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BOARD OF DIRECTORS

Lim Kheng Yew (*Executive Chairman*)

Lim Kheng Chye (*Executive Director*)

Zakaria bin Abd. Hamid

Dato' Wan Malek bin Ibrahim

Dato' Abd Rahman bin Hj. Ismail

Abdul Razak bin A.S. Dawood

COMPANY SECRETARY

Chee Min Er (MAICSA 7016822)

REGISTERED OFFICE

12 Lorong Medan Tuanku Satu
50300 Kuala Lumpur
Tel : 03-2922923

AUDITORS

Arthur Andersen & Co
Level 23A, Menara Milenium
Pusat Bandar Damansara
50490 Kuala Lumpur

PRINCIPAL BANKERS

Bumiputra Commerce Bank Berhad
Overseas Union Bank (M) Berhad
RHB Sakura Merchant Bankers Berhad

SHARE REGISTRAR

Chua, Woo & Company Sdn Bhd (122754-U)
Suite 1301, 13th Floor, City Plaza
18 Jalan Sempena, Off Jalan Tebrau
80300 Johor Bahru

LISTING

Kuala Lumpur Stock Exchange
Main Board



NOTICE IS HEREBY GIVEN that the 18th Annual General Meeting of KYM Holdings Bhd. will be held at 3rd Floor, No. 12 Lorong Medan Tuanku Satu, 50300 Kuala Lumpur on Thursday, 30 March 2000 at 10:30 a.m. for the following purposes:-

A G E N D A

1. To receive the Audited Statement of Accounts for the financial year ended 30 September 1999 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**
2. To approve the payment of Directors' Fees for the financial year ended 30 September 1999. **(Resolution 2)**
3. To re-elect the following Directors retiring in accordance with Article No. 103 of the Company's Articles of Association:-
 - (i) Lim Kheng Yew **(Resolution 3)**
 - (ii) Abdul Razak bin A.S. Dawood **(Resolution 4)**
4. To consider and if thought fit, pass the following resolution in accordance with Section 129 of the Companies Act, 1965:

“THAT Dato' Abdul Rahman bin Hj. Ismail retiring in accordance with Section 129 of the Companies Act, 1965 be and is hereby re-appointed a director of the Company to hold office until the next Annual General Meeting.” **(Resolution 5)**
5. To appoint Messrs Arthur Andersen & Co. as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**
6. As special business, to consider and if thought fit, pass with or without any modification, the following ordinary motion pursuant to Section 132D of the Companies Act, 1965:

“THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company at any time at such price and upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.” **(Resolution 7)**
7. To transact any other matter for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

By Order of the Board

CHEE MIN ER
Secretary

Kuala Lumpur
Dated: 14 March 2000



Notes:-

1. A member entitled to attend and vote at the meeting is entitled to attend and vote in person or by proxy or by attorney or by duly authorised representative. A proxy or attorney or duly authorised representative need not be a member of the Company.
2. The power of attorney or a certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing. If the appointer is a corporation, it must be executed under its seal or in the manner authorised by its constitution.
3. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a duly certified copy thereof must be deposited at the Registered Office, No. 12 Lorong Medan Tuanku Satu, 50300 Kuala Lumpur at least 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
4. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit. Where a member appoints two or more proxies, he shall specify in the instrument appointing the proxies, the proportion of his shareholdings to be represented by each proxy.

EXPLANATORY NOTES TO SPECIAL BUSINESS

Resolution 7

Under the Companies Act, 1965, the Directors would have to call a general meeting to approve the issue of new shares even though the number of shares involved is less than 10% of the issued capital of the Company for the time being. In order to avoid any delay and costs involved in convening a general meeting, it is thus considered appropriate to seek shareholders' approval for Directors to issue shares (other than bonus or rights issues) in the Company up to an aggregate amount of not exceeding 10% of the issued capital of the Company for the time being and also empower Directors to obtain approval from Kuala Lumpur Stock Exchange for the listing of and quotation for additional shares so issued.



MEMBERS OF THE AUDIT COMMITTEE

Encik Zakaria bin Abd Hamid	-	<i>Chairman, Independent Non-Executive Director</i>
Dato' Wan Malek bin Ibrahim	-	<i>Independent Non-Executive Director</i>
Mr Lim Kheng Chye	-	<i>Executive Director</i>

TERMS OF REFERENCE

- to review, with the external auditor, the audit plan;
- to review, with the external auditors, the evaluation of the system of internal accounting controls and audit findings;
- to review the assistance given by the Company's officers to the external auditors;
- to review the scope and results of the internal audit procedures;
- to review the financial statements of the Company and the consolidated financial statements submitted to the Audit Committee by the Company and thereafter to submit them to the Directors of the Company;
- to review any related party transactions that may arise within the Company or the Group;
- to nominate and recommend for the Board of Directors' approval, a person or persons as auditor(s); and
- other functions as may be agreed to by the Audit Committee and the Board of Directors.



Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report of the Company for the financial year ended 30 September 1999.

FINANCIAL HIGHLIGHTS

The Group recorded a turnover of RM84.655 million and a consolidated pre-tax loss of RM43.966 million.

The loss per share of the Group has increased from 73.36 sen to 110.55 sen while net tangible asset backing per ordinary share has decreased from RM2.14 to RM1.03.

During the year the Group continued to bear substantial financing costs primarily due to bank borrowings incurred for the acquisition of landed properties in 1996.

DIVIDEND

The Directors of the Company do not recommend any dividend for the year ended 30 September 1999 in order to conserve the cash resources of the Group during these difficult times.

FUTURE OUTLOOK

The general improvement in the Malaysian economy has not yet fully trickled down into the corrugated carton industry and the Company's principal operations continue to face increased paper prices.

Our financials have also been affected by write-downs for provisions for doubtful debts and stock obsolescence. In addition, the Group continued to incur substantial financing costs arising from bank borrowings incurred in 1996 for the acquisition of landed properties.

Our strategy for the future is fourfold:

- 1) Reduce debt via a Capital Call
- 2) Reorganisation of our corrugating carton business
- 3) Increased focus on development of our land bank
- 4) Pursuing new business prospects

To reduce our debt overhang, we are proposing a capital raising exercise. We had on 18 October 1999 received approval from the Securities Commission (SC) to proceed with a RM40 million rights issue. After a review of the general market conditions at the time, we have submitted a request to the SC to permit us to include warrants together with the rights.

Pending SC approval, we are looking to implement this capital raising exercise during the current financial year.



Secondly, our strategy for the future calls for us to reorganise our corrugating carton business. We are in the process of restructuring our traditional mode of business. We continue to seek to remain as a key player in the corrugating carton industry. However, we are pursuing means of reorganising the logistics of our business in order to evolve ourselves to becoming more efficient and customer pro-active.

Thirdly, we will be focusing on the development of our land bank to generate property development income streams.

We have already made a soft launch for our first phase of development at our Teluk Rubiah land and have had encouraging sales, with 96% of the 136 land plots having been sold to date. I see much potential in our Teluk Rubiah land and am hopeful our increased focus on the property sector will enable us to better face the challenges ahead.

Fourthly, we will be open to pursuing new business ventures, which will take us away from what I see has been an over reliance on the ever-tightening margins of the corrugated carton industry. Your Board and Management have not yet finalised any specific ventures but have been in discussions on a variety of prospects.

As we enter a new decade and Millennium, your Company must prepare itself for not only new types of business ventures but also reexamine the manner in which commerce and industry are linked to the ultimate customer base. What must remain core though in any new approach we take is the commitment to enhancing shareholder value.

ACKNOWLEDGMENT

On behalf of the Board of Directors, I would like to thank the Management and Staff for their continuous hard work. I wish also to thank our shareholders, customers, business associates, financial institutions and the governmental authorities for their assistance and continuing support during the year.

LIM KHENG YEW

Executive Chairman

Dated: 14 March 2000



Directors' Report

The directors hereby submit their report together with the audited accounts of the Company and of the Group for the financial year ended 30 September, 1999.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are described in Note 26 to the accounts.

There have been no significant changes in these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Loss after taxation	(43,737)	(1,016)
(Accumulated losses)/retained profits brought forward	(6,934)	4,082
(Accumulated losses)/retained profits carried forward	(50,671)	3,066

DIVIDEND

The directors do not recommend any declaration of dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in Note 18 to the accounts.

BAD AND DOUBTFUL DEBTS

Before the profit and loss accounts and balance sheets were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amounts written off for bad debts or the amount of provision for doubtful debts in the accounts of the Company and of the Group inadequate to any substantial extent.



CURRENT ASSETS

Before the profit and loss accounts and balance sheets were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Company and of the Group have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the accounts of the Company and of the Group misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company and of the Group misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (a) any charge on the assets of the Company or of the Group which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Company or of the Group which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company or of the Group to meet their obligations when they fall due other than as disclosed in Notes 23 and 24 to the accounts.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the accounts of the Company or of the Group which would render any amount stated in the accounts misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Company or of the Group during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.



There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company or of the Group for the financial year in which this report is made.

ISSUE OF SHARES

During the financial year, the issued and paid-up capital of the Company was increased from 39,488,967 to 39,749,967 ordinary shares via the issuance of additional 261,000 ordinary shares of RM1.00 each pursuant to the Company's Employees' Share Option Scheme ("ESOS") at the following option prices per share :

<u>Number Of Shares</u>	<u>Option Price</u>
30,000	1.03
231,000	1.00
<hr/>	
261,000	

EMPLOYEES' SHARE OPTION SCHEME (ESOS)

The KYM Holdings Bhd. Employees' Share Option Scheme ("ESOS") was approved by the shareholders at the Extraordinary General Meeting and became effective on 25 May, 1995.

The main features of the ESOS are as follows:

- (a) Eligible persons are employees of the Group (including executive directors) who have been confirmed in the employment of the Group and have served for at least one year before the date of the offer.
- (b) The total number of shares to be offered shall not exceed in aggregate 10% of the issued share capital of the Company at any point of time during the duration of the ESOS, which shall be in force for a period of five years from 25 May, 1995.
- (c) The option price for each share shall be the average of the mean market quotation (calculated as the average of the highest and lowest price transacted) of the shares as shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five trading days preceding the date of offer or at the par value of the shares, whichever is higher.
- (d) No offer shall be made for less than 1,000 shares nor more than 500,000 shares to any eligible employee.
- (e) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company before the expiry of five years from the date of the offer or such shorter period as may be specified in such offer.
- (f) The number of shares under option or the option price or both so far as the option remain unexercised may be adjusted following any variation in the issued share capital of the Company by way of a capitalisation or rights issue or a reduction, subdivision or consolidation of the Company's shares made by the Company.



- (g) The shares under option shall remain unissued until the option is exercised and shall on allotment rank parri passu in all respects with the existing shares of the Company at the time of allotment save that they will not entitle the holders thereof to receive any rights and bonus issues announced or to any dividend or other distribution declared to the shareholders of the Company as at a date which precedes the date of the exercise of the option.
- (h) The option is personal to the grantee and is non-assignable, transferable and disposed of under any circumstances.

The option period is for five calendar years commencing from 25 May, 1995 and expiring on 24 May, 2000.

The movements in the option to take up unissued new ordinary shares of RM1.00 each and the option prices are as disclosed in Note 17 to the accounts.

DIRECTORS

The directors who served since the date of the last report are:

Lim Kheng Yew
Dato' Wan Malek bin Ibrahim
Zakaria bin Abd Hamid
Lim Kheng Chye
Abdul Razak bin A.S. Dawood
Dato' Abdul Rahman bin Hj Ismail

In accordance with the Company's Articles of Association, Lim Kheng Yew, Abdul Razak bin A.S. Dawood and Dato' Abdul Rahman bin Hj Ismail retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company or its subsidiaries is a party with the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than the Employees' Share Option Scheme as disclosed in this report.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the accounts) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

SIGNIFICANT EVENT

The significant event is as disclosed in Note 27 to the accounts.



Directors' Report *(cont'd)*

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows :

	Number of Ordinary Shares of RM1 Each			30 September, 1999
	1 October, 1998	Bought	Sold	
Lim Kheng Yew				
- direct interest	2,500,000	-	-	2,500,000
- indirect interest	4,415,557	-	-	4,415,557
Zakaria bin Abd Hamid				
- indirect interest	9,214,285	-	-	9,214,285
Dato' Wan Malek bin Ibrahim				
- indirect interest	9,214,285	-	-	9,214,285
Lim Kheng Chye				
- direct interest	10,000	-	-	10,000

The options to subscribe for shares in the Company pursuant to the Employees' Share Option Scheme granted to the following directors which remain unexercised are as follows:

	Options over Number of Ordinary Shares of RM1 Each			30 September, 1999
	1 October, 1998	Granted	Exercised	
Granted in 1995 at an option price of RM3.11 per share				
Lim Kheng Chye	140,000	-	-	140,000
Granted in 1997 at an option price of RM1.03 per share				
Lim Kheng Chye	300,000	-	-	300,000

By virtue of their interests in shares in the Company, Lim Kheng Yew, Zakaria bin Abd Hamid and Dato' Wan Malek bin Ibrahim are also deemed to be interested in shares in all of the Company's subsidiaries to the extent that the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in the shares of the Company or its related corporations during the financial year.



AUDITORS

Arthur Andersen & Co. retire and have indicated their willingness to accept re-appointment.

Signed on behalf of the Board
in accordance with a resolution
of the directors

LIM KHENG YEW

ZAKARIA BIN ABD HAMID

Kuala Lumpur
Dated: 27 January 2000



Statement By Directors

We, LIM KHENG YEW and ZAKARIA BIN ABD HAMID, being two of the directors of KYM HOLDINGS BHD., do hereby state that, in the opinion of the directors, the accompanying balance sheets of the Company and of the Group as at 30 September, 1999 and the related profit and loss accounts of the Company and of the Group and the cash flow statement of the Group for the year then ended, together with the notes thereto, give a true and fair view of the state of affairs of the Company and of the Group as at 30 September, 1999 and of the results of the Company and of the Group and cash flows of the Group for the year then ended, and have been properly drawn up in accordance with applicable approved accounting standards.

Signed on behalf of the Board
in accordance with a resolution
of the directors

LIM KHENG YEW

ZAKARIA BIN ABD HAMID

Kuala Lumpur
Dated: 27 January 2000

Statutory Declaration

I, CAROLYN ANNE KAM FOONG KHENG, the officer primarily responsible for the financial management of KYM HOLDINGS BHD., do solemnly and sincerely declare that the accompanying balance sheets of the Company and of the Group as at 30 September, 1999 and the related profit and loss accounts of the Company and of the Group and the cash flow statement of the Group for the year then ended, together with the notes thereto are, to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed CAROLYN ANNE KAM)
FOONG KHENG at Kuala) CAROLYN ANNE KAM FOONG KHENG
Lumpur in Wilayah Persekutuan on)
27 January 2000)

Before me:

Commissioner for Oaths
YTM TUNKU MAZNAH BINTI TUNKU SHUIB (NO. W276)



KYM HOLDINGS BHD.

To the Shareholders of KYM HOLDINGS BHD.

We have audited the accounts of KYM HOLDINGS BHD. (the Company) and the consolidated accounts of KYM HOLDINGS BHD. AND ITS SUBSIDIARIES (the Group) as at 30 September, 1999. These accounts are the responsibility of the Company's directors. Our responsibility is to express an opinion on these accounts based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the accounts give a true and fair view of the state of affairs of the Company and of the Group as at 30 September, 1999 and of the results of the Company and of the Group and cash flows of the Group for the year then ended, and have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's accounts are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and we have received satisfactory information and explanations required by us for these purposes.

The audit reports on the accounts of the subsidiaries were not subject to any qualification or any adverse comment made under subsection (3) of Section 174 of the Act.

Without qualifying our opinion, we draw attention to Note 2 to the accounts which elaborates the basis of preparation of the accounts on the assumption of the successful continued financial support from the creditors to extend the facilities on the proposed debt restructuring scheme and proposed divestment of certain identified assets. The accounts of the Group and the Company do not include any adjustments relating to the amounts and classification of assets and liabilities that might be necessary should the Group and the Company be unable to continue as a going concern.

Arthur Andersen & Co.
No. AF 0103
Public Accountants

Habibah bte Abdul
No. 1210/5/00(J)
Partner of the Firm

Dated: 27 January 2000



KYM HOLDINGS BHD.

Balance Sheets

30 September, 1999

	Note	Group		Company	
		1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
CURRENT ASSETS					
Cash and bank balances		979	3,001	54	670
Fixed deposit with a licensed bank		787	3,599	740	3,526
Debtors	4	32,154	54,654	702	702
Stocks	5	17,484	16,850	-	-
		51,404	78,104	1,496	4,898
CURRENT LIABILITIES					
Short term borrowings	6	162,617	149,069	115,000	110,104
Creditors	7	78,306	71,064	10,757	10,737
Taxation		266	338	-	-
		241,189	220,471	125,757	120,841
NET CURRENT LIABILITIES					
		(189,785)	(142,367)	(124,261)	(115,943)
FIXED ASSETS					
	8	79,767	84,520	7,391	7,791
LAND AND DEVELOPMENT					
EXPENDITURE	9	94,536	85,384	-	-
INVESTMENT PROPERTY	10	6,674	6,596	-	-
ASSOCIATED COMPANIES	11	55,676	58,028	-	-
OTHER INVESTMENTS	12	137	350	-	-
SUBSIDIARY COMPANIES	13	-	-	217,564	209,775
INTANGIBLE ASSETS	14	5,400	5,420	-	-
MINORITY INTEREST		(81)	(145)	-	-
LONG TERM LIABILITIES	15	(5,531)	(7,244)	(260)	(435)
DEFERRED TAXATION	16	(437)	(711)	(341)	(341)
		46,356	89,831	100,093	100,847
SHAREHOLDERS' FUNDS					
Share capital	17	39,750	39,489	39,750	39,489
Reserves	18	6,606	50,342	60,343	61,358
		46,356	89,831	100,093	100,847

The accompanying notes are an integral part of these balance sheets.



Profit And Loss Accounts for the year ended 30 September, 1999

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	Note	Group		Company	
		1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Turnover	19	84,655	86,849	13,392	18,490
Loss before taxation	20	(41,243)	(27,501)	(1,016)	(1,396)
Share of associated companies losses		(2,723)	(2,635)	-	-
		(43,966)	(30,136)	(1,016)	(1,396)
Taxation	21	165	1,175	-	-
Loss after taxation but before minority interest		(43,801)	(28,961)	(1,016)	(1,396)
Minority interest		64	(8)	-	-
Loss attributable to the shareholders (Accumulated losses)/retained profits brought forward		(43,737)	(28,969)	(1,016)	(1,396)
		(6,934)	22,035	4,082	5,478
(Accumulated losses)/retained profits carried forward		(50,671)	(6,934)	3,066	4,082
Retained by:					
The Company		3,066	4,082		
Subsidiaries		(48,846)	(8,843)		
Associated companies		(4,891)	(2,173)		
		(50,671)	(6,934)		
Loss per share	22	(110.55) sen	(73.36) sen		

The accompanying notes are an integral part of these accounts.



KYM HOLDINGS BHD.

Consolidated Cash Flow Statement *for the year ended 30 September, 1999*

	1999 RM'000	1998 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(43,966)	(30,136)
Adjustments for:		
Bad and doubtful debts	23,665	1,520
Provision for stock obsolescence	530	131
Depreciation	6,470	5,808
Share of associated companies losses	2,708	2,635
Intangible assets written off	32	36
(Write back)/provision for diminution in value	(503)	988
Interest expense	12,312	21,547
Gain on disposal of fixed assets	(22)	(20)
Interest income	(116)	(741)
Operating profit before working capital changes	1,110	1,768
Increase in debtors	(1,165)	(13,159)
(Increase)/decrease in stocks	(1,164)	2,029
Increase in creditors	7,996	9,263
Cash generated from/(used in) operations	6,777	(99)
Income tax paid	(91)	(466)
Interest paid	(18,918)	(20,086)
Net cash used in operating activities	(12,232)	(20,651)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	116	741
Intangible assets	(12)	(12)
Purchase of fixed assets	(2,313)	(15,838)
Investment property	(78)	(225)
Land and development expenditure	(1,982)	(2,032)
Proceeds from disposal of quoted shares	816	-
Purchase of investments	-	(1,512)
Proceeds from disposal of fixed assets	272	367
Due from associated company	(466)	(340)
Net cash flow used in investing activities	(3,647)	(18,851)



Consolidated Cash Flow Statement *for the year ended 30 September, 1999 (cont'd)*

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	1999 RM'000	1998 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/drawdown of hire purchase	(2,935)	9,180
Drawdown/(repayment) of term loans	379	(676)
Drawdown of short term loans	13,610	15,958
Net proceeds from issuance of shares	260	-
Net cash generated from financing activities	11,314	24,462
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,565)	(15,040)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,942	17,982
CASH AND CASH EQUIVALENTS AT END OF YEAR	(1,623)	2,942
CASH AND CASH EQUIVALENTS COMPRISE		
Cash and bank balances	979	3,001
Fixed deposit with a licensed bank	787	3,599
Bank overdrafts	(3,389)	(3,658)
	(1,623)	2,942

The accompanying notes are an integral part of this statement.



KYM HOLDINGS BHD.

1. PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are described in Note 26 to the accounts.

There have been no significant changes in these activities during the financial year.

2. PROPOSED RESTRUCTURING SCHEME

As at 30 September, 1999, the Group and the Company have net current liabilities of RM189,785,000 and RM124,261,000 respectively.

On 5 March, 1999, the Company formulated a revised restructuring scheme which included the following:

- (1) Proposed Rights Issue involving the Company issuing up to 41,456,967 new ordinary shares of RM1.00 each at an issue price of RM1.00 per share to be provisionally allotted on the basis of 1 new ordinary share for every existing ordinary share held in the Company at a date to be determined ("Rights Shares"). The maximum number of shares to be issued was arrived at based on the Company's present issued and paid-up share capital and on the assumption that all outstanding share options under the Employees' Share Option Scheme ("ESOS") are exercised prior to entitlement date.
- (2) Proposed debt restructuring scheme involving the renegotiation of banking facilities, mainly to extend the short term facilities to longer term loan facilities of above two years.
- (3) Proposed divestment of certain identified assets.

The funds generated from the above proposed restructuring scheme would be used for the following purposes:

- (1) to meet the Group's short term obligations including the partial retirement of loans and servicing of banking facilities;
- (2) for working capital purposes; and
- (3) to commence development of certain property related projects.

The above proposed rights issue has been approved by the Securities Commission vide its letter dated 18 October, 1999.

On 19 November, 1999, the Company announced that it is proposing to attach one free warrant to each rights share pursuant to the proposed rights issue. The issue price and basis of issue of the rights share will remain unchanged. The revised proposed rights issue has been submitted to the Securities Commission and is pending the approvals of the Securities Commission and other relevant authorities.



The Group and the Company are currently in negotiations with the relevant parties over its proposed debt restructuring scheme and divestment of certain identified assets.

While the above are being pursued, the directors are of the opinion that with the continued support of its creditors, the Group and the Company are viable and accordingly, it is appropriate for the accounts to be prepared on a going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts are prepared under the historical cost convention modified by the revaluation of certain land and buildings and comply with applicable approved accounting standards.

(b) Basis of Consolidation

The consolidated accounts include the accounts of the Company and all its subsidiaries made up to the end of the financial year. The results of subsidiaries acquired during the year are included in the consolidated profit and loss account from the date of their acquisition. Related company transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only.

The difference between the purchase price and the fair value of the net assets of subsidiaries at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve arising on consolidation.

(c) Associated Companies

The Group treats as associated companies those companies in which a long term interest of between 20% and 50% is held and where it exercises significant influence through management participation.

The Group's share of losses of associated companies is included in the consolidated profit and loss account and the Group's interest in associated companies is stated at cost plus adjustments to reflect changes in the Group's share of the net assets of the associated companies. Where an associated company's financial year is not coterminous with that of the Group, the associated company's results are equity accounted using the latest audited accounts and supplemented by management accounts up to the Group's financial year end.

(d) Currency Conversion and Translation

Transactions in foreign currencies during the year are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Foreign currency monetary assets and liabilities at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date. All exchange gains or losses are dealt with in the profit and loss accounts.



(e) Investments

Investments in subsidiaries and other investments are stated at cost less provision for any permanent diminution in value.

(f) Fixed Assets and Depreciation

Fixed assets are stated at valuation or cost less accumulated depreciation.

Freehold land and construction work-in-progress is not depreciated. Leasehold land is depreciated over the period of the lease. Depreciation of other fixed assets is provided on a straight line basis calculated to write off the valuation or cost of each asset over its estimated useful life.

The principal annual rates of depreciation are :

Buildings	2%
Operating equipment, renovation and motor vehicles	5% - 50%
Golf equipment and accessories	15% - 20%

Leasehold land is amortised over the unexpired lease period of 45 - 93 years.

(g) Land and Development Expenditure

Land and development expenditure includes direct and indirect development expenditure incurred on the development of a golf course, clubhouse and chalets on a piece of land belonging to a subsidiary.

(h) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes where appropriate direct materials, direct labour, direct charges and variable production overheads determined on a weighted-average basis.

(i) Investment Property

Investment property is land and building held for its investment potential. Investment property is not depreciated. It is the policy of the Group to revalue its investment properties every five years or such shorter period as may be considered to be appropriate, based upon the advice of professional valuers and appraisers.

Surplus arising from revaluation is credited to revaluation reserve at the discretion of the directors.

(j) Deferred Taxation

Deferred taxation is provided under the liability method for all material timing differences except where there is reasonable evidence that these timing differences will not reverse in the foreseeable future.



(k) Intangible Assets

Goodwill arising on consolidation is subject to yearly review by the directors. The review is based on future potential earnings of the subsidiary companies concerned and will be written down to the extent of its intrinsic value.

Preliminary and pre-operating expenses are stated at cost and will be written off upon commencement of business operations.

(l) Hire Purchase Assets

The cost of assets acquired under hire purchase agreements are capitalised. The depreciation policy on these assets is similar to that of the Group's other assets as set out in (f) above. Outstanding obligations due under the hire purchase agreements after deducting finance expenses are included as liabilities in the accounts. The finance expenses of the hire purchase are charged to the profit and loss accounts over the period of the respective agreements.

4. DEBTORS

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Trade debtors	32,668	30,789	-	-
Other debtors	27,206	27,920	702	702
Provision for doubtful debts	59,874 (27,720)	58,709 (4,055)	702 -	702 -
	32,154	54,654	702	702

Included in other debtors is an amount of RM3,220,000 (1998 : RM24,300,000) due from a third party.



Notes To The Accounts 30 September, 1999 (cont'd)

5. STOCKS

	Group	
	1999 RM'000	1998 RM'000
Raw materials	14,309	12,607
Work-in-progress	1,481	1,730
Finished goods	2,329	2,640
Others	26	4
	18,145	16,981
Provision for stock obsolescence	(661)	(131)
	17,484	16,850

6. SHORT TERM BORROWINGS

Unsecured	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Bank overdrafts	3,389	3,658	-	-
Revolving credit	30,920	30,920	15,000	15,000
Bankers' acceptances	28,101	19,387	-	-
Term loan (Note 15)	207	-	-	-
	62,617	53,965	15,000	15,000
Secured				
Revolving credit	35,000	30,104	35,000	30,104
Bridging loan	65,000	65,000	65,000	65,000
	100,000	95,104	100,000	95,104
	162,617	149,069	115,000	110,104

The revolving credit and bridging loan are secured by way of pledge of the Group's investments in quoted shares and lienholders caveat over leasehold land and building of certain subsidiaries.

The short term borrowings carry interest ranging between 8.8% to 12.2% (1998 : 10.9% to 19.5%) per annum.



7. CREDITORS

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Trade creditors	10,218	7,330	-	-
Other creditors	66,877	61,473	10,757	10,496
Hire purchase (Note 15)	1,211	2,261	-	241
	78,306	71,064	10,757	10,737

Included in other creditors is RM49,792,000 (1998 : RM45,155,000) owing to a company related by virtue of common directors in relation to the acquisition of shares in an associated company which carries interest at a rate of 11.58% (1998 : 11.58%) per annum.

8. FIXED ASSETS

(a) Group

	Land and buildings (at valuation) RM'000	Land and buildings (at cost) RM'000	Operating equipment, renovation and motor vehicles RM'000	Golf equipment and accessories RM'000	Total RM'000
At 1 October, 1998	6,267	34,742	74,780	1,476	117,265
Additions	11	65	2,235	2	2,313
Disposals	-	-	(849)	-	(849)
At 30 September, 1999	6,278	34,807	76,166	1,478	118,729
Accumulated Depreciation					
At 1 October, 1998	942	2,377	28,194	1,232	32,745
Additions	104	411	6,187	114	6,816
Disposals	-	-	(599)	-	(599)
At 30 September, 1999	1,046	2,788	33,782	1,346	38,962



Notes To The Accounts *30 September, 1999 (cont'd)*

8. FIXED ASSETS *(cont'd)*

(a) Group

	Land and buildings (at valuation) RM'000	Land and buildings (at cost) RM'000	Operating equipment, renovation and motor vehicles RM'000	Golf equipment and accessories RM'000	Total RM'000
Net Book Value					
At 30 September, 1999	*5,232	**32,019	42,384	132	79,767
At 30 September, 1998	5,325	32,365	46,586	244	84,520
Depreciation					
Year ended 30 September, 1998	104	411	5,523	162	6,200

* Included in land and buildings (at valuation) is short term leasehold land and buildings (at valuation) with net book value of RM1,410,000 (1998 : RM1,445,000).

** Included in land and buildings (at cost) is short term leasehold land and buildings (at cost) with net book value of RM4,572,000 (1998 : RM4,616,000).

At valuation	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Total RM'000
At 1 October, 1998	360	1,991	3,916	6,267
Additions	-	-	11	11
At 30 September, 1999	360	1,991	3,927	6,278
Accumulated Depreciation				
At 1 October, 1998	-	113	829	942
Additions	-	26	78	104
At 30 September, 1999	-	139	907	1,046



8. FIXED ASSETS (cont'd)

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Total RM'000
Net Book Value				
At 30 September, 1999	360	1,852	3,020	5,232
At 30 September, 1998	360	1,878	3,087	5,325
Depreciation				
Year ended 30 September, 1998	-	26	78	104

(b) Company

	Land and buildings (at valuation) RM'000	Buildings (at cost) RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
At 1 October, 1998	3,753	2,974	531	2,601	9,859
Additions	11	-	-	-	11
At 30 September, 1999	3,764	2,974	531	2,601	9,870
Accumulated Depreciation					
At 1 October, 1998	644	286	103	1,035	2,068
Additions	69	59	53	230	411
At 30 September, 1999	713	345	156	1,265	2,479
Net Book Value					
At 30 September, 1999	3,051	2,629	375	1,336	7,391
At 30 September, 1998	3,109	2,688	428	1,566	7,791
Depreciation					
Year ended 30 September, 1998	69	59	54	230	412



Notes To The Accounts 30 September, 1999 (cont'd)

8. FIXED ASSETS (cont'd)

At valuation	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Total RM'000
At 1 October, 1998	610	360	2,783	3,753
Additions	-	-	11	11
At 30 September, 1999	610	360	2,794	3,764
Accumulated Depreciation				
At 1 October, 1998	-	40	604	644
Additions	-	13	56	69
At 30 September, 1999	-	53	660	713
Net Book Value				
At 30 September, 1999	610	307	2,134	3,051
At 30 September, 1998	610	320	2,179	3,109
Depreciation				
Year ended 30 September, 1998	-	13	56	69

Certain leasehold land, freehold land and buildings were revalued on an open market basis by independent professional valuers in 1999.



8. FIXED ASSETS (cont'd)

Assets Held Under Hire Purchase

Included in the above are net book value of fixed assets of the Company and of the Group held under hire purchase amounting to:

Group 1999	Hire Purchase RM'000
Motor vehicles	999
Plant and machinery	10,754
	11,753
1998	
Turf equipment	1,117
Motor vehicles	108
Plant and machinery	11,561
	12,786
Company 1999	
Motor vehicles	960
1998	
Motor vehicles	1,009

9. LAND AND DEVELOPMENT EXPENDITURE

	Group	
	1999 RM'000	1998 RM'000
At cost:		
Leasehold land held for future development	31,088	31,088
Development expenditure	63,448	54,296
	94,536	85,384



9. LAND AND DEVELOPMENT EXPENDITURE (cont'd)

The development expenditure includes expenses amounting to approximately RM33,004,000 (1998 : RM32,548,000) relating to development of a golf course, clubhouse and chalets on a piece of land belonging to a subsidiary and capitalised expenses (cumulative) as follows:

	Group	
	1999 RM'000	1998 RM'000
Audit fees	57	50
Depreciation	2,515	2,169
Interest expense	20,157	11,589
Directors' remuneration	187	187

The leasehold land was revalued by a firm of independent professional valuers in August 1999 based on an open market value of RM120 million. The directors do not recommend that the surplus be incorporated in the accounts.

A lienholder's caveat over the leasehold land has been granted to certain financial institutions for borrowing facilities as disclosed in Note 6.

10. INVESTMENT PROPERTY

	Group	
	1999 RM'000	1998 RM'000
Freehold land and building	6,674	6,596

The freehold land and building were re-appraised in 1997 to give a market value of RM7,530,000 based on the open market value on an existing use basis by an independent firm of professional valuers. The directors do not recommend that the surplus be incorporated in the accounts.

A lienholder's caveat over the freehold land and building has been granted to certain financial institutions for borrowing facilities as disclosed in Note 6.



11. ASSOCIATED COMPANIES

	Group	
	1999 RM'000	1998 RM'000
At cost:		
Unquoted shares	100	100
Quoted shares in Malaysian corporation	54,473	54,473
Quoted warrants in Malaysian corporation	4,719	4,719
	59,292	59,292
Share of post-acquisition losses	(4,891)	(2,173)
	54,401	57,119
Provision for diminution in value of investment	(100)	-
	54,301	57,119
Due from associated company	1,375	909
	55,676	58,028
Market value:		
Quoted shares in Malaysian corporation	8,191	5,266
Quoted warrants in Malaysian corporation	645	170
	8,836	5,436

No provision for permanent diminution in value is made on certain investments as the directors are of the opinion that the shortfall is not permanent in nature and the investment is intended to be held for long term purpose.

Certain quoted shares have been pledged to financial institutions for borrowing facilities granted to the Company as disclosed in Note 6.



Notes To The Accounts 30 September, 1999 (cont'd)

11. ASSOCIATED COMPANIES (cont'd)

The associated companies are:

Name of Company	Effective Interests		Principal Activities	Financial Year End
	1999 %	1998 %		
Juan Kuang (M) Industrial Berhad	23.3	23.3	Manufacture and wholesale supplier of electrical products and accessories and manufacture and supply of wiring harnesses for vehicle and automotive accessories.	31 January
KCP Carton Sdn. Bhd.	40	40	Manufacture and dealers of carton boxes.	30 September

12. OTHER INVESTMENTS

	Group	
	1999 RM'000	1998 RM'000
At cost:		
Quoted shares in Malaysian corporation	522	1,338
Provision for diminution	(385)	(988)
	137	350
Market value:		
Quoted shares in Malaysian corporation	236	350



13. SUBSIDIARY COMPANIES

	Company	
	1999 RM'000	1998 RM'000
Unquoted shares, at cost	37,997	37,997
Surplus on revaluation of investment in a subsidiary	493	493
	38,490	38,490

	Company	
	1999 RM'000	1998 RM'000
Due from subsidiaries:		
Interest free loan and advances	44,614	46,794
Advance at interest rate ranging from 8.0% to 12.2% (1998 : 12.0%) per annum	134,460	124,491
	179,074	171,285
	217,564	209,775

14. INTANGIBLE ASSETS

	Group	
	1999 RM'000	1998 RM'000
Goodwill arising on consolidation	6,392	6,392
Reserve on consolidation	(1,057)	(1,057)
	5,335	5,335
Preliminary expenses and pre-operating expenses		
At 1 October, 1998/1997	85	109
Addition during the year	12	12
	97	121
Written off to profit and loss account	(32)	(36)
	65	85
Total	5,400	5,420



Notes To The Accounts 30 September, 1999 (cont'd)

Included in the pre-operating expenses during the financial year is audit fees of RM2,600 (1998 : RM1,900).

15. LONG TERM LIABILITIES

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Term loans	379	-	-	-
Hire purchase creditors	6,570	9,505	435	676
	6,949	9,505	435	676
Less: Repayment due within 12 months (included in short term borrowings and creditors)	(1,418)	(2,261)	(175)	(241)
	5,531	7,244	260	435
Repayable between one to two years	2,183	1,211	175	175
Repayable between two to five years	3,348	6,033	85	260
	5,531	7,244	260	435

16. DEFERRED TAXATION

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
At 1 October, 1998/1997	711	2,144	341	341
Transfer to profit and loss account (Note 21)	(274)	(1,433)	-	-
At 30 September	437	711	341	341

Deferred taxation is not provided on the surplus arising from the revaluation of certain freehold and leasehold land and buildings as it is not the intention of the directors to dispose these properties.



17. SHARE CAPITAL

	Group and Company	
	1999	1998
	RM'000	RM'000
Ordinary shares of RM1 each :		
Authorised	50,000	50,000
Issued and fully paid		
At 1 October, 1998/1997	39,489	39,489
Issued during the financial year under Employees' Share Option Scheme	261	-
At 30 September	39,750	39,489

The movements in the ESOS to take up unissued new ordinary shares of RM1.00 each and the option exercise prices are as follows:

	Number of Ordinary Shares of RM1 each under option	Option price RM
(i)	Granted in 1995	
	At 1 October, 1998	342,000
	Forfeiture	(100,000)
	At 30 September, 1999	242,000
(ii)	Granted in 1996	
	At 1 October, 1998/30 September, 1999	9,000
(iii)	Granted in 1997	
	At 1 October, 1998	460,000
	Exercised	(30,000)
	At 30 September, 1999	430,000



Notes To The Accounts 30 September, 1999 (cont'd)

17. SHARE CAPITAL (cont'd)

	Number of Ordinary Shares of RM1 each under option	Option price RM
(iv) Granted in 1999		
Upon offer	1,157,000	1.00
Exercised	(231,000)	1.00
Forfeiture	(65,000)	1.00
At 30 September, 1999	861,000	
Total options not exercised as at 30 September, 1999	1,542,000	

18. RESERVES

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
(a) Non-distributable:				
Capital reserve - Revaluation surplus	35	35	35	35
Share premium:				
At 1 October, 1998/1997	57,241	57,241	57,241	57,241
Arising from share issuance	1	-	1	-
At 30 September	57,242	57,241	57,242	57,241
(b) Distributable:				
(Accumulated losses)/ retained profits	(50,671)	(6,934)	3,066	4,082
Total reserves	6,606	50,342	60,343	61,358



19. TURNOVER

Turnover for the Group comprises management fees, dividend, interest, rental income and sales of goods net of discounts, allowances and returns.

Turnover for the Company represents rental income, interest income and management fees receivable from subsidiaries.

The cost of sales incurred in relation to the Group's turnover was RM80,137,324 (1998 : RM74,820,270). The cost of sales in relation to the Group's turnover consist of cost of raw materials, labour and overheads.

20. LOSS BEFORE TAXATION

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Loss before taxation is stated after charging:				
Directors' remuneration:				
- Fees	48	48	48	48
- Emoluments				
- current year	1,090	1,088	291	450
- overprovision in prior year	(34)	-	(11)	-
Depreciation	6,470	5,808	411	412
Audit fees	88	88	13	13
Interest expenses	12,312	21,547	12,863	18,221
Rental expenses	263	439	432	432
Bad and doubtful debts (net of recoveries)	23,665	1,520	-	-
Intangible assets written off	32	36	-	-
Provision for stock obsolescence	530	131	-	-
and crediting:				
Foreign exchange gain	142	435	-	14
Write back of provision/ (provision) for diminution in value of investment	503	(988)	-	-
Interest income	116	741	12,535	17,794
Rental income	-	11	-	11
Gain on sale of fixed assets	22	20	-	-



21. TAXATION

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Current year's provision	-	225	-	-
Taxation under/(over) provided in respect of prior years	19	(13)	-	-
Transferred from deferred taxation (Note 16)	(274)	(1,433)	-	-
Share of taxation of associated companies	90	46	-	-
	(165)	(1,175)	-	-

The disproportionate taxation charge of the Group is due principally to timing differences on certain capital expenditure which are not expected to reverse in the foreseeable future and the losses in certain companies for which no group relief is available.

The Company is in a tax loss position for the current financial year. Tax savings arising as a result of the utilisation of unutilised capital allowances amount to RM24,000 (1998 : Nil). As at 30 September, 1999, the Company has tax losses of approximately RM1,068,000 (1998 : RM667,000) and unutilised capital allowances of approximately RM525,000 (1998 : RM319,000) which can be used to offset future taxable profits subject to agreement with the Inland Revenue Board.

Under the Reinvestment Allowance Schedule 7(A), Income Tax Act, 1967, the Company has a tax exempt account of approximately RM3,275,000 (1998 : RM3,275,000) out of which exempt dividend can be declared subject to agreement with the Inland Revenue Board.

As at 30 September, 1999, the Company has a potential deferred tax benefit of approximately RM446,000 (1998 : Nil), arising principally from tax losses carried forward and unutilised capital allowances, the effects of which are not included in the accounts as there is no assurance beyond any reasonable doubt that future taxable income will be sufficient to allow the benefit to be realised.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividend out of its retained profits.

22. LOSS PER SHARE

The loss per share is calculated by dividing the Group losses of RM43,737,000 (1998 : RM28,969,000) by the weighted average number of ordinary shares in issue during the year of 39,562,783 (1998 : 39,488,967).



23. CAPITAL COMMITMENTS

	Group	
	1999	1998
	RM'000	RM'000
Approved and contracted for	654	1,294

24. CONTINGENT LIABILITIES

	Company	
	1999	1998
	RM'000	RM'000
Guarantees for loans to subsidiaries	132,617	119,088

25. SIGNIFICANT RELATED COMPANY TRANSACTIONS

	Company	
	1999	1998
	RM'000	RM'000
Income from related companies:		
Interest	12,427	17,055
Rental of factory	578	592
Management fees	100	100
Expenses paid to a subsidiary:		
Rental of building	432	432

The directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established under the terms that are no less favourable than those arranged with third parties.



Notes To The Accounts *30 September, 1999 (cont'd)*

26. SUBSIDIARIES

The subsidiaries are:

Name of Company	Paid-up Capital RM	Effective Interests		Principal Activities
		1999 %	1998 %	
KYM Industries (M) Sdn. Bhd.	13,000,000	100	100	Manufacture and sale of corrugated fibre boards and boxes.
Anabatic Sdn. Bhd.	3,000,000	100	100	Property investment.
KYM Industries (Penang) Sdn. Bhd.	510,000	100	100	Manufacture and sale of corrugated carton boxes.
Teguh Amalgamated Sdn. Bhd.	2	100	100	Property investment.
KYM Industries (Johor) Sdn. Bhd.	9,000,000	100	100	Manufacture and sale of corrugated fibre boards and boxes.
Panorama Industries Sdn. Bhd.	681,283	100	100	Property investment.
KYM Industries (BP) Sdn. Bhd.	300,000	95	95	Manufacture and sale of corrugated carton boxes.
Hillside Avenue Sdn. Bhd.	2	95	95	Dormant.
PPI Bags Sdn. Bhd.	4,000,000	100	100	Manufacture and sale of industrial woven and paper bags
KYM Industries (Melaka) Sdn. Bhd.	500,000	100	100	Manufacture and sale of corrugated carton boxes.
KYM Senai Sdn. Bhd.	3	100	100	Dormant.
Polypulp Enterprises Sdn. Bhd.	3	100	100	Investment holding.



26. SUBSIDIARIES *(cont'd)*

Name of Company	Paid-up Capital RM	Effective Interest		Principal Activities
		1999 %	1998 %	
Tegas Consolidated Sdn. Bhd.	500,000	90	90	Investment holding.
Harta Makmur Sdn. Bhd.	1,000,000	54	54	Property investment and development.
Teluk Rubiah Resorts Sdn. Bhd.	2	54	54	Resort operations and has not commenced operations.
Teluk Rubiah Country Club Sdn. Bhd.	2	54	54	Provide recreational and sport facilities and has not commenced operations.
Hasrat Meranti Capital Sdn. Bhd.	3	100	100	Investment holding.
Eco Ribuan Sdn. Bhd.	2	100	100	Investment holding.
KYM Properties Sdn. Bhd.	2	100	100	Dormant.
KYM Leisure Sdn. Bhd.	2	100	100	Dormant.
KYM Built Sdn. Bhd.	2	100	100	Dormant.
KYM Development (Perak) Sdn. Bhd.	19,950,000	100	100	Property development.
KMG Assets Sdn. Bhd.	2	100	100	Provide management services.
KYM Industries (Ipoh) Sdn. Bhd.	2	100	100	Manufacture and sale of corrugated carton boxes.



Notes To The Accounts 30 September, 1999 (cont'd)

26. SUBSIDIARIES (cont'd)

Name of Company	Paid-up Capital RM	Effective Interest		Principal Activities
		1999 %	1998 %	
Hasrat Meranti Sdn. Bhd.	2,000,000	100	100	Manufacture and sale of Multi wall industrial paper bags.
Ireson Perniagaan Sdn. Bhd.	310,500	100	100	Property investment.
Delight World Sdn. Bhd.	2	100	-	Dormant

All the subsidiaries are incorporated in Malaysia.

27. SIGNIFICANT EVENT

During the year, the Company has granted 1,157,000 ordinary shares of RM1.00 at an option price of RM1.00 per share pursuant to the Employees' Share Option Scheme.

28. SEGMENT INFORMATION

By industry segments

1999	Turnover RM'000	Loss before Taxation RM'000	Total Assets Employed RM'000
Packaging	83,756	(10,682)	102,735
Investment holding	122	(28,397)	159,634
Property development and investment	119	(2,100)	31,071
Others	658	(64)	154
	84,655	(41,243)	293,594
Group's share of associated company losses	-	(2,723)	-
	84,655	(43,966)	293,594



28. SEGMENT INFORMATION *(cont'd)*

By industry segments

1998	Turnover RM'000	(Loss)/profit before Taxation RM'000	Total Assets Employed RM'000
Packaging	84,473	(2,966)	113,838
Investment holding	758	(20,742)	173,526
Property development and investment	763	(4,059)	30,942
Others	855	266	96
	86,849	(27,501)	318,402
Group's share of associated company losses	-	(2,635)	-
	86,849	(30,136)	318,402

29. CURRENCY

All amounts are stated in Ringgit Malaysia.

30. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.



List Of Properties Held By The Group

Location/Address	Land Area (m ²)	Tenure	Description	Approx. Age of the building	Net Book Value (RM)
MLO 3673, HSD 7221 Mukim of Tebrau District of Johor Bahru (11, Jalan Banang 3, Taman Johor Industrial Estate)	743.2	Freehold	Industrial land with single storey semi- detached building erected thereon.	14 years	506,970
PTD 18692 Mukim of Senai-Kulai District of Johor Bahru (PLO 9 Senai Industrial Estate, Senai)	8,093.7	60 years leasehold with about 44 years remaining, expiring on 31.8.2042.	Industrial land with factory building, offices and warehouse erected thereon.	11 years	2,873,436
PTD 8778 Mukim of Senai-Kulai District of Johor Bahru (PLO 15 Senai Industrial Estate, Senai)	12,140.5	60 years leasehold with about 45 years remaining, expiring on 11.1.2043.	Industrial land with factory building, offices and warehouse erected thereon.	6 years	2,859,957
PTD 8790 Mukim of Senai-Kulai District of Johor Baru (PLO 19 Senai Industrial Estate, Senai)	8,093.7	60 years leasehold with about 47 years remaining, expiring on 22.9.2045.	Industrial land with factory building, offices and warehouse erected thereon.	12 years	2,543,716
Lot 5 Jalan Perusahaan 1 Kawasan Perusahaan Beranang, Selangor	11,460	99 years leasehold expiring in 96 years	Industrial land with factory building, offices and warehouse erected thereon.	8 years	5,168,987



List Of Properties Held By The Group *(cont'd)*

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Location/Address	Land Area (m ²)	Tenure	Description	Approx. Age of the building	Net Book Value (RM)
Lot 7 Jalan Perusahaan 1 Kawasan Perusahaan Beranang, Selangor	36,420	99 years leasehold expiring in 96 years	Industrial land with factory building and warehouse erected thereon.	8 years	2,217,004
Mukim 1 Prai Industrial Estate Daerah Seberang Perai Tengah, Negeri Pulau Pinang H.S. (D) 3599 P.T. No. 1560 H.S. (D) 3992 P.T. No. 2695 H.S. (D) 4497 P.T. No. 3181	19,136	60 years leasehold expiring in: 2048 2049 2050	Industrial land with factory building, offices and warehouse erected thereon.	7 years	4,280,529
12 & 14 Lorong Medan Tuanku Satu Kuala Lumpur	1,200	Freehold	2 adjoining units of 5-storey shop/office buildings housing the corporate office	15 years	6,706,052
PLO 267 Kawasan Perindustrial Sri Gading, Daerah Batu Pahat Johor	12,183	60 years leasehold expiring in 57 years	Vacant industrial land	-	876,630
H.S. (D) 21860 P.T. No. 351 Mukim Tanjong Minyak Daerah Melaka Tengah Negeri Melaka	10,654	99 years leasehold with about 92 years remaining, expiring on 11.6.2091	Vacant industrial land	-	872,721
PLO 162 Senai III Industrial Area Mukim Senai District Johor Bahru	60,654	60 years leasehold expiring in 58 years	Vacant industrial land	-	11,816,386



List Of Properties Held By The Group *(cont'd)*

Location/Address	Land Area (m ²)	Tenure	Description	Approx. Age of the building	Net Book Value (RM)
Lot Nos: 11717, 46621 & 66091, Mukim of Ulu Kinta State of Perak	620,940	Freehold	Vacant agricultural Land	-	4,800,000
H.S. (D) Dgs :- 80-84, No. P.T. 4087-4091 86-89, No. P.T. 4093-4096 94-95, No. P.T. 4097-4098 96-98 & 100, No. P.T. 4101-4104 99, No. P.T. 4099 101, No. P.T. 4100 102-104, No. P.T. 4105-4107 107-108 & 112, No. P.T. 4108 - 4110 109-111 & 113, No. P.T. 4111-4114 489, No. P.T. 4116 90-91, No. P.T. 15612-15613 92-93, No. 15614-15615 105-106, No. P.T. 15616-15617 34 titles all in the Mukim of Lumut, Daerah Manjung	5,139,917	99 years leasehold with about 90 years remaining, expiring on 14-3-2089	Partially developed:- Golf course & Chalets	-	16,212,000



As registered in the Register of Substantial Shareholders on 29 February 2000

Name	No. of Shares Held		% Of Issued Capital
	Direct	Indirect	
Ultra-Link Resources Sdn Bhd	9,214,285	-	23.08
Dato' Wan Malek bin Ibrahim	-	9,214,285 *	23.08
Zakaria bin Abd. Hamid	-	9,214,285 *	23.08
Lim Kheng Yew	2,500,000	4,415,557 **	17.32
Wong Poh Weng	3,000,000	-	7.51
KYM Sdn Bhd	2,049,273	-	5.13
Ong Har Hong	1,489,000	-	3.73
Cheong Chan Holdings Sdn Bhd	1,366,284	-	3.42
Wong Chee Choon	1,264,000	-	3.17
Renfield Investment Limited	1,241,365	-	3.11
Tzel Properties Sdn Bhd	1,000,000	-	2.50
Unirange Network Sdn Bhd	922,000	-	2.31
Tan Peng Aun	922,000 @	-	2.31
Lim Eng Huat	885,000	-	2.22
Citicorp Nominees (Asing) Sdn Bhd	3,027,000 #	-	7.58
OSK Nominees (Tempatan) Sdn Berhad	4,221,478 #	-	10.57
OUB Nominees (Tempatan) Sdn Bhd	8,500,000 #	-	21.29
RHB Capital Nominees (Tempatan) Sdn Bhd	2,503,000 #	-	6.27

Notes:

* Held through Ultra-Link Resources Sdn Bhd.

** Held through Cheong Chan Holdings Sdn Bhd, KYM Sdn Bhd and Tzel Properties Sdn Bhd.

@ Held through Unirange Network Sdn Bhd.

Held as bare trustee for various beneficial owners.



Statistics Of Shareholders *(as at 29 February 2000)*

Class of Shares : Ordinary Shares of RM1.00 each
Voting rights : 1 vote per share

Category of Shareholding	Number of Shareholders	%	Number of Shares Held	%
Less than 500	6	0.2552	552	0.0014
500-5,000	2,020	85.9209	3,843,898	9.6288
5,001-10,000	179	7.6138	1,469,875	3.6819
10,001-100,000	119	5.0617	3,291,651	8.2454
100,001-1,000,000	19	0.8081	7,686,057	19.2532
Above 1,000,000	8	0.3403	23,628,934	59.1893
Total	2,351	100.0000	39,920,967	100.0000

Twenty Largest Shareholders (As at 29 February 2000)

Shareholders	No. of Shares held	%
1. OUB NOMINEES (TEMPATAN) SDN BHD MPLEDGED SECURITIES ACCOUNT FOR ULTRA-LINK RESOURCES SDN BHD (T199-6210479782)	8,500,000	21.2921
2. OSK NOMINEES (TEMPATAN) SDN BERHAD MOSK CAPITAL SDN BHD FOR ULTRA-LINK RESOURCES SDN BHD	3,714,285	9.3041
3. CITICORP NOMINEES (ASING) SDN BHD FMLPFS FOR WONG POH WENG	3,000,000	7.5148
4. RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD MPLEDGED SECURITIES ACCOUNT FOR LIM KHENG YEW (611002)	2,500,000	6.2624
5. CHEONG CHAN HOLDINGS SND BHD	1,920,284	4.8102
6. ONG HAR HONG	1,489,000	3.7299
7. WONG CHEE CHOON	1,264,000	3.1663
8. RENFIELD INVESTMENT LIMITED	1,241,365	3.1096
9. UNIRANGE NETWORK SDN BHD	922,000	2.3096
10. LIM ENG HUAT	885,000	2.2169
11. MAGNITUDE NETWORK SDN BHD	775,273	1.9420
12. WONG HOK YIM	747,000	1.8712
13. IHSAN INDAH (M) SDN BHD	564,000	1.4128
14. OSK NOMINEES (TEMPATAN) SDN BERHAD MOSK CAPITAL SDN BHD FOR KHERN AH YING	503,193	1.2605
15. KYM SDN BHD	495,273	1.2406
16. ONG HUEY PENG	386,000	0.9669
17. FAR EAST MASTER SDN BHD	344,153	0.8621
18. NG AH NIAH	308,000	0.7715
19. LUA WA KHO @ LUA CHONG KOH	302,295	0.7572
20. TAN SEW KEE	288,370	0.7224
TOTAL NO. OF SHARES	30,149,491	75.5231



Form Of Proxy



KYM HOLDINGS BHD.
(84303-A)
(Incorporated in Malaysia)

I/We..... (NRIC No.....)
of.....
member/members of KYM Holdings Bhd. do hereby appoint.....
..... (NRIC No.....)
of.....
or failing him..... (NRIC No.....)
of.....
as *my/our *proxy/representative to vote for *me/us and on *my/our behalf at the 18th Annual General Meeting of the Company to be held on Thursday, 30 March 2000 at 3rd Floor, No. 12 Lorong Medan Tuanku Satu, 50300 Kuala Lumpur at 10.30 a.m. and at any adjournment thereof.

*My/Our proxy is to vote as indicated below:

No.	Resolution	For	Against
1.	Adoption of Reports and Accounts		
2.	Approval of Directors' Fees		
3.	Re-election of Directors Lim Kheng Yew		
4.	Abdul Razak bin A.S. Dawood		
5.	Re-appointment of Dato' Abdul Rahman bin Haji Ismail		
6.	Appointment of Auditors		
7.	Authority to Allot Shares		

(Please indicate with an "X" in the space provided, how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

.....
Signature of Member/Members

No. of Ordinary Shares Held

Dated this.....day of..... 2000.

Notes:-

1. A member entitled to attend and vote at the meeting is entitled to attend and vote in person or by proxy or by attorney or by duly authorised representative. A proxy or attorney or duly authorised representative need not be a member of the Company.
2. The power of attorney or a certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing. If the appointer is a corporation, it must be executed under its seal or in the manner authorised by its constitution.
3. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a duly certified copy thereof must be deposited at the Registered Office, No. 12 Lorong Medan Tuanku Satu, 50300 Kuala Lumpur at least 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
4. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit. Where a member appoints two or more proxies, he shall specify in the instrument appointing the proxies, the proportion of his shareholdings to be represented by each proxy.

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Stamp

The Company Secretary

KYM HOLDINGS BHD.

(Co. No.: 84303-A)

12, Lorong Medan Tuanku Satu,
50300 Kuala Lumpur

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