

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

|  | As at end of<br>current<br>quarter<br>31.10.2004<br>RM'000 | As at<br>preceding<br>year end<br>31.01.2004<br>RM'000 |
|--|--|--|
| <b>Property, plant and equipment</b>       | 71,032   | 74,327   |
| <b>Land held for development</b>           | 170,448  | 163,829  |
| <b>Intangible assets</b>                   | 3,612  | 3,612  |
| <b>Investment in associate</b>             | 15,551   | 13,314   |
| <b>Investment in quoted shares</b>         | 8  | 2  |
|  | <u>260,651</u>   | <u>255,084</u>   |
| <b>Current assets</b>                      |  |  |
| Development properties                     | 545  | -  |
| Inventories                                | 8,765  | 11,731   |
| Trade and other receivables                | 20,477   | 19,351   |
| Tax recoverable                            | 179  | 272  |
| Cash and cash equivalent                   | 1,521  | 2,508  |
|  | <u>31,487</u>  | <u>33,862</u>  |
| <b>Current liabilities</b>                 |  |  |
| Short term borrowings                      | 18,298   | 19,283   |
| Trade and other payables                   | 67,699   | 65,917   |
| Taxation                                   | 6  | 8  |
|  | <u>86,003</u>  | <u>85,208</u>  |
| <b>Net current liabilities</b>             | <u>(54,516)</u>  | <u>(51,346)</u>  |
|  | <b><u>206,135</u></b>                                      | <b><u>203,738</u></b>                                  |
| <b>Financed By:</b>                        |  |  |
| <b>Capital and reserves</b>                |  |  |
| Share Capital                              | 81,135   | 81,135   |
| Reserves                                   | 63,320   | 63,320   |
| Accumulated losses                         | (128,797)  | (123,110)  |
| <b>Shareholders' fund</b>                  | 15,658   | 21,345   |
| Minority shareholders' interests           | 17,073   | 17,271   |
| Borrowings                                 | 156,124  | 147,842  |
| Deferred taxation                          | 17,280   | 17,280   |
|  | <u>206,135</u>   | <u>203,738</u>   |
| <b>Net tangible assets per share (sen)</b> | <u>15</u>  | <u>22</u>  |

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 OCTOBER 2004**

|                                | 2005                             |  | 2004  |   |
|--------------------------------|----------------------------------|--|---|---|
|                                | Current quarter ended 31.10.2004 | 9-month cumulative for current financial year to date ended 31.10.2004 | Comparable current quarter ended 31.10.2003 | Comparable 9-month cumulative for preceding financial year to date ended 31.10.2003 |
|                                | RM'000                           | RM'000   | RM'000                                      | RM'000  |
| Revenue                        | 20,754                           | 59,686   | 18,276                                      | 50,501  |
| Other Operating Income         | 91                               | 258  | 99  | 632   |
| Operating expenses             | (22,091)                         | (63,670)   | (19,040)                                    | (55,022)  |
| <b>Loss from operations</b>    | <b>(1,246)</b>                   | <b>(3,726)</b>   | <b>(665)</b>                                | <b>(3,889)</b>  |
| Finance costs                  | (1,463)                          | (4,264)  | (1,289)                                     | (3,958)   |
| Investing Results              | 1,522                            | 3,148  | (65)  | 225   |
| <b>Loss before taxation</b>    | <b>(1,187)</b>                   | <b>(4,842)</b>   | <b>(2,019)</b>                              | <b>(7,622)</b>  |
| Taxation                       | (427)                            | (1,044)  | (203)                                       | (622)   |
| <b>Loss after taxation</b>     | <b>(1,614)</b>                   | <b>(5,886)</b>   | <b>(2,222)</b>                              | <b>(8,244)</b>  |
| Minority interests             | 122                              | 199  | 54  | 243   |
| <b>Net loss for the period</b> | <b>(1,492)</b>                   | <b>(5,687)</b>   | <b>(2,168)</b>                              | <b>(8,001)</b>  |
| <b>EPS - Basic (sen)</b>       | (1.84)                           | (7.01)   | (2.67)                                      | (9.86)  |
| <b>- Diluted (sen)</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 OCTOBER 2004**

|   | 9-month<br>ended 31<br>October, 2004<br>RM'000 | 9-month<br>ended 31<br>October, 2003<br>RM'000 |
|---|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                   |  |  |
| Loss before taxation  | (4,842)  | (7,622)  |
| Adjustments for:  |  |  |
| Non-cash items  | 4,159  | 3,893  |
| Non-operating items   | 1,045  | 2,688  |
| <b>Operating profit before working capital changes</b>                        | <b>362</b>                                     | <b>(1,041)</b>                                 |
| Net change in current assets  | 1,296  | 1,406  |
| Net change in current liabilities   | 1,782  | (738)  |
| <b>Cash generated from operations</b>   | <b>3,440</b>                                   | <b>(373)</b>                                   |
| Income tax paid   | -  | (1,206)  |
| Interest paid   | (2,019)  | (1,246)  |
| <b>Net cash generated from operating activities</b>                           | <b>1,421</b>                                   | <b>(2,825)</b>                                 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                   |  |  |
| Purchase of property, plant and equipment                                     | (789)  | (7,784)  |
| Proceeds from disposal of property, plant and equipment                       | 2  | 40   |
| Interest received   | 29   | 65   |
| Investment in Quoted Shares   | (6)  | -  |
| Proceeds from insurance claims  | -  | 319  |
| <b>Net cash generated from/(used in) investing activities</b>                 | <b>(764)</b>                                   | <b>(7,360)</b>                                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                   |  |  |
| Proceeds from issuance of Rights Shares                                       | -  | 20,097   |
| Repayment of hire purchase  | (250)  | (618)  |
| Net advance of bill payables  | 269  | 4,635  |
| Repayment of term loan  | (1,804)  | (394)  |
| Drawdown of term loan   | 534  | 7,050  |
| (Advance to)/Repayment by associate   | (133)  | 13   |
| Rights Shares expenses paid   | -  | (1,370)  |
| <b>Net cash generated (used in)/generated financing activities</b>            | <b>(1,384)</b>                                 | <b>29,413</b>                                  |
| <b>NET (DECREASE)/INCREASE IN CASH<br/>AND CASH EQUIVALENTS</b>               | <b>(727)</b>                                   | <b>19,228</b>                                  |
| <b>CASH AND CASH EQUIVALENTS AT<br/>01 FEBRUARY, 2004 / 01 FEBRUARY, 2003</b> | <b>1,904</b>                                   | <b>1,701</b>                                   |
| <b>CASH AND CASH EQUIVALENTS AT<br/>31 OCTOBER, 2004 / 31 OCTOBER, 2003</b>   | <b>1,177</b>                                   | <b>20,929</b>                                  |
| <b>CASH AND CASH EQUIVALENTS COMPRISE:</b>                                    |  |  |
| Cash and bank balances  | 981  | 1,153  |
| Fixed deposits with licensed banks  | 540  | 20,521   |
|   | 1,521  | 21,674   |
| Bank overdraft  | (344)  | (745)  |
|   | <b>1,177</b>                                   | <b>20,929</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**

**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 9 months ended 31 October 2004.

|   | <b>Gross<br/>Revenue<br/>RM'000</b> | <b>Profit/(Loss)<br/>before tax<br/>RM'000</b> | <b>Segment<br/>assets<br/>RM'000</b> | <b>Segment<br/>liabilities<br/>RM'000</b> |
|---|-------------------------------------|--|--------------------------------------|---|
| Manufacturing                                   | 61,970                              | (3,897)  | 92,031                               | 58,210                                    |
| Investment holding                              | -                                   | (3,242)  | 234,254                              | 264,088                                   |
| Property development                            | 1,052                               | (58)   | 205,393                              | 168,099                                   |
| Others  | 1,966                               | (776)  | 21,853                               | 58,507                                    |
| Elimination                                     | (5,302)                             | (17)   | (261,394)                            | (272,424)                                 |
|   | 59,686                              | (7,990)  | 292,137                              | 276,480                                   |
| Group's share of associated<br>company's profit | -                                   | 3,148  | -                                    | -   |
|   | 59,586                              | (4,842)  | 292,137                              | 276,480                                   |

**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**

On 9 November 2004, KYM announced that in consultation with its bankers for KYM's Club Deal Term Loan Facility, Eco Ribuan Sdn Bhd ("ERSB"), a wholly owned subsidiary of KYM had disposed of 5,840,000 Juan Kuang (M) Industrial Berhad ("JK") shares on the Bursa Securities between 8 November 2004 and 9 November 2004 for a total cash consideration of RM4,380,600. ("Disposal").

JK is an associated company of KYM. Prior to the Disposal, KYM via its wholly-owned subsidiaries, ERSB and Merit Wisdom Sdn Bhd held 11,680,000 shares in JK. After the Disposal, KYM's interest in JK reduces from 22.03% to 11.015%.

The sale proceeds from the Disposal will be applied towards partial settlement of the indebtedness on KYM's Club Deal Term Loan Facility.

Based on the audited financial statements for year ended 31 January 2004, the Disposal will result in KYM Group recognizing a loss on disposal of approximately RM2.954 million.

The Information Circular to Shareholders were issued to the shareholders on 24 December 2004 in compliance with the listing requirements of Bursa Malaysia Securities Bhd.

**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 2004.

**A13 Capital Commitments**

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

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

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

|                                  | <b>Current Quarter<br/>ended 31.10.2004<br/>RM'000</b> | <b>Cumulative Year<br/>to-date ended<br/>31.10.2004<br/>RM'000</b> |
|----------------------------------|--|--|
| - Tax for current year           | -  | -  |
| - Share of taxation in associate | 427  | 1,044  |
|                                  | 427  | 1,044  |

**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 October 2004**

|                           | <b>RM'000</b> |
|---------------------------|---------------|
| At cost                   | 65,033        |
| Carrying Value/Book Value | 15,258        |
| Market Value              | 9,131         |

**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 31.10.2004<br/>RM'000</b> |
|------------|------------------------------------|
| Short term |                                    |
| Secured    | 18,298                             |
| Unsecured  | -                                  |
|            | 18,298                             |
| Long term  |                                    |
| Secured    | 156,061                            |
| Unsecured  | 63                                 |
|            | 156,124                            |

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 RM20.75 million as compared to RM19.94 million in the preceding quarter representing an increase of 4% mainly due to increased sales in the Packaging Division.

The Group loss before taxation was RM1.187 million for the current quarter under review, compared to a loss before taxation of RM1.978 million for the preceding quarter.

**B9 Current year prospects**

The Packaging Division is continuing its efforts to reduce costs & increase productivity to meet the challenges of a highly competitive industry. These remedial measures are already bearing fruit and we are continuously optimistic that the performance of our core Carton business will continue to improve.

We have commenced the development of the Phase 1 of the Tasik Suria project at Teluk Rubiah, a 230 unit mixed residential development. We are also finalizing the sale of certain parcels of land to potential buyers for other developments.

Going forward, we expect the Property Division to contribute positively to the Group's 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 October 2004.

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

|   | Current Quarter<br>ended 31.10.2004 | Cumulative Year to-<br>date ended<br>31.10.2004 |
|---|-------------------------------------|---|
| (a) <u>Basic Gain/(Loss) per share</u>  |                                     |   |
| Net Gain/(Loss) attributed to ordinary shareholders (RM'000)                        | (1,492)                             | (5,687)   |
| Weighted average number of ordinary shares in issue ('000)                          | 81,135                              | 81,135  |
| Basic Gain/(Loss) per shares (sen)  | (1.84)                              | (7.01)  |
| (b) <u>Diluted Gain/(Loss) per share</u>  |                                     |   |
| Net Gain/(Loss) attributed to ordinary shareholders (RM'000)                        | (1,492)                             | (5,687)   |
| 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  
31 December 2004