

MAJOR TEAM HOLDINGS BERHAD 567427-W**UNAUDITED FIRST QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2004****CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year quarter 31/03/2004 RM'000	Preceding Year corresponding quarter 31/03/2003 RM'000	Current Year to date 31/03/2004 RM'000	Preceding year corresponding period 31/03/2003 RM'000
1 (a) Revenue	9,994	N.A.	9,994	N.A.
(b) Other Operating Income	33	N.A.	33	N.A.
(c) Other Operating Expenses	(8,685)	N.A.	(8,685)	N.A.
2 (a) Operating Profit	1,342	N.A.	1,342	N.A.
(b) Finance Costs	(332)	N.A.	(332)	N.A.
3 (a) Profit before tax	1,010	N.A.	1,010	N.A.
(b) Taxation	(432)	N.A.	(432)	N.A.
4 (a) Profit after tax	578	N.A.	578	N.A.
(b) Minority Interests	-	N.A.	-	N.A.
5 Net Profit for the period/year	578	N.A.	578	N.A.
6 Earnings per share (sen)				
Basic	0.596	N.A.	0.596	N.A.
Fully diluted	0.596	N.A.	0.596	N.A.

Remarks: Comparative figures are not presented as this is the third quarterly report prepared by the Company.

This Statement should be read in conjunction with the Annual Financial Statements for the period ended 31 December 2003.

MAJOR TEAM HOLDINGS BERHAD 567427-VI**UNAUDITED FIRST QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2004****CONDENSED CONSOLIDATED BALANCE SHEET**

	Unaudited As at end of current quarter 31/03/2004 RM'000	Audited As at preceding financial year end 31/12/2003 RM'000
1 Non-Current Assets		
Property, plant and equipment	51,683	52,589
Investment in subsidiary companies	*	*
Intangible Assets	29,136	29,136
2 Current Assets		
Amount owing by customers on contracts	5,315	4,190
Inventories	28,181	28,629
Trade Receivables	19,413	16,040
Other Receivables	4,578	4,871
Cash and Bank Balances	9,457	12,501
	<u>67,444</u>	<u>66,231</u>
3 Current Liabilities		
Amount owing to customers on contracts	155	838
Trade Payables	6,497	1,683
Other Payables	1,129	976
Amount owing to ultimate holding company	1	1
Amount owing to subsidiary companies	1,515	1,541
Amount owing to related companies	-	129
Amount owing to shareholders	1,261	1,269
Amount owing to directors	50	50
Hire purchase and lease payables	85	83
Bank borrowings	12,227	13,631
Provision for taxation	431	295
	<u>23,451</u>	<u>28,496</u>
4 Net Current Assets	<u>43,993</u>	<u>45,735</u>
	<u>124,312</u>	<u>127,460</u>
6 SHARE CAPITAL	98,377	95,668
RETAINED PROFITS	2,358	1,780
7 REVALUATION RESERVE	-	-
8 RESERVE ON CONSOLIDATION	9,296	9,296
REDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (RCULS)	23	3,233
	<u>110,554</u>	<u>109,977</u>
9 LONG TERM LIABILITIES		
Hire purchase and lease payables	128	150
Bank borrowings	6,300	9,000
Deferred taxation	8,130	8,333
	<u>14,558</u>	<u>17,483</u>
	<u>124,312</u>	<u>127,460</u>
10 Net Tangible Assets per share (RM)	<u>0.82</u>	<u>0.81</u>

* represent RM1.00

Remarks : Comparative figures are not presented as this is the third quarterly report prepared by the Company.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR PERIOD ENDED 31 MARCH 2004

	Share Capital RM'000	Reserve on Consolidation RM'000	RCULS RM'000	Retained Profits RM'000	Total RM'000
At 1 January 2004	95,667	9,296	3,233	1,780	109,976
Conversion of RCULS	3,210	-	(3,210)	-	-
Net Profit for the period	-	-	-	578	578
At 31 March 2004	<u>98,877</u>	<u>9,296</u>	<u>23</u>	<u>2,358</u>	<u>110,554</u>

Remarks: Comparative figures are not presented as this is the third quarterly report prepared in accordance with paragraph 9.22 of the Listing Requirements.

MAJOR TEAM HOLDINGS BERHAD 567427-W

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2004**

	3 MONTHS ENDED 31/03/04 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Net cash from operating activities	1,490
CASH FLOWS FROM INVESTING ACTIVITIES	
Net cash used in investing activities	(102)
CASH FLOW FROM FINANCING ACTIVITY	
Net cash used in financing activities	(5,866)
CASH AND CASH EQUIVALENTS	
Net Change	(4,478)
At Beginning of Year	5,715
At End of Year	<u>1,237</u>
CASH AND CASH EQUIVALENTS REPRESENTED BY:	
Cash and bank balances	9,457
Bank overdrafts	<u>(8,220)</u>
	<u>1,237</u>

Remarks : Comparative figures are not presented as this is the third quarterly report prepared in accordance with paragraph 9.22 of the Listing Requirements.

This Statement should be read in conjunction with the Annual Financial Statements for the period ended 31 December 2003.

MAJOR TEAM HOLDINGS BERHAD S67427-W

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with MASB 26 "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Listing Requirements.

The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the last audited financial statements for the year ended 31 December 2003.

A2. Audit Report of Last Annual Financial Statements

The financial statements for the year ended 31 December 2003 were not subject to any qualification by the auditor.

A3. Seasonal or Cyclical Factors

There were no major seasonal or cyclical factors affecting the business operations of the Group.

A4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cashflow for the current financial year to-date because of their nature, size or incidence, other than disclosed in Notes A6 below.

A5. Changes in Estimates

There were no changes in estimates of amounts reported in prior financial periods that have a material effect in the current quarter and current financial year.

A6. Debt and Equity Securities

- (a) For the current financial period, MTEAM increased its issued and paid-up share capital pursuant to a restructuring scheme of Kiara Emas as follows:-

NOTES TO THE INTERIM FINANCIAL REPORT

<u>Date of allotment</u>	<u>No. of shares</u>	<u>Consideration</u>	<u>Total (RM)</u>
- 28 Dec 2001	2	Subscribers' shares	2
- 18 Aug 2003	7,999,999	Issued pursuant to the Shareholders' Scheme	8,000,000
- 23 Aug 2003	50,000,000	Issued pursuant to the Acquisition of Stone World Sdn Bhd ("Stone World")	58,000,000
- 03 Oct 2003	5,002,460	Issued pursuant to the Mandatory Offer for Stone World	63,002,461
- 7 Nov 2003	13,000,000	Issued pursuant to the Special Issue	76,002,461
- 7 Nov 2003	7,999,999	Issued pursuant to the Restricted Issue	84,002,460
- 29 Dec 2003	11,665,149	Conversion of RM11,665,149 nominal value RCULS	95,667,609
- 25 Feb 2004	3,209,771	Conversion of RM3,209,771 nominal value RCULS	98,877,380

(b) Pursuant to the Creditors' Scheme in the restructuring scheme of Kiara Emas, MTEAM will issue up to RM18,000,000 convertible 5-year redeemable convertible unsecured loan stocks ("RUCLS") to the Scheme Creditors. On 5 December 2003, MTEAM had issued RM14,897,956 RCULS, of which RM14,874,920 RCULS have been converted into 14,874,920 new ordinary shares to-date.

(c) Save for the above, there were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasure shares and resale of treasury shares for the current financial year.

A7. Dividends

No dividend was paid or declared during the quarter ended 31 March 2004.

A8. Segmental Reporting

The activities of the subsidiaries are in the dimension stone industry and conducted within Malaysia.

NOTES TO THE INTERIM FINANCIAL REPORT

A9. Valuation of Assets

The valuation of property, plant and equipment has been brought forward, without amendment from the previous annual financial statements.

The Group did not carry out any valuation on its property, plant and equipment during the current interim period.

A10. Changes in Composition of the Group

There were no significant changes in the composition of the Group for the current financial period including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinuing operations.

A11. Contingent Liabilities

Save as disclosed in the prospectus dated 28 August 2003, there is no significant change to the status of the contingent liabilities involving any member of the Group as a result of the acquisitions of Kiara Emas and Stone World.

A12. Material events subsequent to the end of the current financial period

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which haven arisen from 31 March 2004 to the date of this announcement which would substantially affect the financial results of the Group for the three months ended 31 March 2004.

MAJOR TEAM HOLDINGS BERHAD 567427-W

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of Performance of the Company and its Principal Subsidiaries

The Group registered revenue of RM9.994 million and unaudited profit after tax and minority interest of RM0.578 million for the three (3) months period ended 31 March 2004. The Group's performance for the current quarter was relatively lower as compared to the preceding quarter mainly due to decrease in turnover. In line with the decrease in turnover, the Group recorded a lower profit after tax for the current quarter.

B2. Material Change in the Profit before Taxation compared to the results of the Preceding Quarter

For the first quarter of 2004, the Group's unaudited profit before taxation was RM1.010 million, compared to RM1.630 million recorded in the preceding quarter. In comparison, the profit before taxation of the Group for the current quarter was relatively lower due to decrease in turnover.

B3. Prospects

Barring any significant unforeseen circumstances, the Group's future results are expected to be comparable to 2003.

B4. Variation of Actual Profit From Profit Forecast

Not applicable as profit forecast is prepared on an annual basis.

B5. Taxation

Taxation comprises the following:-

Current year provision	RM'000
Deferred tax expenses	636
	<u>(204)</u>
	<u>432</u>

The effective tax rate of 42.77% for the current financial period is higher than the statutory tax rate mainly due to certain expenses being disallowed for taxation purposes and the non-availability of group relief.

B6. Unquoted Investments and/or Properties

There was no disposal of any unquoted investments and/or properties during the period.

B7. Investment in Quoted Securities

There was no purchase or disposal of quoted securities for the current period.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B8. Status of Corporate Proposals

- (a) MTEAM had issued a Prospectus dated 28 August 2003 and a Supplementary Prospectus dated 10 October 2003 in connection with the issuance of debt and equity securities pursuant to the restructuring scheme of Kiara Emas. Details of the issuance of debt and equity securities are provided in Note A6.
- (b) The entire 84,002,460 shares of MTEAM were listed on the Second Board of the Kuala Lumpur Stock Exchange on 19 November 2003. Subsequently, an additional 11,665,149 shares arising from the conversion of RCULS were listed on 9 January 2004. A further 3,209,771 shares arising from the conversion of RCULS were listed on 15 March 2004.
- (c) The gross proceeds of the Restricted Issue and Special Issue amounting to RM20,999,999 have been utilised for the following purposes to-date:-
- (i) RM6,237,930 to satisfy 50% of the accrued interest owing to the Bank Creditors in November 2003;
 - (ii) RM6,000,000 as an inter-company loan to Stone World for working capital purposes in December 2003; *and*
 - (iii) RM2,000,000 as an inter-company loan to Stone World for working capital purposes in January 2004.
 - (iv) RM6,762,069 as an inter-company loan to Stone World for working capital purposes in May 2004.

The foregoing utilisation is in accordance with the condition of the Securities Commission.

B9. Group Borrowings

The Group borrowings as at the end of the reporting period are as follows:-

	<u>Total outstanding</u> RM'000	<u>Repayable within</u> <u>12 months</u> RM'000	<u>Repayable after</u> <u>12 months</u> RM'000
Bank overdraft	8,220	8,220	-
Bill payable	1,007	1,007	-
Term loan	9,000	3,000	6,000
	<u>18,227</u>	<u>12,227</u>	<u>6,000</u>

The borrowings are all with a local financial institution and denominated in Ringgit Malaysia.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**B10. Off Balance Sheet Financial Instruments**

The Group has not entered into any contract involving off balance sheet financial instruments with off balance sheet risks.

B11. Material Litigation

Save as disclosed in the prospectus dated 28 August 2003, there is no significant change to the status of material litigation involving any member of the Group as a result of the acquisitions of Kiara Emas and Stone World.

B12. Basic and Fully diluted Earnings per Share

The calculation of basic earnings per share is based on the consolidated profit after taxation and minority interest for the period of RM0.596 million divided by the weighted average number of 96,937,409 shares.

The calculation of fully diluted earnings per share is based on the consolidated profit after taxation and minority interest of RM0.596 million divided by the adjusted weighted average number of 96,960,445 shares.

By Order of the Board of Directors

Company Secretary
26 May 2004