

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**FOR QUARTER ENDED 30 APRIL 2003**

	As at end of current quarter 30.04.2003 RM'000	As at preceding year end 31.01.2003 RM'000
<b>Property, plant and equipment</b>	76,326	71,743
<b>Land held for development</b>	158,755	156,548
<b>Intangible assets</b>	3,612	3,612
<b>Investment in associate</b>	55,770	56,452
	<u>294,463</u>	<u>288,355</u>
<b>Current assets</b>		
Development Properties	897	1,628
Inventories	9,675	9,881
Trade and other receivables	18,071	21,632
Cash and cash equivalent	3,663	2,445
	<u>32,306</u>	<u>35,586</u>
<b>Current liabilities</b>		
Short term borrowings	12,511	12,003
Trade and other payables	68,710	71,592
Taxation	594	644
	<u>81,815</u>	<u>84,239</u>
<b>Net current liabilities</b>	<u>(49,509)</u>	<u>(48,653)</u>
	<u><b>244,954</b></u>	<u><b>239,702</b></u>
<b>Financed By:</b>		
<b>Capital and reserves</b>		
Share Capital	40,940	40,940
Reserves	84,967	84,967
Accumulated losses	(76,171)	(72,625)
<b>Shareholders' fund</b>	49,736	53,282
Minority shareholders' interests	16,952	17,007
Borrowings	156,555	147,702
Deferred taxation	21,711	21,711
	<u><b>244,954</b></u>	<u><b>239,702</b></u>
<b>Net tangible assets per share (sen)</b>	<u>113</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 30 APRIL 2003**

	2004		2003	
	Current quarter ended 30.04.2003	Comparable 3-months cumulative for current financial year to date ended	Comparable current quarter ended	Comparable 3-months cumulative for current financial year to date ended
	RM'000	RM'000	RM'000	RM'000
Revenue	15,012	15,012		
Other Operating Income	340	340		
Operating expenses	(17,024)	(17,024)		
<b>Loss from operations</b>	<b>(1,672)</b>	<b>(1,672)</b>		
Finance costs	(1,261)	(1,261)		
Investing Results	(387)	(387)		
<b>Loss before taxation</b>	<b>(3,320)</b>	<b>(3,320)</b>		
Taxation	(281)	(281)		
<b>Loss after taxation</b>	<b>(3,601)</b>	<b>(3,601)</b>		
Minority interests	55	55		
<b>Net loss for the period</b>	<b>(3,546)</b>	<b>(3,546)</b>		
<b>EPS - Basic</b>	(8.66)	(8.66)		
<b>- Diluted</b>	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 30 APRIL 2003**

	As at quarter ended 30 April, 2003 RM'000	As at year ended 31 January, 2003 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(3,320)	(7,173)
Adjustments for:		
Non-cash items	1,247	9,920
Non-operating items	1,839	2,786
<b>Operating profit before working capital changes</b>	<b>(234)</b>	<b>5,534</b>
Net change in current assets	4,285	2,858
Net change in current liabilities	(2,883)	4,922
<b>Cash generated from operations</b>	<b>1,168</b>	<b>13,314</b>
Income tax paid	(55)	(546)
Interest paid	(323)	(6,929)
<b>Net cash generated from operating activities</b>	<b>790</b>	<b>5,839</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(6,149)	(7,583)
Land and development expenditure	-	(925)
Proceeds from disposal of property, plant and equipment	4	476
Interest received	7	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)
<b>Net cash generated from/(used in) investing activities</b>	<b>(5,819)</b>	<b>10,255</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase	(457)	(3,116)
Repayment of borrowings	-	(7,031)
Repayment of principal	(226)	(6,860)
Drawdown of borrowings	7,355	2,090
Repayment by associate	13	116
<b>Net cash generated (used in)/generated financing activities</b>	<b>6,685</b>	<b>(14,801)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,656</b>	<b>1,293</b>
<b>CASH AND CASH EQUIVALENTS AT 01 FEBRUARY, 2003</b>	<b>1,701</b>	<b>408</b>
<b>CASH AND CASH EQUIVALENTS AT 30 APRIL, 2003</b>	<b>3,357</b>	<b>1,701</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	2,719	1,531
Fixed deposits with licensed banks	944	914
Bank overdraft	(306)	(744)
	<b>3,357</b>	<b>1,701</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 2003

**KYM HOLDINGS BHD (Co. No. 84303-A)**  
**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR QUARTER ENDED 30 APRIL 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>30-April-2003</u>					
<b>As at 01.02.2003</b>	40,940	57,270	27,697	(72,625)	53,282
Revaluation of Land & Building	-	-	-	-	-
Net loss for the period	-	-	-	(3,546)	(3,546)
Adjustment on MI B/F	-	-	-	-	-
Realisation of reserve	-	-	-	-	-
Prior year adjustment	-	-	-	-	-
<b>Balance as at 30.04.2003</b>	<b>40,940</b>	<b>57,270</b>	<b>27,697</b>	<b>(76,171)</b>	<b>49,736</b>

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 DECEMBER 2001**

	<b>2003</b>	
	<b>Current quarter ended 31.12.2001</b>	<b>Comparable 3- months cumulative for current financial year to date ended</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	18,447	18,447
Other Operating Income	8	8
Operating expenses	(18,383)	(18,383)
<b>Loss from operations</b>	<b>72</b>	<b>72</b>
Finance costs	(1,760)	(1,760)
Investing Results	(591)	(591)
<b>Loss before tax</b>	<b>(2,279)</b>	<b>(2,279)</b>
Taxation	(68)	(68)
<b>Loss after tax</b>	<b>(2,347)</b>	<b>(2,347)</b>
Minority interests	(1)	(1)
<b>Net loss for the period</b>	<b>(2,348)</b>	<b>(2,348)</b>
<b>EPS - Basic</b>	(5.74)	(5.74)
<b>- Diluted</b>	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 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 was 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 January 2003.

**A8 Segmental Reporting (Analysis by business segments)**

	<b>Gross Revenue RM'000</b>	<b>Profit/(Loss) before tax RM'000</b>
Packaging	13,866	(897)
Investment holding	-	(482)
Property development	873	(598)
Others	273	(957)
	15,012	(2,934)
Group's share of associated company's loss	-	(386)
	15,012	(3,320)

**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**

No material subsequent events.

**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**

Capital commitments not provided for in the financial statement as at 30 April 2003 are as follows:

	<b>As at 30 April 2003 (RM'000)</b>
Authorised but not contracted for	-
Contracted but not provided for in the financial statements	726
	726
Analysed as follows:-	
- Machinery	-
- Construction of building for Hasrat Meranti Sdn Bhd	726

**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 30.04.2003 RM'000	Cumulative Year to-date ended 31.01.2004 RM'000
- Tax for current year	31	31
- Taxation over-provided in prior year	(26)	(26)
- Deferred tax arising from timing differences between depreciation and capital allowances	-	-
	5	5
- Share of taxation in associate	276	276
	281	281

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 30 April 2003

	RM'000
At cost	65,033
Carrying Value/Book Value	55,770
Market Value	4,827

## **B4 Status of corporate proposals announced**

- (a) On 5 June 2002, the Board of Directors of the KYM announced that the Company has 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 to 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 share 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 share pursuant to its Additional Undertaking ("Proposed Exemption").

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 shareholders at an Extraordinary General Meeting held on 25 June 2003.

- (b) On 5 September 2002, the Company, its wholly-owned subsidiary company, Polypulp Enterprises Sdn Bhd and Naluri Berhad (Special Administrators Appointed) entered into a conditional Sale and Purchase Agreement for the proposed disposal of 450,000 ordinary shares of RM1.00 each equivalent to 90% of the entire issued and paid-up capital of Tegas Consolidated Sdn Bhd for a total consideration of RM24.5 million ("Proposed Disposal of Tegas"). Please refer to the announcement dated 5 September 2002 for details.

Subsequently on 7 May 2003, the Company and Polypulp have mutually rescinded and revoked the Share Sale Agreement dated 5 September 2002 in relation to the Proposed Disposal of Tegas to Naluri Berhad (Special Administrators Appointed). Nevertheless, the Company intends to continue exploring the prospects of selling the Teluk Rubiah Land.

- (c) On 11 September 2002, the Company announced that it proposed to amend the existing By-Laws governing the Employees' Share Option Scheme ("ESOS") in order to adopt the flexibilities as allowed by the SC as well as keeping in line with the current ESOS Guidelines. The Proposed Amendments to the By-Laws has been approved by the shareholders at an Extraordinary General Meeting held on 25 June 2003.
- (d) On 18 December 2002, Harta Makmur Sdn Bhd, a 54% owned subsidiary of KYM 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.

The JVCo is expected to be incorporated by the final quarter of 2003.

## **B5 Borrowing and debt securities**

	<b>As At 30.04.2003 RM'000</b>
Short term	
Secured	12,511
Unsecured	-
	<hr/> 12,511
Long term	
Secured	156,335
Unsecured	220
	<hr/> 156,555

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 has been no change in pending material litigation since the last annual balance sheet date.

**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 RM3.320 million for the three-months period under review as compared to loss before taxation of RM3.322 million reported in the previous quarter, which consist of a one-month period.

**B9      Current year prospects**

The first quarter of the year was exceptionally difficult because of lower than expected economic activities due to the war in Iraq and the destabilising effects of SARS.

We are continuing with cost reduction measures and the streamlining of our operations and are cautiously looking forward to a better business environment in 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 30.04.2003	Cumulative Year to- date ended 30.04.2003
(a) <u>Basic Gain/(Loss) per share</u>		
Net Gain/(Loss) attributed to ordinary shareholders (RM'000)	(3,546)	(3,546)
Weighted average number of ordinary shares in issue ('000)	40,940	40,940
Basic Gain/(Loss) per shares (sen)	(8.66)	(8.66)
(b) <u>Diluted Gain/(Loss) per share</u>		
Net Gain/(Loss) attributed to ordinary shareholders (RM'000)	(3,546)	(3,546)
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  
25 June 2003