

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

	As at end of current quarter 31.07.2003 RM'000	As at preceding year end 31.01.2003 RM'000
Property, plant and equipment	76,632	71,743
Land held for development	161,868	156,548
Intangible assets	3,612	3,612
Investment in associate	56,284	56,452
	<u>298,396</u>	<u>288,355</u>
Current assets		
Development Properties	-	1,628
Inventories	9,411	9,881
Trade and other receivables	19,206	21,632
Cash and cash equivalent	2,213	2,445
	<u>30,830</u>	<u>35,586</u>
Current liabilities		
Short term borrowings	13,230	12,003
Trade and other payables	69,269	71,592
Taxation	593	644
	<u>83,092</u>	<u>84,239</u>
Net current liabilities	<u>(52,262)</u>	<u>(48,653)</u>
	<u>246,134</u>	<u>239,702</u>
Financed By:		
Capital and reserves		
Share Capital	40,940	40,940
Reserves	84,967	84,967
Accumulated losses	(78,458)	(72,625)
Shareholders' fund	47,449	53,282
Minority shareholders' interests	16,819	17,007
Borrowings	160,155	147,702
Deferred taxation	21,711	21,711
	<u>246,134</u>	<u>239,702</u>
Net tangible assets per share (sen)	<u>107</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 JULY 2003

	2004		2003	
	Current quarter ended 31.07.2003	Comparable 6-months cumulative for current financial year to date ended 31.07.2003	Comparable current quarter ended	Comparable 3-months cumulative for current financial year to date ended
	RM'000	RM'000	RM'000	RM'000
Revenue	17,213	32,225		
Other Operating Income	193	533		
Operating expenses	(18,958)	(35,982)		
Loss from operations	(1,552)	(3,224)		
Finance costs	(1,408)	(2,669)		
Investing Results	677	290		
Loss before taxation	(2,283)	(5,603)		
Taxation	(138)	(419)		
Loss after taxation	(2,421)	(6,022)		
Minority interests	134	189		
Net loss for the period	(2,287)	(5,833)		
EPS - Basic	(5.59)	(14.25)		
- 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 JULY 2003

	As at quarter ended 31 July, 2003 RM'000	As at year ended 31 January, 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(5,603)	(7,173)
Adjustments for:		
Non-cash items	2,617	9,920
Non-operating items	2,604	2,786
Operating profit before working capital changes	(382)	5,534
Net change in current assets	3,547	2,858
Net change in current liabilities	(2,323)	4,922
Cash generated from operations	842	13,314
Income tax paid	(470)	(546)
Interest paid	(1,038)	(6,929)
Net cash generated from operating activities	(666)	5,839
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,519)	(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	(7,095)	10,255
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase	(459)	(3,116)
Net repayment of bill payables	-	(7,031)
Repayment of term loan	(356)	(6,860)
Drawdown of borrowings	8,857	2,090
Repayment by associate	13	116
Net cash generated (used in)/generated financing activities	8,055	(14,801)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	294	1,293
CASH AND CASH EQUIVALENTS AT 01 FEBRUARY, 2003	1,701	408
CASH AND CASH EQUIVALENTS AT 31 JULY, 2003	1,995	1,701
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	1,263	1,531
Fixed deposits with licensed banks	950	914
Bank overdraft	(218)	(744)
	1,995	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 JULY 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-July-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	-	-	-	(5,833)	(5,833)
Adjustment on MI B/F	-	-	-	-	-
Realisation of reserve	-	-	-	-	-
Prior year adjustment	-	-	-	-	-
Balance as at 31.07.2003	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 2003

KYM HOLDINGS BHD (Co. No. 84303-A)
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR QUARTER ENDED 31 MARCH 2002

	2003	
	Current quarter ended 31.03.2002	Comparable 6- months cumulative for current financial year to date ended
	RM'000	RM'000
Revenue	17,462	35,909
Other Operating Income	11	19
Operating expenses	(18,346)	(36,729)
Loss from operations	(873)	(801)
Finance costs	(1,501)	(3,261)
Investing Results	413	(178)
Loss before tax	(1,961)	(4,240)
Taxation	133	65
Loss after tax	(1,828)	(4,175)
Minority interests	-	(1)
Net loss for the period	(1,828)	(4,176)
EPS - Basic	(4.47)	(10.20)
- Diluted	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 that of 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 or equity securities for the current financial year to date.

A7 Dividend Paid

No dividend was paid for the financial period ended 31 July 2003.

A8 Segmental Reporting (Analysis by business segments)

	Gross Revenue RM'000	Profit/(Loss) before tax RM'000
Packaging	29,262	(1,888)
Investment holding	-	(2,563)
Property development	2,291	(331)
Others	672	(1,111)
	32,225	(5,893)
Group's share of associated company's loss	-	290
	32,225	(5,603)

A9 Valuations of Property, Plant and Equipment

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

A10 Material Subsequent Events

Hasrat Meranti Sdn Bhd ("Hasrat") a wholly owned subsidiary of the Company has resumed full operations after it was destroyed in a fire in April, 2002.

A11 Changes in Composition of the Group

There were no changes in the composition of the Group.

A12 Changes in Contingent Liabilities

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 commitments not provided for in the financial statement as at 31 July 2003.

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 31.07.2003 RM'000	Cumulative Year to-date ended 31.01.2004 RM'000
- Tax for current year	7	38
- Taxation over-provided in prior year		(26)
- Deferred tax arising from timing differences between depreciation and capital allowances	-	-
	7	12
- Share of taxation in associate	131	407
	138	419

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 July 2003

	RM'000
At cost	65,033
Carrying Value/Book Value	56,284
Market Value	6,782

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.

b) The Company's amendment to the existing By-Laws governing the Employees' Share Option Scheme ("ESOS") was approved by the shareholders at the EGM held on 25 June 2003.

- c) 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.

B5 Borrowing and debt securities

	As at 31.07.2003
	RM'000
Short term	
Secured	13,230
Unsecured	-
	<hr/> 13,230 <hr/>
Long term	
Secured	159,809
Unsecured	346
	<hr/> 160,155 <hr/>

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 registered a loss before taxation of RM2.283 million for the current period under review as compared to loss before taxation of RM3.320 million reported in the previous quarter. The decrease in loss before taxation was mainly due to the improved result of the associated company.

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 July 2003.

B12 Gain/(Loss) per share

	Current Quarter ended 31.07.2003	Cumulative Year to- date ended 31.07.2003
(a) <u>Basic Gain/(Loss) per share</u>		
Net Gain/(Loss) attributed to ordinary shareholders (RM'000)	(2,287)	(5,833)
Weighted average number of ordinary shares in issue ('000)	40,940	40,940
Basic Gain/(Loss) per shares (sen)	(5.59)	(14.25)
(b) <u>Diluted Gain/(Loss) per share</u>		
Net Gain/(Loss) attributed to ordinary shareholders (RM'000)	(2,287)	(5,833)
Weighted average number of ordinary shares in issue ('000)	40,940	40,940
Adjustment for options ('000)	1,068	1,068
Weighted average number of ordinary shares for diluted Gain/(Loss) per share ('000)	42,008	42,008
Diluted Gain/(Loss) per share (sen)	N/A	N/A

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
30 September 2003