

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED BALANCE SHEET
FOR QUARTER ENDED 31 OCTOBER 2003

	As at end of current quarter 31.10.2003 RM'000	As at preceding year end 31.01.2003 RM'000
Property, plant and equipment	75,653	71,743
Land held for development	163,142	156,548
Intangible assets	3,612	3,612
Investment in associate	56,061	56,452
	298,468	288,355
Current assets		
Development Properties	-	1,628
Inventories	10,825	9,881
Trade and other receivables	20,053	21,632
Cash and cash equivalent	21,674	2,445
	52,552	35,586
Current liabilities		
Short term borrowings	15,218	12,003
Trade and other payables	70,023	71,592
Taxation	60	644
	85,301	84,239
Net current liabilities	(32,749)	(48,653)
	265,719	239,702
Financed By:		
Capital and reserves		
Share Capital	61,037	40,940
Reserves	83,597	84,967
Accumulated losses	(80,626)	(72,625)
Shareholders' fund	64,008	53,282
Minority shareholders' interests	16,765	17,007
Borrowings	163,235	147,702
Deferred taxation	21,711	21,711
	265,719	239,702
Net tangible assets per share (sen)	74	121

The Condensed Consolidated Balance Sheets (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2003

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR QUARTER ENDED 31 OCTOBER 2003

	2004		2003	
	Current quarter ended 31.10.2003	Comparable 9-months cumulative for current financial year to date ended	Comparable current quarter ended	Comparable 9-months cumulative for current financial year to date ended
	RM'000	RM'000	RM'000	RM'000
Revenue	18,276	50,501		
Other Operating Income	99	632		
Operating expenses	(19,040)	(55,022)		
Loss from operations	(665)	(3,889)		
Finance costs	(1,289)	(3,958)		
Investing Results	(65)	225		
Loss before taxation	(2,019)	(7,622)		
Taxation	(203)	(622)		
Loss after taxation	(2,222)	(8,244)		
Minority interests	54	243		
Net loss for the period	(2,168)	(8,001)		
EPS - Basic	(2.67)	(9.86)		
- Diluted	N/A	N/A		

The Condensed Consolidated Income Statements (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2003

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR QUARTER ENDED 31 OCTOBER 2003

	As at quarter ended 31 October, 2003 RM'000	As at year ended 31 January, 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(7,622)	(7,173)
Adjustments for:		
Non-cash items	3,893	9,920
Non-operating items	2,688	2,786
Operating profit before working capital changes	(1,041)	5,534
Net change in current assets	1,406	2,858
Net change in current liabilities	(738)	4,922
Cash generated from operations	(373)	13,314
Income tax paid	(1,206)	(546)
Interest paid	(1,246)	(6,929)
Net cash generated from operating activities	(2,825)	5,839
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,784)	(7,583)
Land and development expenditure	-	(925)
Proceeds from disposal of property, plant and equipment	40	476
Interest received	65	55
Proceeds from insurance claims	319	12,776
Exercise of quoted warrants	-	(2,920)
Proceeds from disposal of investments	-	2,020
Proceeds from disposal of a subsidiary	-	6,358
Acquisition of subsidiary	-	(2)
Net cash generated from/(used in) investing activities	(7,360)	10,255
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of Rights shares	20,097	-
Repayment of hire purchase	(618)	(3,116)
Net repayment of bill payables	-	(7,031)
Repayment of term loan	(394)	(6,860)
Drawdown of borrowings	10,315	2,090
Repayment by associate	13	116
Net cash generated (used in)/generated financing activities	29,413	(14,801)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	19,228	1,293
CASH AND CASH EQUIVALENTS AT 01 FEBRUARY, 2003	1,701	408
CASH AND CASH EQUIVALENTS AT 31 OCTOBER, 2003	20,929	1,701
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	1,153	1,531
Fixed deposits with licensed banks	20,521	914
Bank overdraft	(745)	(744)
	20,929	1,701

The Condensed Consolidated Cash Flow Statement (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2003

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR QUARTER ENDED 31 OCTOBER 2003

	<i>Share capital RM'000</i>	<i>Share premium RM'000</i>	<i>Revaluation reserve RM'000</i>	<i>Accumulated losses RM'000</i>	<i>Total RM'000</i>
<u>Quarter ended</u> <u>31-October-2003</u>					
As at 01.02.2003	40,940	57,270	27,697	(72,625)	53,282
Revaluation of Land & Building	-	-	-	-	-
Net loss for the period	-	-	-	(8,001)	(8,001)
Issue of ordinary shares	20,097	(1,370)			18,727
Adjustment on MI B/F	-	-	-	-	-
Realisation of reserve	-	-	-	-	-
Prior year adjustment	-	-	-	-	-
Balance as at 31.10.2003	61,037	55,900	27,697	(80,626)	64,008

The Condensed Consolidated Statements of Changes in Equity (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2003

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR QUARTER ENDED 30 JUNE 2002

	2003	
	Current quarter ended 30.06.2002	Comparable 9- months cumulative for current financial year to date ended
	RM'000	RM'000
Revenue	16,674	52,583
Other Operating Income	288	307
Operating expenses	(19,106)	(55,835)
Loss from operations	(2,144)	(2,945)
Finance costs	(1,471)	(4,732)
Investing Results	(781)	(959)
Loss before tax	(4,396)	(8,636)
Taxation	(334)	(270)
Loss after tax	(4,730)	(8,906)
Minority interests	(1)	(2)
Net loss for the period	(4,731)	(8,908)
EPS - Basic	(11.56)	(21.76)
- Diluted	N/A	N/A

The Condensed Consolidated Income Statements (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 30 September 2001.

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

INTERIM FINANCIAL REPORT

Notes:

A1 Accounting Policies

This interim financial report is unaudited and has been prepared in compliance with MASB 26 – Interim Financial Reporting.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 January 2003.

The accounting policies and method of computation used in the preparation of the interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 January 2003.

A2 Status of Audit Qualifications

The audited financial statements of the Group for year ended 31 January 2003 were not subject to any audit qualification.

A3 Seasonal or cyclical factors

The Group's operations have not been materially affected by seasonal or cyclical factors.

A4 Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the financial period under review.

A5 Material Changes in Estimates

There were no material changes in estimates used in the preparation of the financial statements in the current financial quarter as compared with the previous financial quarters or previous financial year.

A6 Issuance, cancellation, repurchases, resale and repayments of debts and equity securities

There were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities during the quarter ended 31 October 2003 except for:-

- a) Issuance of 40,194,533 new ordinary shares pursuant to the Company's two call renounceable rights issue of 40,194,533 new shares at par, of which the first-call of RM0.50 was paid in cash upon acceptance whilst the second call of RM0.50 shall be paid from the Company's share premium account, on the basis of 5 new Shares for every 2 existing Shares held.

The second call of RM0.50 from the share premium account has yet to be effected as at 31 October 2003 and is pending approval from the Board of Directors. This is expected shortly.

Consequently, as at 31 October 2003, the Company's number of ordinary share issued and paid up capital has increased to 81,134,500 ordinary shares and RM61,037,234 respectively.

A7 Dividend Paid

There was no dividend paid during the current quarter under review.

A8 Segmental Reporting (Analysis by business segments)

Segmental analysis of the results for 9 months ended 31 October 2003.

	Gross Revenue RM'000	Profit/(Loss) before tax RM'000
Packaging	47,143	(1,886)
Investment holding	-	(3,680)
Property development	2,291	(626)
Others	1,067	(1,655)
	50,501	(7,847)
Group's share of associated company's profit	-	225
	50,501	(7,622)

A9 Valuations of Property, Plant and Equipment

The valuations of land and buildings have been brought forward without any amendments from the previous annual report.

A10 Material Subsequent Events

There were no material events subsequent to the end of current quarter under review that has not been reflected in the financial statement for the quarter.

A11 Changes in Composition of the Group

There were no changes in the composition of the Group.

A12 Changes in Contingent Liabilities And Contingent Assets

There were no changes in the contingent liabilities or contingent assets since the last financial year ended 31 January 2003.

A13 Capital Commitments

There was no capital commitment not provided for in the financial statement for the quarter.

Additional information required by the KLSE's Listing Requirements

B1 Taxation

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

	Current Quarter ended 31.10.2003 RM'000	Cumulative Year to-date ended 31.01.2004 RM'000
- Tax for current year	7	45
- Taxation over-provided in prior year		(26)
- Deferred tax arising from timing differences between depreciation and capital allowances	-	-
	7	19
- Share of taxation in associate	196	603
	203	622

The current quarter's taxation of the Group relates to taxation for certain subsidiaries. There is a tax charge for the Group despite the loss as no group tax relief is available in Malaysia.

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

There was no sale of unquoted investments and/or properties during the quarter.

B3 Quoted Investments

- a) There was no sale or purchase of quoted investments during the quarter.
- b) Investment in quoted securities as at 31 October 2003

	RM'000
At cost	65,033
Carrying Value/Book Value	56,061
Market Value	7,072

B4 Status of corporate proposals announced

- a) On 5 June 2002, the Board of Directors of the KYM announced that the Company proposed to abort the proposed rights issue of up to 46,401,967 new ordinary shares of RM 1.00 each at an issue price of RM1.00 per share on the basis of one (1) new ordinary share for every existing share held in the Company ("Proposed Rights Issue") and replace it with a proposed two call renounceable rights issue of up to 115,567,418 new shares at par, of which the first-call of RM0.50 shall be payable in cash upon acceptance whilst the second call of RM0.50 shall be paid from the Company's share premium account, on the basis of 5 new Shares for every 2 existing Shares held ("Proposed Two-Call Rights Issue")

On 27 January 2003, the SC approved the Company's application for the Proposed Two-Call Rights Issue. Please refer to the announcement dated 7 February 2003 for the conditions set by the SC in regard to the Proposed Two-Call Rights Issue.

On 6 February 2003, the SC agreed to grant a waiver under Practice Note 2.9.1 of the Malaysian Code on Take-overs and Mergers 1998 to KYM Sdn Bhd (KSB) and parties acting in concert with it, namely Dato' Lim Kheng Yew, Cheong Chan Holdings Sdn Bhd and Tzel Properties Sdn Bhd from the obligation to extend a mandatory general offer for the remaining shares in KYM not already owned by them in the event the collective shareholdings of KSB and parties acting in concert with it should increase to more than 33% as a result of KSB's subscription for additional rights shares ("Proposed Waiver").

The Proposed Waiver is subject to the conditions set by the SC as per the Company's announcement dated 13 February 2003.

The Proposed Two-Call Rights Issue and Proposed Exemption have been approved by the shareholder at an Extraordinary General Meeting ("EGM") held on 25 June 2003.

The Company had on 8 August 2003 announced the issue price for the Two-Call Rights Issue to be fixed at RM1.00 per ordinary share. On 2 September 2003, the Company has released the Abridged Prospectus together with the Notice of Provisional Allotment and Subscription Form in connection to the Two-Call Rights Issue to all entitled shareholders of the Company. The closing date for acceptance and payment is 29 September 2003.

The Two-Call Rights Issue was completed and the Rights Issue shares were quoted on the Kuala Lumpur Stock Exchange on 22 October 2003.

- b) On 18 December 2002, Harta Makmur Sdn Bhd, a 54% owned subsidiary of KYM has entered into a Joint Venture Agreement with Hotelbrand Management Pte. Ltd (formerly known as Banyan Tree Hotels & Resorts Pte Ltd) to set up a proposed joint venture company ("JVCo") to develop a 5-Star Angsana Resort, hotel and/ or spa at Teluk Rubiah, Lumut, Perak.

Discussions are on-going as to the implementation of the abovementioned JVCo.

c) Status of utilisation of proceeds from Two-Call Rights Issue

	Approved Utilisation RM'000	Actual Utilisation RM'000	Balance yet to be utilised RM'000	Variance RM'000
Repayment of bank borrowings	19,097	18,727	-	370
Expenses in relation to Rights Issue	1,000	1,302	68	(370)
	20,097	20,029	68	-

B5 Borrowing and debt securities

	As at 31.10.2003 RM'000
Short term	
Secured	15,218
Unsecured	-
	15,218
Long term	
Secured	162,978
Unsecured	257
	163,235

The above borrowings are denominated in Ringgit Malaysia.

B6 Off balance sheet financial instrument

During the financial year to date, the Group did not enter into any contracts involving off balance sheet financial instrument.

B7 Changes in Material Litigation

As at the date of the report, there was no pending material litigation.

B8 Material Changes in the Profit/Loss before Taxation for the Period compared with the preceding quarter

The Group's loss before taxation of RM2.019 million for the current period under review was 11.5% lower than the RM2.283 million for the immediate preceding quarter. The decrease in loss before taxation was due to improving results of the Group's packaging division.

B9 Current year prospects

We are continuing with cost reduction measures and the streamlining of our operations and are cautiously looking forward to a better business environment for the remaining year.

B10 Profit forecast

There was no published forecast/profit guarantee.

B11 Dividend

The Board of Directors does not recommend the payment of any dividend in respect of the financial period ended 31 January 2003.

B12 Gain/(Loss) per share

	Current Quarter ended 31.10.2003	Cumulative Year to- date ended 31.10.2003
(a) <u>Basic Gain/(Loss) per share</u>		
Net Gain/(Loss) attributed to ordinary shareholders (RM'000)	(2,168)	(8,001)
Weighted average number of ordinary shares in issue ('000)	81,135	81,135
Basic Gain/(Loss) per shares (sen)	(2.67)	(9.86)
(b) <u>Diluted Gain/(Loss) per share</u>		
Net Gain/(Loss) attributed to ordinary shareholders (RM'000)	(2,168)	(8,001)
Weighted average number of ordinary shares in issue ('000)	81,135	81,135
Adjustment for options ('000)	1,068	1,068
Weighted average number of ordinary shares for diluted Gain/(Loss) per share ('000)	82,203	82,203
Diluted Gain/(Loss) per share (sen)	N/A	N/A

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
19 December 2003

c.c. Securities Commission