

ANNUAL
2000
REPORT

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BOARD OF DIRECTORS

Lim Kheng Yew (*Executive Chairman*)

Dato' Abdul Rahman Hj Ismail

Dato' Wan Malek bin Ibrahim

Abdul Razak bin A.S. Dawood

Lim Kheng Chye (*Executive Director*)

Zakaria bin Abd Hamid (*Executive Director*)

COMPANY SECRETARY

Chee Min Er (MAICSA 7016822)

REGISTERED OFFICE

12 Lorong Medan Tuanku Satu
50300 Kuala Lumpur
Tel: 03-2692 2923

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 Tebrau
80300 Johor Bahru
Tel: 07-332 2088
Fax: 07-332 8096

LISTING

Kuala Lumpur Stock Exchange, Main Board

notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of KYM Holdings Bhd. will be held at 3rd Floor, No. 12 Lorong Medan Tuanku Satu, 50300 Kuala Lumpur on Thursday, 29 March 2001 at 10:30 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Statement of Accounts for the financial year ended 30 September 2000 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 2000. (Resolution 2)
3. To re-elect the following Directors retiring in accordance with Article 103 of the Company's Articles of Association:-
 - (i) Lim Kheng Chye (Resolution 3)
 - (ii) Zakaria bin Abd Hamid (Resolution 4)
4. To re-appoint Dato' Abdul Rahman bin Hj Ismail who retires pursuant to Section 129(6) of the Companies Act, 1965 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 modifications, the following resolutions:

Ordinary Resolution - Authority To Allot And Issue Shares 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)

Ordinary Resolution - Proposed Allocation Of Options To Zakaria Bin Abd Hamid

"That the Company be and is hereby authorised to offer to Encik Zakaria bin Abd Hamid, the Executive Director of the Company, options to subscribe up to a maximum of 500,000 new ordinary shares of RM1.00 each in the Company pursuant to the Employees' Share Option Scheme ('ESOS')."

(Resolution 8)

Special Resolution - Proposed Amendments To The Memorandum Of Association Of The Company

"That the Memorandum of Association of the Company be and is hereby amended by inserting the following new Clause 3 (23A):

Clause 3(23A) To purchase its own shares subject to and in accordance with the provisions of the Companies Act, 1965 and other applicable laws, guidelines, rules and regulations and orders made pursuant thereto and the requirements of the Kuala Lumpur Stock Exchange and any other relevant authority."

(Resolution 9)

notice of annual general meeting

(cont'd)

Special Resolution - Proposed Amendments To The Articles Of Association Of The Company

"That the alterations, modifications and additions to the Articles of Association of the Company as set out in Appendix A of the Annual Report for 2000 be and are hereby approved."

(Resolution 10)

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: 5 March 2001

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 - Authority To Allot And Issue Shares Pursuant To Section 132D Of The Companies Act, 1965

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.

Resolution 8 - Proposed Allocation Of Options To Zakaria Bin Abd Hamid

Encik Zakaria bin Abd Hamid was appointed as an Executive Director of the Company on 25 April 2000 and will therefore be entitled to a maximum of 500,000 new ordinary shares one year after the date of appointment pursuant to the Bye-Laws of the Company's Employees' Share Option Scheme. The proposed Resolution 8, if passed, would enable the Directors to offer and if accepted, allot and issue up to a maximum of 500,000 new ordinary shares to Encik Zakaria bin Abd Hamid.

Resolution 9 - Proposed Amendments To The Memorandum Of Association Of The Company

In line with the new amendment to Section 67A of the Companies Act, 1965, the Memorandum of Association of the Company be amended to allow the Company to purchase its own shares.

Resolution 10 - Proposed Amendments To The Articles Of Association Of The Company

The proposed amendments to the Articles of Association are in line with the amendments made to the Companies Act, 1965, the Securities Industry (Central Depositories) Act 1991 and the revamped Listing Requirements.

The proposed amendment made to Article 8 is in line with the new amendment to Section 67A of the Companies Act, 1965 which will allow the Company to purchase its own shares.

MEMBERS OF THE AUDIT COMMITTEE

Dato' Abdul Rahman bin Haji Ismail
Chairman, Independent Non-Executive Director

Dato' Wan Malek bin Ibrahim
Member, Independent Non-Executive Director

Lim Kheng Chye
Member, Executive Director

Zakaria bin Abd Hamid
Member, Executive Director

TERMS OF REFERENCE

- * To review, with the external auditors, 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.

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 2000.

FINANCIAL HIGHLIGHTS

For the year ended 30 September 2000, the Group recorded a turnover of RM105.6 million and a consolidated pre-tax loss of RM10.5 million, an improvement of 24.7% and 76% in turnover and consolidated pre-tax profit respectively for the Group compared to 1999. The improvement in turnover was due to increased sales in our paper packaging business and sales of landed properties. The improvement in pretax losses was due to improved productivity and waste control measures implemented in the paper packaging business and profit recognition on sales of landed properties.

The loss per share of the Group reduced from 73.4 sen to 27.6 sen whereas the net tangible asset backing per ordinary share reduced from 103 sen to 75 sen.

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 2000 in order to conserve the cash resources of the Group.

FUTURE OUTLOOK

The past financial year has been a transition year as our Company implements its plans to recover from the effects of the recent economic recession.

Our financial performance this year has improved somewhat compared to the previous two years. However we recognise that we are still in a loss making situation and our efforts continue to focus on strategies to continue this upward trend in our financial performance and to place the Company on a sounder base upon which it can better withstand the negative pressures of economic and business downturns.

Our debt overhang continues to be of major concern. We have the necessary regulatory and shareholder approvals to proceed with a RM40 million Rights Issue and had anticipated to undertake this capital raising exercise during the calendar year 2000 in order to reduce our bank borrowings. Unfortunately, conditions on the Kuala Lumpur Stock Exchange were not in our view conducive to implementing the Rights Issue and we are awaiting a more opportune time in order to proceed with this exercise.

From a more internal perspective, this year has seen us reinforcing the momentum in re-organising our bags and corrugating carton businesses. We have been focussing on cost controls, particularly with respect to wastage, productivity and downsizing. We have also been streamlining our operations by relooking at the economies of scale generated from a more centralised location of our manufacturing plants. In this regard we have relocated the manufacturing activities of our Penang corrugated carton plant down to our Beranang (Selangor) plant. Our corrugated carton plants are now more focussed, with the Beranang plant catering to our customers in the Central and Northern regions, while our Johor plant handles the Southern region. We have also relocated our Johor based woven bags plant to Chemor, Ipoh, near our existing industrial paper bags plant, thereby facilitating common management and better logistical efficiency.

Our property project at Teluk Rubiah is progressing nicely albeit cautiously. Site clearing and earthworks has been completed for the 142 land plots, covering 32 acres, which we have sold to date. We are also improving facilities with the construction of a 200 seat conference/meeting centre as well as a swimming pool, together with our continuing efforts to upgrade the existing golf course and chalets. Our focus for the current financial year will be to launch other phases of the project as well as look for joint venture partnerships to hasten the development of Teluk Rubiah into a premier resort township.

Enhancing Shareholder value is a major concern and we are continuously on the look out for new business prospects, not only to diversify our business portfolio, but also to ensure that your Group moves with the times. In August 2000, we entered into a Memorandum of Understanding with 3ntity.com Sdn Bhd (3ntity) to establish a joint venture company to develop, customise and operate an e-procurement portal. This proposed venture forms parts of the Group's plan to exploit opportunities in the growing Information Technology/e-commerce sector.

We will continue to explore new opportunities in order to evaluate if these new prospects can enable the Group to grow.

ACKNOWLEDGMENT

On behalf of the Board of Directors, I would like to thank the Management and Staff for their 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: 5 March 2001

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, 2000.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries are described in Note 31 to the accounts.

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

RESULTS

	Group RM'000	Company RM'000
Net loss for the year	(11,183)	(39,014)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statement of changes in equity and Note 20 to the accounts.

BAD AND DOUBTFUL DEBTS

Before the income statements 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 income statements 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 27 and 28 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 Company increased its:

- (i) authorised share capital from RM50,000,000 to RM1,000,000,000 via the creation of 950,000,000 ordinary shares of RM1.00 each; and

ISSUE OF SHARES (cont'd)

- (ii) issued and paid-up share capital from RM39,749,967 to RM40,939,967 via the issuance of additional 1,190,000 ordinary shares of RM1.00 each pursuant to the Company's Employees' Share Options Scheme at the following option prices per share:

Number of Shares	Option Price RM
5,000	3.11
26,000	1.28
350,000	1.03
809,000	1.00
<hr/>	
1,190,000	

EMPLOYEES' SHARE OPTION SCHEME

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 option period was for five calendar years commencing from 25 May, 1995 and expiring on 24 May, 2000. During the financial year, the option period was extended for a period of five calendar years commencing from 25 May, 2000 and expiring on 24 May, 2005.

The main features of the ESOS are as follows:

- 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.
- 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, 2000.
- 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.
- No offer shall be made for less than 1,000 shares nor more than 500,000 shares to any eligible employee.
- 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.

EMPLOYEES' SHARE OPTION SCHEME (cont'd)

- (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 movements in the option to take up unissued new ordinary shares of RM1.00 each and the option prices are as disclosed in Note 19 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 Chye and Zakaria bin Abd Hamid retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Dato' Abdul Rahman bin Hj Ismail retires pursuant to Section 129 of the Companies Act, 1965 and a resolution is being proposed for his reappointment as director under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

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.

DIRECTORS' BENEFITS (cont'd)

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 EVENTS

The significant event is as disclosed in Note 30 to the accounts.

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, 2000
	1 October, 1999	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	300,000	100,000	210,000

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, 2000
	1 October, 1999	Granted	Exercised	
Granted in 1995 at an option price of RM3.11 per share				
Lim Kheng Chye	140,000	-	-	140,000

DIRECTORS' INTERESTS (cont'd)

	Options Over Number of Ordinary Shares of RM1 Each			30 September, 2000
	1 October, 1999	Granted	Exercised	
Granted in 1997 at an option price of RM1.03 per share				
Lim Kheng Chye	300,000	-	-	300,000
Granted in 1999 at an option price of RM1.99 per share				
Lim Kheng Yew	-	500,000	-	500,000

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.

NUMBER OF EMPLOYEES AND REGISTERED OFFICE

The average number of employees in the Group were 696 (1999 : 829). The Company does not have any employees and the accounting records of the Company are maintained by a subsidiary, KMG Assets Sdn. Bhd.

The registered office of the Company is located at 12, Lorong Medan Tuanku Satu, 50300 Kuala Lumpur.

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: 30 January 2001

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, 2000 and the statements of changes in equity, income and cash flow statements of the Company and 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, 2000 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 in Malaysia.

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

LIM KHENG YEW

ZAKARIA BIN ABD HAMID

Kuala Lumpur
Dated: 30 January 2001

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, 2000 and the statements of changes in equity, income and cash flow statements of the Company and 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 Lumpur)
in Wilayah Persekutuan on 30 January 2001) CAROLYN ANNE KAM FOONG KHENG

Before me:

Commissioner for Oaths
MAISHARAH BINTI ABU HASAN (No. W181)

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, 2000. 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, 2000 and of the results and cash flows of the Company and 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 in Malaysia; 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 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. 1210/05/02(J)
Partner of the Firm

Dated: 30 January 2001

balance sheets

30 September, 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
CURRENT ASSETS					
Cash and bank balances		4,785	979	154	54
Fixed deposits					
with licensed banks	4	1,103	787	752	740
Debtors	5	37,529	32,154	1,248	702
Stocks	6	17,855	17,484	-	-
		61,272	51,404	2,154	1,496
CURRENT LIABILITIES					
Short term borrowings	7	109,208	162,617	59,500	115,000
Creditors	8	94,702	78,306	17,371	10,757
Taxation		322	266	-	-
		204,232	241,189	76,871	125,757
NET CURRENT LIABILITIES		(142,960)	(189,785)	(74,717)	(124,261)
FIXED ASSETS	9	105,597	79,767	6,812	7,391
LAND AND DEVELOPMENT					
EXPENDITURE	10	59,923	94,536	-	-
INVESTMENT PROPERTY	11	6,736	6,674	-	-
ASSOCIATED COMPANIES	12	60,563	55,676	-	-
OTHER INVESTMENTS	13	-	137	-	-
SUBSIDIARY COMPANIES	14	-	-	185,755	217,564
INTANGIBLE ASSETS	15	5,335	5,400	-	-
TERM LOANS	16	(55,000)	(172)	(55,000)	-
HIRE PURCHASE CREDITORS	17	(3,191)	(5,359)	(93)	(260)
DEFERRED TAXATION	18	(597)	(437)	(460)	(341)
MINORITY INTERESTS		(15)	(81)	-	-
		36,391	46,356	62,297	100,093
SHAREHOLDERS' FUNDS					
Share capital	19	40,940	39,750	40,940	39,750
Reserves	20	(4,549)	6,606	21,357	60,343
		36,391	46,356	62,297	100,093

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

statements of changes in equity

for the year ended 30 September, 2000

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Retained profits/ (Accumulated losses) RM'000	Total RM'000
Group					
At 1 October, 1998	39,489	57,241	35	(6,934)	89,831
Net loss for the year	-	-	-	(43,737)	(43,737)
Exercise of option under the employees share options scheme	261	1	-	-	262
At 30 September/ 1 October, 1999	39,750	57,242	35	(50,671)	46,356
Net loss for the year	-	-	-	(11,183)	(11,183)
Exercise of option under the employees share options scheme	1,190	28	-	-	1,218
At 30 September, 2000	40,940	57,270	35	(61,854)	36,391
Company					
At 1 October, 1998	39,489	57,241	35	4,082	100,847
Net loss for the year	-	-	-	(1,016)	(1,016)
Exercise of option under the employees share options scheme	261	1	-	-	262
At 30 September/ 1 October, 1999	39,750	57,242	35	3,066	100,093
Net loss for the year	-	-	-	(39,014)	(53,014)
Exercise of option under the employees share options scheme	1,190	28	-	-	1,218
At 30 September, 2000	40,940	57,270	35	(35,948)	48,297

The accompanying notes are an integral part of these statements.

income statements

for the year ended 30 September, 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Revenue	21	105,589	84,655	12,573	13,392
Other operating income	22	2,573	2,995	109	-
Changes in inventories of finished goods and work in progress		(9,174)	(2,289)	-	-
Raw material and consumables		(60,373)	(42,862)	-	-
Finished goods purchased		(171)	(147)	-	-
Staff costs	23	(14,199)	(13,934)	(362)	(339)
Depreciation		(8,779)	(6,816)	(614)	(411)
Other operating expenses	24	(15,140)	(50,533)	(38,588)	(793)
Profit/(loss) from operations		326	(28,931)	(26,882)	11,849
Finance costs		(11,460)	(12,312)	(12,013)	(12,865)
Share of associated companies' profit/(loss)		626	(2,723)	-	-
Loss before taxation		(10,508)	(43,966)	(38,895)	(1,016)
Taxation	25	(691)	165	(119)	-
Loss after taxation but before minority interests		(11,199)	(43,801)	(39,014)	(1,016)
Minority interests		16	64	-	-
Net loss for the year		(11,183)	(43,737)	(39,014)	(1,016)
Loss per share	26	(27.6) sen	(73.4) sen		

The accompanying notes are an integral part of these statements.

cash flow statements

for the year ended 30 September, 2000

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
CASH FLOW FROM OPERATING ACTIVITIES				
Loss before taxation	(10,508)	(43,966)	(38,895)	(1,016)
Adjustments for:				
Bad and doubtful debts	1,031	23,665	37,000	-
Provision for stock obsolescence	151	530	-	-
Depreciation	8,779	6,470	614	411
Fixed asset written off	42	-	-	-
Share of associated companies' loss/(profit)	(626)	2,708	-	-
Intangible assets written off	65	32	-	-
Loss on sale of investment	147	-	-	-
Write back of provision for diminution in value	(385)	(503)	-	-
Interest expense	11,460	12,312	12,013	436
Gain on disposal of fixed assets	(92)	(22)	(109)	-
Interest income	(191)	(116)	(185)	(277)
Operating profit/(loss) before working capital changes	9,873	1,110	10,438	(446)
Increase in debtors	(6,405)	(1,165)	(375)	-
Increase in stocks	(522)	(1,164)	-	-
Increase/(decrease) in creditors	10,657	7,996	(1,386)	86
Cash generated from/(used in) operations	13,603	6,777	8,677	(360)
Income tax paid	(475)	(91)	-	-
Interest paid	(5,696)	(18,918)	(4,118)	(436)
Net cash generated from/(used in) operating activities	7,432	(12,232)	4,559	(796)

cash flow statements

for the year ended 30 September, 2000 (cont'd)

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
CASH FLOW FROM INVESTING ACTIVITIES				
Interest income	191	116	185	277
Intangible assets	-	(12)	-	-
Purchase of fixed assets	(3,112)	(2,313)	(180)	(11)
Investment property	(62)	(78)	-	-
Land and development expenditure	1,608	(1,982)	-	-
Proceeds from disposal of investments	375	816	-	-
Proceeds from disposal of fixed assets	1,557	272	254	-
Due from associated company	(4,261)	(466)	112	-
Due from subsidiaries	-	-	(5,362)	(7,789)
Net cash flow used in investing activities	(3,704)	(3,647)	(4,991)	(7,523)
CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of hire purchase	(2,243)	(2,935)	(174)	(242)
Drawdown of borrowings	1,800	13,989	-	-
Repayment of borrowings	(172)	-	(500)	4,896
Net proceeds from issuance of shares	1,218	260	1,218	263
Net cash generated from financing activities	603	11,314	544	4,917
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
CASH AND CASH EQUIVALENTS AT 1 OCTOBER, 1999/1998	(1,623)	2,942	794	4,196
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER, 2000/1999	2,708	(1,623)	906	794
CASH AND CASH EQUIVALENTS COMPRISE:				
Cash and bank balances	4,785	979	154	54
Fixed deposits with licensed banks	1,103	787	752	740
Bank overdrafts	(3,180)	(3,389)	-	-
	2,708	(1,623)	906	794

The accompanying notes are an integral part of these statements.

1. PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries are described in Note 31.

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

2. PROPOSED RESTRUCTURING SCHEME

As at 30 September, 2000, the Group and the Company have net current liabilities of RM142,960,000 (1999 : RM189,785,000) and RM74,717,000 (1999 : RM124,261,000) respectively.

On 5 March, 1999, the Company formulated a 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 Proposed Rights Issue was approved by the Securities Commission ("SC") vide its letter dated 18 October, 1999.

2. PROPOSED RESTRUCTURING SCHEME (cont'd)

On 19 November, 1999, the Company announced that it proposed 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 approved by the SC on 21 March, 2000 subject to, inter alia, the rights share be issued at a discount of not more than 20% from the theoretical ex-rights price of the shares.

However, on 5 April, 2000, an application was made by the Company to seek SC's approval to revert to the original Proposed Rights Issue (without the warrants attached). In doing so, the Board of Directors has considered the substantial upward movement of the Company's share price from a low of RM1.15 to a high of RM4.34 since December 1999 when the application to seek the approval of the SC for the revised Proposed Rights Issue was made. The issue price of the rights shares with one free warrant attached would be RM2.87 based on the 20% discount on the theoretical ex-rights price of RM3.59 calculated based on the weighted average market price of the shares for the five market days up to 4 April, 2000 of RM4.31. As a result, the Board of Directors has concluded that it would be in the best interests of the Company and the shareholders to revert to the original Proposed Rights Issue (without the warrant attached). The SC vide its letter dated 9 May, 2000 approved the reversion to the original Proposed Rights Issue.

At the Company's extraordinary general meeting held on 10 August, 2000, the shareholders approved the following:

- (i) the Proposed Rights Issue of up to 46,401,967 new ordinary shares of RM1.00 each at an issue price of RM1.00 per share on the basis of one new ordinary share for every one existing ordinary share of RM1.00 each held at a date to be determined. The maximum number of rights shares of 46,401,967 differs from the previous figure of 41,456,967 as set out in the Company's announcement on 5 March, 1999, due to the granting of new ESOS options and cancellation of ESOS options previously granted by the Company after taking into account the Company's recent proposed private placement of 4,219,000 new shares as announced by the Company on 22 March, 2000.
- (ii) the Proposed Waiver to KYM Sdn Bhd ("KSB") and the parties acting in concert with it ("KSB and its concert parties") from the obligation to make a mandatory general offer for the remaining shares in the Company not already owned by KSB and/or its concert parties upon completion of the Proposed Rights Issue. The SC's approval for the Proposed Waiver was issued on 7 September, 2000.

During the financial year,

- (i) the SC has vide its letter dated 28 June, 2000 approved the Company's proposed Private Placement of up to 4,219,000 new ordinary shares of RM1.00 each at an issue price to be determined based on a discount of not more than 10% on the five day weighted average market price at a date nearer to the implementation date. The SC vide its letter of 4 January, 2001 has approved the extension of time pursuant to the completion of the Proposed Private Placement to 28 June, 2001; and

2. PROPOSED RESTRUCTURING SCHEME (cont'd)

- ii) the Group and the Company successfully converted certain existing banking facilities into longer term facilities of about two years and disposed certain identified assets as stated in Notes 16 and 30 respectively.

The Group and the Company remain committed to its restructuring programme in particular its rights issue and its divestment of non-core assets. However, the market condition at present is not conducive to the implementation of the rights issue. The Company plans to implement its rights issue as soon as market condition improves. In the meantime, the Company is aggressively pursuing its divestment of non-core 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 in Malaysia.

(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 income statement 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) Revenue Recognition

- (i) Sales are recognised net of discounts when the transfer of risks and rewards has been completed.
- (ii) Interest and rental are recognised on renewable basis.
- (iii) Dividends are recognised when the right to receive payment has been established.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) 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 income statement 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.

(e) Currency Conversion and Translation

Transactions in foreign currencies 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 income statement.

The exchange rates ruling at balance sheet date used are as follows:

	<u>2000</u>	<u>1999</u>
United States Dollar	3.80	3.80
Netherland Guilder	1.498	1.806
Japanese Yen (100)	3.487	3.520

(f) Investments

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

(g) Fixed Assets and Depreciation

Fixed assets are stated at valuation or cost less accumulated depreciation. Expenditure incurred in relation to the development of the chalets, golf course and its building is capitalised.

Freehold land is not depreciated. Leasehold land is depreciated over the unexpired lease period of 45 - 95 years. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The principal annual rates of depreciation are:

Buildings	2%
Operating equipment, renovation and motor vehicles	5% - 50%
Chalet, golf course, clubhouse, driving range and related expenditure, golf equipment and accessories	2% - 20%

(h) 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 and has been reclassified as fixed assets during the financial year.

(i) Stocks

Stocks are stated at the lower of cost (determined on the weighted-average basis) and net realisable value. Cost of finished goods and work-in-progress includes where appropriate direct materials, direct labour, direct charges and variable production overheads.

(j) 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.

(k) 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.

(l) 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 have been written off during the financial year.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Hire Purchase

Fixed assets acquired under hire purchase are capitalised in the accounts and are depreciated in accordance with the policy set out in (g) above. The corresponding outstanding obligations due under the hire purchase after deducting finance expenses are included as liabilities in the account. Finance expenses are charged to the income statement over the period of the respective agreements using the sum-of-digit method.

(n) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in banks and deposits at call, net of outstanding bank overdrafts.

(o) Interest Capitalisation

Interest relating to land and development expenditure is capitalised during the period of active development and until they are ready for their intended use.

4. FIXED DEPOSITS WITH LICENSED BANKS

Fixed deposits of the Group amounting to RM7,000 (1999 : RM7,000) are pledged to banks for bank guarantees facilities granted to certain subsidiaries.

5. DEBTORS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Trade debtors	39,195	32,668	-	-
Other debtors	6,451	27,206	1,248	702
	45,646	59,874	1,248	702
Provision for doubtful debts	(8,117)	(27,720)	-	-
	37,529	32,154	1,248	702

Included in other debtors is an amount of RM3,220,000 (1999 : RM3,220,000) due from a third party.

6. STOCKS

	Group	
	2000 RM'000	1999 RM'000
Raw materials	13,959	14,309
Work-in-progress	1,571	1,481
Finished goods	2,150	2,329
Others	601	26
	18,281	18,145
Provision for stock obsolescence	(426)	(661)
	17,855	17,484

7. SHORT TERM BORROWINGS

Unsecured	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Bank overdrafts	3,180	3,389	-	-
Revolving credit	15,920	30,920	-	15,000
Bankers' acceptances	30,408	28,101	-	-
Term loan (Note 16)	200	207	-	-
	49,708	62,617	-	15,000
Secured				
Revolving credit	15,000	35,000	15,000	35,000
Bridging loan	14,500	65,000	14,500	65,000
Term loan (Note 16)	30,000	-	30,000	-
	59,500	100,000	59,500	100,000
	109,208	162,617	59,500	115,000

The revolving credit and bridging loan are secured by way of pledge of shares and deeds of assignment over the leasehold land and building of certain subsidiaries, and carry interest ranging between 8.0% to 9.3% (1999 : 8.8% to 12.2%) per annum.

8. CREDITORS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Trade creditors	9,391	10,218	-	-
Other creditors	83,125	65,827	17,204	10,582
Hire purchase creditors (Note 17)	2,186	2,261	167	175
	94,702	78,306	17,371	10,757

Included in other creditors of the Group are amounts of:

- (i) RM52,794,000 (1999 : RM49,792,000) 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 7.50% (1999 : 11.58%) per annum; and
- (ii) RM5,840,000 due to a third party which is secured by way of pledge of the Group's investment in quoted shares, carries interest at a rate of 3% (1999 : Nil) per annum and has no fixed terms of repayment.

9. 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	other assets*** RM'000	Total RM'000
At 1 October, 1999	6,278	34,807	76,166	1,478	118,729
Additions	-	34	3,011	67	3,112
Disposals	-	(919)	(2,472)	-	(3,391)
Write offs	-	-	(794)	(14)	(808)
Reclassification (Note 10)	-	-	801	32,203	33,004
At 30 September, 2000	6,278	33,922	76,712	33,734	150,646

notes to the accounts

30 September, 2000 (cont'd)

9. FIXED ASSETS (cont'd)

(a) Group

	Land and building (at valuation) RM'000	Land and buildings (at cost) RM'000	Operating equipment, renovation and motor vehicles RM'000	Other assets*** RM'000	Total RM'000
Accumulated Depreciation					
At 1 October, 1999	1,046	2,788	33,782	1,346	38,962
Charge for the year	104	384	6,703	1,588	8,779
Disposals	-	(50)	(1,876)	-	(1,926)
Write offs	-	-	(756)	(10)	(766)
At 30 September, 2000	1,150	3,122	37,853	2,924	45,049
Net Book Value					
At 30 September, 2000	5,128	30,800	38,859	30,810	105,597
At 30 September, 1999	*5,232	**32,019	42,384	132	79,767
Depreciation					
Year ended					
30 September, 1999	104	411	6,187	114	6,816

* Included in land and buildings (at valuation) is short term leasehold land and buildings (at valuation) with net book value of RM1,382,000 (1999 : RM1,410,000).

** Included in land and buildings (at cost) is short term leasehold land and buildings (at cost) with net book value of RM4,480,000 (1999 : RM4,572,000).

*** Other assets consists of chalet, golf course, clubhouse, driving range and related expenditure, golf equipment and accessories.

notes to the accounts

30 September, 2000 (cont'd)

9. FIXED ASSETS (cont'd)

At valuation	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Total RM'000
At 1 October, 1999 / 30 September, 2000	360	1,991	3,927	6,278
Accumulated Depreciation				
At 1 October, 1999	-	139	907	1,046
Charge for the year	-	25	79	104
At 30 September, 2000	-	164	986	1,150
Net Book Value				
At 30 September, 2000	360	1,827	2,941	5,128
At 30 September, 1999	360	1,852	3,020	5,232
Depreciation				
Year ended 30 September, 1999	-	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, 1999	3,764	2,974	531	2,601	9,870
Additions	-	-	73	107	180
Disposals	-	-	(2)	(374)	(376)
At 30 September, 2000	3,764	2,974	602	2,334	9,674
Accumulated Depreciation					
At 1 October, 1999	713	345	156	1,265	2,479
Charge for the year	69	60	93	392	614
Disposals	-	-	(1)	(230)	(231)
At 30 September, 2000	782	405	248	1,427	2,862

notes to the accounts

30 September, 2000 (cont'd)

9. FIXED ASSETS (cont'd)

	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
Net Book Value					
At 30 September, 2000	2,982	2,569	354	907	6,812
At 30 September, 1999	3,051	2,629	375	1,336	7,391
Depreciation					
Year ended 30 September, 1999	69	59	53	230	411
At valuation					
	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Total RM'000	
At 1 October, 1999 / 30 September, 2000	360	610	2,794	3,764	
Accumulated Depreciation					
At 1 October, 1999	-	53	660	713	
Charge for the year	-	13	56	69	
At 30 September, 2000	-	66	716	782	
Net Book Value					
At 30 September, 2000	360	544	2,078	2,982	
At 30 September, 1999	360	557	2,134	3,051	
Depreciation					
Year ended 30 September, 1999	-	13	56	69	

9. FIXED ASSETS (cont'd)

(b) Company

Certain leasehold land, freehold land and buildings were revalued on an open market basis by independent professional valuers in 1991. The directors have not adopted a policy of regular revaluations of these assets. As permitted under the transitional provisions of the International Accounting Standard No. 16 (Revised) : Property, Plant and Equipment, as adopted by the Malaysian Accounting Standards Board, these assets are stated at valuation less accumulated depreciation, except for freehold land which is not depreciated.

(c) Included in the fixed assets of the Group are the following fixed assets held under hire purchase arrangement with net book value amounting to:

Group

	RM'000
2000	
Golf equipment and accessories	1
Motor vehicles	503
Plant and machinery	9,994
	10,498
1999	
Golf equipment and accessories	54
Motor vehicles	999
Plant and machinery	10,754
	11,807
Company	
2000	
Motor vehicles	482
1999	
Motor vehicles	960

9. FIXED ASSETS (cont'd)

- (d) Included in the fixed assets of the Group and the Company are fully depreciated operating equipment and motor vehicles which are still in use costing RM7,810,000 and RM2,135,000 respectively.
- (e) Had the revalued land and buildings been carried at historical cost less accumulated depreciation, the net book value of each class of fixed assets that would have been included in the accounts of the Group is as follows:

	2000 RM'000	1999 RM'000
Freehold land and building	512	512
Leasehold land and building	3,629	3,667

- (f) Certain leasehold land and buildings of the Group are pledged to certain financial institutions for borrowing facilities as disclosed in Note 7.

10. LAND AND DEVELOPMENT EXPENDITURE

	Group	
	2000 RM'000	1999 RM'000
At cost:		
Leasehold land held for future development	16,211	31,088
Development expenditure	43,712	63,448
	59,923	94,536

As at 30 September, 2000, the development expenditure includes capitalised expenses (cumulative) as follows:

	Group	
	2000 RM'000	1999 RM'000
Audit fees	17	57
Depreciation	46	2,515
Interest expense	18,991	20,157
Directors' remuneration	-	187

10. LAND AND DEVELOPMENT EXPENDITURE (cont'd)

The development expenditure in the prior financial year included expenses amounting to approximately RM33,004,000 (1999 : RM33,004,000) relating to development of a golf course, clubhouse and chalets on a piece of land belonging to a subsidiary and has been reclassified as fixed assets during the financial year (Note 9(e)).

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 financial statements.

A lienholder's caveat over the leasehold land has been granted to certain financial institutions for borrowing facilities as disclosed in Note 16.

11. INVESTMENT PROPERTY

	Group	
	2000 RM'000	1999 RM'000
Freehold land and building	6,736	6,674

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 first fixed charge over the investment property has been granted to certain financial institutions for borrowing facilities as disclosed in Note 16.

12. ASSOCIATED COMPANIES

	Group	
	2000 RM'000	1999 RM'000
At cost:		
Unquoted shares	-	100
Quoted shares in Malaysian corporation	60,314	54,473
Quoted warrants in Malaysian corporation	4,719	4,719
	65,033	59,292
Share of post-acquisition losses	(4,510)	(4,891)
	60,523	54,401
Provision for diminution in value of investment	-	(100)
	60,523	54,301
Due from associated company	40	1,375
	60,563	55,676
Represented by:		
Share of net tangible assets	14,515	8,698
Share of intangible assets	6	7
	14,521	8,705
Market value:		
Quoted shares in Malaysian corporation	5,540	8,191
Quoted warrants in Malaysian corporation	1,628	645
	7,168	8,836

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.

The quoted shares have been pledged to a third party and certain financial institutions for borrowings granted to the Company.

12. ASSOCIATED COMPANIES (cont'd)

The associated companies are:

Name of Company	Effective Interests		Principal Activities	Financial Year End
	2000 %	1999 %		
Juan Kuang (M) Industrial Berhad	23.3	23.3	Manufacture of wiring harness and wholesale supplier of electrical products and accessories for vehicle and automotive accessories.	31 January
KCP Carton Sdn. Bhd.	-	40	Manufacture and dealers of carton boxes and ceased operations in 1999.	30 September

13. OTHER INVESTMENTS

	Group	
	2000 RM'000	1999 RM'000
At cost:		
Quoted shares in Malaysian corporation	-	522
Provision for diminution in value of investment	-	(385)
	-	137
Market value:		
Quoted shares in Malaysian corporation	-	236

14. SUBSIDIARY COMPANIES

	Company	
	2000 RM'000	1999 RM'000
Unquoted shares, at cost	37,997	37,997
Surplus on revaluation of investment in a subsidiary	493	493
	38,490	38,490
Due from subsidiaries:		
Interest free loan and advances	39,366	44,614
Advance at interest rate ranging from 8.0% to 12.2% per annum	144,899	134,460
	184,265	179,074
Provision for doubtful debts	(37,000)	-
	147,265	179,074
Total	185,755	217,564

15. INTANGIBLE ASSETS

	Group	
	2000 RM'000	1999 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, 1999/1998	65	85
Addition during the year	-	12
	65	97
Written off to income statement	(65)	(32)
At 30 September, 2000/1999	-	65
Total	5,335	5,400

Included in the pre-operating expenses in the prior financial year was audit fees of RM2,600.

16. TERM LOANS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Term loans	85,200	379	85,000	-
Less: Repayment due within 12 months included in short term borrowings (Note 7)	(30,200)	(207)	(30,000)	-
	55,000	172	55,000	-

Pursuant to the proposed restructuring scheme involving the renegotiation of banking facilities as stated in Note 2 above, the Company successfully converted the existing secured banking facilities of RM85,000,000 into a 31-month term loan facility of the same amount during the financial year.

The term loan is repayable over two instalments of RM30,000,000 within 8 months from the date of facility agreement or upon receipt of the rights issue proceeds (whichever is earlier), and RM55,000,000 within 31 months from the date of facility agreement.

The term loan is secured by way of pledge of the Group's investment in quoted shares, a first fixed charge over the investment property of a subsidiary and lienholders caveat over leasehold land of another subsidiary. The term loan carries interest ranging between 8.0% to 9.3% (1999 : 8.8% to 12.2%) per annum.

17. HIRE PURCHASE CREDITORS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Future minimum payments are as follows:				
Payable within one year	3,060	3,124	167	167
Payable between one and five years	4,691	7,597	171	398
	7,751	10,721	338	565
Less: Finance charges	(2,374)	(3,101)	(78)	(130)
	5,377	7,620	260	435

notes to the accounts

30 September, 2000 (cont'd)

17. HIRE PURCHASE CREDITORS (cont'd)

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Representing hire purchase liabilities:				
Due within 12 months (Note 8)	2,186	2,261	167	175
Due after 12 months	3,191	5,359	93	260
	5,377	7,620	260	435

18. DEFERRED TAXATION

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
At 1 October, 1999/1998	437	711	341	341
Transfer to/(from) income statement (Note 25)	160	(274)	119	-
At 30 September, 2000/1999	597	437	460	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.

19. SHARE CAPITAL

	Group and Company	
	2000 RM'000	1999 RM'000
Ordinary shares of RM1 each:		
Authorised		
At 1 October, 1999/1998	50,000	50,000
Created during the financial year	950,000	-
At 30 September, 2000/1999	1,000,000	50,000

19. SHARE CAPITAL (cont'd)

	Group and Company	
	2000 RM'000	1999 RM'000
Issued and fully paid		
At 1 October, 1999/1998	39,750	39,489
Issued during the financial year under Employees' Share Option Scheme ("ESOS")	1,190	261
At 30 September, 2000/1999	40,940	39,750

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, 1999	242,000	3.11
Exercised	(5,000)	3.11
Forfeiture	(6,000)	3.11
At 30 September, 2000	231,000	
(ii) Granted in 1996		
At 1 October, 1999	9,000	4.55
Exercised	(2,000)	4.55
At 30 September, 2000	7,000	
(iii) Granted in 1997		
At 1 October, 1999	430,000	1.03
Exercised	(350,000)	1.03
At 30 September, 2000	80,000	

notes to the accounts

30 September, 2000 (cont'd)

19. SHARE CAPITAL (cont'd)

	Number of Ordinary Shares of RM1 each under option	Option price RM
(iv) Granted in 1998		
At 1 October, 1999	861,000	1.00
Exercised	(809,000)	1.00
At 30 September, 2000	52,000	
(v) Granted in 1998		
Upon offer	723,000	1.28
Exercised	(26,000)	1.28
At 30 September, 2000	697,000	
(vi) Granted in 2000		
Upon offer / At 30 September, 2000	120,000	3.38
Total options not exercised as at 30 September, 2000	1,187,000	

20. RESERVES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
(a) Non-distributable:				
Capital reserve - Revaluation surplus	35	35	35	35
Share premium:				
At 1 October, 1999/1998	57,242	57,241	57,242	57,241
Arising from share issuance	28	1	28	1
At 30 September, 2000/1999	57,270	57,242	57,270	57,242
(b) Distributable:				
(Accumulated losses)/retained profits	(61,854)	(50,671)	(35,948)	3,066
Total reserves	(4,549)	6,606	21,357	60,343

21. REVENUE

Revenue consists of the following:

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Sales of goods net of discounts	90,146	83,756	-	-
Sales of properties and development land	13,267	119	-	-
Management fees	982	658	100	100
Interest income	-	-	11,895	12,714
Rental income	-	-	578	578
Others	1,194	122	-	-
	105,589	84,655	12,573	13,392

22. OTHER OPERATING INCOME

Included in other operating income are the following:

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Foreign exchange gain	16	142	-	-
Interest income	191	116	11,895	12,535
Rental income	-	-	578	578
Write back of provision for diminution in value of investment	385	503	-	-
Gain on sale of fixed assets	92	22	109	-

23. STAFF COSTS

Included in staff costs is the following:

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Directors' emoluments				
- Current year	1,082	1,090	319	291
- Overprovision in prior year	-	(34)	-	(11)

24. OTHER OPERATING EXPENSES

Included in other operating expenses are the following:

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Directors' fees	43	48	43	48
Audit fees	95	88	13	13
Rental	688	263	432	432
Bad and doubtful debts				
- Amount due from subsidiaries	-	-	37,000	-
- Others	1,031	23,665	-	-
Intangible assets written off	65	32	-	-
Fixed assets written off	42	-	-	-
Provision for stock obsolescence	151	530	-	-
Loss on sale of investment	147	-	-	-

25. TAXATION

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Current year's provision	220	-	-	-
Taxation under provided in respect of prior years	66	19	-	-
Transfer to/(from) deferred taxation (Note 18)	160	(274)	119	-
Share of taxation of associated companies	245	90	-	-
	691	(165)	119	-

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.

There is no tax charge for the year as the Company is in a tax loss position. As at 30 September, 2000, the Company has tax losses of approximately RM1,090,000 (1999 : RM1,068,000) and unutilised capital allowances of approximately RM776,000 (1999 : RM525,000) which can be used to offset future taxable profits subject to agreement with the Inland Revenue Board.

25. TAXATION (cont'd)

As at 30 September, 2000, the Company has a potential deferred tax benefit of approximately RM522,000 (1999 : RM446,000), arising principally from tax losses carried forward and unutilised capital allowances, the effects of which are not included in the financial statements as there is no assurance beyond any reasonable doubt that future taxable income will be sufficient to allow the benefit to be realised.

Under the Reinvestment Allowance Schedule 7(A), Income Tax Act, 1967, the Company has a tax exempt account of approximately RM3,275,000 (1999 : RM3,275,000) out of which exempt dividend can be declared subject to agreement with the Inland Revenue Board.

26. LOSS PER SHARE

The loss per share is calculated by dividing the Group's loss after taxation of RM11,183,000 (1999 : RM43,737,000) by the weighted average number of ordinary shares in issue during the year of 40,499,000 (1999 : 39,562,783).

27. CAPITAL COMMITMENTS

	Group	
	2000 RM'000	1999 RM'000
Approved and contracted for	943	654

28. CONTINGENT LIABILITIES

	Company	
	2000 RM'000	1999 RM'000
Guarantees for loans to subsidiaries	49,708	47,617

29. SIGNIFICANT RELATED COMPANY TRANSACTIONS

	Company	
	2000 RM'000	1999 RM'000
Income receivable from subsidiaries:		
Interest	11,710	12,427
Rental of factory	578	578
Management fees	100	100
Expenses payable to a subsidiary:		
Rental of building	432	432
Interest payable to a company related by virtue of common directors	3,003	4,636

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.

30. SIGNIFICANT EVENTS

During the financial year,

- (i) the Company has granted 723,000 and 120,000 ordinary shares of RM1.00 at an option price of RM1.28 and RM3.38 per share respectively pursuant to the Employees' Share Option Scheme;
- (ii) the Company entered into a Subscription Cum Shareholders Agreement with a third party, All-In Solutions (M) Sdn Bhd ("AISIS"), for an acquisition of a 70% equity interest in AISIS. The agreement dated 16 August, 2000 was subsequently rescinded on 31 October, 2000;
- (iii) a subsidiary disposed of its freehold parcels of land situated in Mukim of Ulu Kinta, Perak to a third party for a total consideration of RM12,000,000; and
- (iv) a subsidiary disposed of its leasehold land situated in Mukim of Tanjong Minyak, Daerah Melaka Tengah, Melaka to a third party for a total consideration of RM837,156.

31. SUBSIDIARIES

The subsidiaries are:

Name of Company	Paid-up Capital RM	Effective Interests		Principal Activities
		2000 %	1999 %	
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 and ceased operations during the financial year.
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.

31. SUBSIDIARIES (cont'd)

Name of Company	Paid-up Capital RM	Effective Interests		Principal Activities
		2000 %	1999 %	
KYM Senai Sdn. Bhd.	3	100	100	Dormant.
Polypulp Enterprises Sdn. Bhd.	3	100	100	Investment holding.
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 commenced operations during the financial year.
Teluk Rubiah Country Club Sdn. Bhd.	2	54	54	Provide recreational and sport facilities and commenced operations during the financial year.
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	Property management.
KYM Leisure Sdn. Bhd.	2	100	100	Dormant.
KYM Built Sdn. Bhd.	2	100	100	General construction.
KYM Development (Perak) Sdn. Bhd.	19,950,000	100	100	Property development.
KMG Assets Sdn. Bhd.	2	100	100	Provide management services.

31. SUBSIDIARIES (cont'd)

Name of Company	Paid-up Capital RM	Effective Interests		Principal Activities
		2000 %	1999 %	
KYM Industries (Ipoh) Sdn. Bhd.	2	100	100	Manufacture and sale of corrugated carton boxes and ceased operations during the financial year.
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.
KYM Maserba Sdn. Bhd. (formerly known as Delight World Sdn. Bhd.)	2	100	100	Dormant
KYM 2000 Sdn. Bhd. (formerly known as Delight Essence Sdn. Bhd.)	2	100	-	Dormant

All the subsidiaries are incorporated in Malaysia.

32. SEGMENT INFORMATION

By industry segments	Turnover RM'000	(Loss)/Profit Before Taxation RM'000	Total Assets Employed RM'000
Packaging	90,146	(3,067)	97,687
Investment holding	28	(7,483)	57,827
Property development and investment	13,267	1,392	111,831
Others	2,148	(1,976)	32,081
	105,589	(11,134)	299,426
Group's share of associated company profits	-	626	-
	105,589	(10,508)	299,426

32. SEGMENT INFORMATION (cont'd)

By industry segments

	Turnover RM'000	(Loss)/Profit Before Taxation RM'000	Total Assets Employed RM'000
1999			
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

33. CURRENCY

All amounts are stated in Ringgit Malaysia.

34. COMPARATIVE FIGURES

The presentation of the accounts for the current year has been changed to adopt the format as prescribed in Malaysian Accounting Standards Board (MASB) Standard No. 1 - Presentation of Financial Statements. 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.	15 years	502,860
PTD 18692 Mukim of Senai-Kulai District of Johor Bahru (PLO 9 Senai Industrial Estate, Senai)	8,093.7	60 years leasehold with about 43 years remaining) expiring on 31.8.2042.	Industrial land with factory building, offices and warehouse erected thereon.	12 years	2,938,923
PTD 8778 Mukim of Senai-Kulai District of Johor Bahru (PLO 15 Senai Industrial Estate, Senai)	12,140.5	60 years leasehold with about 44 years remaining expiring on 11.1.2043.	Industrial land with factory building, offices and warehouse erected thereon.	7 years	2,795,219
PTD 8790 Mukim of Senai-Kulai District of Johor Bahru (PLO 19 Senai Industrial Estate, Senai)	8,093.7	60 years leasehold with about 46 years remaining, expiring on 22.9.2045.	Industrial land with factory building, offices and warehouse erected thereon.	13 years	2,478,685
Lot 5 Jalan Perusahaan 1 Kawasan Perusahaan Beranang, Selangor	11,460	99 years leasehold expiring in 95 years	Industrial land with factory building, offices and warehouse erected thereon.	9 years	5,047,721
Lot 7 Jalan Perusahaan 1 Kawasan Perusahaan Beranang, Selangor	36,420	99 years leasehold expiring in 95 years	Industrial land with factory building and warehouse erected thereon.	9 years	2,188,041

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)
12 & 14 Lorong Medan Tuanku Satu Kuala Lumpur	1,200	Freehold	2 adjoining units of 5-storey shop/office buildings housing the corporate office	16 years	6,735,745
PLO 267 Kawasan Perindustrian Sri Gading Daerah Batu Pahat Johor	12,183	60 years leasehold expiring in 56 years	Vacant industrial Land	-	876,839
PLO 162 Senai III Industrial Area Mukim Senai District Johor Bahru	60,654	60 years leasehold expiring in 57 years	Vacant industrial land	-	11,816,386
Lot 10, 11 & 12, Persiaran Perindustrian Kanthan 5, Kanthan Industrial Estate, Chemor, Ipoh	13,760	99 years leasehold expiring in 89 years	Industrial land with factory building and office and warehouse built thereon.	8 years	2,306,274
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 89 years remaining, expiring on 14.3.2089	Partially developed:- Golf course & Chalets	-	16,300,545

statistics of shareholders

as at 15 February, 2001

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 1,000	28	1.08	10,188	0.02
1,001 - 5,000	2,210	25.16	4,213,125	10.29
5,001 - 10,000	192	7.40	1,562,886	3.82
10,001 and above	165	6.36	35,153,768	85.87
Total	2,595	100.00	40,939,967	100.00

Twenty Largest Shareholders (as at 15 February 2001)

Shareholders	Number of Shares Held	%
1. OUB Nominees (Tempatan) Sdn Bhd (a/c for Ultra-Link Resources Sdn Bhd)	8,500,000	20.76
2. OSK Nominees (Tempatan) Sdn Berhad (a/c for Ultra-Link Resources Sdn Bhd)	3,714,285	9.07
3. RHB Capital Nominees (Tempatan) Sdn Bhd (a/c for Lim Kheng Yew)	2,500,000	6.10
4. Cheong Chan Holdings Sdn Bhd	1,920,284	4.69
5. OUB Nominees (Asing) Sdn Bhd (a/c for Wong Poh Weng)	1,860,000	4.54
6. Renfield Investment Limited	1,241,365	3.03
7. Wong Chee Choon	1,220,000	2.98
8. OSK Nominees (Asing) Sdn Berhad (a/c for Wong Poh Weng)	1,140,000	2.78
9. Ong Har Hong	1,138,000	2.78
10. Unirange Network Sdn Bhd	922,000	2.25
11. Lim Eng Huat	791,000	1.93
12. Magnitude Network Sdn Bhd	775,273	1.89
13. Wong Hok Yim	711,000	1.73
14. Ihsan Indah (M) Sdn Bhd	564,000	1.37
15. OSK Nominees (Tempatan) Sdn Bhd (a/c for Khern Ah Ying)	503,193	1.23
16. KYM Sdn Bhd	495,273	1.21
17. Mayban Securities Nominees (Tempatan) Sdn Bhd (a/c for Tan Ching Ching)	366,000	0.89
18. Far East Master Sdn Bhd	307,153	0.75
19. Lua Wa Kho @ Lua Chong Koh	302,295	0.73
20. Tan Sew Kee	286,370	0.70
TOTAL NO. OF SHARES	29,257,491	71.41

substantial shareholders

As registered in the Register of Substantial Shareholders as at 15 February 2001

Name	No. of Shares Held		% Of Issued Capital
	Direct	Indirect	
Ultra-Link Resources Sdn Bhd	9,214,285	-	22.5
Dato' Wan Malek bin Ibrahim	-	9,214,285 *	22.5
Zakaria bin Abd. Hamid	-	9,214,285 *	22.5
Lim Kheng Yew	2,500,000	4,415,557 **	16.9
Wong Poh Weng	3,000,000	-	7.3
KYM Sdn Bhd	2,049,273	-	5.0
Cheong Chan Holdings Sdn Bhd	1,366,284	-	3.3
Renfield Investment Limited	1,241,365	-	3.0
Wong Chee Choon	1,220,000	-	3.0
Ong Har Hong	1,138,000	-	2.8
Tzel Properties Sdn Bhd	1,000,000	-	2.4
Unirange Network Sdn Bhd	922,000	-	2.3
Tan Peng Aun	922,000 @	-	2.3
OUB Nominees (Tempatan) Sdn Bhd (bare trustee)	6,062,000	-	14.8
RHB Capital Nominees (Tempatan) Sdn Bhd (bare trustee)	2,500,000	-	6.1
OSK Nominees (Asing) Sdn Bhd (bare trustee)	1,147,000	-	2.8
OSK Nominees (Tempatan) Sdn Bhd (bare trustee)	4,487,478	-	11.0
OUB Nominees (Asing) Sdn Bhd (bare trustee)	1,860,000	-	4.5

Notes:

* Deemed interested by virtue of their shareholding in Ultra-Link Resources Sdn Bhd.

** Deemed interested by virtue of his shareholding in Cheong Chan Holdings Sdn Bhd, KYM Sdn Bhd and Tzel Properties Sdn Bhd.

@ Held through Unirange Network Sdn Bhd.

APPENDIX A

Proposed Amendments to Articles of Association

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS
Article 2 (Definition)	“Deposited Security” means a security standing to the credit of a securities account and includes securities account that is in suspense.	“Deposited Securities” means a security in the Company standing to the credit of a Securities Account of the Depositor subject to the provisions of the Central Depositories Act and the Rules.
Article 2 (Definition)	“Record of Depositors” means a record provided by Central Depository to the Company under Chapter 24.0 of the Rules of the Central Depository.	“Record of Depositors” means a record provided by Central Depository to the Company under Chapter 24.0 of the Rules.
Article 2 (New Definitions)	New definitions to be inserted.	<p>“Approved Market Place” means a stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) (Exemption) (No. 2) Order 1998.</p> <p>“Authorised Nominees” means a person who is authorised to act as nominee as specified under the Rules.</p> <p>“Securities Account” means an account established by a central depository for a depositor for the recording of deposit of securities and for dealing in such securities by the depositor as permitted by under the Central Depositories Act and/or the Rules.</p>
Article 4(g)	New provision to be inserted immediately after Article 4(f)	<p>Issue of New Shares</p> <p>The Company must ensure that all new issues of shares for which listing is sought are made by way of crediting the securities accounts of the allottees with such shares save and except where it is specifically exempted from compliance with Section 38 of the Central Depositories Act, in which event it shall so similarly be exempted from compliance with the Exchange Listing Requirements. For this purpose, the Company must notify the Central Depository of the names of the allottees and all such particulars required by the Central Depository, to enable the Central Depository to make the appropriate entries in the securities accounts of such allottees.</p>
Article 8	<p>Shares of the Company not to be purchased out of the funds of Company</p> <p>None of the funds of the Company or of any subsidiary thereof shall be employed in the purchase of or lent on the security of shares of</p>	<p>Purchase of Own Shares</p> <p>Subject to the provisions of the Act and any rules, regulations and guidelines thereunder issued by the Exchange and any other relevant authorities in respect thereof for the time being in force, the</p>

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS
	the Company (or its holding company, if any) and the Company shall not, except as authorised by the Act give any financial assistance for the purpose of or in connection with any purchase of shares in the Company (or its holding company, if any).	Company may purchase its own shares and thereafter to deal with the shares purchased in accordance with the provisions of the Act and any rules, regulations and guidelines thereunder issued by the Exchange and any other relevant authorities in respect thereof.
Article 12	<p>Joint holders</p> <p>Where two or more persons are registered as the holders of any shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to the provisions following:-</p> <p>(a) Except in the case of executors or trustees of a deceased shareholder, the Company shall not be bound to register more than three (3) persons as the joint holders of any share.</p> <p>(b) The joint holders of a share be liable severally as well as jointly in respect of all payments which ought to be made in respect of such shares.</p> <p>(c) On the death of any one such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share but the Directors may require such evidence of death as they may deem fit.</p> <p>(d) Any one of such joint holders may give effectual receipts for any dividend payable to such joint holders.</p> <p>(e) Any of the persons whose names stand in the Company's Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders.</p>	Deleted.
Article 14	<p>Certificates</p> <p>Subject to the provisions of the Act, the Central Depositories Act and the Rules, every person whose name is entered as a member in the register of members shall be entitled to receive not later than ten (10) market days after allotment or ten (10) market days after lodgment of transfer (or such other periods as the relevant Stock</p>	<p>Allotment and despatch of notices of allotment for an issue.</p> <p>Subject to the provisions of the Act, the Central Depositories Act and the Rules, the Company shall within the following period, allot and issue shares, despatch notices of allotment to the allottees and make an application for a quotation of such shares:</p>

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS
	<p>Exchanges may from time to time prescribe), share certificates in reasonable denominations under the Seal for all the shares registered in his name, specifying the shares to which each of them relates and the amount paid thereon, upon payment of such sum not exceeding Three Ringgit (\$3.00) or such other sum as may from time to time be permitted by the Stock Exchanges on which the Company's shares are listed plus the stamp duty payable under any law for the time being in force, Provided That the Company will upon allotment issue up to ten (10) share certificates of reasonable denominations without charge. Where a member transfers part only of the shares comprised in a certificate the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge. Every certificate shall be issued under the share seal and bear the signatures or the autographic signatures of one Director and the Secretary or a second Director or such other person as may be authorised by the Directors, and shall specify the share to which it relates, and the amount paid up thereon. In the case of a share held jointly by several person, the Company shall not be bound to issue more than one certificate therefore and delivery of a certificate to one of such persons shall be sufficient delivery to all such persons.</p>	<ul style="list-style-type: none"> (a) within 15 market days of the final applications closing date for a public issue or rights issue or such other period prescribed by the Exchange; (b) within 10 market days of the book closing date for a bonus issue or such other period as may be prescribed by the Exchange; (c) in respect of a share scheme for employees, within 10 market days from the date of receipt of a notice of the exercise of the option together with the requisite payment or such other period as may be prescribed by the Exchange; (d) in respect of conversion or exercise of convertible securities, within 10 market days of the date of receipt of a subscription form together with the requisite payment or such other period as may be prescribed by the Exchange.
Article 15	<p>New Certificate may be issued</p> <p>Subject to the provisions of the Act, the Central Depositories Act and the Rules, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser member firm or member company of the relevant Stock Exchanges or on behalf of its/their clients as the directors of the Company shall require, and (in case of defacement or wearing out) on delivery up of the old certificate, and in any case upon the payment of such sum not exceeding Three Ringgit (\$3.00) per certificate or such other sum as may from time to time be permitted by the Stock</p>	<p>Crediting of Securities Account</p> <p>The Company must not cause or authorise its registrars to cause the securities accounts of the allottees to be credited with the additional shares until after it has filed with the Exchange an application for listing of such additional shares and notified by the Exchange that they have been authorised for listing.</p>

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS
	Exchanges as the Directors may determine plus the amount of the proper duty with which each such certificate is chargeable under any law for the time being in force relating to stamps and generally on such terms as the directors may from time to time require. In case of the destruction, loss or theft of a share certificate a person to whom a renewed certificate is given shall in addition pay all expenses incidental to the investigation by the Company of such destruction, loss or theft and the cost of obtaining all evidence in connection therewith and shall bear any lost that may be incurred by the Company as a result of the Company issuing such renewed certificate to such person.	
Article 16	New Certificate in place of one not surrendered When any shares under the powers in these Articles herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.	Deleted.
Article 17	Company's lien on shares. The Company shall have a first and paramount lien on all unpaid calls and instalments and interest thereon upon those shares in respect of which such calls or instalments or interest thereon are unpaid, whether the period for the payment, fulfilment or discharge thereof shall have actually arrived or not and no equitable interest in any shares shall be created in favour or for the benefit of the member entitled to those shares unless and until all calls, instalments and interest (if any) upon those shares shall have been fully paid. The Company shall also have a first and paramount lien on all shares (other than fully-paid shares) registered in the name of a single person for all money presently payable by him or his estate to the Company and on all shares for any money the Company may be called upon by law to pay in respect of a member or deceased member whether such shares be held solely or jointly with others. Such lien shall extend to all dividends from time to time	Company's lien on shares. The Company shall have a first and paramount lien on all unpaid calls and instalments and interest thereon upon those shares in respect of which such calls or instalments or interest thereon are unpaid, whether the period for the payment, fulfilment or discharge thereof shall have actually arrived or not and no equitable interest in any shares shall be created in favour or for the benefit of the member entitled to those shares unless and until all calls, instalments and interest (if any) upon those shares shall have been fully paid. The Company shall also have a first and paramount lien on all shares (other than fully-paid shares) registered in the name of a single person for all money presently payable by him or his estate to the Company and on all shares for any money the Company may be called upon by law to pay in respect of a member or deceased member whether such shares be held solely or jointly with others. Such lien shall extend to all dividends from time to time declared

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS
	declared in respect of such shares. Unless otherwise agreed upon, the registration of a transfer of such shares shall not operate as a waiver of the Company's lien (if any) on such shares.	in respect of such shares. Unless otherwise agreed upon, the registration of a transfer of such shares shall not operate as a waiver of the Company's lien (if any) on such shares.
Article 18	<p>Lien may be enforced by sale of shares.</p> <p>The Directors may sell the shares subject to any such lien at such time or times and in such manner as they think fit, but no sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof are or is presently payable or the call or instalment in respect of which such lien exists is liable to be presently fulfilled or discharged, and until a demand and notice in writing stating the amount due or specifying the call or instalment and demanding payment, fulfilment or discharge thereof and giving notice or intention to sell in default shall have been served on such member or the persons (if any) entitled by transmission or in the case of joint holders, the person(s) entitled under Articles 12(c) of these Articles to the shares, and default in payment, fulfilment or discharge shall have been made by him or them for fourteen (14) days after such notice.</p>	<p>Lien may be enforced by sale of shares.</p> <p>The Directors may sell the shares subject to any such lien at such time or times and in such manner as they think fit, but no sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof are or is presently payable or the call or instalment in respect of which such lien exists is liable to be presently fulfilled or discharged, and until a demand and notice in writing stating the amount due or specifying the call or instalment and demanding payment, fulfilment or discharge thereof and giving notice or intention to sell in default shall have been served on such member or the persons (if any) entitled by transmission or in the case of joint holders, the person(s) entitled under Articles 12(c) of these Articles to the shares, and default in payment, fulfilment or discharge shall have been made by him or them for fourteen (14) days after such notice.</p>
Article 19	<p>Application of proceeds of sale</p> <p>The net proceeds of any such sale shall be applied in or towards satisfaction of the amount due to the Company, or of the liability or engagement, as the case may be, and the balance (if any) shall be paid to the member or the person (if any) entitled by transmission or in case of joint holders, the person(s) entitled under Article 12(c) of these Articles to the shares so sold.</p>	<p>Application of proceeds of sale</p> <p>The net proceeds of any such sale shall be applied in or towards satisfaction of the amount due to the Company, or of the liability or engagement, as the case may be, and the balance (if any) shall be paid to the member or the person (if any) entitled by transmission or in case of joint holders, the person(s) entitled under Article 12(c) of these Articles to the shares so sold.</p>
Article 20	<p>Directors may transfer and enter purchaser's name in share register</p> <p>Upon any such sale as aforesaid and to give effect to such sale, the Directors may authorise some person to transfer the shares sold to the purchaser and may enter the purchaser's name in the register as holder of the shares, and the purchaser shall not be bound to see to the</p>	<p>Directors may transfer and enter purchaser's name in share register</p> <p>Upon any such sale as aforesaid and to give effect to such sale, the Directors may, if necessary, authorise its registrar to cause the Central Depository to credit securities account of the purchaser of the shares sold or otherwise in accordance with the directors of the purchaser.</p>

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS
	application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.	The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
Article 24	Liability of joint holders The joint holders of a share shall be jointly and severally liable for the payment of all calls and instalments in respect thereof.	Deleted.
Article 29A	New provision to be inserted immediately after Article 29	Information of Shareholding (1) The Company may by notice in writing require any member of the Company within such reasonable time as is specified in the notice: (a) to inform the Company whether he holds any voting shares in the Company as beneficial Owner, Authorised Nominee or as trustee; and (b) if he holds them as trustee or Authorised Nominee, to indicate so far as he can the persons for whom he holds them by name and by other particulars sufficient to enable those persons to be identified and the nature of their interest. (2) Where the Company is informed in pursuance of a notice given to any person under subsection (1) hereof or under this subsection that any other person has an interest in any of the voting shares in the Company, the Company may by notice in writing require that other person within such reasonable time as is specified in the notice: (a) to inform the Company whether he holds that interest as beneficial Owner, Authorised Nominee or as trustee; and (b) if he holds that interest as trustee or Authorised Nominee, to indicate so far as he can the persons for whom he holds it by name and by other particulars sufficient to enable them to be identified and the nature of their interest.

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS
Article 30	<p>Execution of instrument of transfer etc.</p> <p>Except as otherwise provided under the Rules with respect to transfer of deposited security no transfer shall be registered unless a proper instrument of transfer duly executed by or on behalf of the transferor and duly stamped has been delivered to the Company along with the relative share certificate except as provided in the Act. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof.</p>	<p>Transfer of share</p> <p>The transfer of shares of the company which have been deposited with the Central Depository, shall be by way of book entry by the Central Depository in accordance with the Rules and notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107(1) of the Act, the company shall be precluded from registering and effecting any transfer of shares.</p>
Article 31	<p>Form of instrument of transfer</p> <p>The instrument of transfer of any share shall be in writing in the form approved from time to time by the relevant Stock Exchanges.</p>	Deleted.
Article 32	<p>Transfer to be left at office and evidence given</p> <p>Every instrument of transfer shall be left at the Office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Directors may require to prove the title of the transferor or his right to transfer the shares. The instrument of transfer shall, unless the Directors decline to register it, be retained by the Company.</p>	Deleted.
Article 33	<p>Closing of transfer books and register</p> <p>The transfer books and Register of Members and debenture holders may, on due notice being given as required by the Act, be closed during such time or time as the Directors think fit, not exceeding in the whole thirty (30) days in each year. At least eighteen (18) market days' notice of intention to close the said Register stating the period and the purpose for closing the said Register shall be published in a daily newspaper and dispatched to the relevant Stock Exchanges. At least three (3) market days prior notice shall be given to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors.</p>	<p>Closing of transfer books and register</p> <p>The transfer books and Register of Members and debenture holders may, on due notice being given as required by the Act, be closed during such time or time as the Directors think fit, not exceeding in the whole thirty (30) days in each year. At least twelve (12) markets days' prior notice of intention to close the said register shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Stock Exchange. The said notice shall state the period and the purpose or purposes of such suspension or closure. In relation to the closure, the Company shall give written notice in accordance with the Rules, to the Central Depository to prepare the appropriate Record of Depositors.</p>

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS
Article 34	<p>Fee for registration</p> <p>A fee shall be determined by the Directors from time to time but not exceeding Three Ringgit (M\$3.00) (or such other sum as the relevant Stock Exchanges may from time to time permit or stipulate) may be charged for the registration of each transfer and for each registration or transmission under the transmission Article and shall, if required by the Directors, be paid before registration.</p>	Deleted.
Article 35	<p>Indemnity against wrongful transfer</p> <p>Neither the Company nor its Directors nor any of its Officers shall incur any liability for registering or acting upon a transfer of share apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the company or its Directors or other Officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assignees, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.</p>	<p>Indemnity against wrongful transfer</p> <p>Neither the Company nor its Directors nor any of its Officers shall incur any liability for registering or acting upon a transfer of share apparently made by sufficient parties <u>or registered by the Central Depository</u>, although the same may, by reason of any fraud or other cause not known to the company or its Directors or other Officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assignees, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.</p>
Article 36	<p>Refusal to transfer</p> <p>The Directors may decline to register any transfer of shares:</p> <p>(a) which would result in any contravention of or failure to observe any provisions of the laws of Malaysia; or</p> <p>(b) where such transfer is not in the form approved from time to time by the relevant Stock Exchanges.</p>	<p>Refusal to transfer</p> <p>The Central Depository may refuse to register any transfer of deposited security that does not comply with the Central Depository Act and the Rules.</p>

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS
	<p>If the Directors shall decline to register any transfer of shares pursuant to Article 36(a) or (b), they shall give to the lodging party written notice of such refusal and the precise reasons therefore within three (3) market days after the date on which the transfer was lodged with the Company. Except as provided above or where required by law, there shall be no restriction on the transfer of fully paid securities issued by the Company.</p>	
Article 37	<p>On death of member survivor or executor only recognised</p> <p>In the case of the death of a member, the survivors or survivor, where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares, but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him.</p>	<p>Death of member</p> <p>In the case of the death of a member, the legal representatives of the deceased shall be the only persons recognised by the Company as having any title to his interest in the shares.</p>
Article 37A	<p>New provision to be inserted immediate after Article 37</p>	<p>Transmission of shares from Foreign Register</p> <p>(1) Where (if applicable) -</p> <p>(a) The shares of the Company are listed on an Approved Market Place; and</p> <p>(b) The Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules in respect of such securities,</p> <p>the Company shall, upon request of a shareholder, permit a transmission of securities held by such shareholder from the register of holders maintained by the registrar of the Company in the jurisdiction of the Approved Market Place (hereinafter referred to as "the Foreign Register"), to the register of holders maintained by the registrar of the Company in Malaysia (hereinafter referred to as "the Malaysian Register") subject to the following conditions:-</p>

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS
		<p>(i) there shall be no change in the ownership of such shares; and</p> <p>(ii) the transmission shall be executed by causing such shares to be credited directly into the securities account of such shareholder.</p> <p>(2) Where 1(a) and 1(b) are fulfilled, the Company shall not allow any transmission of shares from the Malaysian Register into the Foreign Register.</p>
Article 38	<p>Shares of deceased or bankrupt member</p> <p>Any person becoming entitled to a share in consequence of the death or bankruptcy of any member may, upon producing such evidence of title as the Directors shall require, be registered himself as holder of the share, or subject to the provisions as to transfers herein contained, transfer the same to some other person but the Directors shall in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy. Provided always that where the share is deposited Security subject to the Rules, a transfer or withdrawal of the share may be carried out by the person becoming so entitled.</p>	<p>Shares of deceased or bankrupt member</p> <p>Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the Central Depository and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Central Depository shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy. Subject to the Rules, the Act, the Central Depositories Act and the Exchange Listing Requirements, a transfer of the share may be carried out by the person becoming so entitled by execution of prescribed transfer Form and lodgment of all documents required in accordance with the Rules and other applicable laws.</p>
Article 39	<p>Notice of election to be registered</p> <p>Subject to any other provisions of these Articles, if the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to transfer to some other persons, he shall execute an instrument of transfer of such share in accordance with the provisions of these Articles relating to transfer of shares.</p>	<p>Notice of election to be registered</p> <p>If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Central Depository a notice in writing signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of the Rules relating to the rights to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the</p>

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS
		member had not occurred and the notice or transfer were a notice or transfer signed by that member.
Article 42	<p>Person entitled may receive dividends without being registered as member, but may not vote.</p> <p>A person entitled to a share by transmission shall be entitled to receive, and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of it to receive notices of or to attend or vote at meetings of the Company, or, save as aforesaid, to exercise any of the rights or privileges of a member, unless and until he shall become a member in respect of the share in accordance with the provisions of these Articles.</p>	<p>Person entitled may receive dividends without being registered as member, but may not vote.</p> <p>Where the registered holder of any share dies or becomes bankrupt his personal representative or the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the Directors in that behalf, be entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of the Company or to voting or otherwise) as the registered holder would have been entitled to if he had not died or become bankrupt.</p>
Article 56A	New provision.	<p>Share Buy Back</p> <p>The Company may, subject to and in accordance with the Act, the Rules, regulations and orders made pursuant to the Act, the conditions restrictions and limitations expressed in these Articles and the requirements of the Stock Exchange and any other relevant authority, purchase its own shares and that any shares in the Company so purchased by the Company shall be dealt with as provided by the Act and the requirements of any relevant authority.</p>
Article 67	<p>Notice of Meeting</p> <p>Subject to the provisions of the Act relating to convening meetings to pass Special Resolutions and agreements for shorter notice, every notice convening meetings shall specify the place, the day and the hour of the meeting and shall be given to all members at least fourteen (14) days before the meeting. Any notice of a meeting called to consider special business shall also be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business and shall be given in the manner hereinafter mentioned to such persons as are under the provisions of these Articles entitled to receive notice of general meetings from the Company. At least fourteen (14) days' notice (which period shall include not less than ten (10)</p>	<p>Notice of Meeting</p> <p>(1) Subject to the agreements for shorter notice, every notice convening meetings shall specify the place, the day and the hour of the meeting and shall be given to all members at least fourteen (14) days before the meeting or at least twenty one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall also be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business and shall be given in the manner hereinafter mentioned to such persons as are under the provisions of these Articles entitled to receive notice of general</p>

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS
	market days) of every such meeting shall be given by advertisement in the daily press and in writing to the relevant Stock Exchanges.	meetings from the Company. At least fourteen (14) days' notice or twenty one (21) days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in the daily press and in writing to the relevant Stock Exchanges.
Article 67(2) 67(3) & 67(4)	New provision.	Record of Depositors (2) The Company shall request the Central Depository in accordance with the Rules, to issue a Record of Depositors to whom notices of general meetings shall be given by the company. (3) The Company shall request the Central Depository in accordance with the Rules, to issue a Record of Depositors as at a date not less than 3 market days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors"). (4) Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations, 1996 (where applicable) and notwithstanding any provision in the Act, a depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat by person or proxy unless his name appears in the General Meeting Record of Depositors.
Article 85	Votes of joint holders of shares In the case of joint holders of shares, any one of such persons may vote, but if more than one of such persons be present at a meeting, the person whose name stands first on the Register of Members shall alone be entitled to vote.	Deleted.
Article 87A	New provision to be inserted immediate after Article 87	Appointment of more than one proxy Where a member of the company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the company standing to the credit of the said securities account.

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS
Article 100	<p>Office of Director vacated in certain cases</p> <p>(c) If he absents himself from the meeting of Directors for a period of six (6) months without leave of absence from the other Directors and they pass a resolution that he has by reason of such absence vacated his office;</p>	<p>Office of Director vacated in certain cases</p> <p>(c) If he is absent more than 50% of the total Board of Directors' Meeting held during a financial year;</p>
Article 101	<p>Directors May Appoint Managing Director</p> <p>The Directors may from time to time appoint one or more members of the board of Directors to the office of Managing Director for such period not exceeding five (5) years and on such terms as they think fit and may, subject to the terms of any agreement in any particular case, revoke any such appointment. The Directors may entrust to, confer upon or vest in him such powers which are by these Articles vested in the Directors upon such terms as they think fit but subject thereto, all Managing Directors shall be subject to the control of the board of Directors. The remuneration of a Managing Director may be by way of salary or commission or participation in profits, or by any or all of these modes or otherwise as may be thought expedient provided that no remuneration shall be by way of commission or percentage on turnover.</p>	<p>Directors May Appoint Managing Director</p> <p>The Directors may from time to time appoint one or more members of the board of Directors to the office of Managing Director for such period not exceeding three (3) years and on such terms as they think fit and may, subject to the terms of any agreement in any particular case, revoke any such appointment. The Directors may entrust to, confer upon or vest in him such powers which are by these Articles vested in the Directors upon such terms as they think fit but subject thereto, all Managing Directors shall be subject to the control of the board of Directors. The remuneration of a Managing Director may be by way of salary or commission or participation in profits, or by any or all of these modes or otherwise as may be thought expedient provided that no remuneration shall be by way of commission or percentage on turnover.</p>
Article 103	<p>Retirement of Directors</p> <p>At the first Annual General Meeting of the Company, all the Directors shall retire from office and at the Annual General Meeting in every subsequent year, any Director bound to retire under Article 94 and one-third of the other Directors (excluding a Managing Director or Joint Managing Directors) for the time being, or if the number is not three or a multiple of three, then the number nearest to one-third shall retire from office so that all Directors (excluding a Managing Director or Joint Managing Directors) shall retire from office once at least in every three (3) years. A retiring Director shall retain office until the close of the meeting at which he retires.</p>	<p>Retirement of Directors</p> <p>At the first Annual General Meeting of the Company, all the Directors shall retire from office and at the Annual General Meeting in every subsequent year, any Director bound to retire under Article 94 and one-third of the other Directors for the time being, or if the number is not three or a multiple of three, then the number nearest to one-third shall retire from office so that all Directors shall retire from office once at least in every three (3) years. A retiring Director shall retain office until the close of the meeting at which he retires.</p>

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS
Article 106	<p>Separate resolution for appointment of Directors</p> <p>Every resolution of a General Meeting for the election of a Director shall relate to one named person and single resolution for the election of two (2) or more persons shall be void.</p>	<p>Motion for appointment of Directors</p> <p>At any general meeting at which more than one (1) Director is to be elected, each candidate shall be the subject of a separate motion and vote unless a motion for the appointment of two (2) or more persons as Directors by a single resolution shall have first been agreed to by the meeting without any vote being given against it.</p>
Article 147	<p>Profit and Loss Accounts to be made up and laid for before company</p> <p>The Directors shall at some date not later than 18 months after the incorporation of the Company and subsequently once at least in every calendar year at intervals of not more than fifteen months (or such longer interval as the Registrar of Companies, Malaysia may upon application permit) lay before the Company in General Meeting a profit and loss account the period since the preceding account, or (in the case of the first account) since the incorporation of the Company, made up to a date not more than six months before such meeting. A duly audited balance sheet shall also be made out in every year as at the date to which the profit and loss account is made up, and shall be laid before the Company in Annual General Meeting. The said account and balance sheet shall be accompanied by such reports and documents and shall contain such particulars as are prescribed by the Act and the Directors shall in their report state the amount which they recommend to be paid by way of dividend, and the amount (if any) which they propose to carry to any reserve fund. A copy of the said Balance Sheet, Account and (so far as required by the Act) Reports shall not less than fourteen (14) days (which period shall include not less than ten (10) market days) before the date of the meeting be delivered or sent by post to the registered address of all persons entitled to receive notices of General Meetings of the Company and the requisite copies as may be determined from time to time of each such documents shall at the same time be likewise sent to the relevant Stock Exchanges. Such documents shall be issued within six calendar months of the close of the Company's financial year and such shorter period as may be prescribed by the relevant Stock Exchanges. The Auditor's report shall be attached to the balance sheet and shall be read before the Company in General Meeting and</p>	<p>Profit and Loss Accounts to be made up and laid for before company</p> <p>The Directors shall at some date not later than 18 months after the incorporation of the Company and subsequently once at least in every calendar year at intervals of not more than fifteen months (or such longer interval as the Registrar of Companies, Malaysia may upon application permit) lay before the Company in General Meeting a profit and loss account the period since the preceding account, or (in the case of the first account) since the incorporation of the Company, made up to a date not more than six months before such meeting. A duly audited balance sheet shall also be made out in every year as at the date to which the profit and loss account is made up, and shall be laid before the Company in Annual General Meeting. The said account and balance sheet shall be accompanied by such reports and documents and shall contain such particulars as are prescribed by the Act and the Directors shall in their report state the amount which they recommend to be paid by way of dividend, and the amount (if any) which they propose to carry to any reserve fund. A copy of the said Balance Sheet, Account and (so far as required by the Act) Reports shall not less than fourteen (14) days before the date of the meeting be delivered or sent by post to the registered address of all persons entitled to receive notices of General Meetings of the Company and the requisite copies as may be determined from time to time of each such documents shall at the same time be likewise sent to the relevant Stock Exchanges. <i>The interval between the close of a financial year of the company and the issue of the annual audited accounts, the director's and auditors' reports shall not exceed four (4) months.</i> The Auditor's report shall be attached to the balance sheet and shall be read before the Company in General Meeting and be opened to inspection by any member as required by the Act. Nothing in this</p>

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS
	be opened to inspection by any member as required by the Act. Nothing in this Article shall require a copy of such documents to be sent to any person of whose address the Company is not aware.	Article shall require a copy of such documents to be sent to any person of whose address the Company is not aware.
Article 152	How joint holders of shares may be served All notices directed to be given to the members shall, with respect of any share to which persons are jointly entitled, be given to whichever of such joint holders, and any notice so given shall be sufficient notice to the holder of such share.	Deleted
Article 160	New Provision	Effect of the Listing Requirements (1) Notwithstanding anything contained in these articles, if the Listing Requirements prohibit an act being done, the act shall not be done. (2) Nothing contained in these articles prevents an act being done that the Listing Requirements require to be done. (3) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). (4) If the Listing Requirements require these articles to contain a provision and they do not contain such provision, these articles are deemed to contain that provision. (5) If the Listing Requirements require these articles not to contain a provision and they contain such a provision, these articles are deemed not to contain that provision. (6) If any provision of these articles is or becomes inconsistent with the Listing Requirements, these articles are deemed not to contain that provision to the extent of the inconsistency. (7) For the purpose of this article, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of Kuala Lumpur Stock Exchange including any amendment to the Listing Requirements that may be made from time to time.

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form of proxy



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

I/We..... (NRIC No.....)
of..... a
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 Nineteenth Annual
General Meeting of the Company to be held at 3rd Floor, No. 12 Lorong Medan Tuanku Satu, 50300 Kuala
Lumpur on Thursday 29 March 2001 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 Lim Kheng Chye under Article 103		
4.	Re-election of Zakaria bin Abd Hamid under Article 103		
5.	Re-appointment of Dato' Abdul Rahman bin Haji Ismail		
6.	Re-appointment of Auditors		
7.	Authority to Allot and Issue Shares		
8.	Proposed Allocation of Options to Zakaria bin Abd Hamid		
9.	Proposed Amendments to Memorandum of Association of the Company.		
10.	Proposed Amendments to Articles of Association of the Company		

(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.)

Number of Shares Held

.....
Signature of Member/Common Seal

Dated this..... day of, 2001.

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.

please fold along this line (1)

Stamp

The Company Secretary

KYM HOLDINGS BHD.

(Co. No.: 84303-A)

12, Lorong Medan Tuanku Satu,
50300 Kuala Lumpur

please fold along this line (2)