

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**FOR QUARTER ENDED 31 JULY 2004**

	As at end of current quarter 31.07.2004 RM'000	As at preceding year end 31.01.2004 RM'000
<b>Property, plant and equipment</b>	72,129	74,327
<b>Land held for development</b>	168,205	163,829
<b>Intangible assets</b>	3,612	3,612
<b>Investment in associate</b>	14,461	13,314
<b>Investment in quoted shares</b>	8	2
	<b>258,415</b>	<b>255,084</b>
<b>Current assets</b>		
Development properties	151	-
Inventories	10,660	11,731
Trade and other receivables	20,252	19,351
Tax recoverable	202	272
Cash and cash equivalent	2,048	2,508
	<b>33,313</b>	<b>33,862</b>
<b>Current liabilities</b>		
Short term borrowings	21,381	19,283
Trade and other payables	65,721	65,917
Taxation	7	8
	<b>87,109</b>	<b>85,208</b>
<b>Net current liabilities</b>	<b>(53,796)</b>	<b>(51,346)</b>
	<b>204,619</b>	<b>203,738</b>
<b>Financed By:</b>		
<b>Capital and reserves</b>		
Share Capital	81,135	81,135
Reserves	63,320	63,320
Accumulated losses	(127,305)	(123,110)
<b>Shareholders' fund</b>	<b>17,150</b>	<b>21,345</b>
Minority shareholders' interests	17,195	17,271
Borrowings	152,994	147,842
Deferred taxation	17,280	17,280
	<b>204,619</b>	<b>203,738</b>
<b>Net tangible assets per share (sen)</b>	<b>17</b>	<b>22</b>

The Condensed Consolidated Balance Sheets (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2004

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR QUARTER ENDED 31 JULY 2004**

	2005		2004	
	Current quarter ended 31.07.2004	6-month cumulative for current financial year to date ended 31.07.2004	Comparable current quarter ended 31.07.2003	Comparable 6-month cumulative for preceding financial year to date ended 31.07.2003
	RM'000	RM'000	RM'000	RM'000
Revenue	19,940	38,932	17,213	32,225
Other Operating Income	41	167	193	533
Operating expenses	(21,227)	(41,579)	(18,958)	(35,982)
<b>Loss from operations</b>	<b>(1,246)</b>	<b>(2,480)</b>	<b>(1,552)</b>	<b>(3,224)</b>
Finance costs	(1,479)	(2,801)	(1,408)	(2,669)
Investing Results	747	1,626	677	290
<b>Loss before taxation</b>	<b>(1,978)</b>	<b>(3,655)</b>	<b>(2,283)</b>	<b>(5,603)</b>
Taxation	(267)	(617)	(138)	(419)
<b>Loss after taxation</b>	<b>(2,245)</b>	<b>(4,272)</b>	<b>(2,421)</b>	<b>(6,022)</b>
Minority interests	95	77	134	189
<b>Net loss for the period</b>	<b>(2,150)</b>	<b>(4,195)</b>	<b>(2,287)</b>	<b>(5,833)</b>
<b>EPS - Basic</b>	(2.65)	(5.17)	(5.59)	(14.25)
<b>- Diluted</b>	N/A	N/A	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 2004

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**  
**FOR QUARTER ENDED 31 JULY 2004**

	6-month ended 31 July, 2004 RM'000	6-month ended 31 July, 2003 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(3,654)	(5,603)
Adjustments for:		
Non-cash items	2,797	2,617
Non-operating items	1,252	2,604
<b>Operating profit before working capital changes</b>	<b>395</b>	<b>(382)</b>
Net change in current assets	20	3,547
Net change in current liabilities	(196)	(2,323)
<b>Cash generated from operations</b>	<b>219</b>	<b>842</b>
Income tax paid	-	(470)
Interest paid	(1,225)	(1,038)
<b>Net cash generated from operating activities</b>	<b>(1,006)</b>	<b>(666)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(522)	(7,519)
Proceeds from disposal of property, plant and equipment	-	40
Interest received	25	65
Investment in Quoted Shares	(6)	-
Proceeds from insurance claims	-	319
<b>Net cash generated from/(used in) investing activities</b>	<b>(503)</b>	<b>(7,095)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase	(134)	(459)
Net advance of bill payables	2,056	-
Repayment of term loan	(1,192)	(356)
Drawdown of term loan	534	8,857
(Advance to)/Repayment by associate	(139)	13
<b>Net cash generated (used in)/generated financing activities</b>	<b>1,125</b>	<b>8,055</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(384)</b>	<b>294</b>
<b>CASH AND CASH EQUIVALENTS AT 01 FEBRUARY, 2004 / 01 FEBRUARY, 2003</b>	<b>1,904</b>	<b>1,701</b>
<b>CASH AND CASH EQUIVALENTS AT 31 JULY, 2004 / 31 JULY, 2003</b>	<b>1,520</b>	<b>1,995</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	867	1,263
Fixed deposits with licensed banks	1,181	950
	2,048	2,213
Bank overdraft	(528)	(218)
	<b>1,520</b>	<b>1,995</b>

The Condensed Consolidated Cash Flow Statement (unaudited) should be read in conjunction with the Annual Audited Financial Report for the year ended 31 January 2004

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR QUARTER ENDED 31 JULY 2004**

	<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>
<b><u>Quarter ended</u></b> <b><u>31-July-2004</u></b>					
<b>As at 01.02.2004</b>	81,135	35,803	27,517	(123,110)	21,345
Net loss for the period	-	-	-	(4,195)	(4,195)
<b>Balance as at 31.07.2004</b>	81,135	35,803	27,517	(127,305)	17,150
<b><u>Quarter ended</u></b> <b><u>31-July-2003</u></b>					
<b>As at 01.02.2003</b>	40,940	57,270	27,697	(72,625)	53,282
Net loss for the period	-	-	-	(5,833)	(5,833)
<b>Balance as at 31.07.2003</b>	40,940	57,270	27,697	(78,458)	47,449

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 2004

# **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 2004.

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 2004.

#### **A2 Status of Audit Qualifications**

The audited financial statements of the Group for year ended 31 January 2004 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 unusual items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the current quarter 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 current quarter under review.

#### **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 6 months ended 31 July 2004.

	<b>Gross Revenue RM'000</b>	<b>Profit/(Loss) before tax RM'000</b>	<b>Segment assets RM'000</b>	<b>Segment liabilities RM'000</b>
Manufacturing	40,140	(2,675)	97,135	62,092
Investment holding	-	(2,270)	245,682	286,656
Property development	936	74	187,779	165,404
Others	1,297	(410)	27,689	36,920
Elimination	(3,441)	-	(266,557)	(276,494)
	38,932	(5,281)	291,728	274,578
Group's share of associated company's profit	-	1,626	-	-
	38,932	(3,655)	291,728	274,578

**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**

On 4 June 2004, Harta Makmur Sdn Bhd, a 54% owned subsidiary of KYM has acquired 2 ordinary shares of RM1 each representing the entire issued and paid-up capital of a shelf company, Enchant Delight Sdn Bhd, for a total cash consideration of RM2 only.

**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 2004.

**A13 Capital Commitments**

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

**Additional information required by the MSEB's Listing Requirements****B1 Taxation**

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

	<b>Current Quarter ended 31.07.2004 RM'000</b>	<b>Cumulative Year to-date ended 31.07.2004 RM'000</b>
- Tax for current year	-	-
- Share of taxation in associate	267	617
	267	617

**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) Investment in quoted securities as at 31 July 2004**

	<b>RM'000</b>
At cost	65,033
Carrying Value/Book Value	14,461
Market Value	6,082

**B4 Status of corporate proposals announced**

All the previous corporate proposals announced have either been completed or lapsed during the previous quarter and there were no new corporate proposals announced during the quarter under review.

**B5 Borrowing and debt securities**

	<b>As at 31.07.2004 RM'000</b>
Short term	
Secured	21,381
Unsecured	-
	21,381
Long term	
Secured	152,825
Unsecured	169
	152,994

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 recorded a turnover of RM19.94 million as compared to RM18.99 million in the preceding quarter representing an increase of 5% mainly due to increased sales in the Packaging Division.

The Group loss before taxation was RM1.978 million for the current quarter under review, compared to a loss before taxation of RM1.677 million for the preceding quarter.

**B9 Current year prospects**

In order to improve the results of the Packaging Division, we have engaged a management consultant since June 2004 to help us in reviewing our manufacturing processes to improve productivity and enhance cost controls.

We have commenced the development of the Phase 1 of Tasik Suria project at Teluk Rubiah, a 230 unit mixed residential development. We target to launch the project in October 2004.

Going forward, we expect the Property Division to contribute positively to Group performance.

**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 July 2004.

**B12 Gain/(Loss) per share**

	Current Quarter ended 31.07.2004	Cumulative Year to- date ended 31.07.2004
(a) <u>Basic Gain/(Loss) per share</u>		
Net Gain/(Loss) attributed to ordinary shareholders (RM'000)	(2,150)	(4,195)
Weighted average number of ordinary shares in issue ('000)	81,135	81,135
Basic Gain/(Loss) per shares (sen)	(2.65)	(5.17)
(b) <u>Diluted Gain/(Loss) per share</u>		
Net Gain/(Loss) attributed to ordinary shareholders (RM'000)	(2,150)	(4,195)
Weighted average number of ordinary shares in issue ('000)	81,135	81,135
Adjustment for options ('000)	1,021	1,021
Weighted average number of ordinary shares for diluted Gain/(Loss) per share ('000)	82,156	82,156
Diluted Gain/(Loss) per share (sen)	N/A	N/A



By Order of the Board

CHEE MIN ER  
Company Secretary

Kuala Lumpur  
28 September 2004

cc: Securities Commission