



INDUSTRONICS BERHAD



ANNUAL REPORT

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Notice of

Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth Annual General Meeting of the shareholders of Industronics Berhad will be held at the **Hang Tuah Room, Level 3, The Mines Beach Resort & Spa, Jalan Dulang, The Mines Resort City, 43300 Seri Kembangan, Selangor D.E.** on **Friday, 19th May 2000 at 10.30 a.m.** for the purpose of transacting the following businesses:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report, Audited Accounts and the Auditors' Report for the year ended 31st December 1999. **Resolution 1**
2. To approve the payment of a First and Final tax-exempt Dividend of 5 sen per share. **Resolution 2**
3. To approve the payment of Directors' Fees. **Resolution 3**
4. To re-appoint Dato' Mohd Tahir bin Haji Abdul Manan who retires in accordance with Section 129 of the Companies Act 1965 and, being eligible, offers himself for re-appointment. **Resolution 4**
5. To re-elect Tengku Shamsul Bahrin who retires in accordance with Article 101 of the Company's Articles of Association and, being eligible, offers himself for re-election. **Resolution 5**
6. To re-elect Mr Tan Hock Keng who retires in accordance with Article 106 of the Company's Articles of Association and, being eligible, offers himself for re-election. **Resolution 6**
7. To re-appoint Messrs HLB I.M. Chieng & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

8. To consider and, if thought fit, pass the following resolution as Ordinary Resolution: **Resolution 8**
"That, pursuant to Section 132D of the Companies Act, 1965, approval be and is hereby given to the Directors to offer and grant options to eligible employees and eligible Directors of the Company and its subsidiary companies ("the Group") pursuant to the Industronics Berhad's Employee Share Option Scheme ("ESOS") which was approved at the Extraordinary General Meeting of the Company held on 30th March 2000, and to allot and issue such new ordinary shares in the Company from time to time during the duration of the ESOS to the eligible employees and eligible Directors of the Group pursuant to their exercise of the options under the ESOS."
9. To consider and, if thought fit, pass the following resolution as Ordinary Resolution: **Resolution 9**
"That subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total issued share 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."
10. To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Twenty-Fifth Annual General Meeting, a First and Final tax-exempt Dividend of 5 sen per share in respect of the financial year ended 31st December 1999 will be paid on 7th July 2000 to members appearing in the Register at the close of business on 23rd May 2000.

A depositor shall qualify for entitlement only in respect of:

1. Shares deposited into the depositor's securities account before 12.30 p.m. on 19th May 2000 (in respect of shares which are exempted from mandatory deposit);
2. Shares transferred into the depositor's securities account before 12.30 p.m. on 23rd May 2000 in respect of ordinary transfers; and
3. Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order of the Board

LIEW LAY KIM (MAICSA 0868844)

Secretary

Seri Kembangan
21st April 2000

NOTES ON APPOINTMENT OF PROXY

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote in his stead. A proxy need not be a member of the Company. Where a member appoints two proxies the appointment shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 9, Jalan Taming 3, Taman Taming Jaya, 43300 Seri Kembangan, Selangor D.E. not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
2. In the case of a corporation, the Form of Proxy must be either under its common seal or signed by a duly authorised officer or attorney.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. **Resolution 8**
The proposed Ordinary Resolution 8, if passed, will empower the Directors to offer and grant options and issue shares in the Company pursuant to the ESOS which was approved at the Extraordinary General Meeting of the Company held on 30th March 2000.
2. **Resolution 9**
The proposed Ordinary Resolution 9, if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to allot and issue ordinary shares from the unissued capital of the Company up to an amount not exceeding in total 10% of the issued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company at a general meeting, expire at the next Annual General Meeting.

Corporate Information

BOARD OF DIRECTORS

Dato' Mohd Tahir bin Hj Abdul Manan (Chairman)
Dr. Lim Jit Chow (Managing Director)
Lee Foong Sam
Gan Boon Chuan
Dr. Junid bin Abu Saham
Tengku Shamsul Bahrin
Tan Hock Keng

AUDIT COMMITTEE

Chairman : Dr. Junid bin Abu Saham (Independent Non-Executive Director)
Members : Tengku Shamsul Bahrin (Independent Non-Executive Director)
Dr. Lim Jit Chow (Managing Director)

COMPANY SECRETARY

Ms. Liew Lay Kim (MAICSA 0868844)

REGISTERED OFFICE

No. 9 Jalan Taming 3
Taman Tanming Jaya
43300 Seri Kembangan
Selangor D.E.
Tel: (03) 961 3024
Fax: (03) 961 6409

REGISTRARS AND SHARE TRANSFER OFFICE

Malaysian Share Registration Services Sdn Bhd (378993-D)
7th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur
Tel: (03) 206 8099
Fax: (03) 206 3731

AUDITORS

HLB I.M. Chieng & Co.
Public Accountants
No. 134-A
Jalan Bukit Bintang
55100 Kuala Lumpur

PRINCIPAL BANKERS

Malayan Banking Berhad
HSBC Bank Malaysia Berhad
RHB Bank Berhad
Arab-Malaysian Bank Berhad
Bank Pembangunan & Infrastruktur Malaysia Berhad

SOLICITORS

Harjit & Co.

STOCK EXCHANGE LISTING

Second Board of the Kuala Lumpur Stock Exchange

Board of Directors



From left to right:

Lee Foong Sam (Executive Director), Tengku Shamsul Bahrin (Director), Tan Hock Keng (Director), Dato' Mohd Tahir Bin Hj Abdul Manan (Chairman), Dr. Lim Jit Chow (Managing Director), Gan Boon Chuan (Executive Director), Dr. Junid Bin Abu Saham (Director)

Audit Committee

The Board of Directors of Industronics Berhad established an Audit Committee on 18th August 1994. The Committee shall be governed by the following terms of reference:-

1. Composition

The Committee is a main committee of the Board without executive powers comprising three Directors, a majority of whom are independent of management and operating responsibilities. One of the Committee members who is a non-executive Director shall be appointed as the Committee's Chairman by the members of the Committee.

If the number of members of the Committee is reduced below 3 by reasons of resignation, death or otherwise, the Board of Directors shall appoint such number of new members as may be required to make up the minimum number of 3 members.

2. Authority

The Committee is granted the authority to investigate any activity of the Company and its subsidiaries, and all employees are directed to cooperate as requested by the members of the Committee. The Committee is empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibility.

3. Responsibility

The Committee is to serve as a focal point for communication between non-Committee Directors, the External Auditors, Internal Auditors and the Management on matters in connection with financial accounting reporting and controls. The Committee is to assist the Board of Directors in fulfilling its fiduciary responsibilities as to the accounting policies and reporting practices of the Company and all its subsidiaries. It is to act as the Board's principal agent in assuring the independence of the Company's External Auditors, the integrity of the Management and the adequacy of disclosures to shareholders.

4. Functions

The functions of the Committee shall be:-

- (a) To consider the appointment, the audit fees and any questions, resignation or dismissal of the External Auditors.
- (b) To discuss with the External Auditors before the audit commences the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved.
- (c) To review the half-year and annual financial statements before submission to the Board.
- (d) To discuss problems and reservations arising from the interim and financial audits, and any matter the Auditor may wish to discuss (in the absence of the management where necessary).
- (e) To review the internal audit programme, consider the major findings of internal audit investigations and management's response thereto, and to ensure co-ordination between the Internal and External Auditors.
- (f) To keep under review the effectiveness of internal control systems, and in particular to review the External Auditors' letter to management and management's response.
- (g) To consider other matters relating to audit.

5. Meetings

- (a) The Committee is to meet at least twice a year and as many times as the Committee deems necessary;
- (b) The quorum for any meeting of the Committee shall be two;
- (c) The Accountant, the Internal Auditor and a representative of the External Auditors shall normally be invited to attend meetings of the Committee; and
- (d) Upon the request by the External Auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matters the External Auditors believe should be brought to the Directors and Shareholders of the Company.

6. Reporting Procedures

The Company Secretary shall be the Secretary of the Committee. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

Message from the Chairman

General Overview

1999 was a year of extraordinary recovery for the Malaysian economy when the GDP growth recovered from negative 6.7% in 1998 to positive 5.8% by the end of 1999. Such a phenomenal turnaround in our country's fortune reflects the prudent policy taken by the Government and the resilience of business corporations in Malaysia. With the economic recovery, Malaysia is now poised for another decade of sustained and miraculous growth to achieve the national objective of Vision 2020. The tax free status for 1999 was a further boost to the morale of many companies, adding much needed liquidity to the companies for further business expansion into the new millennium.

Group Performance

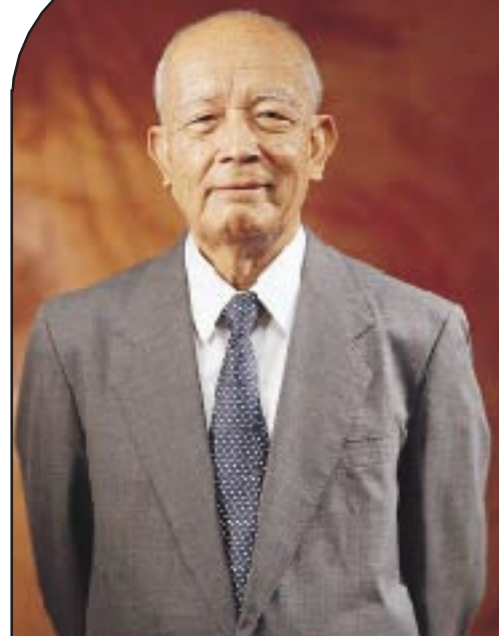
1999 was also a successful year for Industronics Berhad Group, when the group pretax profit soared by 244% to RM14.5 million. There was, in general, all round improvement in the profitability of most business units in the Group. The dramatic improvements in the financial performance of subsidiary companies had contributed to the substantial increase in the pretax profit of the group.

Business Outlook

The electronic sector remains the key export earner in the manufacturing sector of Malaysia. Technology is the primary factor which pushes the American economic growth to an unprecedented height despite the lingering fear of overheating in the economy. This has resulted in the NASDAQ INDEX hitting all time high. Technology leadership of the West poses a strong challenge to the production excellence of Japan and the Asian Tigers. The development of knowledge economy (K-economy) in Malaysia is seen to be an important addendum to the traditional production economy (P-economy).

The internet and e-commerce have created a borderless world resulting in globalisation of trade and the breaking down of trade and tariff barriers. The internet has created new windows of opportunities for companies like Industronics Berhad to develop innovative ways of doing business.

The current surge in technology interest worldwide augurs well for Industronics Group of Companies. With its focus on product R&D and knowledge-based industries, Industronics is poised to benefit from Malaysia's aggressive strategies to migrate into the new knowledge-based economy. The recent inclusion of Industronics Berhad as a component stock of MTDC Technology Index reflects the technology content of the Company's business. The Company was also awarded, for the third time, the coveted Pikom/Computime Hardware Product-of-the-year Award in 1999 for its full colour LED outdoor video matrix display product.



"With its focus on product R&D and knowledge-based industries, Industronics is poised to benefit from Malaysia's aggressive strategies to migrate into the new knowledge-based economy."

Board Changes

On 1st February 2000, the Board received the resignation of Mr. Lim Shook Kong as Director of the Company. Mr. Tan Hock Keng was duly appointed Director of the Company with effect from 1st February 2000. The Board would like to thank Mr. Lim for his service and to welcome Mr. Tan as a new member of the Board.

Acknowledgement

The Board would like to express their appreciation to all employees, customers, suppliers, bankers and shareholders for their unfailing support throughout the year.

Dato' Mohd Tahir bin Hj Abdul Manan
Chairman

Report from the Managing Director



On behalf of the Board of Directors, I am pleased to present the Annual Report and Accounts of Industronics Berhad Group for the financial year ended 31st December 1999.

Financial Results

Along with the dramatic recovery of the Malaysian economy in 1999, the Industronics Berhad Group also recorded substantial improvement in financial performance during the year.

The Company recorded a pretax profit of RM8.0 million, an increase of 39% against the profit recorded in the previous year. The turnover of the Company increased 19% to RM50.1 million, showing a general increase in the profitability of the Company's business.

At the Group level, the pretax profit soared 244% to RM14.5 million on the back of a 10% rise in turnover to RM105.6 million. The significant improvement in the group performance was due to the turnaround of some loss-making subsidiaries and the substantial improvement in profit contribution of the Sukitronics Group of Companies.

Dividend

The Board of Directors recommends a first and final tax exempt dividend of 5 sen per share subject to the approval of shareholders at the forthcoming Annual General Meeting.

Corporate Development

On 9th April 1999, the Company announced the following proposals:

- (i) Proposed Bonus Issue of 7,200,000 new ordinary shares of RM1.00 each in the Company on the basis of two (2) new ordinary shares for every five (5) existing ordinary shares held;
- (ii) Proposed renounceable Rights Issue of 10,800,000 new ordinary shares of RM1.00 each and 10,800,000 new warrants in the Company at a proposed issue price of RM1.15 per new ordinary share on the basis of three (3) Rights Shares with three (3) Warrants attached for every five (5) existing ordinary shares held; and
- (iii) Proposed Employee Share Option Scheme of up to ten percent (10%) of the issued and paid-up share capital of the Company ("Proposed ESOS").

However, on 21st February 2000, the Company announced the final share issue exercise involving 3 for 5 Rights Issue at RM1.50 per share together with a

“With the improved economy and the rapid expansion of electronic, telecommunications and Internet related infrastructure, the business opportunities for Industronics Berhad group remain bright.”

Bonus Issue of 2 for 5. The warrants as originally proposed was removed in the final announcement because of the Securities Commission's rejection of the appeal by the Company to fix the rights issue price at RM1.90 per share representing more than 20% discount from the theoretical ex-all price based on the weighted average price for the five days prior to the price fixing date. The Proposed ESOS of up to 10% of the issued and paid up capital of the Company remain unchanged in the final announcement. Shareholders had approved all the proposals at an Extraordinary General Meeting held on 30th March 2000.

Business Highlights

During the year, the Company successfully completed three electronic full colour outdoor LED video matrix display boards for Batu Kawan Stadium in Penang, the Kuala Selangor Stadium and the Majlis Perbandaran Shah Alam. The Telecommunications Division had a busy year commissioning digital network synchronisation equipment for Telekom Malaysia. Subsidiary company, Sukitronics Sdn Bhd completed the M&E installation for Lot 1, Johore Bahru Water Front City.

Prospect

With the improved economy and the rapid expansion of electronic, telecommunications and internet related infrastructure, the business opportunities for Industronics Berhad group remain bright. The Group will continue to focus on technology-related and high-value-added services centred around its core expertise.

Year 2000

The Directors are pleased to report that the Industronics Berhad Group entered the new millennium without encountering any Y2K related problems. This was due to the careful efforts put in to ensure full Y2K Compliance in all aspects of our business operations.

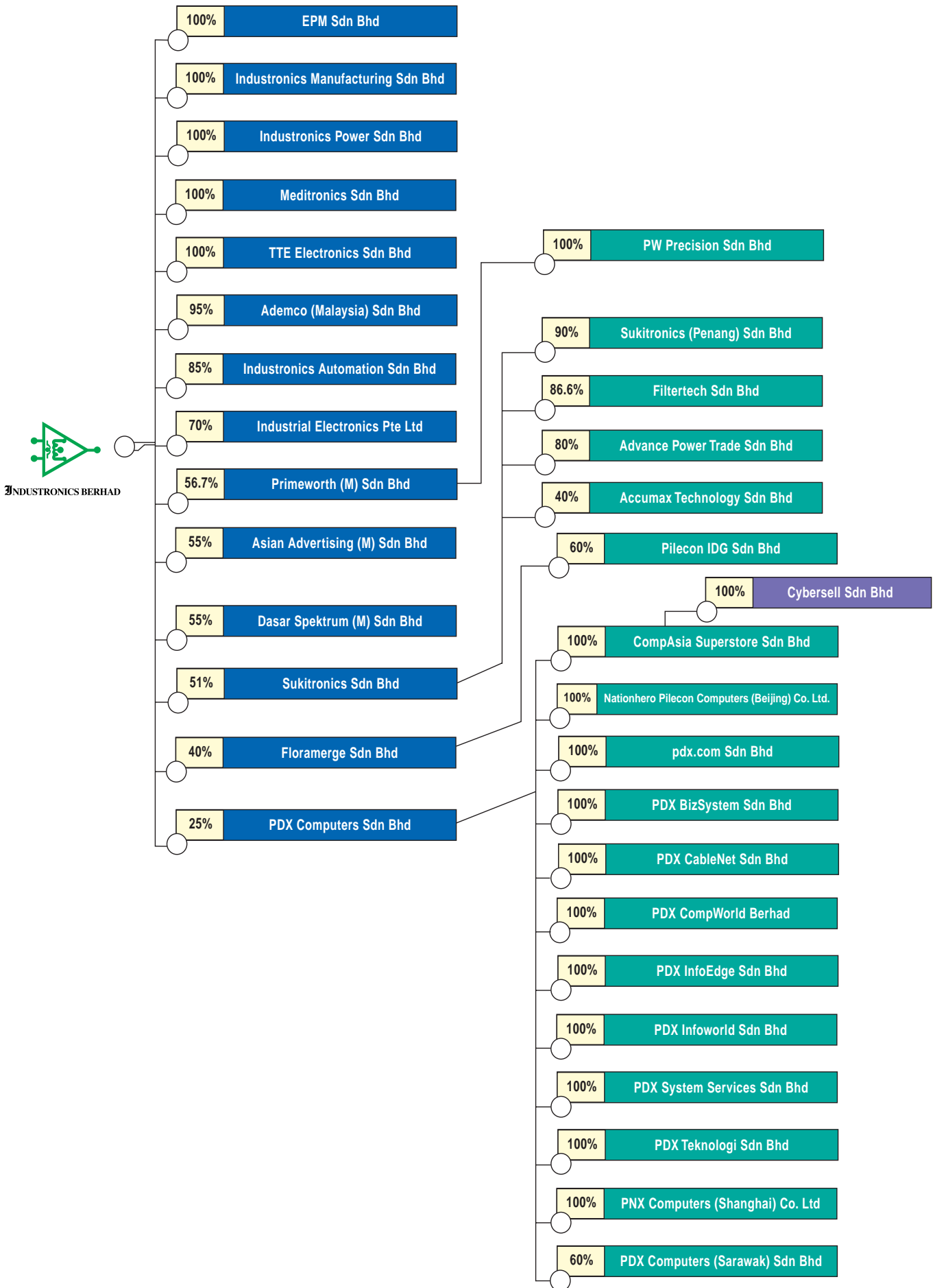
Acknowledgement

On behalf of the Board of Directors, I would like to thank all our customers, business associates, bankers, suppliers, shareholders and employees for their strong support which had contributed to the success of our business.

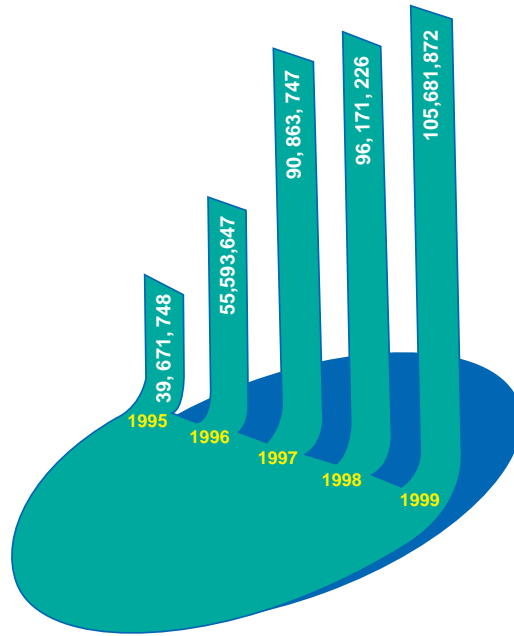
Dr. Lim Jit Chow
Managing Director

INDUSTRONICS BERHAD

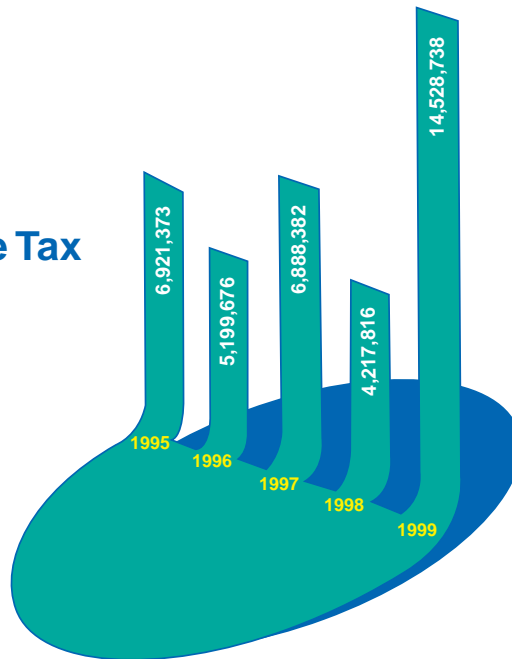
CORPORATE STRUCTURE



Turnover



Profit Before Tax



	1995	1996	1997	1998	1999
Turnover	39,671,748	55,593,647	90,863,747	96,171,226	105,681,872
Profit Before Tax	6,921,373	5,199,676	6,888,382	4,217,816	14,528,738



ELECTRONIC DISPLAYS

1999 was an active year for electronic display business for the Company. The Company completed installations of full colour video matrix display boards for the Kuala Selangor Stadium, the Penang Batu Kawan Stadium and the MPSA Outdoor colour board in front of the Concorde Hotel, Shah Alam. For the quality design of full colour LED video matrix display board, the Company was, once again, awarded the coveted Pikom-Computime best hardware product-of-the-year Award in 1999. Industritronics Berhad is ISO 9001 certified which reflects the Company's focus on quality.

COMMUNICATIONS DIVISION

The Communications Division is located in its new premise at Desa Tasik, Sungei Besi. The principal activities include the supply and installation of switching and network synchronisation equipment for high speed transmission networks, GPS based precision time reference system for local area network, rural telecommunications equipment and lightning protection to telecommunications systems.





SECURITY AND ALARM SYSTEM

Ademco (M) Sdn Bhd, a subsidiary of Industronics Berhad provides products and system solutions for professionally designed security alarm and fire protection system for industrial, commercial, government and residential complexes. Customers include Pos Malaysia Head Office at Dayabumi, Jaya Jusco Mega Store at Mid Valley and MAS Call Centre in Subang & Kuching.

ELECTRONIC CONTRACT MANUFACTURING

Industronics has recently diversified into electronic contract manufacturing through the acquisition of 100% owned TTE Electronics Sdn Bhd. TTE was relocated to Industronics new factory building in Li-Foong Industrial Estate with a built-up area of 40,000 sq ft. During the year, the Company installed a new SMT pcb processing line as well as cable harnessing equipment.

TTE continues to target large OEM product multinational Companies which outsource their manufacturing processes to local contract manufacturers. The Company plans to obtain ISO 9002 certification and install ERP System to enhance customer service by Year 2000.



Asian Advertising (M) Sdn Bhd is an advertising agency within the Industronics Group that provides a range of marketing services in all areas of commercial advertising.



AV, MULTIMEDIA & ITS DIVISION

The AV, Multimedia & ITS Division is located in a new six-storey office block in Bandar Tasik Selatan, Sg. Besi. The division is involved in the design, supply and installation of advanced interactive audio visual systems for conference centres, boardrooms, auditorium, convention centres and lecture theatres. The division has also undertaken major installations involving the transmission and management of multimedia and high quality video signals over fibre optic network. Another area of special focus of the division is in video surveillance, traffic management and toll collection in modern intelligent highway.



M&E ENGINEERING

Mechanical & Electrical Engineering activities are conducted through Sukitronics Group of Companies. Sukitronics Sdn Bhd, an ISO 9002 certified Company, specialises in M&E and fire protection installations and industrial and commercial complexes. Advance Power Trade Sdn Bhd, a subsidiary of Sukitronics has successfully installed Ingersoll-Dresser Pump system for Petronas/Dialog centralised tank farm in Kertih and Kuantan.



SINGAPORE OPERATIONS

Industronics Berhad has its presence in Singapore through its subsidiary Company Industrial Electronics Pte Ltd. The subsidiary has made its mark in Telecom 99 exhibition in Geneva by supplying an innovative 14m long bendable electronic LED display system for Motorola Stand in the most prestigious international telecommunications show.

Financial

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The directors hereby present their report to the members together with the audited accounts of the Group and of the Company for the financial year ended 31 December 1999.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of the assembly, installation and maintenance of industrial electronic products involving electronics and microcomputer control.

The principal activities of the subsidiary companies and associated companies are set out in Note 7 and Note 8 to the accounts.

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

FINANCIAL RESULTS

	GROUP 1999 RM	COMPANY 1999 RM
Profit after taxation	14,455,894	7,551,369
Minority interests	<u>(4,237,312)</u>	<u>-</u>
Retained profit at beginning of year	10,218,582	7,551,369
	<u>13,087,453</u>	<u>10,008,748</u>
Dividend	23,306,035	17,560,117
	(900,000)	(900,000)
Retained profits at end of year	<u><u>22,406,035</u></u>	<u><u>16,660,117</u></u>

DIVIDENDS

Dividends paid or declared by the Company since the end of the previous financial year were as follows:-

- i) A first and final dividend of 5 sen per ordinary share less 28% income tax amounting to RM648,000 in respect of the financial year ended 31 December 1998 was paid on 30 July 1999 as dealt with in the Directors' Report of that financial year.
- ii) The directors recommend the payment of a first and final tax exempt dividend of 5 sen per share amounting to RM900,000 for the financial year ended 31 December 1999.

SHARE OPTION

No option has been granted by the Company to any party during the financial year to take up unissued shares of the Company.

RESERVES AND PROVISIONS

There was no material transfers to or from reserves or provisions during the financial year other than those disclosed in the accounts.

BAD AND DOUBTFUL DEBTS

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

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

Directors' Report (Cont.)

for the year ended 31 December 1999

CURRENT ASSETS

Before the profit and loss accounts and balance sheets of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets which would be unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

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 Group and of the Company misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

No contingent liability or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGES OF CIRCUMSTANCES

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

ITEMS OF UNUSUAL NATURE

The results of the operations of the Group and of the Company for 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 other than those disclosed in the accounts.

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 Group or of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new share or debenture during the financial year.

SIGNIFICANT EVENTS

- 1) On 21 February 2000, the Company announced the following revised proposals that had been approved by the Securities Commission via its letters dated 4 January 2000 and 17 February 2000 :-
 - (a) Proposed bonus issue of 7,200,000 new ordinary shares of RM1 each in the Company on the basis of two (2) new ordinary shares for every five (5) existing ordinary shares held;
 - (b) Proposed rights issue of 10,800,000 new ordinary shares of RM1 each in the Company at a proposed issue price of RM1.50 per new ordinary share on the basis of three (3) new ordinary shares for every five (5) existing ordinary shares held; and

SIGNIFICANT EVENTS (Cont.)

(c) Proposed employee share option scheme of up to ten percent (10%) of the issued and paid-up share capital of the Company.

2) During the financial year:-

(a) the Company through its subsidiary company, Sukitronics Sdn Bhd acquired an additional 10,000 ordinary shares of RM1 each of Accumax Technology Sdn Bhd for a total cash consideration of RM6,000. Subsequent to the acquisition, Sukitronics Sdn Bhd disposed off 300,000 ordinary shares of RM1 each representing 60% equity interest in Accumax Technology Sdn Bhd for a total cash consideration of RM297,600. Effectively, the equity interest reduced from 90% to 40%.

(b) the Company's associated company, Intersource Sdn Bhd has been liquidated voluntarily.

DIRECTORS OF THE COMPANY

The directors in office since the date of the last report are:-

Dato' Mohd Tahir bin Hj Abdul Manan

Dr. Lim Jit Chow

Lee Foong Sam

Dr. Junid bin Abu Saham

Tengku Shamsul Bahrin

Gan Boon Chuan

Tan Hock Keng

- Appointed on 1 February 2000

Lim Shook Kong

- Resigned on 1 February 2000

According to the Register of Directors' Shareholdings, the interests, direct and indirect of the directors in office at the end of the financial year and their interests in the ordinary share capital of the Company and its related companies during the financial year were as follows:-

The Company	Number of ordinary shares of RM1.00 each				
	As at 1.1.1999	Bought	Sold	As at 31.12.1999	As at 21.1.2000
Direct					
Dato' Mohd Tahir bin Hj Abdul Manan	85,000	-	-	85,000	85,000
Dr. Lim Jit Chow	4,108,000	-	-	4,108,000	4,108,000
Lee Foong Sam	371,000	-	-	371,000	371,000
Dr. Junid bin Abu Saham	50,000	-	-	50,000	50,000
Tengku Shamsul Bahrin	15,000	-	-	15,000	15,000
Indirect					
Dato' Mohd Tahir bin Hj Abdul Manan	136,000	-	-	136,000	136,000
Dr. Lim Jit Chow	311,000	-	-	311,000	311,000

By virtue of his substantial interest in the shares of the Company, Dr. Lim Jit Chow is deemed to have an interest in the shares of its related companies to the extent of the interest of the Company in these related companies.

The remaining directors did not hold or deal in the shares of the Company or its related companies during the financial year.

DIRECTORS OF THE COMPANY (Cont.)

In accordance with the Articles of Association of the Company, Messrs Tengku Shamsul Bahrin and Tan Hock Keng retire from the Board at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Dato' Mohd Tahir bin Hj Abdul Manan being over seventy years of age, retires in accordance with Section 129(2) of the Companies Act, 1965 and offers himself for re-appointment in accordance with Section 129(6) of the said Act.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or has become entitled to receive any benefit, other than those disclosed 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 the director is a member, or with a company in which the director has a substantial financial interest.

During and at the end of the financial year, the Company was not a party to any arrangement whose object is to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or any other body corporate.

AUDITORS

The auditors, Messrs. HLB I.M. Chieng & Co., Public Accountants, have expressed their willingness to continue in office.

On behalf of the Board,

DR. LIM JIT CHOW
Managing Director

TAN HOCK KENG
Director

Kuala Lumpur
30th March 2000

Balance

Sheets

as at 31 December 1999

	NOTE	GROUP		COMPANY	
		1999 RM	1998 RM	1999 RM	1998 RM
SHARE CAPITAL	2	18,000,000	18,000,000	18,000,000	18,000,000
RESERVES	3	22,768,967	13,450,385	17,345,849	10,694,480
		<u>40,768,967</u>	<u>31,450,385</u>	<u>35,345,849</u>	<u>28,694,480</u>
SHAREHOLDERS' FUNDS		40,768,967	31,450,385	35,345,849	28,694,480
MINORITY INTERESTS		10,181,319	7,113,957	-	-
TERM LOANS	4	4,249,505	2,975,588	3,225,332	1,813,352
DEFERRED TAXATION	5	403,795	403,795	370,335	370,335
		<u>55,603,586</u>	<u>41,943,725</u>	<u>38,941,516</u>	<u>30,878,167</u>
CAPITAL EMPLOYED:-					
FIXED ASSETS	6	17,323,859	17,345,224	11,116,370	11,327,118
SUBSIDIARY COMPANIES	7	-	-	5,304,815	4,607,815
ASSOCIATED COMPANIES	8	2,458,133	921,860	3,627,226	2,116,000
INVESTMENTS	9	2,798,181	1,869,374	443,298	379,784
EXPENDITURE CARRIED FORWARD	10	393,394	527,265	-	-
GOODWILL ON CONSOLIDATION		265,847	200,398	-	-
CURRENT ASSETS					
Stocks and work-in-progress	11	22,163,470	18,605,441	19,187,769	14,999,107
Amounts owing from customers	12	1,521,936	6,297,770	-	487,576
Trade debtors	14	43,872,911	33,042,330	22,265,520	20,069,869
Other debtors, deposits and prepayments	15	2,874,763	2,922,908	703,996	1,415,592
Amounts owing by subsidiary companies		-	-	3,557,474	2,680,299
Amounts owing by associated companies		2,802,764	2,029,993	2,802,764	2,029,993
Bank balances, deposits and cash	16	9,063,825	6,673,833	1,247,790	231,178
		<u>82,299,669</u>	<u>69,572,275</u>	<u>49,765,313</u>	<u>41,913,614</u>
Less:- CURRENT LIABILITIES					
Amounts owing to customers	13	2,388,624	-	2,388,624	-
Trade creditors		15,023,457	16,379,572	7,767,976	5,395,965
Other creditors, deposits and accruals		8,864,217	5,094,745	3,126,010	1,850,851
Hire purchase creditors	17	789,692	552,906	168,840	237,775
Amounts owing to subsidiary companies		-	-	861,734	251,850
Taxation		1,151,694	3,151,037	409,597	2,184,935
Short term borrowings	18	20,817,813	22,666,411	15,692,725	18,896,788
Dividend		900,000	648,000	900,000	648,000
		<u>49,935,497</u>	<u>48,492,671</u>	<u>31,315,506</u>	<u>29,466,164</u>
NET CURRENT ASSETS		32,364,172	21,079,604	18,449,807	12,447,450
		<u>55,603,586</u>	<u>41,943,725</u>	<u>38,941,516</u>	<u>30,878,167</u>

The accompanying notes form an integral part of these accounts.

PROFIT AND

LOSS ACCOUNTS

for the year ended 31 December 1999

	NOTE	GROUP		COMPANY	
		1999 RM	1998 RM	1999 RM	1998 RM
TURNOVER	19	105,681,872	96,171,226	50,126,503	42,237,336
OPERATING PROFIT	20	14,143,127	3,946,796	7,893,374	5,740,837
SHARE OF (LOSS)/PROFIT OF ASSOCIATED COMPANIES		104,727	(918,601)	-	-
PROFIT BEFORE EXCEPTIONAL ITEMS		14,247,854	3,028,195	7,893,374	5,740,837
EXCEPTIONAL ITEMS	21	280,884	1,189,621	112,000	-
PROFIT BEFORE TAXATION		14,528,738	4,217,816	8,005,374	5,740,837
TAXATION	22	(72,844)	(2,594,690)	(454,005)	(1,720,766)
PROFIT AFTER TAXATION		14,455,894	1,623,126	7,551,369	4,020,071
MINORITY INTERESTS		(4,237,312)	(103,135)	-	-
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		10,218,582	1,519,991	7,551,369	4,020,071
RETAINED PROFITS AT BEGINNING OF YEAR					
As previously stated		12,268,497	12,215,462	10,008,748	6,636,677
Prior year adjustment	24	818,956	-	-	-
As restated		13,087,453	12,215,462	10,008,748	6,636,677
		23,306,035	13,735,453	17,560,117	10,656,748
DIVIDEND	25	(900,000)	(648,000)	(900,000)	(648,000)
RETAINED PROFITS AT END OF YEAR		22,406,035	13,087,453	16,660,117	10,008,748
EARNINGS PER SHARE (SEN)	26	56.77	8.44		

CONSOLIDATED

CASH FLOW STATEMENT

for the year ended 31 December 1999

	1999 RM	1998 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	14,528,738	4,217,816
Adjustments for:-		
Depreciation and amortisation	1,590,077	1,606,342
Loss/(Profit) on disposal of fixed assets	(195,795)	57,820
Interest income	(466,030)	(586,081)
Share of (Profit)/Loss in associated companies	(104,727)	918,601
Floatation expenses written off	-	117,099
Deferred expenditure written off	133,871	140,242
Fixed assets written off	-	35,667
Interest expenses	2,003,041	3,925,131
Bad debts written off	389,218	141,804
Stocks written off	5,000	64,314
Provision for doubtful debts	80,722	155,442
Exchange difference	-	36,566
Provision for diminution in value of shares	85,400	-
Operating profit before working capital changes	18,049,515	10,830,763
Stocks	(935,780)	(608,427)
Excess of billings over contract costs	3,912,734	(2,127,137)
Debtors	(11,454,825)	8,128,094
Creditors	2,650,143	(5,058,475)
Short term borrowings	2,351,727	(8,670,693)
Associated company	(772,771)	(2,029,993)
Cash generated from operations	13,800,743	464,132
Interest received	466,030	586,081
Interest paid	(2,003,041)	(3,925,131)
Tax paid	(1,447,711)	(1,834,575)
Dividend paid	(648,000)	(648,000)
Dividend paid to minority shareholders	(1,058,400)	-
Net cash generated from/(used in) operating activities	9,109,621	(5,357,493)

The accompanying notes form an integral part of these accounts.

CASH FLOW STATEMENT (Cont.)

for the year ended 31 December 1999

		1999 RM	1998 RM
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(1,642,861)	(1,383,412)
Purchase of investment in associated company		(1,543,226)	-
Proceeds from disposal of fixed assets		267,412	196,438
Investment in subsidiary companies	27	(180,000)	-
Investment in quoted shares		(1,011,207)	-
Net cash inflow from disposal of investment in subsidiary company	28	316,661	17,768,345
Minority interest		-	899,112
Net cash (used in)/generated from investing activities		<u>(3,793,221)</u>	<u>17,480,483</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from term loans		-	277,669
Repayment of term loans		(1,016,751)	(489,282)
Net cash used in financing activities		<u>(1,016,751)</u>	<u>(211,613)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,299,649	11,911,377
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		(252,173)	(12,163,550)
CASH AND CASH EQUIVALENTS AT END OF YEAR	29	<u>4,047,476</u>	<u>(252,173)</u>

The accompanying notes form an integral part of these accounts.

31 December 1999

1. SIGNIFICANT ACCOUNTING POLICIES**(a) Accounting convention**

The accounts of the Group and of the Company have been prepared under the historical cost convention modified by the revaluation of certain land and buildings and complied with applicable approved Accounting Standards.

(b) Basis of consolidation

The consolidated accounts incorporate the audited accounts of the Company and all its subsidiary companies made up to 31 December 1999. The results of subsidiary companies acquired during the financial year are included in the consolidated profit and loss account from the effective date of acquisition.

All material inter-company transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only.

Capital reserve arising on consolidation represents the excess of the value of attributable net assets acquired over the consideration paid for the investments in the subsidiary companies.

(c) Subsidiary companies

Investments in subsidiary companies which are eliminated on consolidation and are stated at cost. Such investments are only written down when the directors consider that there is a permanent diminution in the value of such investments.

Dividend income from subsidiary companies are included in the profit and loss account of the Company when declared or proposed.

(d) Associated companies

Associated companies are defined as those companies in which the Group holds a long term equity interest of between 20% and 50%, has representation on the Board of Directors and is in a position to exercise significant influence in their management.

The Group's share of profit of associated companies is taken up in the consolidated profit and loss account based on the latest management accounts of the companies concerned and the Group's share of post acquisition reserves is added to the cost of investment.

(e) Investments

Investments are stated at cost. Provision for diminution in value is only made when, in the opinion of the directors, there is a permanent impairment in the value of these investments.

(f) Fixed assets and depreciation

i) Freehold land and building under construction are not amortised. Leasehold land and building are amortised over the period of the lease.

Depreciation of other fixed assets is provided on the straight line basis to write off the cost of each asset over its estimated useful life. The principal annual depreciation rates are:-

Buildings	2%
Plant and machinery	10%
Factory, tools and equipment	10% - 15%
Motor vehicles	20%
Computer and office equipment	10% - 15%
Furniture, fittings and renovation	5% - 15%
Electronics display board	10%

1. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

- ii) Assets under finance leases that give rights approximating to ownership are capitalised in the accounts and the corresponding obligation treated as a liability for all such assets purchased. The assets so capitalised are depreciated in accordance with the above rates. The total interest, being the difference between the total instalments payable and the capitalised amount is charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding.
- (g) Stocks and contract work-in-progress
 - i) Stocks are valued at the lower of cost and net realisable value. Cost is determined using the weighted average method.
 - ii) Contract work-in-progress is stated at cost less progress billings. Cost includes material, labour and a proportion of overhead expenses.
- (h) Profit recognition

During the financial year, revenue from contracts are recognised on percentage of completion method with reference to amount of work done, as compared to the completion method previously adopted by the Group, resulting in the prior year adjustment. In all cases, anticipated losses are provided in full.
- (i) Deferred taxation

Provision is made for deferred taxation under the liability method in respect of all material timing differences except where such differences are not expected to reverse in the foreseeable future.
- (j) Foreign currencies
 - (i) Transactions in foreign currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange ruling on the transaction dates, or where settlement has not yet taken place at the end of the year, at the approximate exchange rates ruling at that date. All exchange differences are reflected in the profit and loss account.
 - (ii) Translation of foreign currency financial statements

Assets and liabilities of foreign subsidiary companies are translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date while the operating results are translated at the average rates of exchange for the year. The translation differences arising therefrom are taken to Exchange Fluctuation Reserve.

31 December 1999

2. SHARE CAPITAL

	Group/Company	
	1999 RM	1998 RM
Authorised		
Ordinary shares of RM1.00 each	<u>25,000,000</u>	<u>25,000,000</u>
Issued and Fully paid		
Ordinary shares of RM1.00 each	<u>18,000,000</u>	<u>18,000,000</u>

3. RESERVES

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Non-distributable:-				
- Capital reserve arising on consolidation (Note a)	220,543	220,543	-	-
- Revaluation reserve	-	-	685,732	685,732
- Exchange fluctuation reserve (Note b)	142,389	142,389	-	-
	<u>362,932</u>	<u>362,932</u>	<u>685,732</u>	<u>685,732</u>
Distributable:-				
- Retained profits	22,406,035	13,087,453	16,660,117	10,008,748
	<u>22,768,967</u>	<u>13,450,385</u>	<u>17,345,849</u>	<u>10,694,480</u>

Note (a) - Capital reserve arising on consolidation

	Group/Company	
	1999 RM	1998 RM
Balance at beginning of year	220,543	2,976,532
Amount arising on disposal	-	(2,755,989)
Balance at end of year	<u>220,543</u>	<u>220,543</u>

Note (b) - Exchange fluctuation reserve

	Group	
	1999 RM	1998 RM
Balance at beginning of year	142,389	148,761
Translation loss	-	(6,372)
Balance at end of year	<u>142,389</u>	<u>142,389</u>

31 December 1999

4. TERM LOANS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Principal outstanding				
- secured	3,062,242	3,628,993	1,789,606	2,277,424
- unsecured	2,550,000	-	2,550,000	-
	<u>5,612,242</u>	<u>3,628,993</u>	<u>4,339,606</u>	<u>2,277,424</u>
Less:- Portion of term loans repayable within the next 12 months (Note 18)	1,362,737	653,405	1,114,274	464,072
	<u>4,249,505</u>	<u>2,975,588</u>	<u>3,225,332</u>	<u>1,813,352</u>

The term loans of the Group and the Company are secured by charges created on certain landed properties and certain plant and machinery of the Group. Interest is payable at rates ranging from 6.50% to 10.35% (1998: 6.50% to 10.35%) per annum. The unsecured term loan bears interest rate at 8.8% (1998: Nil) per annum.

5. DEFERRED TAXATION

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Balance at beginning of year	403,795	771,261	370,335	376,261
Amount arising from disposal of subsidiary during the year	-	(361,540)	-	-
Transfer to profit and loss account	-	(5,926)	-	(5,926)
Balance at end of year	<u>403,795</u>	<u>403,795</u>	<u>370,335</u>	<u>370,335</u>

NOTES TO THE ACCOUNTS (Cont.)

31 December 1999

6. FIXED ASSETS

1999 Group	Freehold land and building under construction RM	Freehold land and buildings RM	Long leasehold land and building RM	Plant and machinery RM	Factory, tools and equipment RM	Motor vehicles RM	Computer and office equipment RM	Furniture, fittings and renovation RM	Electronics display board RM	Total RM
Valuation/Cost										
At 1.1.99	-	10,690,726	790,000	2,250,619	1,345,664	3,295,460	3,687,886	2,625,685	-	24,686,040
Additions	-	-	-	656,020	114,067	236,970	436,574	199,230	-	1,642,861
Disposals	-	-	-	-	(100,400)	(559,110)	(32,086)	(880)	-	(692,476)
Written off	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	(4,609)	-	(4,609)
At 31.12.99	-	10,690,726	790,000	2,906,639	1,359,331	2,973,320	4,092,374	2,819,426	-	25,631,816
Accumulated depreciation										
At 1.1.99	-	329,211	47,024	1,157,211	710,826	2,438,685	1,616,806	1,041,053	-	7,340,816
Charge for the year	-	162,334	9,405	225,630	135,587	424,589	403,560	228,972	-	1,590,077
Disposals	-	-	-	-	(100,400)	(509,872)	(10,297)	(290)	-	(620,859)
Written off	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	(2,077)	-	-	(2,077)
At 31.12.99	-	491,545	56,429	1,382,841	746,013	2,353,402	2,007,992	1,269,735	-	8,307,957
Net Book Value										
At 31.12.99	-	10,199,181	733,571	1,523,798	613,318	619,918	2,084,382	1,549,691	-	17,323,859
1998 Group	Freehold land and building under construction RM	Freehold land and buildings RM	Long leasehold land and building RM	Plant and machinery RM	Factory, tools and equipment RM	Motor vehicles RM	Computer and office equipment RM	Furniture, fittings and renovation RM	Electronics display board RM	Total RM
Valuation/Cost										
At 1.1.98	3,877,704	6,443,214	790,000	1,971,038	1,244,112	3,871,503	8,604,736	5,244,551	350,000	32,396,858
Additions	369,808	-	-	381,808	101,552	67,367	293,879	168,998	-	1,383,412
Disposals	-	-	-	(27,347)	-	(17,595)	(58,934)	(84,765)	(350,000)	(538,641)
Written off	-	-	-	(74,880)	-	-	(5,089)	(6,202)	-	(86,171)
Adjustments	(4,247,512)	(4,247,512)	-	-	-	(625,815)	(5,146,706)	(2,696,897)	-	(8,469,418)
At 31.12.98	-	10,690,726	790,000	2,250,619	1,345,664	3,295,460	3,687,886	2,625,685	-	24,686,040
Accumulated depreciation										
At 1.1.98	-	230,883	37,619	972,951	597,121	2,334,637	3,593,025	1,977,448	145,833	9,889,517
Charge for the year	-	98,328	9,405	249,000	113,705	538,064	368,898	196,849	32,083	1,606,342
Disposals	-	-	-	(11,964)	-	(17,595)	(25,517)	(51,391)	(177,916)	(284,383)
Written off	-	-	-	(44,928)	-	-	(2,012)	(3,564)	-	(50,504)
Adjustments	-	-	-	(7,858)	-	(416,421)	(2,317,588)	(1,078,289)	-	(3,820,156)
At 31.12.98	-	329,211	47,024	1,157,211	710,826	2,438,685	1,616,806	1,041,053	-	7,340,816
Net Book Value										
At 31.12.98	-	10,361,515	742,976	1,093,408	634,838	856,775	2,071,080	1,584,632	-	17,345,224

Included in the Group's fixed assets are assets being acquired under hire purchase instalment plans at cost of RM 1,198,275 (1998:RM1,593,256).

Certain of the Group's landed properties and certain plant and machinery have been charged to banks to secure credit facilities granted to the Group.

The landed properties have been revalued by the directors in 1994 based on independent professional valuation using the comparison method.

NOTES TO THE ACCOUNTS (Cont.)

31 December 1999

6. FIXED ASSETS (Cont.)

1999 Company	Freehold land and building under construction RM	Freehold land and buildings RM	Long leasehold land and building RM	Plant and machinery RM	Factory, tools and equipment RM	Motor vehicles RM	Computer and office equipment RM	Furniture, fittings and renovation RM	Total RM
Valuation/Cost									
At 1.1.99	-	8,081,023	420,000	160,708	704,657	2,190,616	1,839,074	1,434,805	14,830,883
Additions	-	-	-	-	111,209	40,670	304,757	138,425	595,061
Disposals	-	-	-	-	-	(255,938)	(14,118)	-	(270,056)
Written off	-	-	-	-	-	-	-	-	-
At 31.12.99	-	8,081,023	420,000	160,708	815,866	1,975,348	2,129,713	1,573,230	15,155,888
Accumulated depreciation									
At 1.1.99	-	256,657	25,000	92,899	288,511	1,605,198	738,719	496,781	3,503,765
Charge for the year	-	117,140	5,000	16,634	74,932	280,350	187,144	113,277	794,477
Disposals	-	-	-	-	-	(255,938)	(2,786)	-	(258,724)
Written off	-	-	-	-	-	-	-	-	-
At 31.12.99	-	373,797	30,000	109,533	363,443	1,629,610	923,077	610,058	4,039,518
Net Book Value									
At 31.12.99	-	7,707,226	390,000	51,175	452,423	345,738	1,206,636	963,172	11,116,370

1998 Company	Freehold land and building under construction RM	Freehold land and buildings RM	Long leasehold land and building RM	Plant and machinery RM	Factory, tools and equipment RM	Motor vehicles RM	Computer and office equipment RM	Furniture, fittings and renovation RM	Total RM
Valuation/Cost									
At 1.1.98	3,877,704	3,833,511	420,000	160,708	627,562	2,166,281	1,698,287	1,315,535	14,099,588
Additions	369,808	-	-	-	77,095	41,930	142,077	119,270	750,180
Disposals	-	-	-	-	-	(17,595)	-	-	(17,595)
Written off	-	-	-	-	-	-	(1,290)	-	(1,290)
Adjustments	(4,247,512)	4,247,512	-	-	-	-	-	-	-
At 31.12.98	-	8,081,023	420,000	160,708	704,657	2,190,616	1,839,074	1,434,805	14,830,883
Accumulated depreciation									
At 1.1.98	-	200,830	20,000	76,828	222,253	1,268,052	586,036	430,594	2,804,593
Charge for the year	-	55,827	5,000	16,071	66,258	354,741	152,834	66,187	716,918
Disposals	-	-	-	-	-	(17,595)	-	-	(17,595)
Written off	-	-	-	-	-	-	(151)	-	(151)
Adjustments	-	-	-	-	-	-	-	-	-
At 31.12.98	-	256,657	25,000	92,899	288,511	1,605,198	738,719	496,781	3,503,765
Net Book Value									
At 31.12.98	-	7,824,366	395,000	67,809	416,146	585,418	1,100,355	938,024	11,327,118

Included in the Company's fixed assets are assets being acquired under hire purchase instalment plans at cost of RM526,252 (1998: RM491,400).

31 December 1999

7. SUBSIDIARY COMPANIES

	Company	
	1999 RM	1998 RM
Unquoted shares:-		
- at cost	2,055,003	1,358,003
- at valuation	3,249,812	3,249,812
	<u>5,304,815</u>	<u>4,607,815</u>

The investment in subsidiary companies had been revalued by the directors in 1994 based on the net tangible assets of the subsidiary companies as at 31 December 1994. The surplus arising from revaluation amounting to RM2,070,000 has been credited to revaluation reserve (Note 3).

Details of the subsidiary companies are as follows:-

(a) Subsidiary companies of the Company:-

Name of Company	Principal activities	Place of incorporation	Equity interest	
			1999 %	1998 %
EPM Sdn Bhd	Assembly and installation of electronic display products and power electronic products	Malaysia	100	100
Meditronics Sdn Bhd	Medical equipment and its related products	Malaysia	100	100
Industronics Manufacturing Sdn. Bhd.	Assembly, installation and maintenance of high tech electronics appliances and communication	Malaysia	100	100
TTE Electronics Sdn Bhd	Assembly of electronics device and contract manufacturing	Malaysia	100	100
Industronics Power Sdn Bhd	Design, manufacture and distribution of power electronics products	Malaysia	100	100
Ademco (Malaysia) Sdn Bhd	Supply and installation of security systems	Malaysia	95	95
Industronics Automation Sdn. Bhd.	Provide consultation project management and system integration services in industrial automation	Malaysia	85	51
*Industrial Electronics Pte Ltd	Trading, maintenance and supply of industrial electronic equipment	Malaysia	70	70
Primeworth (M) Sdn Bhd	Involving in precision sheet metal fabrications works	Malaysia	57	57
Asian Advertising Sdn Bhd	Advertising agency providing services in all areas of commercial advertising	Malaysia	55	55

31 December 1999

7. SUBSIDIARY COMPANIES (Cont.)

Name of Company	Principal activities	Place of incorporation	Equity interest	
			1999 %	1998 %
Dasar Spektrum (M) Sdn Bhd	Media advertising with a special focus on electronic media	Malaysia	55	55
Sukitronics Sdn Bhd	Specialist in fire protection system design and installation works and mechanical engineering services	Malaysia	51	51

(b) Subsidiary companies of Sukitronics Sdn. Bhd:-

Sukitronics (Penang) Sdn Bhd	Mechanical engineering and contracting in fire fighting system	Malaysia	90	90
Filtertech Sdn Bhd	Manufacturing of filter inclusive of import and marketing	Malaysia	87	87
Advance Power Trade Sdn Bhd	Industrial maintenance and service works	Malaysia	80	65
+Accumax Technology Sdn Bhd	Engineering contracting works	Malaysia	40	90

(c) Subsidiary company of Primeworth (M) Sdn. Bhd :-

PW Precision Sdn Bhd	Manufacturing of precision fabrication	Malaysia	100	100
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* Companies not audited by Messrs HLB I.M. Chieng & Co.

+ This company was a subsidiary in the previous year.

8. ASSOCIATED COMPANIES

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Unquoted shares, at cost	3,627,226	2,116,000	3,627,226	2,116,000
Group's share of (loss)/profit	(1,169,093)	(1,194,140)	-	-
	<u>2,458,133</u>	<u>921,860</u>	<u>3,627,226</u>	<u>2,116,000</u>

31 December 1999

8. ASSOCIATED COMPANIES (Cont.)

Details of the associated companies are as follows:-

(a) Associated companies of Industronics Berhad

Name of Company	Principal activities	Place of incorporation	Equity interest	
			1999 %	1998 %
*Floramerge Sdn Bhd	Inactive	Malaysia	40	40
PDX Computers Sdn Bhd	Trading and servicing of computers and solutions	Malaysia	25	26
*Intersource Sdn Bhd	Providing Extracorporeal shock wave Lithotripsy medical services	Malaysia	-	20

(b) Associated company of Sukitronics Sdn Bhd

+Accumax Technology Sdn Bhd	Engineering contracting works	Malaysia	40	90
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(c) Subsidiary and associated companies of PDX Computers Sdn Bhd.

PDX CableNet Sdn Bhd (f.k.a. CableNet Sdn Bhd)	Cabling design and contracting	Malaysia	100	100
PDX System Services Sdn Bhd (f.k.a. CompCare Services Sdn Bhd)	Provide information technology services, distribute computer hardware and software	Malaysia	100	100
PDX Infoworld Sdn Bhd	Import and export of computer related products and software	Malaysia	100	100
CompAsia Superstore Sdn Bhd	Distribution and retailing of computers and related accessories	Malaysia	100	100
*PNX Computers (Shanghai) Co Ltd	Producing and selling of computer software and hardware, data communications and networking systems	China	100	100
*Nationhero Pilecon Computers (Beijing) Co Ltd	Producing and selling of computer software and hardware, data communications and networking systems	China	100	100
PDX Bizsystems Sdn Bhd	Development, implementation and consultation on enterprise resource planning solution	Malaysia	100	100
PDX CompWorld Berhad	Dealing with computers' software and hardware	Malaysia	100	100
*PDX InfoEdge Sdn Bhd (f.k.a. InfoEdge Sdn Bhd)	Providing IT sales and services	Malaysia	100	-

31 December 1999

8. ASSOCIATED COMPANIES (Cont.)

Name of Company	Principal activities	Place of incorporation	Equity interest	
			1999 %	1998 %
PDX Teknologi Sdn Bhd	Computers and electronics appliances	Malaysia	100	100
*PDX Computers (Sarawak) Sdn Bhd	Trading in computers and related products	Malaysia	60	60

(d) Subsidiary company of CompAsia Superstore Sdn Bhd:-

Cybersell Sdn Bhd	Distribution and retailing of computers and related accessories	Malaysia	100	100
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(e) Subsidiary company of Floramerge Sdn Bhd:-

*Pilecon IDG Sdn Bhd	Multimedia communication systems	Malaysia	60	60
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* Companies not audited by Messrs HLB I.M. Chieng & Co.

+ This company was a subsidiary in the previous year.

9. INVESTMENTS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Quoted shares, at cost	2,532,581	1,521,374	235,298	171,784
Transferable memberships in Golf Clubs, at cost	351,000	348,000	208,000	208,000
	<u>2,883,581</u>	<u>1,869,374</u>	<u>443,298</u>	<u>379,784</u>
less:- Provision for diminution in value	85,400	-	-	-
	<u>2,798,181</u>	<u>1,869,374</u>	<u>443,298</u>	<u>379,784</u>
Market value of quoted shares	<u>2,142,458</u>	<u>1,047,760</u>	<u>375,298</u>	<u>210,900</u>

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10. EXPENDITURE CARRIED FORWARD

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Preliminary expenses, at cost	94,030	12,301	-	-
Pre-operating expenses, at cost	433,235	655,206	-	-
	527,265	667,507	-	-
Less:- Amount written off during the year	133,871	140,242	-	-
	393,394	527,265	-	-
Floatation expenses, at cost	-	117,099	-	117,099
Less:- Amount written off during the year	-	117,099	-	117,099
	-	-	-	-
	393,394	527,265	-	-

11. STOCKS AND WORK-IN-PROGRESS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Raw materials	7,085,780	5,786,648	6,073,754	5,136,736
Finished goods	13,319,397	6,199,900	11,424,994	5,975,848
Goods in transit	1,116,305	3,865,802	1,116,305	1,121,612
Work in progress	763,264	2,864,911	672,716	2,864,911
	22,284,746	18,717,261	19,287,769	15,099,107
Less:- Provision for obsolete stocks	121,276	111,820	100,000	100,000
	22,163,470	18,605,441	19,187,769	14,999,107

12. AMOUNTS OWING FROM CUSTOMERS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Contract work-in-progress	2,470,154	26,594,228	-	4,403,253
Add:- Attributable profits	-	2,230,272	-	-
Less:- Progress billings	948,218	22,526,730	-	3,915,677
	1,521,936	6,297,770	-	487,576

13. AMOUNTS OWING TO CUSTOMERS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Contract work-in-progress	6,241,004	-	6,241,004	-
Add:- Attributable profits	2,958,770	-	2,958,770	-
	9,199,774	-	9,199,774	-
Less:- Progress billings	11,588,398	-	11,588,398	-
	(2,388,624)	-	(2,388,624)	-

31 December 1999

14. TRADE DEBTORS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Trade debtors	44,286,846	33,559,991	22,651,255	20,480,145
Less:- Provision for doubtful debts	413,935	517,661	385,735	410,276
	<u>43,872,911</u>	<u>33,042,330</u>	<u>22,265,520</u>	<u>20,069,869</u>

15. OTHER DEBTORS, PREPAYMENTS AND DEPOSITS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Other debtors, prepayments and deposits	2,890,737	2,922,908	703,996	1,415,592
Less:- Provision for doubtful debts	15,974	-	-	-
	<u>2,874,763</u>	<u>2,922,908</u>	<u>703,996</u>	<u>1,415,592</u>

16. BANK BALANCES, DEPOSITS AND CASH

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Cash and bank balances	1,810,291	424,240	1,047,790	31,178
Fixed deposits with licensed banks	7,253,534	6,249,593	200,000	200,000
	<u>9,063,825</u>	<u>6,673,833</u>	<u>1,247,790</u>	<u>231,178</u>

The fixed deposit of the Company has been pledged to bank as security for contract financing granted to the Company.

17. HIRE PURCHASE CREDITORS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Balance at end of year	929,840	689,933	217,891	306,782
Less:- Unexpired interest	140,148	137,027	49,051	69,007
Principal portion	<u>789,692</u>	<u>552,906</u>	<u>168,840</u>	<u>237,775</u>
Repayable as follows:-				
Not later than one year	369,608	303,552	90,012	91,363
Later than one year and not later than five years	420,084	249,354	78,828	146,412
	<u>789,692</u>	<u>552,906</u>	<u>168,840</u>	<u>237,775</u>

31 December 1999

18. SHORT TERM BORROWINGS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Unsecured				
- Bank overdrafts	5,016,349	6,926,006	1,276,451	3,345,716
- Bankers' acceptance	6,138,727	2,587,000	5,002,000	2,587,000
- Revolving credit	8,300,000	12,500,000	8,300,000	12,500,000
Portion of term loans repayable within the next 12 months (Note 4)	1,362,737	653,405	1,114,274	464,072
	<u>20,817,813</u>	<u>22,666,411</u>	<u>15,692,725</u>	<u>18,896,788</u>

The term loans of the Group and the Company are secured by charges created on certain landed properties and plant and machinery of the Group.

The bank overdrafts carry interest rates at 1.5% to 2.0% (1998: 1.5% to 2.0%) per annum above the banks' base lending rates.

19. TURNOVER

Turnover of the Group and the Company represent invoiced value of services rendered and goods sold. Inter-group transactions are excluded.

20. OPERATING PROFIT

The operating profit is arrived at:-

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
After charging and (crediting):-				
Directors' remuneration				
- fees	47,200	61,400	32,500	40,000
- other emoluments	1,251,402	1,267,526	675,500	510,000
Depreciation	1,590,077	1,606,342	794,476	716,918
Amortisation of floatation expenses	-	117,099	-	117,099
Amortisation of deferred expenditure	133,872	140,242	-	-
Bank interest	1,333,034	3,269,274	1,184,461	2,799,151
Loan interest	503,578	473,978	390,888	300,775
Hire purchase interest	78,091	68,591	26,181	31,972
Other interest	88,338	113,288	709	114
Auditors' remuneration				
- Auditors of the Company	101,600	96,700	45,000	43,000
- Over provision in prior year	(3,000)	(3,800)	(3,000)	(4,000)
- Other auditors	9,200	7,850	-	-
Rental of premises	533,988	612,420	243,388	211,844
Bad debts written off	389,218	141,804	66,691	42,060
Fixed assets written off	10,455	35,667	-	1,139
Rental of office equipment	560	19,723	-	17,050
Rental of machinery	8,033	-	8,033	-
Loss on disposal of fixed assets	2,600	69,636	-	-
Loss on stolen fixed assets	27,700	-	145,753	-

31 December 1999

20. OPERATING PROFIT (Cont.)

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Loss on foreign exchange	147,701	301,941	6,332	-
Provision for doubtful debts	80,722	155,442	12,548	96,403
Provision for obsolete stocks	-	11,820	-	-
Lease rental	-	12,361	-	12,361
Stocks written off	5,000	64,314	-	-
and crediting:-				
Interest income	(466,030)	(586,081)	(232,453)	(315,692)
Rental income	(367,834)	(389,132)	(278,434)	(345,230)
Gain on foreign exchange	(78,826)	(567,159)	-	(517,912)
Profit on disposal of fixed assets	(198,395)	(11,816)	(75,050)	(5,000)
Dividend income from associated company	-	-	-	(16,054)
Dividend income from subsidiary companies	-	-	(1,530,000)	-
Doubtful debts recovered	-	(428)	-	(428)

21. EXCEPTIONAL ITEMS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Profit on sale of quoted investment	299,199	200,042	-	-
Profit on disposal of subsidiary	90,145	989,579	-	-
Profit on voluntary liquidation of associate company	(108,460)	-	112,000	-
	<u>280,884</u>	<u>1,189,621</u>	<u>112,000</u>	<u>-</u>

22. TAXATION

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Provision for the year	259	2,688,613	428,660	1,800,000
Overprovision in prior year	72,585	(105,647)	25,345	(73,308)
Share of tax in associated companies	-	17,650	-	-
Transfer from deferred taxation	-	(5,926)	-	(5,926)
	<u>72,844</u>	<u>2,594,690</u>	<u>454,005</u>	<u>1,720,766</u>

The provision for the current financial year is in respect of dividend income only. No provision for taxation is made in respect of business income as the amount is waived pursuant to Section 8 of the Income tax (Amendment) Act, 1999.

31 December 1999

23. SECTION 108 TAX CREDIT

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividend out of its entire retained profits as at 31 December 1999 without incurring additional tax liability.

24. PRIOR YEAR ADJUSTMENT

This adjustment represents the effect of the change of the accounting policy in respect of profit recognition as disclosed in note 1(h).

25. DIVIDEND

	Group/Company 1999 RM	1998 RM
Proposed first and final tax exempt dividend of 5 sen per share (1998: 5 sen per share less 28% income tax)	900,000	648,000

26. EARNINGS PER SHARE

The earnings per share is calculated by dividing the Group earnings of RM10,218,582 (1998: RM1,519,991) by the number of ordinary shares in issue during the year of 18,000,000 (1998: 18,000,000).

27. EFFECTS OF ACQUISITION OF ADDITIONAL SHARES IN SUBSIDIARY COMPANY

	Group/Company 1999 RM	1998 RM
Share of net assets acquired from minority interest	114,551	-
Goodwill	65,449	-
Cash outflow on acquisition	180,000	-

28. ANALYSIS OF SUBSIDIARY COMPANY DISPOSED

The effects of disposal of shares in subsidiary company are as follows:-

	Group 1999 RM	1998 RM
Net assets disposed:-		
Fixed assets	1,541	4,606,324
Other long term assets	-	768,383
Current assets	376,823	38,480,057
Current liabilities	(80,764)	(32,220,140)
Other long term liabilities	-	(361,540)
Reserve on consolidation	-	(2,755,989)
	297,600	8,517,095
Less:- Minority interests	-	(6,517,095)
Total consideration received from disposal	297,600	2,000,000
Add:- Net cash, bank balances and bank borrowings disposed	19,061	15,768,345
Net cash inflow from disposal of subsidiary company	316,661	17,768,345

31 December 1999

29. CASH AND CASH EQUIVALENTS AT END OF YEAR

	1999 RM	Group 1998 RM
Bank balances, deposits and cash	9,063,825	6,673,833
Bank overdrafts	(5,016,349)	(6,926,006)
	<u>4,047,476</u>	<u>(252,173)</u>

30. SIGNIFICANT RELATED PARTY TRANSACTIONS

	1999 RM	Company 1998 RM
Purchases from subsidiary companies	6,888,569	7,941,485
Sales to subsidiary companies	6,991,845	683,145
Interest charged to subsidiary companies	55,923	287,249
Dividend income from subsidiary companies	1,530,000	-
Rental income from subsidiary companies	45,000	171,320

31. CONTINGENT LIABILITIES

	1999 RM	Group 1998 RM	1999 RM	Company 1998 RM
Unsecured				
Guarantees given to banks in connection with facilities granted to subsidiary companies	-	-	18,229,000	18,440,000
Guarantees given to banks in connection with facilities granted to associated company	6,300,000	7,827,000	6,300,000	7,827,000
Guarantees given to banks in connection with facilities granted to third party	-	64,066	-	-
Letter of Indemnity given in respect of Performance Bonds issued	9,716,378	8,965,084	7,070,894	7,574,934
	<u>16,016,378</u>	<u>16,856,150</u>	<u>31,599,894</u>	<u>33,841,934</u>

31 December 1999

32. SIGNIFICANT EVENTS

- 1) On 21 February 2000, the Company announced the following revised proposals that had been approved by the Securities Commission via its letters dated 4 January 2000 and 17 February 2000 :-
- Proposed bonus issue of 7,200,000 new ordinary shares of RM1 each in the Company on the basis of two (2) new ordinary shares for every five (5) existing ordinary shares held;
 - Proposed rights issue of 10,800,000 new ordinary shares of RM1 each in the Company at a proposed issue price of RM1.50 per new ordinary share on the basis of three (3) new ordinary shares for every five (5) existing ordinary shares held; and
 - Proposed employee share option scheme of up ten percent (10%) of the issued and paid-up share capital of the Company.
- 2) During the financial year:-
- the Company through its subsidiary company, Sukitronics Sdn Bhd acquired an additional 10,000 ordinary shares of RM1 each of Accumax Technology Sdn Bhd for a total cash consideration of RM6,000. Subsequent to the acquisition, Sukitronics Sdn Bhd disposed off 300,000 ordinary shares of RM1 each representing 60% equity interest in Accumax Technology Sdn Bhd for a total cash consideration of RM297,600. Effectively, the equity interest reduced from 90% to 40%.
 - the Company's associated company, Intersource Sdn Bhd has been liquidated voluntarily.

33. SEGMENT INFORMATION

	Turnover		Profit before taxation		Total assets employed	
	1999 RM	1998 RM	1999 RM	1998 RM	1999 RM	1998 RM
Security and fire alarm systems	50,140,634	19,654,247	8,667,793	1,725,647	35,096,659	29,916,028
Telecommunication	26,540,806	17,466,264	3,976,509	3,316,419	20,958,590	17,424,758
Electronic products and micro-processor systems	22,756,752	25,254,429	2,371,224	994,858	43,416,990	36,635,127
Advertising	2,673,340	2,614,502	(382,539)	(650,392)	1,786,755	2,414,279
Fabrication	1,417,178	1,518,442	(7,843)	(113,380)	1,730,272	1,972,161
Medical equipment	-	-	(23,441)	(101,354)	87,877	109,281
Power electronics and automation system	966,246	699,578	(159,371)	(450,250)	421,379	337,084
Information technology	-	27,325,007	-	989,579	-	-
Manufacturing	1,186,916	1,638,757	(18,321)	(574,710)	2,040,561	1,627,678
	105,681,872	96,171,226	14,424,011	5,136,417	105,539,083	90,436,396
Associated companies	-	-	104,727	(918,601)	-	-
	105,681,872	96,171,226	14,528,738	4,217,816	105,539,083	90,436,396

34. COMPARATIVE FIGURES

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

STATEMENT BY

DIRECTORS

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

We, Dr. Lim Jit Chow and Tan Hock Keng, two of the directors of Industronics Berhad, state that in the opinion of the directors, the accounts set out from pages 20 to 40 are drawn up in accordance with applicable approved Accounting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 1999 and of the results of the Group and of the Company and the consolidated cash flow statement of the Group for the year ended on that date.

On behalf of the Board,

DR. LIM JIT CHOW
Director

TAN HOCK KENG
Director

Kuala Lumpur
30th March 2000

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

I, Dr. Lim Jit Chow, the director primarily responsible for the financial management of Industronics Berhad, do solemnly and sincerely declare that the accounts set out from pages 20 to 40 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.

DR. LIM JIT CHOW
Director

Subscribed and solemnly declared by the above named Dr. Lim Jit Chow at Kuala Lumpur this 30th March 2000

Before me,

ONG KAH CHONG
Commissioner for Oaths
(Pesuruhjaya Sumpah)
Kuala Lumpur

To the members of INDUSTRIONICS BERHAD

We have audited the accounts set out from pages 20 to 40 of Industrionics Berhad. The preparation of the accounts are the responsibility of the Company's directors. Our responsibility is to express an opinion on the accounts based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free of material misstatements. Our audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the accounts. Our audit includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the adequacy of the presentation of information in the accounts. We believe 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 of the Company as at 31 December 1999 and of their results and cash flows of the Group for the financial year ended on that date in accordance with applicable approved Accounting Standards 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 and by the subsidiary companies of which we have not acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the accounts and the auditors' reports of all the subsidiary companies of which we have not acted as auditors, as indicated in Note 7 to the accounts.

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 these purposes.

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

HLB I.M. CHIENG & CO.
No. AF 0311
Public Accountants

CHIENG ING MUI PA(M), FCA, CPA.
No. 711/6/00 (J/PH)
Public Accountant
Chartered Accountant
Certified Public Accountant

Kuala Lumpur
30th March 2000

As at 31 December 1999

Location <i>Company</i>	Land area/ (built-up area) sq. feet	Tenure	Description of Property/ Existing Use	Age of Building	Net Book Value RM
Lot PT19106, PT8801 Mukim of Kajang, District of Ulu Langat, Selangor D. E.	14, 876/ (21, 422)	Freehold	Factory land, office and warehouse	9 years	2,102,932
Lot 39222, Mukim of Kuala Lumpur, Wilayah Persekutuan	1, 539/ (6, 100)	Leasehold (99 years) expiring in 2077	Office building	22 years	390,000
Lot PT25949 No. PS(A) 8, Mukim of Kajang, District of Ulu Langat, Selangor D. E.	38, 403/ (17, 779)	Freehold	Industrial land and building	1 1/2 years	4,164,294
Lots PT9143, PT10179, PT9144 and PT10180, Mukim of Sungai Buloh, District of Petaling, Selangor D. E.	3, 300/ (12, 186)	Freehold	Shoplot/ office	16 years	1,440,000
<i>Subsidiary Companies</i>					
Lot PT8885, Mukim of Kajang, District of Ulu Langat, Selangor D. E.	2, 400/ (3, 581)	Freehold	Factory land, office and warehouse	8 years	350,000
Lot 39255, Mukim of Kuala Lumpur, Wilayah Persekutuan	1, 539/ (5, 360)	Leasehold (99 years) expiring in 2077	Shoplot/ office	22 years	343,571
Lot 1349, Section 900, North East District, Penang	1, 560 (1, 460)	Freehold	Shoplot/ office	16 years	588,169
Lot TF 54, Hicom Glenmarie Industrial Park (PH18), Shah Alam, Selangor D. E.	9, 750 (5, 383)	Freehold	Factory lot	2 years	1,014,720
Lot TF 55, Hicom Glenmarie Industrial Park (PH18), Shah Alam, Selangor D. E.	3, 900 (3, 458)	Freehold	Factory lot	2 years	539,066

as at 23rd March 2000

Authorised Capital	: RM25,000,000
Issued and Paid up Capital	: RM18,000,000
Class of shares	: Ordinary Shares of RM1.00 each
Voting Rights	: One Vote per Share

SIZE OF HOLDINGS

Shareholdings (Number of Shares)	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
1- 1,000	1,140	56.60	1,140,000	6.33
1,001 - 5,000	674	33.47	2,025,000	11.25
5,001-10,000	85	4.22	732,000	4.07
10,001 & above	115	5.71	14,103,000	78.35
Total:	2,014	100.00	18,000,000	100.00

TWENTY LARGEST SHAREHOLDERS

	No. of Shares	%
1. Lim Jit Chow	4,108,000	22.82
2. Pilecon Engineering Berhad	4,021,000	22.34
3. Zecon Engineering Berhad	608,000	3.38
4. Wong Teck Lin	505,000	2.81
5. Southern Nominees (Tempatan) Sdn Bhd (account for IntegerVest Sdn Bhd)	500,000	2.78
6. Tye Tek Ngo	412,000	2.29
7. Eng Nominees (Asing) Sdn Bhd (account for Kay Hian P/L for Kwek I Huang)	375,000	2.08
8. Eng Nominees (Asing) Sdn Bhd (account for Kay Hian P/L for Wong Teck Lin)	265,000	1.47
9. JF Apex Nominees (Tempatan) Sdn Bhd (account for Lee Foong Sam)	122,500	0.68
10. Mahyon Haji Idros	122,000	0.68
11. Lim Hsiu Hoon	108,000	0.60
12. Lim Hsiu Min	104,000	0.58
13. Citicorp Nominees (Tempatan) Sdn Bhd (account for Lee Foong Sam)	100,000	0.56
14. Hanjar Sdn Bhd	100,000	0.56
15. Thong & Kay Hian Nominees (Asing) Sdn Bhd (account for Kay Hian P/L for Kwek I Huang)	100,000	0.56
16. Tye Pei Pin	99,000	0.55
17. Mohd Tahir B Hj Abdul Manan	85,000	0.47
18. OSK Nominees (Tempatan) Sdn Bhd (account for Lee Foong Sam)	81,000	0.45
19. RHB Nominees (Asing) Sdn Bhd (account for Kripalson International Ltd)	71,000	0.39
20. Cimsec Nominees (Tempatan) Sdn Bhd (account for Zainal Abidin b Ahmad)	69,000	0.38
Total:	11,955,500	66.43

SUBSTANTIAL SHAREHOLDERS

	No. of Shares	%
1. Lim Jit Chow	4,108,000	22.82
2. Pilecon Engineering Berhad	4,021,000	22.34
3. Wong Teck Lin	815,000	4.53
4. Zecon Engineering Berhad	608,000	3.38
5. Kwek I Huang	525,000	2.92
6. IntegerVest Sdn Bhd	500,000	2.78
7. Tye Tek Ngo	412,000	2.37
8. Lee Foong Sam	371,000	2.07

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Proxy Form

No. of shares held

--

I/We
(Please Use Block Letters)

of
 being a member/members of Industronics Berhad hereby appoint
 of
 or failing him
 of
 as my/our proxy to vote for me/us on my/our behalf at the Twenty-Fifth Annual General Meeting of the company to be held at **Hang Tuah Room, Level 3, The Mines Beach Resort & Spa, Jalan Dulang, The Mines Resort City, 43300 Seri Kembangan, Selangor D. E.** on **Friday, 19th May 2000** at **10.30 a.m.** and any adjournment thereof.

My/our proxy is to vote as indicated below:-

RESOLUTION	FOR	AGAINST
1. Resolution 1		
2. Resolution 2		
3. Resolution 3		
4. Resolution 4		
5. Resolution 5		
6. Resolution 6		
7. Resolution 7		
8. Resolution 8		
9. Resolution 9		

Please indicate with 'X' in the appropriate spaces how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Signed this day of2000

.....
Signature of shareholder

Notes:-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote in his stead. A proxy need not be a member of the Company. Where a member appoints two proxies the appointment shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 9, Jalan Taming 3, Taman Tanming Jaya, 43300 Seri Kembangan, Selangor Darul Ehsan not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
2. In the case of a corporation, the Form of Proxy must be either under seal or signed by a duly authorised officer or attorney.

fold this flap for sealing

**Affix
Stamp**

COMPANY SECRETARY
INDUSTRONICS BERHAD (23699-X)
No. 9, Jalan Taming 3,
Taman Tanming Jaya,
43300 Seri Kembangan,
Selangor Darul Ehsan,
Malaysia.

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1st fold here



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