

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

	As at end of current quarter 31.01.2004 RM'000	As at preceding year end 31.01.2003 RM'000
Property, plant and equipment	74,427	71,743
Land held for development	163,829	156,548
Intangible assets	3,612	3,612
Investment in associate	13,291	56,452
Investment in quoted shares	2	-
	<u>255,161</u>	<u>288,355</u>
Current assets		
Development Properties	-	1,628
Inventories	11,934	9,881
Trade and other receivables	19,749	21,632
Cash and cash equivalent	2,341	2,445
	<u>34,024</u>	<u>35,586</u>
Current liabilities		
Short term borrowings	19,043	12,003
Trade and other payables	66,114	71,592
Taxation	6	644
	<u>85,163</u>	<u>84,239</u>
Net current liabilities	<u>(51,139)</u>	<u>(48,653)</u>
	<u>204,022</u>	<u>239,702</u>
Financed By:		
Capital and reserves		
Share Capital	81,135	40,940
Reserves	63,320	84,967
Accumulated losses	(126,458)	(72,625)
Shareholders' fund	17,997	53,282
Minority shareholders' interests	16,036	17,007
Borrowings	148,082	147,702
Deferred taxation	21,907	21,711
	<u>204,022</u>	<u>239,702</u>
Net tangible assets per share (sen)	<u>18</u>	<u>121</u>

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 JANUARY 2004

	2004		2003	
	Current quarter ended 31.01.2004	Comparable 12-months cumulative for current financial year to date ended	Comparable current quarter ended	Comparable 12-months cumulative for current financial year to date ended
	RM'000	RM'000	RM'000	RM'000
Revenue	16,979	67,480		
Other Operating Income	274	906		
Operating expenses	(18,118)	(73,140)		
Loss from operations	(865)	(4,754)		
Finance costs	(2,890)	(6,848)		
Investing Results	(398)	(173)		
Provision for diminution in value of investment in a associated company	(42,000)	(42,000)		
Loss before taxation	(46,153)	(53,775)		
Taxation	(407)	(1,029)		
Loss after taxation	(46,560)	(54,804)		
Minority interests	728	971		
Net loss for the period	(45,832)	(53,833)		
EPS - Basic	(56.49)	(66.35)		
- 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 JANUARY 2004

	As at quarter ended 31 January, 2004 RM'000	As at year ended 31 January, 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(53,775)	(7,173)
Adjustments for:		
Non-cash items	47,462	9,920
Non-operating items	5,588	2,786
Operating profit before working capital changes	(724)	5,534
Net change in current assets	1,368	2,858
Net change in current liabilities	(5,478)	4,922
Cash generated from operations	(4,835)	13,314
Income tax paid	(638)	(546)
Interest paid	(17,599)	(6,929)
Net cash generated from operating activities	(23,071)	5,839
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8,292)	(7,583)
Land and development expenditure	-	(925)
Proceeds from disposal of property, plant and equipment	4	476
Interest received	65	55
Investment in Quoted Shares	(2)	-
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	(7,906)	10,255
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of Rights shares	20,097	-
Repayment of hire purchase	(778)	(3,116)
Net repayment of bill payables	-	(7,031)
Repayment of term loan	(760)	(6,860)
Drawdown of borrowings	12,449	2,090
Repayment by associate	5	116
Net cash generated (used in)/generated financing activities	31,013	(14,801)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	36	1,293
CASH AND CASH EQUIVALENTS AT 01 FEBRUARY, 2003	1,701	408
CASH AND CASH EQUIVALENTS AT 31 JANUARY, 2004	1,737	1,701
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	1,418	1,531
Fixed deposits with licensed banks	923	914
Bank overdraft	(604)	(744)
	1,737	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 JANUARY 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>
<u>Quarter ended</u> <u>31-January-2004</u>					
As at 01.02.2003	40,940	57,270	27,697	(72,625)	53,282
Revaluation of Land & Building	-	-	(180)	-	(180)
Net loss for the period	-	-	-	(53,833)	(53,833)
Issue of ordinary shares	40,195	(21,467)			18,728
Adjustment on MI B/F	-	-	-	-	-
Realisation of reserve	-	-	-	-	-
Prior year adjustment	-	-	-	-	-
Balance as at 31.01.2004	81,135	35,803	27,517	(126,458)	17,997

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 SEPTEMBER 2002

	2002	
	Current quarter ended 30.09.2002	Comparable 12- months cumulative for current financial year to date ended 30.09.2002
	RM'000	RM'000
Revenue	15,755	68,338
Other Operating Income	17,259	17,566
Operating expenses	(37,475)	(93,310)
Loss from operations	(4,461)	(7,406)
Finance costs	(1,704)	(6,436)
Investing Results	(585)	(1,544)
Loss before tax	(6,750)	(15,386)
Taxation	(279)	(549)
Loss after tax	(7,029)	(15,935)
Minority interests	8	6
Net loss for the period	(7,021)	(15,929)
EPS - Basic	(17.15)	(38.91)
- 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, except for the adoption of MASB 23-Impairment of Assets, which became operative for financial statements covering periods beginning or after 1 January 2002.

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

Save as disclosed in Note B8, 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 been approved by the Board of Directors and effected as at 31 January 2004.

Consequently, as at 31 January 2004, the number of ordinary shares issued by the Company and its paid up capital has increased to 81,134,500 ordinary shares and RM81,134,500 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 12 months ended 31 January 2004.

	Gross Revenue RM'000	Profit/(Loss) before tax RM'000
Packaging	63,942	(3,988)
Investment holding	-	(48,188)
Property development	2,241	(792)
Others	1,297	(634)
	<u>67,480</u>	<u>(53,602)</u>
Group's share of associated company's loss	-	(173)
	<u>67,480</u>	<u>(53,775)</u>

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 MSEC's Listing Requirements**B1 Taxation**

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

	Current Quarter ended 31.01.2004 RM'000	Cumulative Year to-date ended 31.01.2004 RM'000
- Tax for current year	46	91
- Taxation over-provided in prior year	(75)	(101)
- Deferred tax arising from timing differences between depreciation and capital allowances	43	43
	14	33
- Share of taxation in associate	393	996
	407	1,029

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

	RM'000
At cost	65,035
Carrying Value/Book Value	13,291
Market Value	7,479

B4 Status of corporate proposals announced

- The most recent corporate exercise, which is the Two-Call Right Issue was completed and the Rights Issue shares were quoted on the MSEC on 22nd October 2003.
- The MOU between Harta Makmur Sdn Bhd, a 54% owned subsidiary of KYM and Hotelbrand Management Pte. Ltd to set up a joint venture company to develop Angsana Resort Hotel and Spa at Teluk Rubiah, Lumut has lapsed. There has been no further discussion on this proposed joint venture.

c) **Status of utilisation of proceeds from Rights Issue as at 31 January 2004**

	Approved Utilisation RM'000	Actual Utilisation RM'000	Balance yet to be utilised RM'000	Variance RM'000
Repayment of bank borrowings	19,097	18,795	-	302
Expenses in relation to Rights Issue	1,000	1,302	-	(302)
	<u>20,097</u>	<u>20,097</u>	<u>-</u>	<u>-</u>

B5 Borrowing and debt securities

	As at 31.01.2004 RM'000
Short term	
Secured	19,043
Unsecured	-
	<u>19,043</u>
Long term	
Secured	147,874
Unsecured	208
	<u>148,082</u>

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 RM46.7 million was mainly due to the recognition of an impairment loss of RM42 million in the carrying value of the investment in an associated company. The provision for impairment loss was made in compliance with MASB 23-Impairment of Assets.

B9 Current year prospects

KYM is rejuvenating the Teluk Rubiah development project, which includes the development of a residential housing project and parcelization of lands for tourist hotels and commercial properties. KYM will be relying on the success of this development project to overcome the debt overhang and rejuvenate the profitability of the Group, besides continuing with other operational streamlining and cost reduction measures.

KYM is in the midst of negotiating with its principal bankers, United Overseas Bank (M) Bhd and RHB Sakura Merchant Bankers Bhd to restructure its existing term loans.

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 2004.

B12 Gain/(Loss) per share

	Current Quarter ended 31.01.2004	Cumulative Year to- date ended 31.01.2004
(a) <u>Basic Gain/(Loss) per share</u>		
Net Gain/(Loss) attributed to ordinary shareholders (RM'000)	(45,832)	(53,833)
Weighted average number of ordinary shares in issue ('000)	81,135	81,135
Basic Gain/(Loss) per shares (sen)	(56.49)	(66.35)
(b) <u>Diluted Gain/(Loss) per share</u>		
Net Gain/(Loss) attributed to ordinary shareholders (RM'000)	(45,832)	(53,833)
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
31 March 2004

c.c. Securities Commission