

KIA LIM BERHAD (342868-P)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2011**

	CURRENT QUARTER ENDED 31/03/2011 RM '000	COMPARATIVE QUARTER ENDED 31/03/2010 RM '000	3 MONTHS CUMULATIVE TO DATE 31/03/2011 RM '000	COMPARATIVE 3 MONTHS CUMULATIVE TO DATE 31/03/2010 RM '000
Continuing Operations				
Revenue	13,880	10,835	13,880	10,835
Cost Of Sales	<u>(10,602)</u>	<u>(10,701)</u>	<u>(10,602)</u>	<u>(10,701)</u>
Gross Profit	3,278	134	3,278	134
Other Operating Income	320	163	320	163
Selling And Distribution Expenses	(1,752)	(1,684)	(1,752)	(1,684)
Administrative Expenses	(909)	(1,057)	(909)	(1,057)
Finance Costs	(633)	(677)	(633)	(677)
Share Of Loss Of Associated Companies	-	-	-	-
Other Investment Income	-	-	-	-
Profit/(Loss) Before Tax	<u>304</u>	<u>(3,121)</u>	<u>304</u>	<u>(3,121)</u>
Income Tax Expense	-	-	-	-
Net Profit/(Loss)	<u>304</u>	<u>(3,121)</u>	<u>304</u>	<u>(3,121)</u>
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Year	<u><u>304</u></u>	<u><u>(3,121)</u></u>	<u><u>304</u></u>	<u><u>(3,121)</u></u>
Profit/(Loss) Attributable To : Owners Of The Parent	<u><u>304</u></u>	<u><u>(3,121)</u></u>	<u><u>304</u></u>	<u><u>(3,121)</u></u>
Total Comprehensive Income Attributable To : Owners Of The Parent	<u><u>304</u></u>	<u><u>(3,121)</u></u>	<u><u>304</u></u>	<u><u>(3,121)</u></u>
Earnings/(Loss) Per Share				
- Basic (Sen)	0.49	(5.04)	0.49	(5.04)
- Fully Diluted (Sen)	0.49	(5.04)	0.49	(5.04)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for the year ended 31 December 2010)

KIA LIM BERHAD (342868-P)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	(UNAUDITED) AS AT 31/03/2011 RM `000	(AUDITED) AS AT 31/12/2010 RM `000
ASSETS		
Non-current assets		
Property, Plant and Equipment	85,256	86,553
Investment in Associated Company	83	83
Investment Properties	240	240
Long Term Investments	137	137
	<u>85,716</u>	<u>87,013</u>
Current assets		
Inventories	11,259	11,528
Trade and Other Receivables	9,249	11,817
Cash and Bank Balances	471	26
	<u>20,979</u>	<u>23,371</u>
TOTAL ASSETS	<u>106,695</u>	<u>110,384</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	61,938	61,938
Reserves		
- Share Premium	7,283	7,283
- Revaluation Reserve	22,418	22,418
- Accumulated Losses	(35,711)	(36,015)
Total equity	<u>55,928</u>	<u>55,624</u>
Non-current liabilities		
Borrowings	14,647	15,442
Current liabilities		
Trade and Other Payables	19,411	21,518
Borrowings	16,709	17,800
Total liabilities	<u>50,767</u>	<u>54,760</u>
TOTAL EQUITY AND LIABILITIES	<u>106,695</u>	<u>110,384</u>
Net Assets Per Share (RM)	<u>0.9030</u>	<u>0.8981</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the year ended 31 December 2010)

KIA LIM BERHAD (342868-P)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2011

	3 MONTHS ENDED 31/03/2011 RM `000	3 MONTHS ENDED 31/03/2010 RM `000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	304	(3,121)
Adjustment for:		
- Non-cash items	1,480	1,447
- Non-operating items	518	695
Operating profit/(loss) before working capital changes	<u>2,302</u>	<u>(979)</u>
Changes in working capital:		
- Net change in current assets	2,952	5,381
- Net change in current liabilities	(2,625)	(2,052)
Net cash generated from operating activities	<u>2,629</u>	<u>2,350</u>
CASHFLOW FROM INVESTING ACTIVITIES		
- Equity investment	-	-
- Other investment	(114)	(686)
Net cash used in investing activities	<u>(114)</u>	<u>(686)</u>
CASHFLOW FROM FINANCING ACTIVITIES		
- Repayment of bank borrowings	(946)	(892)
Net cash used in financing activities	<u>(946)</u>	<u>(892)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,569	772
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	(4,999)	(4,758)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u><u>(3,430)</u></u>	<u><u>(3,986)</u></u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited Financial Statements for the year ended 31 December 2010)

KIA LIM BERHAD (342868-P)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2011**

	← ATTRIBUTABLE TO OWNERS OF THE PARENT →				
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	REVALUATION RESERVE RM'000	ACCUMMULATED LOSSES RM'000	
<u>3 months period ended 31 March 2011</u>					
Balance at beginning of year	61,938	7,283	22,418	(36,015)	55,624
Net profit for the year	-	-	-	304	304
Balance at end of year	<u>61,938</u>	<u>7,283</u>	<u>22,418</u>	<u>(35,711)</u>	<u>55,928</u>
<u>3 months period ended 31 March 2010</u>					
Balance at beginning of year	61,938	7,283	22,418	(35,041)	56,598
Effect on adopting FRS 139	-	-	-	3,025	3,025
Net loss for the year	-	-	-	(3,121)	(3,121)
Balance at end of year	<u>61,938</u>	<u>7,283</u>	<u>22,418</u>	<u>(35,137)</u>	<u>56,502</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for the year ended 31 December 2010)

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT - FRS 134

A1 Accounting policies

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The accounting policies and methods of computation in the interim financial statements are consistent with the annual financial statements for the year ended 31 December 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2011:

	Effective for annual periods beginning on or after
FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 Business Combinations (Revised)	1 July 2010
Amendments to FRS 2 Share-based Payment	1 July 2010
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 127 Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 138 Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 Service Concession Arrangements	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 FRS 132 Classification of Rights Issues	1 March 2010
Amendments to FRS 1 Limited Exemption from Comparative	
FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 7 Improving Disclosures about Financial Instruments	1 January 2011

The adoption of the above standards, amendments and interpretations do not have material impact on the financial statements of the Group.

The following FRS and IC Interpretation have been issued but not yet effective and have yet to be adopted by the Group:

FRS 124 Related Party Disclosures	1 January 2012
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012

A2 Audit Qualification

There was no audit qualification in the annual audit report of the Company's previous annual financial statements for the year ended 31 December 2010.

A3 Seasonal or cyclical factors

The principal business operations of the Group were not significantly affected by seasonal or cyclical factors.

A4 Items of unusual nature and amount

There were no items affecting the assets, liabilities, equity, net income, or cash flows of the Group that are unusual because of their nature, size or incidence.

A5 Changes in estimates of amounts reported in prior interim periods of the current and prior financial years

There were no significant changes in estimates of amounts reported in prior interim periods of the current or previous financial years that have a material effect in the current interim period.

A6 Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares in the current quarter and period to date.

A7 Dividends paid

There was no dividend paid for the period ended 31 March 2011.

A8 Segment revenue and results

No segmental reporting by activity is prepared as the Group is principally involved in one industry and one country.

A9 Valuation of property, plant and equipment

The valuations of property, plant and equipment have been carried forward without amendment from the financial year ended 31 December 2010.

A10 Subsequent events

As of todate, there has been no other material event subsequent to the period ended 31 March 2011.

A11 The effect of changes in the composition of the Group during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations

There were no changes in the composition of the Group during the current period.

A12 Contingent liabilities and contingent assets

As of todote, there have been no significant changes in contingent liabilities or contingent assets since the last balance sheet date.

B. ADDITIONAL INFORMATION AS REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS (PART A OF APPENDIX 9B)

B1 Review of performance

The Group registered revenue of RM13.9 million for the current quarter and period to date as compared to RM10.8 million for the preceding year corresponding quarter and period to date. The increase in revenue for the current quarter and period to date was mainly attributable to higher selling prices for the Group's products.

The Group recorded profit before taxation of RM0.3 million for the current quarter and period to date as compared to loss before taxation of RM3.1 million for the preceding year corresponding quarter and period to date. The improved result was primarily due to better profit margin as a result of better selling prices for the Group's products. The pre-tax loss for the preceding year corresponding quarter and period to date was also due to loss of production as a result of shutting down of several production lines for major repairs.

B2 Material change in profit before taxation for the current quarter compared to the immediate preceding quarter

The Group recorded profit before taxation of RM0.3 million for the current quarter as compared to RM1.0 million for the immediate preceding quarter. The decline in profit before taxation was primarily due to higher repair and maintenance costs as well as the energy costs as a result of the increase in diesel and fuel oil prices during the current quarter under review.

B3 Commentary on Company's Prospects

The economic outlook in both Singapore and Malaysia has shown signs of sustained recovery, and the Group has generally performed better with improved margins for its various products as compared to last year. However, the surge in material and energy prices may bring a challenge to the Group's bottom line.

Nevertheless, the Group will continue focus on its productivity improvements and cost efficiencies.

B4 Variances from profit forecast and profit guarantee

Not applicable to the Group as no profit forecast or profit guarantee was published.

B5 Taxation

No provision for taxation is necessary, as the Group and Company have no chargeable income.

B6 Realised and Unrealised Profits/Losses Disclosure

	As At 31/03/2011 RM'000	As At 31/12/2010 RM'000
Total accumulated losses of the Company and its subsidiaries:		
Realised	(42,428)	(42,741)
Unrealised	-	9
	<u>(42,428)</u>	<u>(42,732)</u>
Total share of retained profits from associated company:		
Realised	29	29
Unrealised	-	-
	<u>(42,399)</u>	<u>(42,703)</u>
Less: Consolidation adjustments	6,688	6,688
Total Group accumulated losses as per consolidated accounts	<u>(35,711)</u>	<u>(36,015)</u>

The determination of realised and unrealised earnings is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profit or loss above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

B7 Profits/(Losses) on sale of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties for the current quarter and period to date under review.

B8 Particulars of purchase or disposal of quoted securities

a) There were no purchases or disposals of quoted investments for the current quarter and period to date.

b) Investments in quoted securities are as follows:-

	RM '000
At cost	762
At carrying value	137
At market value	136

B9 Corporate proposals

a) Status of corporate proposals

There were no corporate proposals announced and not completed as at the date of this report.

B10 Borrowings and debt securities

The tenure of Group borrowings (all denominated in Malaysian currency) classified as short and long term categories are as follows:-

	31/03/2011
	RM'000
Short term - secured	16,709
- unsecured	-
Long term - secured	14,647
- unsecured	-
Total	<u>31,356</u>

B11 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the date of this report.

B12 Material litigation

The Group is not engaged in any material litigation as at 23 May 2011 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

B13 Dividends

The Board of Directors has not recommended any interim dividend for the period ended 31 March 2011 (2010: Nil).

B14 Earnings per share

(i) The basic earnings/(loss) per share is computed as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31/03/2011	Preceding Year Corresponding Quarter 31/03/2010	Current Year 31/03/2011	Preceding Year 31/03/2010
Net Profit/(Loss) For The Period Attributable To Equity Holders Of The Parent (RM'000)	304	(3,121)	304	(3,121)
Weighted Average Number Of Ordinary Shares ('000)	61,938	61,938	61,938	61,938
Basic Earnings/(Loss) Per Share (Sen)	0.49	(5.04)	0.49	(5.04)

(ii) Diluted earnings/(loss) per share

The diluted earnings/(loss) per share is presented same as basic earnings/(loss) per share as the conversions of all potential ordinary shares from warrants are not dilutive.

By order of the Board

Leong Siew Foong
Secretary (MAICSA No. 7007572)
Batu Pahat
23 May 2011