5.	180	16,877	March 2008	**1,808**	1,921	**-**	-
6.	84	21,821	February 2005	**455**	673	**-**	-
7.	72	35,434	June 2004	**510**	888	**-**	-
8.	72	58,613	June 2004	**844**	1,473	**-**	-
9.	72	50,166	March 2006	**577**	1,112	**-**	-
10.	10	75,000	August 2009	**2,948**	3,560	**-**	-
	11	210,000	June 2010				
	1	230,000	May 2011				
				175,569	196,106	**162,190**	179,926

Notes to the Financial Statements

For the financial year ended 31 January 2010

25. TERM LOANS (CONT'D)

(a) The Company 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. Subsequently, the lenders has via its letter dated 12 November 2009 proposed a full and final settlement of RM120 million ("Debt Settlement") for the debts owing to the lenders. Consequently, the Company and its subsidiary, Harta Makmur Sdn Bhd ("HMSB") had, on 10 December 2009, entered into a debt settlement agreement with its lenders to facilitate the Debt Settlement ("Debt Settlement Agreement"). Under the Debt Settlement Agreement, the lenders consent to the sale of the Disposal Properties and Option Properties (as defined in Note 45(a) to the financial statements) by HMSB to Vale International S.A. ("Vale") and accept the payment of RM120 million as full and final settlement for the outstanding debt. The payment to the lenders comprises two tranches as follows:

(i) Tranche 1 - a sum of RM70 million from the disposal proceeds as stated in Note 45(a)(i) to the financial statements which has been paid to the lenders on 8 February 2010; and

(ii) Tranche 2 - a sum of RM50 million payable to the lenders from the disposal proceeds as stated in Note 45(a)(ii) to the financial statements.

The Tranche 2 settlement sum is due for payment to lenders within six months from the date of the Tranche 2 SPA (as defined in Note 45(a) to the financial statements.

The Company has recognised a portion of the debt waiver of approximately RM59 million upon the completion of the disposal of Disposal Properties during the current financial year. The balance of the debt waiver will be recognised upon the completion of the disposal of Option Properties.

The Term Loans 1, 2 and 3 bore effective interest rates which ranged from 9.00% to 9.05% (2009 - 6.75%) per annum and are 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.

(b) Term loans 4 and 5 bore effective interest rates at the balance sheet date which ranged from 4.80% to 8.00% (2009 - 5.75% to 9.05%) per annum and are secured in the same manner as the bills payable disclosed in Note 30 to the financial statements.

Notes to the Financial Statements

For the financial year ended 31 January 2010

25. TERM LOANS (CONT'D)

(c) Term loans 6 to 10 bore effective interest rates at the balance sheet date which ranged from 6.25% to 7.75% (2009 - 6.25% to 7.95%) per annum and are secured by:-

(i) legal charges over the 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	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
At 1 February 2009/2008	**16,462**	18,166	**-**	-
Recognised in the equity:				
- changes in tax rates	**-**	(722)	**-**	-
- arising from the revaluation of property	**180**	-	**-**	-
Disposal of a subsidiary	**-**	(96)	**-**	-
Recognised in the income statements (Note 38)	**(5,211)**	(886)	**-**	-
At 31 January 2010/2009	**11,431**	16,462	**-**	-
Classified as:-				
Non-current liabilities	**4,312**	16,462	**-**	-
Liability directly associated with asset classified as held for sale (Note 19)	**7,119**	-	**-**	-
	11,431	16,462	**-**	-

Notes to the Financial Statements

For the financial year ended 31 January 2010

26. DEFERRED TAX LIABILITIES (CONT'D)

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

	THE GROUP		THE COMPANY	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deferred tax liabilities:-				
Accelerated capital allowances	**3,808**	3,359	**232**	203
Revaluation of property	**12,453**	18,265	**313**	320
Revaluation of plant and machinery	**1,047**	1,527	**-**	-
	17,308	23,151	**545**	523
Deferred tax assets:-				
Unabsorbed capital allowances	**(2,482)**	(3,868)	**(209)**	(209)
Unutilised tax losses	**(3,122)**	(2,571)	**(336)**	(314)
Others	**(273)**	(250)	**-**	-
	(5,877)	(6,689)	**(545)**	(523)
	11,431	16,462	**-**	-

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

	THE GROUP		THE COMPANY	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unabsorbed capital allowances	**11,780**	9,940	**-**	-
Unutilised tax losses	**48,801**	47,867	**1,841**	1,930
Others	**235**	408	**-**	-
	60,816	58,215	**1,841**	1,930

Notes to the Financial Statements

For the financial year ended 31 January 2010

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 2010 RM'000	THE GROUP 2009 RM'000
RM equivalent of trade payables denominated in:-		
United States Dollar	**2,264**	1,456
Euro	**372**	-

28. OTHER PAYABLES AND ACCRUALS

	THE GROUP 2010 RM'000	THE GROUP 2009 RM'000	THE COMPANY 2010 RM'000	THE COMPANY 2009 RM'000
Deposit received for the disposal of land	**-**	2,222	**-**	-
Import duties	**-**	84	**-**	-
Interest expense	**-**	3,389	**-**	156
Restructuring fee	**-**	422	**-**	422
Accrued compensation to bungalow lots purchasers and settlement of charges in respect of the disposal of properties	**15,000**	-	**-**	-
Others	**7,703**	5,599	**1,082**	1,306
	22,703	11,716	**1,082**	1,884

The deposit for the disposal of land in the previous financial year was received from a company in which Dato' Lim Kheng Yew and a person connected to him have substantial financial interests.

29. AMOUNT OWING TO DIRECTORS

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

Notes to the Financial Statements

For the financial year ended 31 January 2010

30. SHORT-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Secured:-				
Bills payable	**11,830**	11,730	**-**	-
Term loans (Note 25)	**166,802**	183,227	**162,190**	179,926
	178,632	194,957	**162,190**	179,926

The bills payable bore a weighted average interest rate of 4.4% (2009 - 5.9%) per annum at the balance sheet date and are secured by:-

(i) legal charges over the 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 7.1% (2009 - 7.4%) 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	
	2010	**2009**
	RM'000	**RM'000**
		(Restated)
Sale of land	**105,449**	-
Sale of goods	**56,560**	52,612
	162,009	52,612

Notes to the Financial Statements

For the financial year ended 31 January 2010

33. OTHER INCOME

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

	THE GROUP		THE COMPANY	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Reversal of service charge	**400**	-	**-**	-
Waiver of debts from/(to):				
- lenders	**59,067**	-	**59,067**	-
- subsidiaries	**-**	-	**(52,669)**	-
Waiver of profit sharing expenses	**3,389**	-	**156**	-
Waiver of restructuring fee	**1,462**	-	**1,462**	-

Certain banking facilities obtained by the Company are mainly in respect of the land held for development belonging to certain subsidiaries. Accordingly, a portion of the waiver of debts from the lenders was allocated to these subsidiaries.

The waiver of debts from the lenders is presented net of waiver of debts allocated to these subsidiaries in the income statement.

34. OTHER EXPENSES

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

	THE GROUP		THE COMPANY	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Allowance for doubtful debts	**180**	112	**410**	860
Bad debts written off	**713**	28	**-**	-
Development costs written off	**1,471**	188	**-**	-
Impairment loss on investments in subsidiaries	**-**	-	**730**	1,900
Loss on disposal of subsidiaries	**-**	757	**-**	597
Impairment loss on plant and equipment	**159**	-	**-**	-
Inventories written off	**825**	-	**-**	-
Accrued compensation to bungalow lots purchasers and settlement of charges in respect of the disposal of properties	**15,000**	-	**-**	-

Notes to the Financial Statements

For the financial year ended 31 January 2010

35. FINANCE COSTS

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

	THE GROUP		THE COMPANY	
	2010	2009	2010	2009
	RM'000	RM'000 (Restated)	RM'000	RM'000
Interest expense	**(43,140)**	(15,922)	**(41,854)**	(12,337)
Interest income receivable from subsidiaries	**-**	-	**39,331**	11,070

Included in interest expense of the Group and of the Company are amounts of approximately RM29,305,000 and RM1,477,000, respectively which arose as a result of the full and final settlement of banking facilities with certain financial institutions. As these banking facilities relates mainly to the land held for development belonging to certain subsidiaries, an appropriate proportion of the interest expense was accordingly allocated to the respective subsidiaries.

36. PROFIT/(LOSS) BEFORE TAXATION

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

		THE GROUP		THE COMPANY	
		2010	2009	2010	2009
	NOTE	RM'000	RM'000 (Restated)	RM'000	RM'000
Audit fee					
- for the financial year		**132**	100	**36**	23
- underprovision in the previous financial year		**11**	14	**7**	5
Amortisation of prepaid lease payments		**128**	128	**-**	-
Deposit written off		**-**	25	**-**	-
Depreciation of property, plant and equipment		**3,584**	3,515	**209**	194
Directors' fee	37	**62**	54	**62**	54
Directors' non-fee emoluments	37	**1,094**	889	**-**	-
Equipment written off		**2**	28	**2**	-
Rental expense		**266**	252	**226**	274
Staff costs		**7,820**	8,302	**-**	-
Gain on strike off of a subsidiary		**(3)**	-	**-**	-
Net gain on foreign exchange - realised		**(178)**	(51)	**-**	-

Notes to the Financial Statements

For the financial year ended 31 January 2010

36. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

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

		THE GROUP		THE COMPANY	
	NOTE	2010 RM'000	2009 RM'000 (Restated)	2010 RM'000	2009 RM'000
Interest income		**(1)**	(5)	**-**	-
Net loss/(gain) on disposal of plant and equipment		**69**	157	**-**	(9)
Rental income		**(387)**	(572)	**(21)**	(60)
Writeback of allowance for doubtful debts		**(2)**	(8)	**-**	-
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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Directors of the Company:				
- Executive:				
- Salaries and other emoluments	**1,094**	889	**-**	-
- Non-Executive:				
- Fee	**62**	54	**62**	54
	1,156	943	**62**	54

Notes to the Financial Statements

For the financial year ended 31 January 2010

37. DIRECTORS' REMUNERATION (CONT'D)

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	
	2010	**2009**
Executive directors:		
- RM100,000 – RM200,000	**1**	1
- RM200,001 – RM300,000	**-**	1
- RM300,001 – RM400,000	**1**	-
- RM400,001 – RM500,000	**-**	1
- RM500,001 – RM600,000	**1**	-
	3	3
Non-Executive directors:		
- Below RM50,000	**6**	5
	9	8

38. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Continuing Operations				
Current tax expense:				
- for the financial year	**65**	4	**-**	-
Deferred tax expense (Note 26):				
- relating to origination and reversal of temporary differences	**(4,050)**	(856)	**-**	-
- change in tax rate on the opening balance	**-**	(16)	**-**	-
- overprovision in previous financial years	**(1,161)**	(14)	**-**	-
	(5,211)	(886)	**-**	-
	(5,146)	(882)	**-**	-

During the current financial year, the statutory tax rate remained at 25% as announced in the Malaysian Budget 2009.

Notes to the Financial Statements

For the financial year ended 31 January 2010

38. INCOME TAX EXPENSE (CONT'D)

The reconciliation of income tax expense applicable to the profit/(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	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit/(Loss) before taxation from:				
- continuing operations	**24,436**	(18,994)	**2,835**	(5,611)
- discontinued operations	**(473)**	(502)	**-**	-
	23,963	(19,496)	**2,835**	(5,611)
Tax at the statutory tax rate of 25%	**5,991**	(4,874)	**709**	(1,403)
Tax effects of:-				
Effect on change in tax rates on opening balance of deferred tax	**-**	95	**-**	-
Non-taxable gains	**(16,510)**	-	**(2,004)**	-
Non-deductible expenses	**11,311**	4,624	**1,311**	1,423
Deferred tax assets not recognised during the financial year	**877**	800	**-**	-
Reversal of deferred tax in respect of properties disposed of	**(4,834)**	-	**-**	-
Utilisation of deferred tax assets not recognised in the previous financial year	**(820)**	(1,513)	**(16)**	(20)
Overprovision of deferred tax in previous financial years	**(1,161)**	(14)	**-**	-
	(5,146)	(882)	**-**	-

Subject to agreement with the tax authorities, the Group has unabsorbed reinvestment allowances of approximately RM21,010,000 (2009 - RM17,615,000) available at the balance sheet date to be carried forward for offset against future taxable business income.

Notes to the Financial Statements

For the financial year ended 31 January 2010

39. BASIC EARNINGS/(LOSS) PER SHARE

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

	THE GROUP	
	2010	**2009**
Profit/(Loss) from continuing operations attributable to shareholders (RM'000)	**20,125**	(13,804)
Loss from discontinued operations attributable to shareholders (RM'000)	**(255)**	(271)
Profit/(Loss) attributable to shareholders	**19,870**	(14,075)
Weighted average number of ordinary shares in issue ('000)	**81,246**	81,135
Basic earnings/(loss) per share (sen) for:-		
- continuing operations	**24.8**	(17.0)
- discontinued operations	**(0.3)**	(0.3)
	24.5	(17.3)

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 PROPERTY, PLANT AND EQUIPMENT

	THE GROUP		THE COMPANY	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cost of property, plant and equipment purchased	**(2,830)**	(1,576)	**(8)**	(184)
Amount financed though hire purchase	**288**	246	**-**	137
Cash disbursed for the purchase of property, plant and equipment	**(2,542)**	(1,330)	**(8)**	(47)

Notes to the Financial Statements

For the financial year ended 31 January 2010

41. DISPOSAL OF SUBSIDIARIES

On 17 September 2009, the Board of Directors resolved to consent to the application to strike off Enchant Delight Sdn. Bhd., a 54% owned subsidiary of the Company, from the Companies Commission of Malaysia. The said company has been struck off and dissolved pursuant to Section 308 (2) of the Companies Act, 1965 on 22 March 2010.

In the previous financial year, 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.

In the previous financial year, on 20 October 2008, a members' resolution was passed at a General Meeting of KYM Industries (Ipoh) Sdn. Bhd. ("KYM Ipoh"), a wholly owned subsidiary of the Company, to strike off the name of KYM Ipoh from the 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 position of the Group at the end of the financial year are as follows:-

	THE GROUP	
	2010 RM'000	**2009 RM'000**
Investment property	**-**	3,500
Non-current liabilities	**-**	(96)
Current liabilities	**(6)**	(2,469)
Minority interests share of net liabilities/(assets)	**3**	-
(Increase)/Decrease in net assets of the Group	**(3)**	935

Notes to the Financial Statements

For the financial year ended 31 January 2010

41. DISPOSAL OF SUBSIDIARIES (CONT'D)

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

	THE GROUP	
	2010	**2009**
	RM'000	**RM'000**
Investment property	**-**	3,500
Non-current liabilities	**-**	(96)
Current liabilities	**(6)**	(2,469)
Minority interests share of net liabilities/(assets)	**3**	-
Fair value of net (liabilities)/assets disposed	**(3)**	935
Gain on strike off of a subsidiary	**3**	-
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 derived after taking into consideration incidental costs of the disposals amounting to approximately RM65,000 in the previous financial year.

42. CASH AND CASH EQUIVALENTS

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

	THE GROUP		THE COMPANY	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fixed deposits with licensed banks (Note 18)	**110**	177	**-**	-
Cash and bank balances	**781**	2,025	**13**	981
Bank overdrafts (Note 31)	**(773)**	(818)	**-**	-
	118	1,384	**13**	981

Notes to the Financial Statements

For the financial year ended 31 January 2010

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 6 to the financial statements;

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

(iii) companies in which certain directors and/or persons connected to a director 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	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest income charged to subsidiaries:				
- Harta Makmu Sdn. Bhd.	**-**	-	**32,533**	9,088
- Polypulp Enterprises Sdn. Bhd.	**-**	-	**6,798**	1,979
- Teguh Amalgamated Sdn. Bhd.	**-**	-	**-**	3
Interest expense charged by a subsidiary				
- KYM Industries (M) Sdn. Bhd.	**-**	-	**506**	634
Waiver of debt granted to subsidiaries:				
- Harta Makmur Sdn. Bhd.	**-**	-	**42,760**	-
- Polypulp Enterprises Sdn. Bhd.	**-**	-	**9,909**	-
Rental charged to a subsidiary:				
- KYM Industries (Johor) Sdn. Bhd.	**-**	-	**21**	60
Rental charged by a subsidiary:				
- Teguh Amalgamated Sdn. Bhd.	**-**	-	**192**	240
Equipment transferred from a subsidiary:				
- KYM Industries (Melaka) Sdn Bhd	**-**	-	**-**	3
- KYM Industries (Johor) Sdn Bhd	**-**	-	**-**	2

Notes to the Financial Statements

For the financial year ended 31 January 2010

43. RELATED PARTY DISCLOSURES (CONT'D)

(ii) Key management personnel

	THE GROUP		THE COMPANY	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Short-term employee benefits (Note 37)	**1,156**	943	**62**	54

(iii) Other related parties

	THE GROUP		THE COMPANY	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Sales to:				
- J.K. Wire Harness Sdn. Bhd. #	**-**	14	**-**	-
- Unipulp Trading Sdn. Bhd. ***	**243**	-	**-**	-
Rental charged by:				
- Tzel Properties Sdn. Bhd. ###	**34**	34	**34**	34
Interest charged by:				
- Datin Millie Lee Siew Kim ^	**62**	26	**-**	-
- Idaman Bina Makmur Sdn. Bhd. ##	**-**	10	**-**	-
- Cabaran Minetech Sdn. Bhd. *	**-**	6	**-**	-
- Tzel Assets Sdn. Bhd. **	**-**	14	**-**	-

- 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, Dato' Lim Kheng Yew and a person connected to Dato' Lim Kheng Yew 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 a person connected to Dato' Lim Kheng Yew is a director and has a substantial financial interest.

- A company in which Dato' Lim Kheng Yew is a director and persons connected to Dato' Lim Kheng Yew are directors and/or have substantial financial interests.

Notes to the Financial Statements

For the financial year ended 31 January 2010

44. CONTINGENT LIABILITY

	THE GROUP		THE COMPANY	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
UNSECURED:				
Corporate guarantee given to licensed banks for banking facilities granted to certain subsidiaries	**-**	-	**25,981**	28,727

45. SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

(a) Disposal of Properties

On 11 June 2009, the Company and HMSB, a 54% owned subsidiary of the Company, entered into a conditional Sale and Purchase Agreement with Vale to:-

(i) dispose of sixteen (16) parcels of leasehold land ("Disposal Properties") to Vale for an aggregate cash consideration of approximately RM 101.9 million; and

(ii) the proposed grant of an option to Vale to purchase from the Company an additional thirteen (13) parcels of leasehold properties ("Option Properties") for an aggregate cash consideration of approximately RM93.8 million.

The disposal as referred to in (i) above has been completed during the current financial year.

Subsequent to the balance sheet date, Vale has exercised its option to purchase the Option Properties by paying an option fee of approximately RM9.4 million to the stakeholder. Consequently, on 31 March 2010, the Company and HMSB had entered into a conditional sale and purchase agreement ("the Tranche 2 SPA") with Vale Malaysia Manufacturing Sdn Bhd, a nominee appointed by Vale for the purposes of entering into this agreement, for the disposal of the Option Properties for an aggregate cash consideration of approximately RM93.8 million. The Tranche 2 SPA has not been completed at the date the financial statements were authorised for issue by the Board of Directors.

(b) Balance Sheet Restructuring

On 2 July 2009, the Company announced to undertake the following balance sheet restructuring:

- Share Premium Reduction;
- Par Value Reduction;
- Memorandum & Articles of Association amendments; and
- Proposed Issuance of Free Warrants (Note 23).

The above balance sheet restructuring has been completed during the current financial year except for the Proposed Issuance of Free Warrants which was completed on 1 March 2010.

(c) Debt Settlement Agreement

On 10 December 2009, the Company and HMSB had entered into a Debt Settlement Agreement with its lenders to settle the outstanding debts as disclosed in Note 25(a) to the financial statements via the proceeds from disposal of properties as stated in Note 45(a) above. The details of settlement terms are set out in Note 25 to the financial statements.

Notes to the Financial Statements

For the financial year ended 31 January 2010

45. SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR (CONT'D)

(d) Private Placement

On 20 January 2010, the Company announced to undertake a private placement exercise of up to 8,113,450 new ordinary shares of RM0.50 each, representing 10% of the existing issued and paid-up share capital of the Company at the time of the announcement was made, at an issue price of RM0.75 per ordinary share.

At the balance sheet date, 8,100,000 new ordinary shares were issued under the Private Placement as disclosed in the Directors' Report.

(e) Proposed Establishment of Employee Share Option Scheme ("ESOS")

On 20 January 2010, the Company announced that it proposed to establish a new ESOS of up to 15% of the issued and paid-up share capital of the Company for eligible directors and eligible employees of the Group. The ESOS was approved by the shareholders of the Company at an Extraordinary General Meeting held on 13 April 2010 and implemented on 16 April 2010.

(f) Proposed Acquisition of A Leasehold Land

(i) On 30 March 2010, the Company had entered into a sale and purchase agreement to purchase a piece of leasehold land from a related party, Idaman Bina Makmur Sdn Bhd, for an aggregate purchase consideration of RM12 million. The purchase consideration will be satisfied by a cash consideration of RM100,000 and the balance of RM11,900,000 via the issuance of the ordinary shares of the Company at an issue price of RM1.36 per ordinary share("Proposed Ipoh Land Acquisition").

(ii) Dato' Lim Kheng Yew has proposed to seek an exemption under Practice Note 2.9.1 of the Code from the obligation to undertake a MGO for the remaining Company's shares not already owned by him and parties acting in concert with him upon the issuance of new ordinary shares pursuant to the Proposed Ipoh Land Acquisition above ("Proposed Exemption").

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

46. 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:-

	2010 RM	**2009 RM**
United States Dollar	**3.41**	3.61
Singapore Dollar	**2.43**	2.39
Euro	**4.76**	-

Notes to the Financial Statements

For the financial year ended 31 January 2010

47. SEGMENTAL REPORTING

	CONTINUING OPERATIONS							
	MANUFACTURING RM'000	INVESTMENT HOLDING RM'000	PROPERTY RM'000	OTHERS RM'000	ELIMINATIONS RM'000	GROUP RM'000	DISCONTINUED OPERATION RM'000	TOTAL OPERATIONS RM'000
2010								
Revenue	57,449	-	105,737	1,293	(2,470)	162,009	2,089	164,098
Results:								
Segment results (external)	6,708	15,869	44,976	(1,280)	1,302	67,575	(468)	67,107
Interest income	1	-	-	-	-	1	-	1
Interest expense	(1,285)	(9,322)	(32,533)	-	-	(43,140)	(5)	(43,145)
Profit/(Loss) before taxation	5,424	6,547	12,443	(1,280)	1,302	24,436	(473)	23,963
Income tax expense						5,146	-	5,146
Profit/(Loss) after taxation						29,582	(473)	29,109
Minority interests						(9,457)	218	(9,239)
Profit/(Loss) for the financial year						20,125	(255)	19,870
Other Information:								
Segment assets	88,662	238,451	124,095	7,766	(263,026)	195,948	102,480	298,428
Unallocated assets						18	-	18
						195,966	102,480	298,446
Segment liabilities	49,148	217,162	177,458	33,499	(255,946)	221,321	-	221,321
Unallocated liabilities						4,377	7,119	11,496
						225,698	7,119	232,817
Capital expenditure	1,573	8	7	1,242	-	2,830	-	2,830
Depreciation and amortisation	3,246	282	121	63	-	3,712	386	4,098
Development costs written off	-	-	1,471	-	-	1,471	-	1,471
Bad debts written off	3	-	710	-	-	713	-	713
Inventories written off	-	-	825	-	-	825	-	825

Notes to the Financial Statements

For the financial year ended 31 January 2010

47. SEGMENTAL REPORTING (CONT'D)

	CONTINUING OPERATIONS							
	MANUFACTURING RM'000	INVESTMENT HOLDING RM'000	PROPERTY RM'000	OTHERS RM'000	ELIMINATIONS RM'000	GROUP RM'000	DISCONTINUED OPERATION RM'000	TOTAL OPERATIONS RM'000
2009 (Restated)								
Revenue	53,679	-	336	722	(2,125)	52,612	1,636	54,248
Results:								
Segment results (external)	513	(3,871)	(718)	(1,450)	2,449	(3,077)	(500)	(3,577)
Interest income	5	-	-	-	-	5	-	5
Interest expense	(1,536)	(3,605)	(10,775)	(6)	-	(15,922)	(2)	(15,924)
Loss before taxation	(1,018)	(7,476)	(11,493)	(1,456)	2,449	(18,994)	(502)	(19,496)
Income tax expense						882	-	882
Loss after taxation						(18,112)	(502)	(18,614)
Minority interests						4,308	231	4,539
Loss for the financial year						(13,804)	(271)	(14,075)
Other Information:								
Segment assets	85,668	248,105	201,129	23,867	(281,657)	277,112	-	277,112
Unallocated assets						12	-	12
						277,124	-	277,124
Segment liabilities	51,094	239,396	177,708	33,535	(271,523)	230,210	-	230,210
Unallocated liabilities						16,466	-	16,466
						246,676	-	246,676
Capital expenditure	731	845	-	-	-	1,576	-	1,576
Depreciation and amortisation	3,194	267	119	63	-	3,643	229	3,872
Development costs written off	-	-	188	-	-	188	-	188
Bad debts written off	-	-	-	28	-	28	-	28

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

Notes to the Financial Statements

For the financial year ended 31 January 2010

48. 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.

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

(a) 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.

(b) 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.

(c) 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.

(d) 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 31.1.2010					
Contingent liabilities	44	-	-	25,981	*
At 31.1.2009					
Contingent liabilities	44	-	-	28,727	*

* - 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.

Notes to the Financial Statements

For the financial year ended 31 January 2010

49. COMPARATIVE FIGURES

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

	THE GROUP	
	As Restated RM	As Previously Reported RM
INCOME STATEMENTS (EXTRACT):-		
Revenue	52,612	54,248
Cost of sales	(46,077)	(47,776)
Other income	1,254	1,321
Selling and distribution expenses	(2,940)	(2,959)
Administrative expenses	(5,587)	(5,843)
Other expenses	(2,061)	(2,290)
Finance costs	(16,195)	(16,197)
Loss after taxation from discontinued operations	(502)	-

List of Properties

AS AT 31 JANUARY 2010

Location/Address	Land Area (m^2)	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.	21 years	3,556,000
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.	22 years	3,561,364
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.	18 years	6,245,702
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.	18 years	4,477,705
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	23 years	5,904,000

List of Properties
AS AT 31 JANUARY 2010

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.	15 years	5,627,233
PN 210047, Lot No.6916 PN 210048, Lot No.6917 HSD 30121, PT No.13460, HSD 30122, PT No.13461, HSD 30123, PT No.13462, PN 210052, Lot No.6922 PN 210053, Lot No.6923 PN 210054, Lot No.6924 PN 210055, Lot No.6925 PN 210061, Lot No.6927 HSD 30119, PT No.13458, HSD 30120, PT No.13459, HSD 30124, PT No.13463, HSD 30125, PT No.13464 & H.S.(D)489 PT No.4116, all in the Mukim of Lumut, Daerah Manjung,Perak PN 210056, Lot No.32704, HSD 30116, PT No.34619, HSD 30117, PT No.34620, HSD 30114, PT No.34617, HSD 30115, PT No.34618, PN 210059, Lot No.32707, PN 210071, Lot No.32708, HSD 30112, Pt No. 34615 & HSD 30113, Pt No. 34616, all in the Mukim Sitiawan, District of Manjung, Perak	3,484,889	99 years Leasehold Expiring on 14.03.2089	(31.01.2008)	Jungle/vacant land	-	112,301,212

Analysis of Shareholdings

as at 15 June 2010

Class of Securities	:	Ordinary Shares of RM0.50 each
Authorised Share Capital	:	RM1,000,000,000 divided into 2,000,000,000 Ordinary Shares of RM0.50 each
Issued and fully Paid Up Share Capital	:	RM44,617,250.00
Voting Rights	:	1 vote per share
No. of Shareholders	:	1,997

Distribution Of Shareholdings

Size of Shareholding	Number of Holders	Total Holdings	%
1- 99	13	300	0.00
100 – 1,000	613	590,813	0.66
1,001 – 10,000	939	4,518,979	5.06
10,001 – 100,000	355	12,165,442	13.63
100,001 – 4,461,724	75	49,658,966	55.65
4,461,725 and above	2	22,300,000	24.99
Total	**1,997**	**89,234,500**	**100.00**

Substantial Shareholders

As registered in the Register of Substantial Shareholders as at 15 June 2010

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Cheong Chan Holdings Sdn Bhd	22,300,000	24.99	-	-
Dato' Lim Kheng Yew	3,003,193	3.37	#29,213,000	32.74

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

Thirty Largest Shareholders

as at 15 June 2010

	Name of Shareholders	No. of Ordinary Shares held	% of Issued Capital
1.	CHEONG CHAN HOLDINGS SDN BHD	11,940,000	13.38
2.	UOBM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEONG CHAN HOLDINGS SDN BHD	10,360,000	11.61
3.	KYM SDN BHD	3,800,000	4.26
4.	RENFIELD INVESTMENT LIMITED	3,000,000	3.36

Analysis of Shareholdings

as at 15 June 2010

	Name of Shareholders	No. of Ordinary Shares held	% of Issued Capital
5.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR RBS COUTTS BANK LTD	2,600,000	2.91
6.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KHENG YEW	2,500,000	2.80
7.	MELISSA LIM SU LIN	2,020,000	2.26
8.	KENANGA NOMINEES (ASING) SDN BHD CANTAL CAPITAL INC.	2,020,000	2.24
9.	KENANGA NOMINEES (ASING) SDN BHD EMMEL INC.	2,000,000	2.24
10.	IHSAN INDAH (M) SDN BHD	1,974,000	2.21
11.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHEE HUA	1,833,000	2.05
12.	TS CAPITAL SDN BHD	1,800,000	2.02
13.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE	1,723,400	1.82
14.	KENANGA NOMINEES (ASING) SDN BHD SHEPEL INC	1,620,000	1.82
15.	LIM CHIN HUAT	1,220,000	1.37
16.	LIM TZE THEAN	1,093,000	1.22
17.	HDM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG WYMIN	1,000,000	1.12
18.	HSBC NOMINEES (ASING) SDN BHD HSBC PRIVATE BANK (SUISSE) S.A.	1,000,000	1.12
19.	LTT CAPITAL SDN.BHD.	1,000,000	1.12
20.	MARATHON CAPITAL SDN BHD	1,000,000	1.12
21.	LOH TOH HEOH	920,000	1.03
22.	CHIA KING GUEK	850,000	0.95
23.	SAI YEE @ SIA SAY YEE	819,000	0.92
24.	MEL CAPITAL SDN BHD	800,000	0.90
25.	MAGNITUDE NETWORK SDN BHD	775,273	0.87
26.	BHLB TRUSTEE BERHAD TA DANA OPTIMIX	674,700	0.76
27.	MOHD ALI BIN MOHD TAHIR	600,000	0.67
28.	LIM CHIN HUAT	566,000	0.63
29.	JERENE SIEW CHING TAN	558,000	0.63
30.	LIM KHENG YEW	503,193	0.56
		62,569,566	70.12

Analysis of Warrantholdings

as at 15 June 2010

Number of warrants in issue	:	40,567,250 Warrants 2010/2013
No. of Warrants Unexercised	:	40,567,250
Exercise Price	:	RM0.50
Number of Warrantholders	:	1,537

Distribution Of Warrantholdings

as at 15 June 2010

Size of Shareholding	Number of Holders	Total Holdings	%
1- 99	34	1,056	0.00
100 – 1,000	797	505,049	1.24
1,001 – 10,000	511	2,067,605	5.10
10,001 – 100,000	147	4,663,553	11.50
100,001 – 2,028,361	46	22,179,987	54.67
1,028,362 and above	2	11,150,000	27.49
Total	**1,537**	**40,567,250**	**100.00**

Substantial Warrantholders

as at 15 June 2010

	No. of Warrants Held			
Name	Direct	%	Indirect	%
Cheong Chan Holdings Sdn Bhd	11,150,000	27.49	-	-
Dato' Lim Kheng Yew	1,501,601	3.70	#14,606,500	36.01

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

Thirty Largest Warrantholders

as at 15 June 2010

	Name of Warrantholders	No. of Warrants held	%
1.	CHEONG CHAN HOLDINGS SDN BHD	5,970,000	14.72
2.	UOBM NOMINEES (TEMPATAN) SDN BHD PLEGED SECURITIES ACCOUNT FOR CHEONG CHAN HOLDINGS SDN BHD	5,180,000	12.77
3.	KYM SDN BHD	1,900,000	4.68
4.	RENFIELD INVESTMENT LIMITED	1,500,000	3.70

Analysis of Warrantholdings

as at 15 June 2010

	Name of Warrantholders	No. of Warrants held	%
5.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KHENG YEW	1,250,000	3.08
6.	LIM CHIN HUAT	1,238,000	3.05
7.	MELISSA LIM SU LIN	1,010,000	2.49
8.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR RBS COUTTS BANK LTD	1,000,000	2.47
9.	KENANGA NOMINEES (ASING) SDN BHD EMMEL INC.	1,000,000	2.47
10.	IHSAN INDAH (M) SDN BHD	987,000	2.43
11.	TS CAPITAL SDN BHD	900,000	2.22
12.	KENANGA NOMINEES (ASING) SDN BHD CANTAL CAPITAL INC.	850,000	2.10
13.	HDM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG WYMIN	847,400	2.09
14.	KENANGA NOMINEES (ASING) SDN BHD SHEPEL INC	800,000	1.97
15.	PREMIER SALUTES SDN. BHD.	577,100	1.42
16.	LIM TZE THEAN	546,500	1.35
17.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR HSBC PRIVATE BANK (SUISSE) S.A.	500,000	1.23
18.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE	500,000	1.23
19.	LTT CAPITAL SDN.BHD.	500,000	1.23
20.	MARATHON CAPITAL SDN BHD	500,000	1.23
21.	MAGNITUDE NETWORK SDN BHD	387,636	0.96
22.	MEL CAPITAL SDN BHD	375,000	0.92
23.	AFFIN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEONG MOY FAH	332,500	0.82
24.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHEE HUA	311,000	0.77
25.	SAI YEE @ SIA SAY YEE	295,000	0.73
26.	LCH CAPITAL HOLDING SDN.BHD.	290,000	0.71
27.	LIM CHIN HUAT	260,000	0.64
28.	WONG KIEN CHEONG	254,200	0.63
29.	LIM KHENG YEW	251,601	0.62
30.	LTT CAPITAL SDN.BHD.	250,000	0.62
		30,562,937	75.34

Statement Of Directors' Interests In Shares and Warrants

as at 15 June 2010

	Ordinary Shares			
Name	**Direct**	**%**	**Indirect**	**%**
Dato' Seri Dr. Isahak Bin Yeop Mohamad Shar	-	-	-	-
Dato' Lim Kheng Yew	3,003,193	3.37	#29,213,000	32.74
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	-	-	-	-

	Warrants 2010/2013			
Name	**Direct**	**%**	**Indirect**	**%**
Dato' Seri Dr. Isahak Bin Yeop Mohamad Shar	-	-	-	-
Dato' Lim Kheng Yew	1,501,601	3.70	#14,606,500	36.01
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.

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-Eighth Annual General Meeting of the Company to be held at No. 12 Lorong Medan Tuanku Satu 50300 Kuala Lumpur on Wednesday, 28 July 2010 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' Rahadian Mahmud bin Mohammad Khalil		
4.	Re-election of Dato' Ir. Mohamad Othman bin Zainal Azim		
5.	Re-election of Dato' Mohd Azmi bin Othman		
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 .... , 2010

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 members 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.

Please fold along this line (1)

Stamp

The Company Secretary

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

12 Lorong Medan Tuanku Satu
50300 Kuala Lumpur

Please fold along this line (1)

www.kym.com.my

Master Alliance Communications (M) Sdn. Bhd.