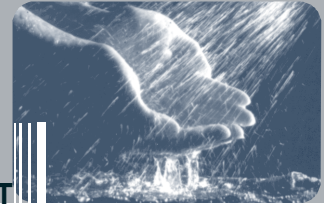


FINANCIAL REPORT



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DIRECTORS' REPORT

for the financial year ended 31 March 2000

The Directors have pleasure in submitting their report together with the audited accounts of the Group and of the Company for the financial year ended 31 March 2000.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year is that of investment holding. The principal activities of the subsidiary companies are set out in note 14 to the accounts. There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Profit after taxation attributable to shareholders	13,761,510	24,113,392
Unappropriated profit brought forward	<u>22,402,221</u>	<u>610,212</u>
Profit available for appropriation	36,163,731	24,723,604
Dividend	<u>(1,092,456)</u>	<u>(1,092,456)</u>
Unappropriated profit carried forward	<u>35,071,275</u>	<u>23,631,148</u>

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

DIVIDENDS

Dividends proposed, declared or paid since the end of the Company's previous financial year are as follows:

	RM
In respect of the financial year ended 31 March 1999:	
As declared in the Directors' Report for that year, a final dividend of 5% less tax at 28% paid on 10 December 1999	<u>1,080,000</u>

The Directors propose the payment of a final dividend of 5% per ordinary share less tax at 28% amounting to RM1,092,456.

SHARE CAPITAL

During the financial year, the issued and fully paid up share capital of the Company was increased from RM30,000,000 to RM30,346,000 by way of an issue of 346,000 ordinary shares of RM1 each for cash at the respective option prices by virtue of the exercise of options granted under the Employees' Share Option Scheme of YLI Holdings Berhad.

MOVEMENTS ON RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year have been disclosed in the accounts.

DIRECTORS

The Directors in office since the date of the last report are:

Loh Toa Thau @ Loh Eng Kim
 Loh Yok Yeong
 Lee Then Wah
 Dato' Ir Syed Muhammad Shahabudin
 Haji Yahaya bin Ahmad
 Khairah binti Tahir
 Chan Kok Soo
 Foong Kai Choong

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, particulars of interests in shares in the Company during the financial year of those Directors holding office at the end of the financial year are as follows:

	NUMBER OF ORDINARY SHARES OF RM1 EACH			
	1 APRIL	ADDITION	DISPOSAL	31 MARCH
YLI HOLDINGS BERHAD				
Loh Toa Thau @ Loh Eng Kim				
Direct	8,000	-	-	8,000
Indirect	13,903,002	20,000	-	13,923,002
Loh Yok Yeong				
Direct	8,000	100,000	-	108,000
Indirect	13,903,002	20,000	-	13,923,002
Lee Then Wah				
Direct	59,000	7,000	(42,000)	24,000
Chan Kok Soo				
Direct	8,000	-	-	8,000

	NUMBER OF ORDINARY SHARES OF RM1 EACH			
	1 APRIL	GRANTED	EXERCISED	31 MARCH
YLI HOLDINGS BERHAD				
Loh Toa Thau @ Loh Eng Kim	-	300,000	-	300,000
Loh Yok Yeong	-	270,000	-	270,000
Lee Then Wah	-	162,000	(7,000)	155,000

Other than as disclosed above, none of the other Directors in office at the end of the financial year had any other interest in shares in the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the fees and other emoluments shown in note 5 to the accounts) by reason of a contract made by the Company or 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.

Neither during nor at the end of the financial year was the Company or any of its related corporations a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for the share options granted to Executive Directors pursuant to the ESOS.

OTHER STATUTORY INFORMATION

Before the accounts of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain the action taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.



OTHER STATUTORY INFORMATION (continued)

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off or provided for bad and doubtful debts of the Group and of the Company inadequate to any substantial extent or the values attributed to current assets of the Company misleading; and
- (b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the Directors, would substantially affect the results of the Group and of the Company for the current financial year; and
- (b) no charge has arisen on the assets of any company in the Group which secures the liability of any other person nor has any contingent liability arisen in any company in the Group.

No contingent or other liability of any company in the Group 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 affect the ability of the Company and its subsidiary companies to meet their obligations when they fall due.

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

EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme ("ESOS") of YLI Holdings Berhad and its subsidiaries was approved by the shareholders at the Extraordinary General Meeting held on 28 September 1999. The main features of the ESOS are as follows:

- (a) Eligible persons are Malaysian citizens who are all full time employees of the Group (including Executive Chairman and Executive Directors) who have been confirmed and have attained the age of eighteen years. The eligible persons must have served at least one year of continuous service.
- (b) Eligible employees of the Group who have accepted the offer to participate in other employees' share option scheme implemented by any other company within the Group which is in force for the time being shall not be eligible to participate in the ESOS.
- (c) The total number of shares to be offered shall not exceed 10% of the issued and paid up share capital of the Company at any time during the existence of the ESOS.
- (d) No option shall be granted for less than 1,000 shares nor more than 500,000 shares and shall always be in multiples of 1,000 shares.
- (e) The subscription price shall be the average of the mean market quotation as shown in the daily official list issued by the Kuala Lumpur Stock Exchange ("KLSE") for the five (5) market days preceding the date of offer, provided that the option price shall not be less than the last transacted market price of the shares at the date preceding the date of offer or the par value of the shares.
- (f) The ESOS remains in force until 29 November 2004.
- (g) The number of shares comprised in the option or subscription price or the maximum number of shares and/or percentage of the total YLI shares comprised in the option that may be executed in a particular year so far as the options remain unexercised, shall be adjusted following any alterations in capital structures of the Company by ways of capitalisation of profits or reserves, rights issues, reduction, subdivision, consolidation of capital or otherwise howsoever taking place.

EMPLOYEES' SHARE OPTION SCHEME (continued)

- (h) The new shares to be allotted upon any exercise of an option will rank pari passu in all respects with the then existing ordinary shares of the Company save and except that the new shares will not be entitled to any dividends, rights, allotments or distributions which entitlement date precedes the relevant exercise date of the option.
- (i) Subject to the approval of the relevant authorities, the terms and conditions of the ESOS may from time to time be modified and/or amended by a resolution of the Board of Directors or Options Committee without the prior approval of the Company's shareholders in a general meeting provided that no such amendment shall be made which would either prejudice the rights then accrued to any option holder without the consent or sanction of that option holder or alter to the advantage of any option holder.

The outstanding options is disclosed as below:

DATE OF EXPIRY	BALANCE AT 1 APRIL 1999	GRANTED AND ACCEPTED	EXERCISED	LAPSED	BALANCE AT 31 MARCH 2000
29 November 2004	-	2,195,000	(346,000)	(9,000)	1,840,000

The lapsed amounts are attributed to employees' resignations.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

On behalf of the Board of Directors

LOH TOA THAU @ LOH ENG KIM

Director

LEE THEN WAH

Director

Penang
29 May 2000



REPORT OF THE AUDITORS TO THE MEMBERS

of YLI Holdings Berhad

We have audited the accounts set out on pages 17 to 31. 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 auditing standards 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 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 Group and the Company as at 31 March 2000 and of the results of the Group and the Company and the cash flows of the Group for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia, and comply with the Companies Act, 1965; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The names of the subsidiary companies of which we have not acted as auditors are indicated in note 14 to the accounts. We have considered the accounts of these subsidiary companies and the auditors' reports thereon.

We are satisfied that the accounts of the subsidiary companies 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 those purposes.

The auditors' report on the accounts of the subsidiary companies were not subject to any qualification and did not include any adverse comment made under subsection (3) of Section 174 of the Act.

PricewaterhouseCoopers

[AF-1146]

Public Accountants

TAN HOCK HIN

[441/3/01(J/PH)]

Partner of the firm

Penang

29 May 2000

PROFIT AND LOSS ACCOUNTS

for the financial year ended 31 March 2000

	NOTE	GROUP		COMPANY	
		2000 RM	1999 RM	2000 RM	1999 RM
TURNOVER	3	<u>60,891,752</u>	<u>53,130,132</u>	<u>31,948,372</u>	<u>1,995,913</u>
PROFIT BEFORE TAXATION	5	18,176,301	10,594,263	31,732,723	1,797,401
Taxation	6	<u>(4,414,791)</u>	<u>(1,945,809)</u>	<u>(7,619,331)</u>	<u>(520,000)</u>
PROFIT AFTER TAXATION ATTRIBUTABLE TO SHAREHOLDERS		13,761,510	8,648,454	24,113,392	1,277,401
Unappropriated profit brought forward		<u>22,402,221</u>	<u>14,833,767</u>	<u>610,212</u>	<u>412,811</u>
PROFIT AVAILABLE FOR APPROPRIATION		36,163,731	23,482,221	24,723,604	1,690,212
Dividend	7	<u>(1,092,456)</u>	<u>(1,080,000)</u>	<u>(1,092,456)</u>	<u>(1,080,000)</u>
UNAPPROPRIATED PROFIT CARRIED FORWARD	10	<u>35,071,275</u>	<u>22,402,221</u>	<u>23,631,148</u>	<u>610,212</u>
EARNINGS PER SHARE	8	45.3 sen	28.8 sen		

The above profit and loss accounts are to be read in conjunction with the notes to the accounts on pages 20 to 31.

Auditors' report - pages 16



BALANCE SHEETS

as at 31 March 2000

	NOTE	GROUP		COMPANY	
		2000 RM	1999 RM	2000 RM	1999 RM
CAPITAL AND RESERVES					
Share capital	9	30,346,000	30,000,000	30,346,000	30,000,000
Reserves	10	44,534,758	31,318,014	31,237,720	7,669,094
Share application monies		160,210	-	160,210	-
		<u>75,040,968</u>	<u>61,318,014</u>	<u>61,743,930</u>	<u>37,669,094</u>
DEFERRED AND LONG TERM LIABILITIES					
Deferred taxation	11	2,072,900	1,582,780	-	-
Term loans	12	3,179,884	526,797	-	-
		<u>80,293,752</u>	<u>63,427,591</u>	<u>61,743,930</u>	<u>37,669,094</u>
Represented by:					
FIXED ASSETS	13	54,322,485	40,800,510	-	-
SUBSIDIARY COMPANIES	14	-	-	31,263,932	27,948,351
CURRENT ASSETS	15	34,785,835	29,246,857	31,857,574	11,204,547
CURRENT LIABILITIES	18	(8,814,568)	(6,619,776)	(1,377,576)	(1,483,804)
NET CURRENT ASSETS		<u>25,971,267</u>	<u>22,627,081</u>	<u>30,479,998</u>	<u>9,720,743</u>
		<u>80,293,752</u>	<u>63,427,591</u>	<u>61,743,930</u>	<u>37,669,094</u>

The above balance sheets are to be read in conjunction with the notes to the accounts on pages 20 to 31.

CONSOLIDATED CASH FLOW STATEMENT

for the financial year ended 31 March 2000

	NOTE	2000 RM	1999 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Cash flow from operations	19	16,083,822	13,308,984
Taxation paid		(1,089,310)	(2,367,013)
Interest paid		(233,573)	(142,962)
Interest income		271,440	534,543
		<u>(1,051,443)</u>	<u>(1,975,432)</u>
Net cash from operating activities		15,032,379	11,333,552
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds from disposal of fixed assets		47,477	-
Purchase of fixed assets		(18,285,127)	(10,316,098)
Net cash used in investing activities		(18,237,650)	(10,316,098)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Payment to hire-purchase creditors		(211,952)	(365,013)
Proceeds from term loans		3,000,000	218,033
Repayment of term loan		(331,978)	(93,360)
Dividend paid		(1,080,000)	(1,080,000)
Share application monies received		160,210	-
Net proceeds from issuance of share capital		893,690	-
Net cash used in financing activities		<u>2,429,970</u>	<u>(1,320,340)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		(775,301)	(302,886)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		<u>11,122,330</u>	<u>11,425,216</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	20	<u>10,347,029</u>	<u>11,122,330</u>

The above consolidated cash flow statement is to be read in conjunction with the notes to the accounts on pages 20 to 31.



NOTES TO THE ACCOUNTS

for the financial year ended 31 March 2000

1 BASIS OF PREPARATION OF THE ACCOUNTS

The accounts of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

2 SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year.

ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention modified by the revaluation of certain fixed assets.

BASIS OF CONSOLIDATION

The consolidated accounts incorporate the accounts of the Company and all its subsidiary companies made up to 31 March 2000. Inter-company transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only.

All the subsidiary companies are consolidated on the merger method of accounting according to the provisions of Malaysian Accounting Standard No.2.

Under the merger method of accounting, the results of subsidiary companies are presented as if the companies have been combined throughout the current and previous financial years. The difference between cost of acquisition over the nominal value of the share capital and reserves of the subsidiary companies is taken to merger reserve. Merger debit arising on consolidation is written off against the capital reserves and unappropriated profit of the Group.

CURRENCY TRANSLATIONS

Transactions in foreign currencies are translated into Ringgit Malaysia at exchange rates ruling at the transaction dates. At balance sheet date, monetary assets and liabilities in foreign currencies are translated into Ringgit Malaysia at the rates of exchange ruling at that date. All gains and losses on exchange are taken to the profit and loss account in the financial year in which they arise.

FIXED ASSETS

Land and buildings are stated at valuation in the years indicated in note 13 to the accounts and subsequent additions are stated at cost. The cost of other fixed assets comprise their purchase costs and any incidental costs of acquisition.

The freehold and leasehold land and buildings have not been revalued since 1994 and 1998. The Directors have adopted the transitional provisions in respect of assets carried at previously revalued amounts for International Accounting Standards ("IAS") No.16 (Revised): Property, Plant and Equipment as allowed for by Malaysian Accounting Standards Board ("MASB") to retain the carrying amounts of these freehold and leasehold land and buildings on the basis of their previous revaluation subject to the continuing application of current depreciation policy.

Freehold land is not depreciated.

Leasehold land and buildings are amortised over the periods of the leases ranging from 46 to 47 years.

Depreciation on other fixed assets is calculated so as to write off the cost or valuation on a reducing balance basis over the expected useful lives of the assets concerned. The annual rates are:

	%
Buildings	2
Machinery, equipment, furniture and fittings and motor vehicles	5 - 33.3
Renovation	10

INVESTMENT IN SUBSIDIARY COMPANIES

Investments are stated at cost. Provision for diminution in the value of an investment is made where in the opinion of the Directors, there is a permanent diminution in the value of the investment.

DEBTORS

Known bad debts are written off and specific provision is made for any considered to be doubtful of collection. Doubtful debts which have subsequently become bad and for which provision has been made are written off against the provision.

HIRE-PURCHASE LIABILITIES

Fixed assets acquired under hire-purchase are capitalised and depreciated in accordance with the depreciation policy set out in the accounting policy on fixed assets. Outstanding obligations due under hire-purchase are included as liabilities in the accounts. Finance charges arising from hire-purchase are allocated to the profit and loss accounts so as to give a constant periodic rate of interest on the outstanding liabilities at the end of each accounting period.

STOCKS

Stocks are stated at the lower of cost and net realisable value after adequate provision has been made for all deteriorated, obsolete or slow-moving stocks. The cost of raw materials, finished goods and work in progress are determined on the first in first out basis and includes all costs in bringing the stock to their present location and condition. Net realisable value is the price at which the stocks can be realised in the normal course of business after allowing for the cost of realisation.

The cost of inventories recognised as an expense in the profit and loss account is not disclosed as required under the International Accounting Standard No.2 (Revised) "Inventories" as the Directors regard this disclosure to be market sensitive.

DEFERRED TAXATION

Provision is made by the liability method for taxation deferred in respect of all timing differences except where it is thought reasonably probable that the tax effects of such deferrals will continue in the foreseeable future. Deferred tax assets are not recognised unless there is a reasonable expectation of their realisation.

REVENUE RECOGNITION

Sales are recognised upon delivery of products, net of sales tax, trade discounts and allowances.

Dividend income is recognised on receipt basis when the right to receive payment is established.

Interest income is recognised on an accrual basis determined by the principal outstanding and the rate applicable.

Rental income is recognised on an accrual basis in accordance with the substance of the rental agreement.

3 PRINCIPAL ACTIVITIES AND TURNOVER

The principal activity of the Company during the financial year is that of investment holding. The principal activities of the subsidiary companies are set out in note 14 to the accounts.

Turnover of the Company comprises dividend and interest income. Group turnover net of sales tax, trade discounts and allowances, represents the invoiced value of goods, interest income and rental income. Transactions between Group companies are excluded from turnover of the Group.



4 SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Significant transactions between the Company and its related parties are as follows:

	COMPANY	
	2000	1999
	RM	RM
Gross dividend income from subsidiary companies	31,495,856	1,500,000
Interest income from a subsidiary company	<u>196,615</u>	<u>-</u>

5 PROFIT BEFORE TAXATION

PROFIT BEFORE TAXATION IS STATED AFTER CHARGING:

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Preliminary expenses written off	-	817	-	-
Pre-operating expenses written off	-	16,549	-	-
Directors' remuneration:				
- fees	146,000	146,000	96,000	96,000
- other emoluments	642,000	534,000	-	-
Auditors' remuneration	35,150	34,650	15,000	15,000
Depreciation of fixed assets	3,621,102	3,539,749	-	-
Rental of land and building	19,400	21,900	-	-
Interest charges	233,573	142,962	-	-
Fixed assets written off	1,102,572	997,319	-	-
Bad debts written off	<u>825</u>	<u>-</u>	<u>-</u>	<u>-</u>
AND CREDITING:				
Gross dividend income from subsidiary companies	-	-	31,495,856	1,500,000
Interest income	271,440	534,543	452,516	495,913
Rental income	5,160	117,960	-	-
Profit on disposal of fixed assets	<u>7,999</u>	<u>-</u>	<u>-</u>	<u>-</u>

6 TAXATION

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Taxation based on the profit for the financial year:				
Malaysian income tax	3,925,116	-	7,617,727	-
Transfer to deferred taxation	490,120	77,366	-	-
	<u>4,415,236</u>	<u>77,366</u>	<u>7,617,727</u>	<u>-</u>
Taxation (over)/underprovided in respect of prior years	(445)	1,868,443	1,604	520,000
	<u>4,414,791</u>	<u>1,945,809</u>	<u>7,619,331</u>	<u>520,000</u>

The effective rate of taxation of the Company is higher than the standard rate applicable to its profit because certain expenses were not allowable for taxation purposes.

There was no current tax charge in the previous financial year due to the tax waiver under the Income Tax (Amendment) Act, 1999.

7 DIVIDEND

	GROUP AND COMPANY	
	2000	1999
	RM	RM
Proposed:		
Ordinary first and final dividend of 5% less tax	<u>1,092,456</u>	<u>1,080,000</u>

8 EARNINGS PER SHARE

The earnings per share for the year has been calculated based on the consolidated profit after taxation of RM13,761,510 (1999: RM8,648,454) and on the number of ordinary shares in issue during the financial year of RM30,346,000 (1999: 30,000,000 shares).

9 SHARE CAPITAL

	2000 RM	1999 RM
AUTHORISED:		
Ordinary shares of RM1 each	<u>100,000,000</u>	<u>100,000,000</u>
ISSUED AND FULLY PAID:		
Ordinary shares of RM1 each	<u>30,346,000</u>	<u>30,000,000</u>
MOVEMENTS ON ISSUED SHARE CAPITAL ARE AS FOLLOWS:		
At 1 April	30,000,000	30,000,000
Options exercised	346,000	-
At 31 March	<u>30,346,000</u>	<u>30,000,000</u>

During the financial year, the issued and fully paid up share capital of the Company was increased from 30,000,000 ordinary shares of RM1 each to 30,346,000 ordinary shares of RM1 each by way of an issue of 346,000 ordinary shares of RM1 each for cash at the respective option prices by virtue of the exercise of the options granted under the ESOS.

The newly issued ordinary shares rank pari passu in all respects with the existing issued ordinary shares of the Company.

As at 31 March 2000, options to subscribe for 751,000, 6,000 and 1,083,000 ordinary shares of RM1 each at the respective option price of RM2.72, RM2.73 and RM5.30 per share remain unexercised. The ESOS remains in force until 29 November 2004. The consideration is payable in full on application.

10 RESERVES

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
NON-DISTRIBUTABLE:				
Revaluation surplus	1,856,911	1,856,911	-	-
Share premium	<u>7,606,572</u>	<u>7,058,882</u>	<u>7,606,572</u>	<u>7,058,882</u>
	9,463,483	8,915,793	7,606,572	7,058,882
DISTRIBUTABLE:				
Unappropriated profit	<u>35,071,275</u>	<u>22,402,221</u>	<u>23,631,148</u>	<u>610,212</u>
	<u>44,534,758</u>	<u>31,318,014</u>	<u>31,237,720</u>	<u>7,669,094</u>
Movement on reserves:				
	2000 RM	1999 RM	2000 RM	1999 RM
SHARE PREMIUM:				
At 1 April	7,058,882	7,058,882	7,058,882	7,058,882
Premium arising from ESOS exercised in respect of 346,000 ordinary shares	595,180	-	595,180	-
ESOS expenses	(47,490)	-	(47,490)	-
At 31 March	<u>7,606,572</u>	<u>7,058,882</u>	<u>7,606,572</u>	<u>7,058,882</u>



UNAPPROPRIATED PROFIT

The Company has, subject to confirmation by the Director General of Inland Revenue, sufficient tax exempt income and tax credit to frank the payment of net dividends amounting approximately to RM20,946,000 out of its unappropriated profit of RM23,631,148 at 31 March 2000 without incurring additional taxation.

The Company will have a shortfall in the credit under Section 108 of the Income Tax Act, 1967 amounting to approximately RM1,048,000 if it were to frank the payment of net dividends out of all its unappropriated profit as at 31 March 2000.

Pursuant to the requirements of Section 365(1A) of the Companies Act, 1965, the future distribution of dividends out of the Company's unappropriated profit may only be declared for a financial year up to an amount not exceeding the after-tax profit of that financial year, or not exceeding the average dividends declared in respect of two financial years immediately preceding that financial year, whichever is the greater.

The Finance Minister proposed in the Year 2000 Budget on 29 October 1999 the removal of Section 365(1A) of the Companies Act, 1965 restrictions. The Bill to amend Section 365 has been tabled in Parliament but has yet to be enacted and gazetted. Prior to the bill being gazetted, the Company will have to apply to the Ministry of Finance for the exemption on Section 365(1A) if the dividend declared is exceeding the provisions allowed under Section 365(1A).

11 DEFERRED TAXATION

Deferred tax liability provided for in the accounts:

	2000 RM	GROUP 1999 RM
Tax effect of excess of capital allowances over depreciation	<u>2,072,900</u>	<u>1,582,780</u>

Deferred tax assets not provided for:

	2000 RM	GROUP 1999 RM
Tax effect of unabsorbed capital allowances	<u>-</u>	<u>29,027</u>

12 TERM LOANS

	2000 RM	GROUP 1999 RM
Loan I	16,638	27,680
Loan II	282,337	385,240
Loan III	<u>3,000,000</u>	<u>218,033</u>
	<u>3,298,975</u>	<u>630,953</u>

	2000 RM	GROUP 1999 RM
Repayments due:		
Within twelve months	119,091	104,156
After the next twelve months	<u>3,179,884</u>	<u>526,797</u>
	<u>3,298,975</u>	<u>630,953</u>

The repayment terms of the above loans are as follows:

Loan I - repayable by sixty equal monthly instalments commencing 1 August 1996 through to 2001.

Loan II - repayable by sixty equal monthly instalments commencing 1 October 1998 through to 2003.

Loan III - repayable by thirty five equal monthly instalments and a final payment commencing from the end of the first month from the date of the full drawdown.

The above term loans are secured by:

Term loan I - the terrace factory of a subsidiary company.

Term loan II & III - is covered by corporate guarantees from the holding company.

The interest rate for the year ranged between 5.25% and 8.05% (1998: 9.00% and 13.85%) per annum.

13 FIXED ASSETS

The details of fixed assets are as follows:

GROUP ONLY

2000	LAND AND BUILDINGS, AT COST OR VALUATION RM	MACHINERY, EQUIPMENT, FURNITURE AND FITTINGS AND MOTOR VEHICLES AT COST RM	TOTAL RM
COST OR VALUATION			
At 1 April	16,261,942	33,131,519	49,393,461
Additions	13,065,333	5,219,794	18,285,127
Disposals	-	(199,102)	(199,102)
Write off	-	(2,089,383)	(2,089,383)
At 31 March	<u>29,327,275</u>	<u>36,062,828</u>	<u>65,390,103</u>
Accumulated depreciation			
At 1 April	908,196	7,684,755	8,592,951
Charge for the financial year	478,244	3,142,858	3,621,102
Disposals	-	(159,624)	(159,624)
Write offs	-	(986,811)	(986,811)
At 31 March	<u>1,386,440</u>	<u>9,681,178</u>	<u>11,067,618</u>
NET BOOK VALUE			
31 March 2000	<u>27,940,835</u>	<u>26,381,650</u>	<u>54,322,485</u>



The Group's land and buildings comprise of:

2000	AT 1 APRIL RM	ADDITIONS RM	AT 31 MARCH RM
COST OR VALUATION			
Long term leasehold flats, at cost	188,200	-	188,200
Freehold land, at valuation	1,841,166	-	1,841,166
Freehold building, at valuation	141,155	-	141,155
Long term leasehold building, at cost	1,968,160	5,000	1,973,160
Long term leasehold land, at valuation	2,550,000	-	2,550,000
Freehold land and building, at cost	1,802,752	188,919	1,991,671
Short term leasehold land and building, at valuation	6,324,260	-	6,324,260
Short term leasehold land and building, at cost	1,341,084	12,821,253	14,162,337
Renovation, at cost	105,165	50,161	155,326
TOTAL	<u>16,261,942</u>	<u>13,065,333</u>	<u>29,327,275</u>

2000	AT 1 APRIL RM	ADDITIONS RM	AT 31 MARCH RM
ACCUMULATED DEPRECIATION			
Long term leasehold flats, at cost	11,068	3,543	14,611
Freehold building, at valuation	15,545	2,512	18,057
Long term leasehold building, at cost	91,445	37,634	129,079
Freehold land and building, at cost	39,385	16,925	56,310
Short term leasehold land and building, at valuation	671,440	103,164	774,604
Short term leasehold land and building, at cost	65,409	300,324	365,733
Renovation, at cost	13,904	14,142	28,046
TOTAL	<u>908,196</u>	<u>478,244</u>	<u>1,386,440</u>

	DEPRECIATION CHARGE FOR THE YEAR RM	NET BOOK VALUE RM
Long term leasehold flats, at cost	3,543	173,589
Freehold land, at valuation	-	1,841,166
Freehold building, at valuation	2,512	123,098
Long term leasehold building, at cost	37,634	1,844,081
Long term leasehold land, at valuation	-	2,550,000
Freehold land and building, at cost	16,925	1,935,361
Short term leasehold land and building, at valuation	103,164	5,549,656
Short term leasehold land and building, at cost	300,324	13,796,604
Renovation, at cost	14,142	127,280
TOTAL	<u>478,244</u>	<u>27,940,835</u>

GROUP ONLY

	LAND AND BUILDINGS, AT COST OR VALUATION RM	MACHINERY, EQUIPMENT, FURNITURE AND FITTINGS AND MOTOR VEHICLES AT COST RM	TOTAL RM
1999			
COST OR VALUATION			
At 1 April	15,209,717	25,970,915	41,180,632
Additions	1,052,225	9,263,873	10,316,098
Write offs	-	(2,103,269)	(2,103,269)
At 31 March	<u>16,261,942</u>	<u>33,131,519</u>	<u>49,393,461</u>
ACCUMULATED DEPRECIATION			
At 1 April	701,898	5,457,254	6,159,152
Charge for the financial year	206,298	3,333,451	3,539,749
Write offs	-	(1,105,950)	(1,105,950)
At 31 March	<u>908,196</u>	<u>7,684,755</u>	<u>8,592,951</u>
NET BOOK VALUE			
31 March 1999	<u>15,353,746</u>	<u>25,446,764</u>	<u>40,800,510</u>
1999	AT 1 APRIL RM	ADDITIONS RM	AT 31 MARCH RM
COST OR VALUATION			
Long term leasehold flats, at cost	188,200	-	188,200
Freehold land, at valuation	1,841,166	-	1,841,166
Freehold building, at valuation	141,155	-	141,155
Long term leasehold building, at cost	1,385,264	582,896	1,968,160
Long term leasehold land, at valuation	2,550,000	-	2,550,000
Freehold land and building, at cost	1,591,297	211,455	1,802,752
Short term leasehold land and building, at valuation	6,324,260	-	6,324,260
Short term leasehold building, at cost	1,150,730	190,354	1,341,084
Renovation, at cost	37,645	67,520	105,165
TOTAL	<u>15,209,717</u>	<u>1,052,225</u>	<u>16,261,942</u>
ACCUMULATED DEPRECIATION			
Long term leasehold flats, at cost	7,453	3,615	11,068
Freehold building, at valuation	12,982	2,563	15,545
Long term leasehold building, at cost	53,144	38,301	91,445
Freehold land and building, at cost	22,632	16,753	39,385
Short term leasehold land and building, at valuation	562,548	108,892	671,440
Short term leasehold building, at cost	39,375	26,034	65,409
Renovation, at cost	3,764	10,140	13,904
TOTAL	<u>701,898</u>	<u>206,298</u>	<u>908,196</u>



	DEPRECIATION CHARGE FOR THE YEAR RM	NET BOOK VALUE RM
Long term leasehold flats, at cost	3,615	177,132
Freehold land, at valuation	-	672,246
Freehold building, at valuation	2,563	125,610
Freehold land, at valuation	-	1,168,920
Long term leasehold building, at cost	38,301	1,876,715
Long term leasehold land, at valuation	-	2,550,000
Freehold land and building, at cost	16,753	1,763,367
Short term leasehold land and building, at valuation	108,892	5,652,820
Short term leasehold building, at cost	26,034	1,275,675
Renovation, at cost	10,140	91,261
TOTAL	<u>206,298</u>	<u>15,353,746</u>

Analysis of freehold and leasehold land and buildings that are stated at valuation:

	2000 RM	1999 RM
Valuation in 1994 on the Open Market Value basis	8,306,581	8,306,581
Valuation in 1998 on the Open Market Value basis	2,550,000	2,550,000
	<u>10,856,581</u>	<u>10,856,581</u>
Net book value	<u>10,063,920</u>	<u>10,169,596</u>
Net book value - had the above been carried at historical cost	<u>1,781,229</u>	<u>1,801,535</u>

The tax effect in connection with the surplus arising on the revaluation of certain freehold land and buildings is not disclosed as there is no foreseeable intention to dispose of these properties.

ASSETS ACQUIRED UNDER HIRE-PURCHASE AGREEMENTS

The value of fixed assets of the Group includes the following assets acquired under hire-purchase agreements:

	COST RM	ACCUMULATED DEPRECIATION RM	NET BOOK VALUE RM
2000			
Machinery and motor vehicles	<u>429,110</u>	<u>209,406</u>	<u>219,704</u>
1999			
Machinery and motor vehicles	<u>1,179,140</u>	<u>415,331</u>	<u>763,809</u>

14 SUBSIDIARY COMPANIES

	2000 RM	COMPANY 1999 RM
Unquoted shares, at cost	16,405,998	16,405,998
Amounts due from subsidiary companies	14,857,934	11,542,353
	<u>31,263,932</u>	<u>27,948,351</u>

The subsidiary companies are:

NAME OF COMPANY	COUNTRY OF INCORPORATION	COMPANY		INTEREST IN EQUITY HELD BY SUBSIDIARY COMPANY		PRINCIPAL ACTIVITIES
		2000 %	1999 %	2000 %	1999 %	
Yew Lean Foundry & Co. Sdn. Bhd.*	Malaysia	100	100	-	-	Manufacturing and trading of ductile iron pipes and fittings, saddles, manhole covers, cast iron pipes, fire hydrants and valves
Yew Li Foundry & Co. Sdn. Bhd.*	Malaysia	100	100	-	-	Manufacturing and trading of cast iron fittings, saddles and manholes
Logam Utara (M) Sdn. Bhd.*	Malaysia	100	100	-	-	Trading of UPVC pipes and fittings, sanitary ware, sanitary and brass fittings, steel products, panel tanks and related products
Zenith Eastern (M) Sdn. Bhd.*	Malaysia	-	-	100	100	Property holding

*These subsidiaries are audited by a firm of auditors other than PricewaterhouseCoopers, Malaysia.

The amounts due from subsidiary companies carry interests at a rate of 5.3% (1999: Nil) per annum and do not have any fixed repayment terms. These amounts are primarily advances from the Company to the subsidiaries.

15 CURRENT ASSETS

	NOTE	GROUP		COMPANY	
		2000 RM	1999 RM	2000 RM	1999 RM
Stocks	16	11,916,170	7,626,705	-	-
Trade debtors		12,139,977	10,178,672	-	-
Other debtors, deposits and prepayments		382,659	319,150	23,993,806	1,081,350
Fixed deposits	17	8,205,617	10,236,856	7,634,412	10,081,528
Cash and bank balances		2,141,412	885,474	229,356	41,669
		<u>34,785,835</u>	<u>29,246,857</u>	<u>31,857,574</u>	<u>11,204,547</u>



16 STOCKS

	GROUP	
	2000 RM	1999 RM
At cost:		
Raw materials	3,273,070	1,868,233
Work in progress	719,819	684,598
Finished goods	<u>7,923,281</u>	<u>5,073,874</u>
	<u>11,916,170</u>	<u>7,626,705</u>

17 FIXED DEPOSITS

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Fixed deposits with:				
Licensed banks	4,494,626	5,823,998	4,134,412	5,668,670
Licensed finance companies	<u>3,710,991</u>	<u>4,412,858</u>	<u>3,500,000</u>	<u>4,412,858</u>
	<u>8,205,617</u>	<u>10,236,856</u>	<u>7,634,412</u>	<u>10,081,528</u>

18 CURRENT LIABILITIES

	NOTE	GROUP		COMPANY	
		2000 RM	1999 RM	2000 RM	1999 RM
Trade creditors		1,927,042	2,473,313	-	-
Current portion of term loan	12	119,091	104,156	-	-
Hire-purchase creditors		26,267	238,219	-	-
Other creditors and accrued liabilities		1,166,430	1,088,679	118,976	112,671
Taxation		4,483,282	1,635,409	166,144	291,133
Proposed ordinary dividend		<u>1,092,456</u>	<u>1,080,000</u>	<u>1,092,456</u>	<u>1,080,000</u>
		<u>8,814,568</u>	<u>6,619,776</u>	<u>1,377,576</u>	<u>1,483,804</u>

19 CASH FLOW FROM OPERATIONS

	GROUP	
	2000 RM	1999 RM
Profit before taxation	18,176,301	10,594,263
Adjustments for:		
Depreciation of fixed assets	3,621,102	3,539,749
Profit on disposal of fixed assets	(7,999)	-
Fixed assets written off	1,102,572	997,319
Preliminary expenses written off	-	817
Pre-operating expenses written off	-	16,549
Interest expenses	233,573	142,962
Interest income	(271,440)	(534,543)
	<u>4,677,808</u>	<u>4,162,853</u>
	22,854,109	14,757,116
Changes in working capital:		
Stocks	(4,289,465)	(3,203,016)
Debtors	(2,024,814)	2,025,596
Creditors	(456,008)	(270,712)
	<u>(6,770,287)</u>	<u>(1,448,132)</u>
	<u>16,083,822</u>	<u>13,308,984</u>

20 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated cash flow statement comprise the following:

	GROUP	
	2000	1999
	RM	RM
Fixed deposits	8,205,617	10,236,856
Cash and bank balances	2,141,412	885,474
	<u>10,347,029</u>	<u>11,122,330</u>

21 CONTINGENT LIABILITIES (UNSECURED)**COMPANY**

The Company has given guarantees to banks on behalf of certain subsidiary companies for facilities approximating RM45,605,000 (1999: RM24,100,000) of which RM13,137,388 (1999: RM2,340,401) was utilised at 31 March 2000.

22 SEGMENTAL REPORTING**GROUP**

	TURNOVER		PROFIT BEFORE TAXATION		TOTAL ASSETS EMPLOYED	
	2000	1999	2000	1999	2000	1999
	RM	RM	RM	RM	RM	RM
Manufacturing	59,318,822	50,431,651	17,935,082	10,024,063	75,572,861	53,496,517
Trading	1,311,366	2,085,330	237,033	113,927	1,005,796	1,085,209
Investment holding	261,564	613,151	4,186	456,273	12,529,663	15,465,641
	<u>60,891,752</u>	<u>53,130,132</u>	<u>18,176,301</u>	<u>10,594,263</u>	<u>89,108,320</u>	<u>70,047,367</u>

The activities of the Group are carried out in Malaysia and as such segmental reporting by geographical location is not presented.

**STATEMENT BY DIRECTORS**

pursuant to Section 169(15) of the Companies Act, 1965

We, Loh Toa Thau @ Loh Eng Kim and Lee Then Wah, two of the Directors of YLI Holdings Berhad, state that, in the opinion of the Directors, the accounts set out on pages 17 to 31 are drawn up so as to exhibit a true and fair view of the state of affairs of the Group and the Company as at 31 March 2000 and of the results of the Group and the Company and the cash flows of the Group for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia.

Signed at Penang on 29 May 2000

On behalf of the Board of Directors

LOH TOA THAU @ LOH ENG KIM

Director

LEE THEN WAH

Director

**STATUTORY DECLARATION**

pursuant to Section 169(16) of the Companies Act, 1965

I, Loh Bee Hoon, being the officer primarily responsible for the financial management of YLI Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief the accounts set out on pages 17 to 31 are 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.

LOH BEE HOON

Subscribed and solemnly declared by the abovenamed Loh Bee Hoon at Penang on 29 May 2000

Before me

Commissioner for Oaths

ANALYSIS OF SHAREHOLDINGS

as at 31 July 2000

Authorised Share Capital	: RM100,000,000
Issued and Paid-up Capital	: RM30,588,000
Class of Shares	: Ordinary shares of RM1.00 each
Voting Rights	: One vote per ordinary share

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	PERCENTAGE	NO. OF SHARES	PERCENTAGE
1 - 1,000	1,251	57.07	1,250,500	4.09
1,001 - 5,000	632	28.83	1,791,000	5.86
5,001 - 10,000	132	6.02	1,078,000	3.52
10,001 and above	177	8.08	26,468,500	86.53
TOTAL	2,192	100.00	30,588,000	100.00

TWENTY LARGEST SHAREHOLDERS

RANK	NAME OF SHAREHOLDER	SHAREHOLDINGS	PERCENTAGE
1.	Fuji Fusion Sdn Bhd	13,891,002	45.41
2.	Arab-Malaysian Nominees (Tempatan) Sdn Bhd - Arab-Malaysian Trustee Bhd For HLB Penny Stock Fund	612,000	2.00
3.	Kong Sum Mooi	610,000	1.99
4.	Leong Lai Shen	590,000	1.93
5.	Ooi Geok Lim @ Loh Geok Lim	587,000	1.92
6.	Tham Jooi Loon	559,000	1.83
7.	Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for Abrar Investment Fund	525,000	1.72
8.	H'ng Bak Tee	490,000	1.60
9.	Permodalan Nasional Berhad	481,500	1.57
10.	Lee Cheoh Lai	402,000	1.31
11.	Smith Zain Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Fu Yeng Shing	398,000	1.30
12.	Alliedban Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Pui Cheng Wui	346,000	1.13
13.	HSBC (Malaysia) Trustee Berhad - OSK - UOB Small Cap Opportunity Unit Trust	289,000	0.94
14.	Tan Ah Bay	227,000	0.74
15.	Goo Bak Hoo @ Goh Bak Hoe	224,000	0.73
16.	Chua Meo Kiong	218,104	0.71
17.	Tan Chee Chia	211,000	0.69
18.	Smith Zain Nominees (Tempatan) Sdn Bhd - Ng Teak Siang	200,000	0.65
19.	Tan Chee Ooi	180,000	0.59
20.	Ng Geok Lian	175,000	0.57
TOTAL		21,215,606	69.33



SUBSTANTIAL SHAREHOLDERS

In accordance with the Register of Substantial Shareholders, the Substantial Shareholders and their shareholdings as at 31 July 2000 are as follows:-

NAME OF SHAREHOLDERS	NO. OF SHARES			
	DIRECT	PERCENTAGE	INDIRECT	PERCENTAGE
Fuji Fusion Sdn Bhd	13,891,002	45.41	-	-
Arab - Malaysian Nominees (Tempatan) Sdn Bhd - Arab - Malaysian Trustee Bhd for HLB Penny Stock Fund	617,000	2.02	-	-
Loh Eng Kim Co Sdn Bhd	35,000	0.12	@13,891,002	45.41
Loh Toa Thau @ Loh Eng Kim	38,000	0.12	#13,926,002	45.53
Loh Yok Yeong	132,000	0.43	#13,926,002	45.53
Loh Yeok Chuan	-	-	#13,926,002	45.53
Loh Yeok Cheong*	-	-	#13,926,002	45.53

NOTES

@ Deemed interest by virtue of its substantial shareholding in Fuji Fusion Sdn Bhd

Deemed interest by virtue of their substantial shareholdings in Fuji Fusion Sdn Bhd and Loh Eng Kim Co Sdn Bhd

* Held in trust by Yeoh Phaik See

DIRECTORS' SHAREHOLDINGS AS AT 21 APRIL 2000

NO. OF SHARES HELD	DIRECT	INDIRECT
1.Loh Toa Thau @ Loh Eng Kim	8,000	13,923,002*
2.Loh Yok Yeong	108,000	13,923,002*
3.Lee Then Wah	24,000	-
4.Chan Kok Soo	8,000	-
5.Dato' Ir Syed Muhammad Shahabudin	-	-
6.Haji Yahaya Bin Ahmad	-	-
7.Khairah Binti Tahir	-	-
8.Foong Kai Choong	-	-

NOTES

* Deemed interest by virtue of their substantial interests in Fuji Fusion Sdn Bhd and Loh Eng Kim Co Sdn Bhd

PROPERTIES OF THE GROUP

FACTORIES	DESCRIPTION	LAND AREA/ BUILT-UP AREA	NET BOOK VALUE @31.03.2000 RM'000	APPROXIMATE AGE OF BUILDING YEARS
2432, Tingkat Perusahaan 6 Prai Industrial Estate 13600 Prai, Pulau Pinang	Land (Leasehold 60 years expiring 03.10.2042)	3.30 acres	1,903	N/A
	Main factory	76,100 sq. ft.	4,029	17
	Machine workshop	3,200 sq. ft.		9
	Canteen	2,050 sq.ft.		4
	Office building	7,949 sq. ft.		4
Lot No. 126 & 127, 129 & 130, 9W, Georgetown North East District 71-A, Jalan Jelutong, Pulau Pinang	Land (Freehold)	12,988 sq. ft.	1,169	N/A
	Two-storey office block and one single storey workshop	*5,170 sq.ft.	365	28
Lot No. 499 9W, Georgetown North East District, Pulau Pinang	Land (Leasehold expiring 23.3.2041) (part of Lebu Bakau factory)	1,679 sq. ft.	89	N/A
Lot No. 140 9W, Georgetown North East District Pulau Pinang	Land (Freehold) (part of Lebu Bakau factory)	6,993 sq. ft.	672	N/A
	Land (Freehold)	4,085 sq.ft.		N/A
Lot No. 141 9W, Georgetown North East District Pulau Pinang				
2462 Lorong Perusahaan 10, Prai Industrial Estate, 13600 Prai	Land (Leasehold 60 years expiring 13.04.2044) & factory building	3.01 acres	7,470	N/A
2579 Lorong Perusahaan 10, Prai Industrial Estate, 13600 Prai	Land (Leasehold 60 years expiring 23.01.2045)	3.02 acres	3,006	N/A
	Single storey factory cum workshop	40,050 sq. ft.	1,996	9
	Double-storey office building	4,450 sq.ft.		

* Approximate figures



OFFICE CUM WORKSHOP	DESCRIPTION	LAND AREA/ BUILT-UP AREA	NET BOOK VALUE @31.03.2000 RM'000	APPROXIMATE AGE OF BUILDING YEARS
51, Jalan Layang-layang 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan	Land (Freehold) 1 1/2 storey Semi-detached factory erected on it.	7,201 sq.ft.	1,172	N/A 3
WAREHOUSE	DESCRIPTION	LAND AREA/ BUILT-UP AREA	NET BOOK VALUE @31.03.2000 RM'000	APPROXIMATE AGE OF BUILDING YEARS
No. 2739, Mukim 6 Lorong Nagasari 5 Taman Nagasari 13600 Prai Pulau Pinang	Land (Leasehold expiring 09.05.2051) Single storey building used as a warehouse with a small section as office	3.25 acres 10,744 sq.ft.	2,550 1,844	N/A 4
GENERAL PROPERTIES	DESCRIPTION	LAND AREA/ BUILT-UP AREA	NET BOOK VALUE @31.03.2000 RM'000	APPROXIMATE AGE OF BUILDING YEARS
No. 11,12,13,14 Tingkat 3, Block C Taman Pelangi 13600 Prai Pulau Pinang	4 units of flats (leasehold expiring 07.11.2093) used as production workers accommodation	700 sq.ft. each	174	4
No. 7, Lorong Nagasari 22 Taman Nagasari 13600 Prai Pulau Pinang	Land (Freehold) 1 1/2 storey terrace factory erected on it	2,034 sq.ft.	268	4
Lot 75, Mukim 13 Daerah Timur Laut Relau, Pulau Pinang (A-9-3)	1 unit Freehold Apartment	700 sq.ft.	118	2
Lot 128, Section 9W Town of Georgetown North East District	Land (Freehold) Single-storey office building	3,044 sq.ft.	83 50	N/A 1

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting of **YLI Holdings Berhad** will be held at the Bayan I & II, Hotel Equatorial, No. 1, Jalan Bukit Jambul, Bayan Lepas, 11900 Penang on Thursday, 28 September 2000 at 10.00 a.m.

BUSINESS

1. To receive and adopt the Audited Accounts for the year ended 31 March 2000 together with the Reports of the Directors and Auditors thereon. **RESOLUTION 1**
2. To sanction the declaration and payment of a first and final dividend for the year ended 31 March 2000. **RESOLUTION 2**
3. To approve the Directors' fees for the year ended 31 March 2000. **RESOLUTION 3**
4. (i) To re-elect Dato' Haji Yahaya bin Ahmad who retires in accordance with Section 129(6) of the Companies Act, 1965. **RESOLUTION 4**
(ii) To re-elect the following Directors who retire in accordance with Article 88 of the Company's Articles of Association:
Mr Chan Kok Soo **RESOLUTION 5**
Puan Khairah binti Tahir **RESOLUTION 6**
5. To re-appoint Messrs PricewaterhouseCoopers as auditors and to authorise the Directors to determine their remuneration. **RESOLUTION 7**

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass the following as an Ordinary Resolution:- **RESOLUTION 8**

AUTHORITY TO ALLOT SHARES

"THAT pursuant to Section 132D of the Companies Act 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued in any one financial year does not exceed 10% of the total issued share capital of the Company for the time being, subject always to the approval of the relevant regulatory bodies being obtained for such allotment and issue."

7. To transact any other business of which due notice shall have been received.



CLOSURE OF BOOKS

NOTICE IS ALSO HEREBY GIVEN that the Register of Members of the Company will be closed from 25 October 2000 to 27 October 2000 (both dates inclusive) for the determination of dividend entitlements. The Final Dividend, if approved, will be paid on 23 November 2000 to depositors registered in the Register of Depositors at the close of business on 24 October 2000.

FURTHER NOTICE IS HEREBY GIVEN that a Depositor shall qualify for entitlement to the dividend only in respect of:

- a) Shares transferred into the Depositor's Securities Account before 12.30 p.m. on 24 October 2000 in respect of ordinary transfer.
- b) Shares bought on the Kuala Lumpur Stock Exchange on a cum dividend entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order of the Board

MOLLY GUNN CHIT GEOK
Company Secretary

Penang
8 September 2000

NOTES

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (who need not be members of the Company) to attend and vote on his behalf.
2. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at 71-A Jalan Jelutong 11600 Penang not less than 48 hours before the time set for the meeting.
3. Where a member appoints two or more proxies, the appointments shall be invalid unless the percentage of the holding to be represented by each proxy is specified.
4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.
5. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting in accordance with Section 147 of the Companies Act 1965.
6. Resolution pursuant to Section 132D of the Companies Act 1965
The Company is pursuing business opportunities in prospective areas so as to increase the earnings potential of the Company. Such expansion plans may require the issue of new shares not exceeding 10 percent (10%) of the Company's issued share capital. With the passing of Resolution 8 by the shareholders of the Company at the forthcoming Annual General Meeting, the Directors would avoid delay and cost of convening further general meetings to approve the issue of shares for such purposes.

PROXY FORM

I/We

of

being a member / members of YLI Holdings Berhad do hereby appoint

of

or failing him / her

of

as my / our proxy / proxies to vote for me / us on my / our behalf at the Fifth Annual General Meeting of the Company to be held on 28 September 2000 at 10.00 am and at any adjournment thereof in the manner indicated:-

RESOLUTION		FOR	AGAINST
RESOLUTION 1	Adoption of accounts and reports of Directors and Auditors		
RESOLUTION 2	Declaration and payment of a first and final dividend		
RESOLUTION 3	Approval of Directors' fees		
Re-election of Directors:			
RESOLUTION 4	Dato' Haji Yahaya bin Ahmad		
RESOLUTION 5	Mr Chan Kok Soo		
RESOLUTION 6	Puan Khairah binti Tahir		
RESOLUTION 7	Re-appointment of PricewaterhouseCoopers as Auditors and authorising the Directors to determine their remuneration		
RESOLUTION 8	Authority to allot shares		

(Please indicate with 'X' in the appropriate box against each Resolution how you wish your proxy to vote. If no instruction is given this form will be taken to authorise the proxy to vote at his / her discretion).

Dated this day of

Signature of shareholder ||

Number of shares held ||

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THE COMPANY SECRETARY

YLI HOLDINGS BERHAD

71-A Jalan Jelutong
11600 Penang
Malaysia

STAMP