

CONSOLIDATED BALANCE SHEET (UNAUDITED)

	AS AT END OF CURRENT QUARTER 30/6/2000 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/09/99 RM'000
1 Fixed Assets	76,550	79,767
2 Investment in Associated Companies	61,993	55,676
3 Long term Investments	108,301	101,347
4 Intangible Assets	5,382	5,400
5 Current Assets		
<i>Stocks</i>	17,569	17,484
<i>Trade Debtors</i>	31,032	32,154
<i>Short Term Investments</i>	-	-
<i>Cash</i>	1,999	1,766
<i>Others</i>	-	-
6 Current liabilities		
<i>Short term borrowings</i>	163,845	162,617
<i>Trade creditors</i>	10,781	10,218
<i>Other creditors</i>	78,685	68,088
<i>Provision for taxation</i>	167	266
<i>Others</i>	-	-
7 Net Current Assets or Current Liabilities	(202,878)	(189,785)
	<hr/> 49,348 <hr/>	<hr/> 52,405 <hr/>
8 Shareholders' Funds		
Share Capital	40,940	39,750
Reserves		
<i>Share Premium</i>	57,270	57,242
<i>Revaluation Reserve</i>	-	-
<i>Capital Reserve</i>	35	35
<i>Statutory Reserve</i>	-	-
<i>Retained Profit/(Loss)</i>	(55,583)	(50,671)
<i>Others</i>		
9 Minority Interests	73	81
10 Long Term Borrowings	6,366	5,531
11 Other Long Term Liabilities	247	437
	<hr/> 49,348 <hr/>	<hr/> 52,405 <hr/>
12 Net tangible assets per share (sen)	91	103

NOTES

1. Accounting policies

The accounting policies and method of computation used in the preparation of the quarterly financial statements are consistent with that of the annual financial statements ended 30 September 1999.

2. Exceptional items

Nil

3. Extraordinary items

Nil

4. Taxation

The tax figure does not contain any element of deferred tax.

5. Pre-acquisition profits

There is no pre-acquisition profits.

6. Sale of investments and properties

There is no sale of investments and properties.

7. Particulars of purchase or disposal of quoted securities

(a) There is no transaction of quoted securities during the quarter.

(b) There is no disposal of quoted securities during the quarter.

8. Changes in group/capital structure

Nil

9. Status of corporate proposals

(a) The Securities Commission (SC) has, vide its letter dated 9 May 2000, approved the Company's 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 (1) new ordinary share for every existing share held in the Company. ('Proposed Rights Issue')

(b) The Company's shareholders at an EGM on 10 August 2000 approved:

i) the Proposed Rights Issue;

- 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 KYM not already owned by KSB and/or its Concert Parties upon completion of the Proposed Rights Issue ('Proposed Waiver');
 - iii) the Proposed Extension of the Employees Share Option Scheme ('ESOS') and;
 - iv) the Proposed Amendments to the Bye Laws governing the ESOS ('Proposed Amendments').
- (c) The Company is currently awaiting the SC's approval for the Proposed Waiver prior to the issuance of the Abridged Prospectus.
- (d) The SC has vide its letter of 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 (5) day weighted average market price at a date nearer to the implementation date.

10. Seasonal or cyclical factors

The performance of the Group has not been affected by seasonal or cyclical factors.

11. Capital issues and dealings in own shares

Nil

12. Group borrowings and debts securities as at 30 June 2000:

	Secured RM'000	Unsecured (working capital facilities) RM'000
Short Term Borrowings	100,000	63,845
Long Term Borrowings	6,366	-
Total	106,366	63,845

13. Contingent liabilities

Nil

14. Off balance sheet financial instruments

Nil

15. Material litigation

Nil

16. Segment information

By industry segments:

	Turnover		Profit/(loss) before tax		Total assets employed
	Current Qtr	YTD	Current Qtr	YTD	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Packaging	22,986	65,680	110	(3,285)	96,094
Investment holding	102	314	(752)	(2,091)	162,707
Property development	10	38	(120)	(382)	32,643
	<u>23,098</u>	<u>66,032</u>	<u>(762)</u>	<u>(5,758)</u>	<u>291,444</u>
Group's share of associated company's profit	-	-	374	909	-
	<u>23,098</u>	<u>66,032</u>	<u>(388)</u>	<u>(4,849)</u>	<u>291,444</u>

17. Material changes in the quarterly results compared to the results of the preceding quarter

Not applicable.

18. Review of performance

The group recorded a turnover of RM23.09 million, an improvement of approximately 15% over the preceding quarter due to improved selling prices in our paper packaging business.

The group recorded an improvement on operating profit before interest, depreciation and taxation from RM918,000 to RM2.84 million mainly due to better margin, improved productivity and reduced wastage.

The group however registered a consolidated loss before tax of RM0.39 million for the quarter due to the interest payments associated with our existing bank borrowings. These interest charges and bank borrowings are expected to be reduced significantly with the implementation and completion of the Rights Issue as well as disposal of excess assets.

The group continues to incur high interest associated with our existing bank borrowings and the proceeds of the proposed rights issue will be able to significantly reduce interest expense.

19. Current year prospects

The group continues to face tough market conditions with stiff competition, high paper costs and pressure to reduce selling prices. In order to improve our productivity and profitability, we will continue with our cost reduction measures and streamlining of operations.

The group is also consolidating its operations and divesting non-core landed properties in Ipoh, Prai and Johor, which is expected to generate substantial cashflow for the group.

Our property division is expected to contribute positively to the group's results and cashflow with its 100% success in sale of Phase I bungalow lots in Teluk Rubiah, an integrated beach-front resort development near Lumut, Perak

In order to diversify its business base and to explore opportunities in the Information Technology ('IT') and/or e-commerce sector, the group has entered into the following agreements:

- (a) On 16 August 2000: entered into a Subscription Cum Shareholders Agreement with All-In Solutions (M) Sdn Bhd ('AISIS') for an acquisition of a 70% equity interest in AISIS. AISIS is an IT company specialising in the provision of services in network and system integration and multimedia and web development.
- (b) On 17 August 2000: entered into a Memorandum of Understanding ('MOU') with 3ntity.com Sdn Bhd ('3ntity'), to establish a joint venture company to establish, develop, customise and operate an e-procurement portal as an online exchange to facilitate the conduct of business-to-business, business to consumer and consumer to consumer electronic commerce transactions.

In addition, the Board is currently assessing other IT/e-commerce business opportunities and is continuously looking for profitable businesses to enhance the group's earnings base.

20. Variance from profit forecasts and profit guarantee

There is no material variance from the group's profit forecast.

21. Dividend

The Board of Directors does not propose the payment of any dividend.

By Order of the Board

CHEE MIN ER
Secretary

Date: 30 August 2000