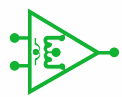


# Annual Report 2000 Laporan Tahunan



**INDUSTRONICS BERHAD**  
(23699-X)

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# Malaysia



## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Sixth 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 **Wednesday, 23 May 2001 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 31 December 2000.   | (Resolution No. 1) |
| 2. | To approve the payment of a First and Final Tax Exempt Dividend of 5 sen per share.  | (Resolution No. 2) |
| 3. | To approve the payment of Directors' Fees.   | (Resolution No. 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 No. 4) |
| 5. | To re-elect Dr. Junid bin Abu Saham who retires in accordance with Article 101 of the Company's Articles of Association and, being eligible, offers himself for re-election.     | (Resolution No. 5) |
| 6. | Dato' Dr. Gan Miew Chee @ Gan Khuan Poh who retires in accordance with Article 106 of the Company's Articles of Association, does not wish to seek re-election.                  | (Resolution No. 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 No. 7) |

### AS SPECIAL BUSINESSES

- |     |   |                    |
|-----|---|--------------------|
| 8.  | To consider and, if thought fit, pass the following resolution as Ordinary Resolution:<br>"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 30 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."  | (Resolution No. 8) |
| 9.  | To consider and, if thought fit, pass the following resolution as Ordinary Resolution:<br>"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." | (Resolution No. 9) |
| 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-Sixth Annual General Meeting, a First and Final Tax Exempt Dividend of 5 sen per share in respect of the financial year ended 31 December 2000 will be paid on 15 June 2001 to members appearing in the Register at the close of business on 25 May 2001.

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 23 May 2001 (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 25 May 2001 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  
4 May 2001

### 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 Tanming 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  
Dato' Dr. Gan Miew Chee @ Gan Khuan Poh

### AUDIT COMMITTEE

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

### COMPANY SECRETARY

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

### SOLICITORS

Harjit & Co.  
K.Y. Foo & Company

### PRINCIPAL BUSINESS ADDRESS

No. 9 Jalan Taming 3  
Taman Tanming Jaya  
43300 Seri Kembangan  
Selangor D.E.

### STOCK EXCHANGE LISTING

Second Board of the Kuala Lumpur Stock Exchange



# Malaysia



## BOARD OF DIRECTORS

**Dato' Mohd Tahir bin Hj Abdul Manan**  
Chairman



**Dr. Lim Jit Chow**  
Managing Director



**Tan Hock Keng**  
Director



**Lee Foong Sam**  
Executive Director



**Tengku Shamsul Bahrin**  
Director



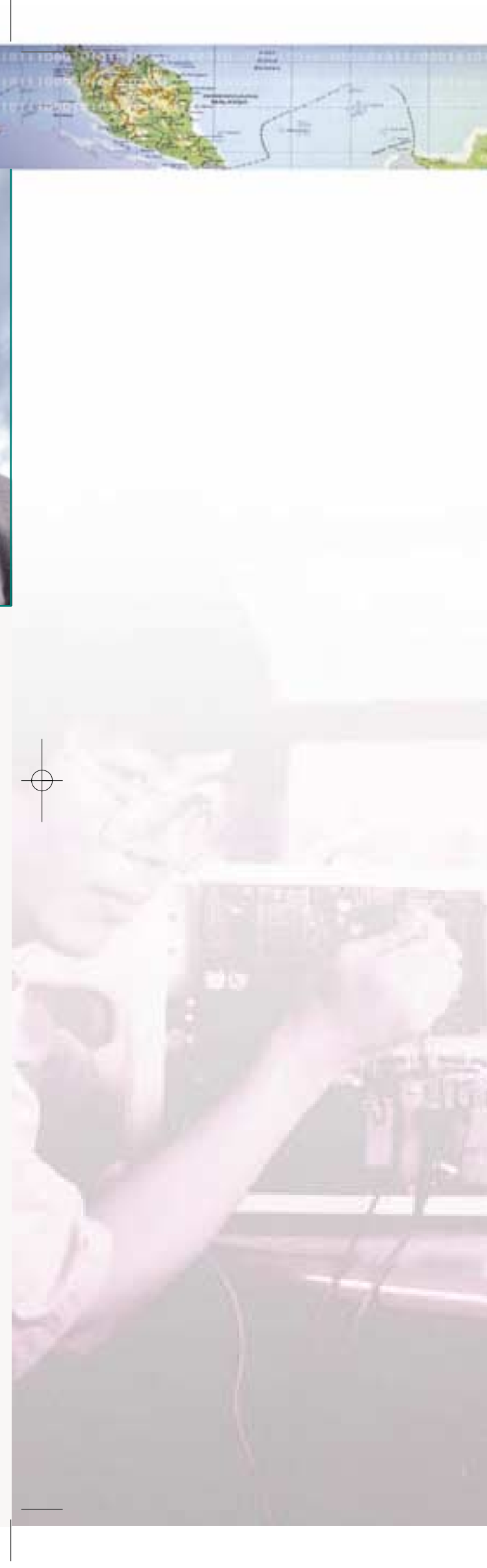
**Dr. Junid Bin Abu Saham**  
Director



**Gan Boon Chuan**  
Executive Director



**Dato' Dr. Gan Miew Chee  
@ Gan Khuan Poh**  
Director





## AUDIT COMMITTEE

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

### 1. Composition

The committee shall consist of at least three (3) members, the majority of whom are independent non-executive Directors. The members of the Committee shall elect a Chairman from among their number who shall be an independent Director.

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

### 2. Authority

The Committee is granted the authority to investigate any activity within its terms of reference and all employees are directed to cooperate as requested by members of the Committee. The Committee shall have unlimited access to all information and documents relevant to its activities, to the Internal and External Auditors, and to senior management of the Company and its subsidiaries. The Committee is empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibility.

### 3. Duties

The duties of the Committee shall be:-

- (a) To consider the appointment of the External Auditors, the audit fees and any questions of their resignation or dismissal.
- (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 quarterly, and year-end financial statements before submission to the Board.
- (d) To discuss problems and reservations arising from the interim and final 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 ensure co-ordination between the Internal and External Auditors.
- (f) To keep under review the effectiveness of internal systems, and in particular to review the External Auditors' letter to management and management's response.
- (g) To consider other matters relating to audit.

### 4. Meetings

- (a) The Committee is to meet at least four times a year and as many times as the Committee deems necessary;
- (b) The quorum for any meeting of the Committee shall be at least two independent Directors;
- (c) The Financial Controller, the Head of Internal Audit 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.

### 5. Reporting Procedures

Minutes of each meeting shall be kept and distributed to each member by the Secretary to the Committee who shall be the Company Secretary. The Chairman of the Committee shall report to the Board of Directors after each meeting of the Committee.



# Malaysia



## CHAIRMAN'S STATEMENT

*“Many modern infrastructural projects today, like intelligent highways, mass transportation systems, airports, convention centres and sports complexes have significant information communications technology (ICT) contents which can generate business opportunities for companies like Industronics Berhad.”*

**Dato' Mohd Tahir bin Hj Abdul Manan**  
Chairman



### General Overview

Year 2000 was a year of continued recovery for the Malaysian economy when the GDP growth bounced back from -6.7% in 1998 to 5.8% in 1999 and further increasing to 8.5% in Year 2000.

However, the global economy is still in a turbulent state with the impending rapid slowdown in the American economy triggering a potential recession in Year 2001. The Japanese economy has also failed to recover and may experience another recession. The collapse of the dot.com euphoria and the profit warnings by major US technology giants send jitters to stock markets worldwide. Amidst the global uncertainties, the Malaysian GDP growth is expected to pull back in the coming Year 2001, hopefully still in the positive territory of about 5%. The anticipated V shape recovery has now become a W shape recovery for the Malaysian economy. Let us hope that at the next turn-around, we will see a sustained growth for a good number of years to come.

### Group Performance

Given the turbulent regional and global economic climate, the group performance for Year 2000 can be considered satisfactory. The group profit before tax was reduced by 19.5% to RM11.70 million while the group turnover decreased by 15.3% to RM89.51million.



### **Business Outlook**

The electronic and technology sectors in US, more especially the semiconductor and IT sectors, have been severely affected by the slowdown in the US economy. Being heavily dependent on the US market for electronic export, the Malaysian Government has rightfully taken contingent measures to counter the impact of the US economic downturn.

On the homefront, there is a concern about the decline of our GDP growth which hopefully will bottom out in strong positive territory. Another concern is the sustainability of our currency tag and overall decline of our balance of payment position.

Fortunately, Industronics Berhad is not dependent on the US market for its product sales. The group also stands to gain from the emphasis the Government is putting on spearheading the economic recovery by increasing spending on infrastructural development. Many modern infrastructural projects today, like intelligent highways, mass transportation systems, airports, convention centres and sports complexes have significant information communications technology (ICT) contents which can generate business opportunities for companies like Industronics Berhad.

### **Board Changes**

On 22 May 2000, the Board appointed Dato' Dr. Gan Miew Chee @ Gan Khuan Poh as Director of the Company. On behalf of the Board of Directors, I would like to welcome Dato' Dr. Gan as a new member of the Board.

### **Acknowledgement**

The success of any Company depends on the dedicated services put in by all employees and the unfailing support by valued customers, suppliers, bankers and shareholders. To all, I would like to convey our heartfelt appreciation on behalf of the Board.



### Corporate Development

During the financial year, the Company successfully completed a rights issue of 3 for 5 raising a total proceeds of RM16.2 million. Together with a bonus issue of 2 for 5, the total issued and paid-up capital of the Company increased by 18 million ordinary shares to 36 million ordinary shares RM1.00 each.

The Company had on 17 August 2000 implemented its Employee Share Option Scheme. The Scheme shall be in force for five years commencing from 17 August 2000 and expiring on 16 August 2005. At the commencement of the Scheme, a total of 3,399,000 options were granted to the eligible employees at the option prices of RM3.262 and RM3.645 each.

### Business Highlights

During the year, the Company supplied and installed three full colour LED video matrix displays in Langkawi. The Company also completed its new design of full colour LED video matrix display board which would be exhibited in the forthcoming Cebit Exhibition in Hannover, Germany in March 2001. A mobile and transportable version of full colour LED screen was also designed and manufactured to meet the growing demand by the rental market for such screens.

The Telecommunications Division had a successful year commissioning secondary network synchronisation equipment for Telekom Malaysia for its national digital backbone. The highway & ITS division was busy implementing the traffic control, surveillance and toll equipment for the Sprint Highway.

The M&E subsidiary, Sukitronics Sdn. Bhd., enjoyed a profitable year with projects in the oil & gas and the power industry. Associate company, PDX Computers Sdn. Bhd., secured a sizable contract from Motorola China. PDX was also awarded the high profile contract to provide the "Electronic Government e-Services Gateway", one of the MSC Flagship projects.

### Prospects

Despite the anticipated slow down in the Malaysian economy in year 2001 due to the turbulence in the US, Japanese and regional economy, the Malaysian Government is still strongly committed to promote the growth of K-economy and the deployment of information and communications technology (ICT) in all aspects of national development. This would give rise to exciting prospects for the Industronics Group in the near future.

### Acknowledgement

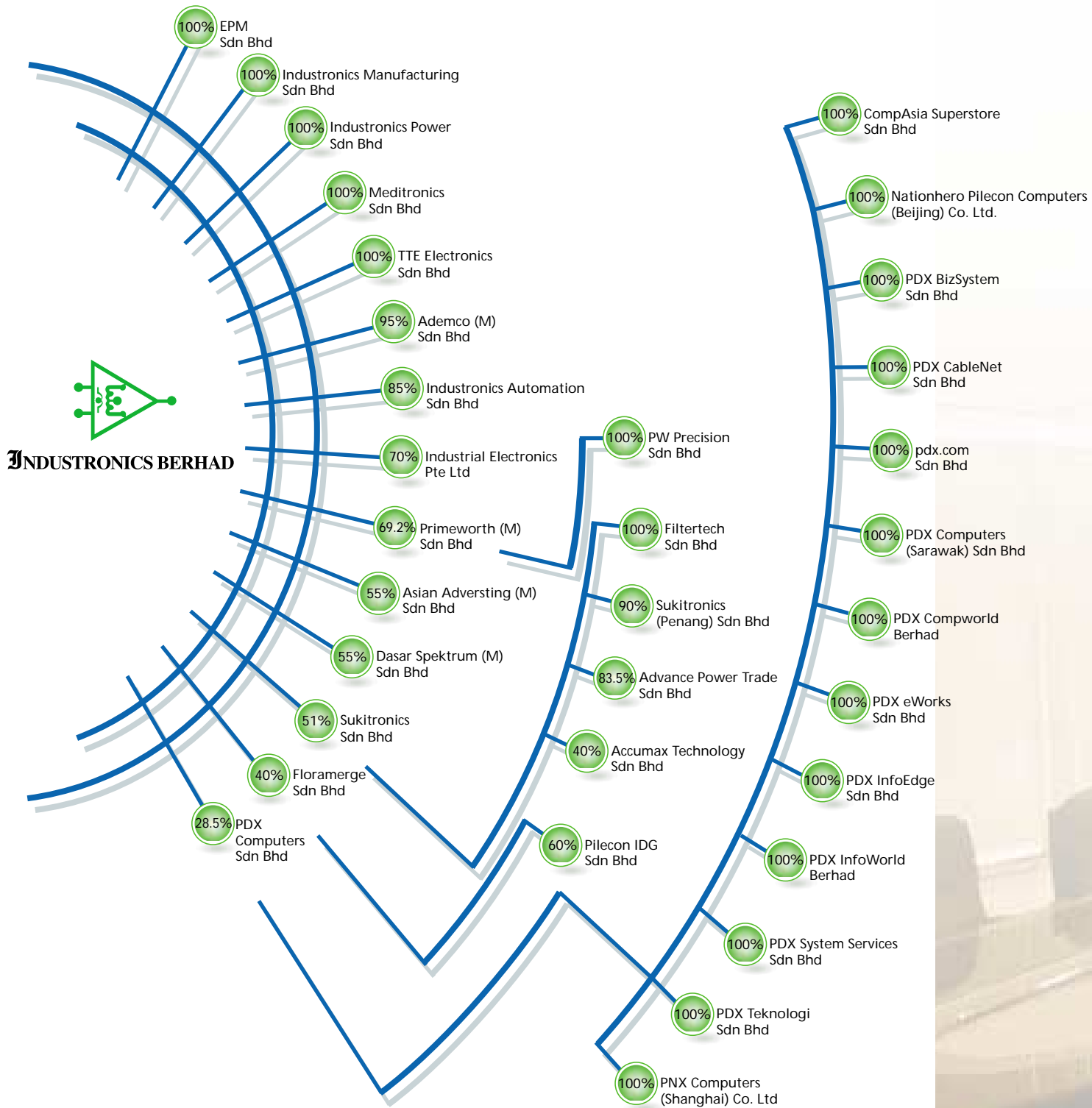
On behalf of the Board of Directors, I would like to record our appreciation to all our customers, business associates, bankers, suppliers, shareholders and employees for their unfailing support which had contributed to the success for our business.



# Malaysia



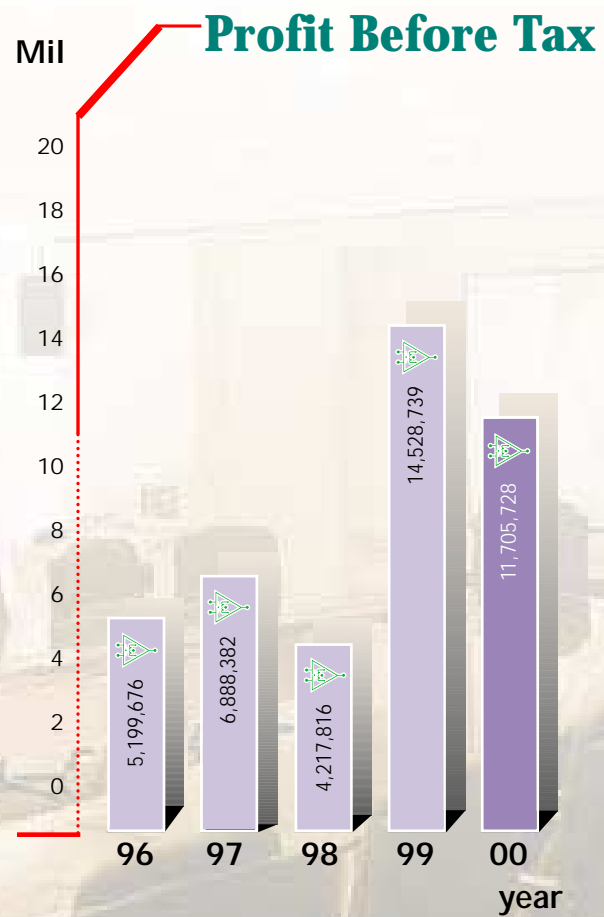
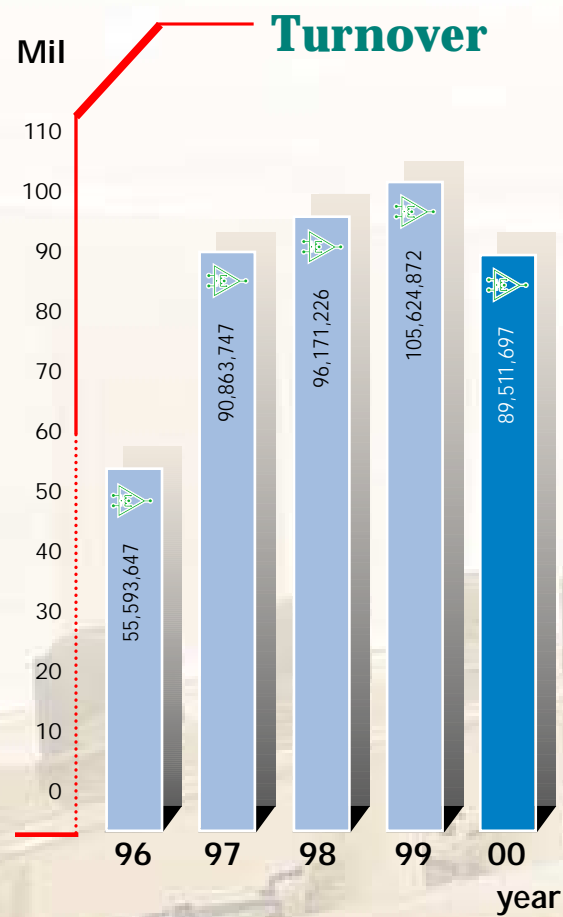
## CORPORATE STRUCTURE





# FINANCIAL HIGHLIGHTS

	1996	1997	1998	1999	2000
<b>Turnover</b>	55,593,647	90,863,747	96,171,226	105,624,872	89,511,697
<b>Profit Before Tax</b>	5,199,676	6,888,382	4,217,816	14,528,739	11,705,728



Industronics Berhad

Annual Report 2000



# Malaysia



## OPERATIONS HIGHLIGHTS



### Display Division

The LED display division completed a new mobile and transportable LED full colour video matrix display board. This board can be transported to any location and be assembled and operational within 4 hours. Alternately, the board can be mounted on a mobile truck complete with its own generator for use in any outdoor event. These mobile display boards are ideal for rental business.



### AV/ Multimedia/ ITS Division

The AV/Multimedia/ITS division targets to be a major player in Malaysia in the field of intelligent transportation system (ITS) solutions and high-tech AV and Multimedia applications. The division was busy in Year 2000 on the installation of the traffic management, surveillance and toll system for the Sprint Highway. The AV/Multimedia activities for the year include the installation of Smart Classrooms for educational institutions.



### Communications Division

The Communications Division continues its leading position in the supply of first and second level of digital network synchronization equipment in Malaysia.

During the year, the Division completed the supply and installation of secondary synchronization equipment to Telekom Malaysia for its national digital transmission backbone.

The division also won a contract to supply and integrate network synchronization equipment with comprehensive network management system for one major GSM Mobile Operator in Malaysia.

Due to the excellent performance, the division was given special awards by its overseas principal in recognition for achieving the highest sales of synchronization equipment in the Asian Region for the past two years.

The division provides satellite based high precision time reference for Local Area Network (LAN) application. Major customers with successful installations include SIRIM, DiGi, Jaring, KLIA and Tenaga Nasional Berhad.

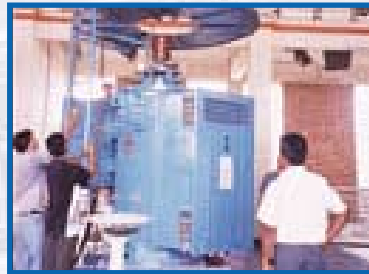
The division was also active in RF and rural communications and the design and installations of specialised lightning protection system for telecommunications networks.





#### **Sukitronics Sdn. Bhd.**

Subsidiary, Sukitronics group of companies are involved in M&E engineering, focusing on projects in oil & gas, power generation and water treatment plants. During the year, Sukitronics was involved in installation of fire protection system for Kulim Hitech Park Independent Utility Power Plant. Its subsidiary, Advance Power Trade Sdn. Bhd. installed major water pumping system supplying water to Geberg industrial hub.



#### **TTE Electronics Sdn. Bhd.**

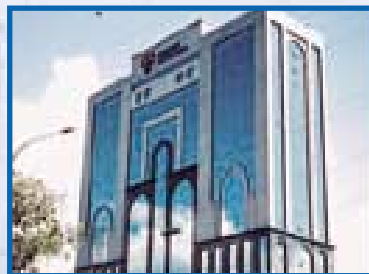
As the contract manufacturing arm of Industronics Berhad group, TTE continued to expand its business scope with the installation of an additional SMT line. TTE targets to provide complete range of contract manufacturing services including design, procurement, assembly, testing and delivery to satisfy even the most demanding customers. The company plans to install more hi-tech modern production equipment and ICT testing facilities to meet the requirement of the modern electronic industries.



#### **Ademco (Malaysia) Sdn Bhd**

Ademco is a subsidiary involved in providing complete solutions for security and access control, surveillance and alarm monitoring systems.

It has a wide customer base of big and small business corporations including Tenaga National Berhad, Jaya Jusco, Post Offices and major housing estates.





# Malaysia



## OPERATION HIGHLIGHTS



### **Primeworth (M) Sdn Bhd**

Subsidiary company, Primeworth (M) Sdn. Bhd. had shifted into a new and larger premise in the course of the year to meet the need for business expansion. Focusing on precision sheet metal fabrication business using computer controlled punching, shearing and bending machines, Primeworth manufactures precision sheet metal parts and equipment racks for the electronic and telecommunications industries.



### **Asian Advertising (M) Sdn. Bhd.**

As an advertising agency within the Industronics Group, Asian Advertising (M) Sdn. Bhd. provides a range of marketing services in above and below the line for commercial advertising. The agency has also expanded its services in full colour LED video matrix advertising.



### **PDX Computers Sdn. Bhd.**

The Group IT business activities are carried out by the PDX group of companies. The PDX group covers the complete spectrum of I.T. based business including system integration, software and applications development, system services, e-Commerce, retail and distribution.

The highlight for the year was the award of the high profile MSC flagship application project, the "Electronic Government e-Services Gateway" to PDX.Com Sdn. Bhd. PNX Computers (Shanghai), a fully own subsidiary of PDX Computers had a successful year providing network integration solutions to well-known corporations like Motorola, China.



# FINANCIAL STATEMENTS

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## DIRECTORS' REPORT

for the year ended 31 December 2000

The directors have pleasure in presenting their report together with the audited accounts of the Group and of the Company for the financial year ended 31 December 2000.

### PRINCIPAL ACTIVITIES

The principal activities of the Company include the design, manufacturing and installation of electronics and microprocessor controlled products, telecommunication equipment supply and services, AV multimedia systems, intelligent transportation systems and major system integration projects involving Information Communication Technology (ICT).

The principal activities of the subsidiary companies and associated companies are set out in Note 37 to the accounts.

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

### FINANCIAL RESULTS

	<b>GROUP 2000 RM</b>	<b>COMPANY 2000 RM</b>
Profit after taxation	7,648,507	5,037,866
Minority interests	(2,525,960)	-
	<hr/>	<hr/>
Profit for the year	5,122,547	5,037,866
Retained profits at beginning of year	22,406,035	16,660,117
	<hr/>	<hr/>
Profit available for appropriation	27,528,582	21,697,983
Capitalised for bonus issue	(7,200,000)	(7,200,000)
	<hr/>	<hr/>
Dividend	20,328,582 (1,800,000)	14,497,983 (1,800,000)
	<hr/>	<hr/>
Retained profits at end of year	<u>18,528,582</u>	<u>12,697,983</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 tax exempt dividend of 5 sen per share amounting to RM900,000 in respect of the financial year ended 31 December 1999 was paid on 7 July 2000 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 RM1,800,000 for the financial year ended 31 December 2000.

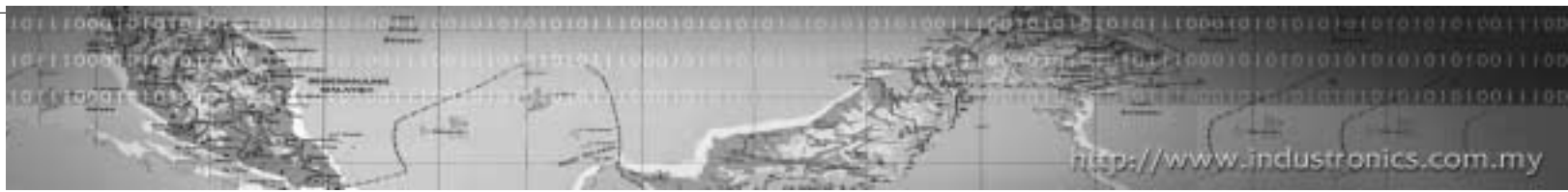
### RESERVES AND PROVISIONS

There were 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 income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps to ascertain that proper action had been 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 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 of bad debts written off or the provision for doubtful debts in the accounts inadequate to any material extent.



## DIRECTORS' REPORT (Cont'd)

for the year ended 31 December 2000

### **CURRENT ASSETS**

Before the income statements 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 have arisen which render adherence to the existing methods 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 and 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.

### **CHANGE OF CIRCUMSTANCES**

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or 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.

### **SIGNIFICANT EVENTS**

Significant events during the financial year are disclosed in Note 36 to the accounts.

### **EMPLOYEE SHARE OPTION SCHEME**

The Industronics Berhad's Employee Share Option Scheme ("ESOS" or the "Scheme") was approved by the shareholders at the Extraordinary General Meeting held on 30 March 2000 and became effective on 17 August 2000.

The principal features of the ESOS are as follows:

- (i) The total number of options offered under the Scheme shall not exceed 10% of the total issued and paid-up share capital of the Company at any point in time during the duration of the Scheme. At the commencement of the Scheme the total number of shares available for offer is 3,399,000 ordinary shares of RM1.00 each.
- (ii) Eligible employees and Executive Directors of the Company and its subsidiary companies are entitled to the ESOS and subscribe for new ordinary shares of RM1.00 each in the Company.



# Malaysia

## DIRECTORS' REPORT (Cont'd)

for the year ended 31 December 2000

### EMPLOYEE SHARE OPTION SCHEME (Cont'd)

- (iii) Employees who are eligible to participate in the Scheme must have been in service of the Group for a continuous period of at least one (1) year for Malaysian employee (including full time Executive Directors) and three (3) years of continuous services under an employment contract for non-Malaysian employee.
- (iv) The ESOS shall continue to be in force for a duration of five (5) years commencing from 17 August 2000 to 16 August 2005.
- (v) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company during the year commencing from the date of the offer and expiring on 16 August 2005. The options granted shall be exercisable by the grantee in the following manner:-

Number of Options Granted	Maximum Percentage of Options Exercisable in Each Year Commencing from Date of Offer				
	Year 1	Year2	Year3	Year4	Year5
Below 5,000	100%	-	-	-	-
5,000 to less than 10,000	50%	50%	-	-	-
10,000 to less than 60,000	# 40%	30%	* 30%	-	-
60,000 and above	20%	20%	20%	20%	20%

# 40% or 10,000 Options, whichever is the lower

\* 30% or the remaining number of Options unexercised

A grantee who is not a Malaysian citizen shall be allowed to exercise not more than 20% of the options granted per year. For those who are serving under an employment contract and the remaining duration of the contract is less than five (5) years from the date of offer, any remaining unexercised options can be exercised on the expiry of the contract.

- (vi) The subscription price of the options shall be the higher of the following:
- Up to a 10% discount of the weighted average market price of the shares as shown in the daily official list issued by Kuala Lumpur Stock Exchange for the five (5) market days preceding the date of offer; and
  - The par value of the share.
- (vii) The Scheme shall be administered by the Option Committee comprising senior management personnel appointed by the Board.
- (viii) All the new ordinary shares issued arising from the ESOS rank pari-passu in all respect with the existing ordinary shares of the Company.

During the financial year, there are no share option exercised by eligible employees.

### ISSUE OF SHARES AND DEBENTURES

During the financial year,

- the authorised share capital of the Company was increased from RM25 million to RM100 million by the creation of 75 million ordinary shares of RM1.00 each;
- the issued and paid-up share capital of the Company was increased from 18,000,000 ordinary shares of RM1.00 each to 36,000,000 ordinary shares of RM1.00 each by way of:-
  - A bonus issue of 7,200,000 new ordinary share of RM1.00 each in the Company on the basis of two (2) new ordinary shares for every five (5) existing ordinary shares held by capitalising RM7,200,000 from the retained profits of the Company; and
  - A rights issue of 10,800,000 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.50 per share on the basis of three (3) new ordinary shares for every five (5) existing ordinary shares held prior to the Bonus Issue.

The resulting share premium of RM5,400,000 arising from the rights issue has been credited to the share premium account.

The Company has not issued any debentures during the financial year.



## DIRECTORS' REPORT (Cont'd)

for the year ended 31 December 2000

### STATUS OF THE UTILISATION OF PROCEEDS FROM RIGHTS ISSUE

The status of utilisation of proceeds from the Rights Issue as mentioned in the preceding section as at 31 December 2000 was as follows:-

	Approved RM	Amount Utilised RM	Balance RM
(i) Repayment of bank borrowings	5,410,000	5,410,000	-
(ii) Working capital for:			
(a) two infrastructure projects secured	8,000,000	8,000,000	-
(b) research and development (R&D) activities	1,290,000	+1,056,322	233,678
(c) constructing a mobile LED full colour video matrix display board	1,000,000	+ 648,080	351,920
(iii) Estimated rights issue expenses	500,000	*500,000	-
	<b>16,200,000</b>	<b>15,614,402</b>	<b>585,598</b>

+ the Board had on 16 November 2000 resolved by way of a final resolution that out of the unutilised proceeds of RM1.57 million originally allocated for research and development activities, RM1.0 million is to be revised for purpose of constructing a mobile LED full colour video matrix display board, which will form part of the Company's stock either for rental or future sale purposes.

\* of the RM500,000 originally allocated for the estimated rights issue expenses of the corporate exercise undertaken by the Company, only RM374,599 was incurred. The balance of RM125,401 has been used for general working capital purposes.

### DIRECTORS IN OFFICE

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  
 Dato' Dr. Gan Miew Chee @ Gan Khuan Poh - appointed on 22 May 2000

In accordance with Article 101 of the Company's Articles of Association, Dr. Junid bin Abu Saham retires from office at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

In accordance with Article 106 of the Company's Articles of Association, Dato' Dr. Gan Miew Chee @ Gan Khuan Poh, who was appointed to the Board during the financial year, retires from office at the forthcoming Annual General Meeting, does not wish to seek 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 being eligible, offers himself for re-appointment in accordance with Section 129(6) of the said Act.



# Malaysia

## DIRECTORS' REPORT (Cont'd)

for the year ended 31 December 2000

### DIRECTORS' INTERESTS

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:-

	Number of ordinary shares of RM1 each			
	As at 1.1.2000	Bought	Sold	As at 31.12.2000
<b>The Company</b>				
<b>Direct</b>				
Dato' Mohd Tahir bin Hj. Abdul Manan	85,000	85,000	-	170,000
Dr. Lim Jit Chow	4,108,000	4,110,000	-	8,218,000
Lee Foong Sam	371,000	391,000	-	762,000
Tengku Shamsul Bahrin	15,000	9,000	10,000	14,000
Gan Boon Chuan	-	45,000	-	45,000
<b>Indirect</b>				
Dato' Mohd Tahir bin Hj. Abdul Manan	136,000	122,000	14,000	244,000
Dr. Lim Jit Chow	311,000	331,000	-	642,000
Tan Hock Keng	4,021,000	6,488,000	-	10,509,000

	Option over ordinary shares of RM1 each			
	As at 1.1.2000	Granted	Exercised	As at 31.12.2000
Dr. Lim Jit Chow	-	190,000	-	190,000
Lee Foong Sam	-	150,000	-	150,000
Gan Boon Chuan	-	110,000	-	110,000

	Number of ordinary shares of RM1 each			
	As at 1.1.2000	Bought	Sold	As at 31.12.2000
<b>Subsidiary companies</b>				
<b>Dasar Spektrum (M) Sdn. Bhd.</b>				
<b>Direct</b>				
Dr. Lim Jit Chow	60,000	-	-	60,000
<b>Asian Advertising (M) Sdn. Bhd.</b>				
<b>Direct</b>				
Dr. Lim Jit Chow	90,000	-	-	90,000

By virtue of their substantial interests in the shares of the Company, Dr. Lim Jit Chow and Mr Tan Hock Keng are deemed to have interests in the shares of its subsidiary companies to the extent of the interest of the Company in these subsidiary companies.

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

### 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 except for Dr. Lim Jit Chow, who may deem to derive benefits by virtue of rental payable by the Group amounting to RM174,000 to a corporation in which he has a substantial financial interest.



# DIRECTORS' REPORT (Cont'd)

for the year ended 31 December 2000

## **DIRECTORS' BENEFITS (Cont'd)**

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 except for their entitlement to subscribe for new shares for options granted under the ESOS implemented by the Company.

## **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

LEE FOONG SAM

Kuala Lumpur  
16 April 2001

Annual Report 2000  
Industronics Berhad



# Malaysia

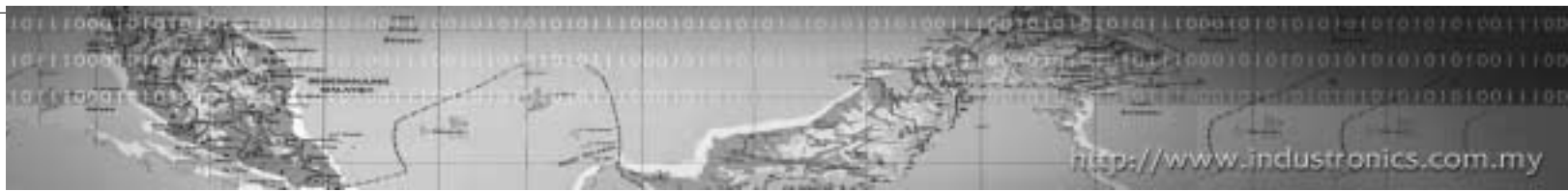
## BALANCE SHEETS

as at 31 December 2000

### BALANCE SHEETS

	Note	GROUP		COMPANY	
		2000 RM	1999 RM	2000 RM	1999 RM
<b>FIXED ASSETS</b>	2	24,066,388	17,323,859	13,716,168	11,116,370
SUBSIDIARY COMPANIES	3	-	-	18,091,681	8,000,555
ASSOCIATED COMPANIES	4	10,067,232	5,260,897	8,227,463	6,429,990
INVESTMENTS	5	5,813,976	2,798,181	2,116,100	443,298
DEVELOPMENT COSTS	6	845,058	-	845,058	-
DEFERRED EXPENDITURE	7	-	393,394	-	-
GOODWILL ON CONSOLIDATION	8	303,668	265,847	-	-
<b>CURRENT ASSETS</b>					
Stocks	9	22,914,668	22,163,470	19,960,365	19,187,769
Amount due from customers	10	6,152,323	1,521,936	5,824,196	-
Trade receivables	11	38,041,532	43,872,911	11,353,735	22,265,520
Other receivables, deposits and prepayments	12	2,532,700	2,874,763	942,687	703,996
Cash, bank balances and deposits	13	4,956,474	9,063,825	2,154,325	1,247,790
		74,597,697	79,496,905	40,235,308	43,405,075
Less:-					
<b>CURRENT LIABILITIES</b>					
Amount due to customers	14	-	2,388,624	-	2,388,624
Trade payables		16,981,872	15,023,457	6,371,834	7,767,976
Other payables, deposits and accruals	15	10,186,129	8,864,217	4,432,839	3,126,010
Hire purchase creditors	16	477,152	789,692	137,336	168,840
Short term borrowings	17	8,094,025	20,817,813	5,034,442	15,692,725
Provision for taxation		1,999,228	1,151,694	331,230	409,597
Proposed dividend		1,800,000	900,000	1,800,000	900,000
		39,538,406	49,935,497	18,107,681	30,453,772
<b>NET CURRENT ASSETS</b>		35,059,291	29,561,408	22,127,627	12,951,303
		76,155,613	55,603,586	65,124,097	38,941,516
<b>SHARE CAPITAL</b>	18	36,000,000	18,000,000	36,000,000	18,000,000
<b>RESERVES</b>	19	27,125,928	22,768,967	28,753,762	17,345,849
<b>SHAREHOLDERS' FUNDS</b>		63,125,928	40,768,967	64,753,762	35,345,849
<b>MINORITY INTERESTS</b>		11,756,669	10,181,319	-	-
<b>TERM LOANS</b>	20	869,221	4,249,505	-	3,225,332
<b>DEFERRED TAXATION</b>	21	403,795	403,795	370,335	370,335
		76,155,613	55,603,586	65,124,097	38,941,516

The accompanying notes form an integral part of these accounts.



# INCOME STATEMENTS

for the year ended 31 December 2000

## Income Statements

	Note	GROUP		COMPANY	
		2000 RM	1999 RM	2000 RM	1999 RM
Turnover	22	89,511,697	105,624,872	49,672,516	50,126,503
Cost of sales		(56,204,705)	(70,202,097)	(31,080,945)	(30,094,503)
Gross profit		33,306,992	35,422,775	18,591,571	20,032,000
Other operating income		2,654,043	1,355,341	3,663,761	2,180,958
Selling and distribution costs		(3,512,984)	(3,528,785)	(3,431,587)	(3,424,127)
Administrative costs		(15,772,066)	(14,879,007)	(7,184,284)	(7,503,657)
Other operating expenses		(3,811,724)	(1,980,117)	(3,019,474)	(1,633,025)
Profit from operations		12,864,261	16,390,207	8,619,987	9,652,149
Finance costs		(1,679,206)	(2,247,079)	(1,258,346)	(1,758,775)
Exceptional items	23	330,552	280,884	107,568	112,000
Share of profit of associated companies		190,121	104,727	-	-
<b>Profit before taxation</b>	24	11,705,728	14,528,739	7,469,209	8,005,374
Taxation	25	(4,057,221)	(72,845)	(2,431,343)	(454,005)
<b>Profit after taxation</b>		7,648,507	14,455,894	5,037,866	7,551,369
Minority interests		(2,525,960)	(4,237,312)	-	-
<b>Profit for the year</b>		5,122,547	10,218,582	5,037,866	7,551,369
Earnings per share (sen) Basic	26	14.9	31.0		
Dividend per share (sen) Final	27	5.00	5.00		

The accompanying notes form an integral part of these accounts.



# Malaysia

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2000

### STATEMENT OF CHANGES IN EQUITY

#### GROUP

	Share capital ( Note 18 ) RM	Reserve on consolidation ( Note 19 ) RM	Share premium ( Note 19 ) RM	Exchange fluctuation reserve ( Note 19 ) RM	Revaluation reserve ( Note 19 ) RM	Retained profits RM	Total RM
At 1 January 1999	18,000,000	220,543	-	142,389	-	12,268,497	30,631,429
Prior year adjustment (Note 28)	-	-	-	-	-	818,956	818,956
As restated	18,000,000	220,543	-	142,389	-	13,087,453	31,450,385
Profit for the year	-	-	-	-	-	10,218,582	10,218,582
Dividend (Note 27)	-	-	-	-	-	(900,000)	(900,000)
At 31 December 1999/ 1 January 2000	18,000,000	220,543	-	142,389	-	22,406,035	40,768,967
Increased during the year	18,000,000	-	5,400,000	-	-	-	23,400,000
Currency translation differences	-	-	-	(13,130)	-	-	(13,130)
Dividend (Note 27)	-	-	-	-	-	(1,800,000)	(1,800,000)
Surplus on revaluation Capitalised for bonus issue	-	-	-	-	3,222,143	-	3,222,143
Share issue expenses	-	-	(374,599)	-	-	(7,200,000)	(7,200,000)
Profit for the year	-	-	-	-	-	5,122,547	5,122,547
At 31 December 2000	36,000,000	220,543	5,025,401	129,259	3,222,143	18,528,582	63,125,928
Total equity at 31 December 2000 is analysed as follows:							
Non-distributable	36,000,000	220,543	5,025,401	129,259	3,222,143	-	44,597,346
Distributable	-	-	-	-	-	18,528,582	18,528,582
	36,000,000	220,543	5,025,401	129,259	3,222,143	18,528,582	63,125,928

#### COMPANY

	Share capital ( Note 18 ) RM	Share premium ( Note 19 ) RM	Revaluation reserve ( Note 19 ) RM	Retained profits RM	Total RM
At 1 January 1999	18,000,000	-	685,732	10,008,748	28,694,480
Profit for the year	-	-	-	7,551,369	7,551,369
Dividend (Note 27)	-	-	-	(900,000)	(900,000)
At 31 December 1999/ 1 January 2000	18,000,000	-	685,732	16,660,117	35,345,849
Surplus on revaluation - land and building	-	-	2,763,470	-	2,763,470
- investment in subsidiaries	-	-	7,581,176	-	7,581,176
Dividend (Note 27)	-	-	-	(1,800,000)	(1,800,000)
Increased during the year	18,000,000	5,400,000	-	-	23,400,000
Capitalised for bonus issue	-	-	-	(7,200,000)	(7,200,000)
Share issue expenses	-	(374,599)	-	-	(374,599)
Profit for the year	-	-	-	5,037,866	5,037,866
At 31 December 2000	36,000,000	5,025,401	11,030,378	12,697,983	64,753,762
Total equity at 31 December 2000 is analysed as follows:					
Non-distributable	36,000,000	5,025,401	11,030,378	-	52,055,779
Distributable	-	-	-	12,697,983	12,697,983
	36,000,000	5,025,401	11,030,378	12,697,983	64,753,762

The accompanying notes form an integral part of these accounts.



# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2000

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Note</b>	<b>2000 RM</b>	<b>1999 RM</b>
<b>Profit before taxation</b>		11,705,728	14,528,739
Adjustments for:-			
Depreciation and amortisation		1,695,792	1,590,077
(Profit)/Loss on disposal of fixed assets		(65,012)	(195,795)
Interest income		(368,867)	(466,030)
Share of (profit)/loss in associated companies		(190,121)	(104,727)
Gain on disposal of quoted shares		(330,552)	-
Amortisation of deferred expenditure		-	133,871
Amortisation of development costs		211,264	-
Amortisation of goodwill		16,134	-
Fixed assets written off		16,083	-
Interest expenses		1,256,224	2,003,041
Bad debts written off		662,555	389,218
Deferred expenditure written off		393,394	-
Provision for obsolete stock		210,021	-
Stocks written off		1,081,434	5,000
Provision for doubtful debts		191,365	80,722
Provision for diminution in value of quoted shares		-	85,400
Dividend income		(22,816)	-
<b>Operating profit before working capital changes</b>		<b>16,462,626</b>	<b>18,049,516</b>
Increase in stocks		(2,042,653)	(935,780)
(Increase)/Decrease in amount due from customers		(4,630,387)	3,912,734
Decrease/(Increase) in trade and other receivables		5,408,853	(11,454,825)
Increase in trade and other payables		3,280,327	2,650,143
Decrease in amount due to customers		(2,388,624)	-
Decrease/(Increase) in short term borrowings		(10,243,727)	2,351,727
Increase in associated company		(2,281,923)	(772,771)
<b>Cash generated from operations</b>		<b>3,564,492</b>	<b>13,800,744</b>
Interest received		368,867	466,030
Interest paid		(1,256,224)	(2,003,041)
Tax paid		(3,209,687)	(1,447,711)
Dividend paid		(900,000)	(648,000)
Dividend paid to minority shareholders		(1,058,400)	(1,058,400)
<b>Net cash generated from/(used in) operating activities</b>		<b>(2,490,952)</b>	<b>9,109,622</b>

The accompanying notes form an integral part of these accounts.



# Malaysia

## CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

for the year ended 31 December 2000

<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>Note</b>	<b>2000 RM</b>	<b>1999 RM</b>
Development cost paid		(1,056,322)	-
Purchase of fixed assets		(5,076,631)	(1,642,861)
Purchase of investment in associated company		(2,536,900)	(1,543,226)
Proceeds from disposal of fixed assets		158,815	267,411
Proceeds from sale of investments		1,393,311	-
Investment in subsidiary company	29	(161,450)	(180,000)
Investment in quoted shares		(4,078,554)	(1,011,207)
Net cash inflow from disposal of subsidiary company	30	-	316,661
Dividend income		22,816	-
<b>Net cash used in investing activities</b>		<b>(11,334,915)</b>	<b>(3,793,222)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of hire purchase creditors		(312,540)	-
Repayment of term loans		(4,387,103)	(1,016,751)
Proceeds from issue of shares		15,825,401	-
Proceeds from minority interest in subsidiary company		66,000	-
<b>Net cash from / (used in) financing activities</b>		<b>11,191,758</b>	<b>(1,016,751)</b>
 <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(2,634,109)</b>	<b>4,299,649</b>
 <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>		<b>4,047,476</b>	<b>(252,173)</b>
 <b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>31</b>	<b>1,413,367</b>	<b>4,047,476</b>

The accompanying notes form an integral part of these accounts.



# NOTES TO THE ACCOUNTS

for the year ended 31 December 2000

## 1. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of accounting

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 investment in subsidiary companies and comply 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 2000. The results of subsidiary companies acquired or disposed during the financial year are included in the consolidated income statements from the effective date of acquisition or the date of disposal, as appropriate.

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

The difference between the cost of acquisition of subsidiary companies and the fair value of attributable net assets of subsidiary companies acquired represents goodwill or reserve arising on consolidation. Goodwill on consolidation is amortised over a period of twenty (20) years.

### (c) Subsidiary companies

Investments in subsidiary companies are stated at valuation based on the net tangible assets of the subsidiary companies.

The surplus on revaluation is credited to revaluation reserve. A decrease in net carrying value arising from revaluation of investments is charged to the income statements to the extent that it exceeds any surplus held in revaluation reserve relating to the previous revaluation of the same class of investments. The Group has the policy to revalue the investments in subsidiary companies every five (5) years or at such interval as the directors deem appropriate.

Dividend income from subsidiary companies are included in the income statement 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 and is in a position to exercise significant influence in their management.

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

### (e) Accounting for hire purchase

Fixed assets acquired under hire purchase agreements are capitalised at their purchase cost and depreciated on the same basis as owned assets. The total amounts payable under hire purchase agreements are included as hire purchase creditors.

The interest element of the rental obligation is charged to the income statements over the period of the hire purchase on a straight line basis.

### (f) Development Cost

Development cost is capitalised and amortised on a straight line basis over a period of five (5) years.

### (g) 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.



# Malaysia

## NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

### 1. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

#### h) Fixed assets and depreciation

Freehold land is not amortised. Leasehold land and building are amortised over the period of the lease.

Depreciation of other fixed assets is provided on a 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%
Electronic display board	10%

Where fixed assets are revalued, any surplus on revaluation is credited to asset revaluation reserve. A decrease in net carrying value arising from revaluation of fixed assets is charged to the income statements to the extent that it exceeds any surplus held in asset revaluation reserve relating to the previous revaluation of the same class of assets. The Group has the policy to revalue the fixed assets every five (5) years or at such interval as the directors deem appropriate.

#### (i) Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is determined using the weighted average method. Cost of finished goods and work-in-progress include raw materials, labour and an appropriate proportion of overhead expenses.

#### (j) Contract work-in-progress

Contract work-in-progress is stated at cost. Cost includes material, labour and a proportion of overhead expenses.

#### (k) Deferred expenditure

Deferred expenditure comprises preliminary and pre-operating expenses. For the current financial year and in accordance with Malaysian Accounting Standards Board, No. 1 "Presentation of Financial Statements", deferred expenditure is written off immediately to the income statements once they are incurred.

#### (l) 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.

#### (m) 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 income statements.

##### (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.

#### (n) Profit recognition

Profit from contracts is recognised on percentage of completion method with reference to amount of work done. Anticipated losses are provided in full.

#### (o) Cash flow statement

Cash flow statement is prepared using indirect method and classify changes in cash and cash equivalents according to operating, investing and financing activities. Cash and cash equivalents comprise cash and bank balances, fixed deposits and overdrafts.



# NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

## 2. FIXED ASSETS - GROUP

	As at 1.1.2000 RM	Additions RM	Disposals RM	Written off RM	Adjustments RM	As at 31.12.2000 RM
<b>At valuation</b>						
Freehold land and buildings	10,690,726	395,100	-	-	2,314,174	13,400,000
Long leasehold land and buildings	790,000	-	-	-	510,000	1,300,000
<b>At cost</b>						
Freehold land and buildings	-	3,016,335	-	-	-	3,016,335
Plant and machinery	2,906,639	96,776	-	-	-	3,003,415
Factory, tools and equipment	1,359,331	120,977	-	(9,805)	-	1,470,503
Motor vehicles	2,973,320	578,841	(256,543)	-	-	3,295,618
Computer and office equipment	4,092,374	519,875	(3,875)	(21,912)	-	4,586,462
Furniture, fittings and renovation	2,819,426	348,727	-	-	-	3,168,153
	<b>25,631,816</b>	<b>5,076,631</b>	<b>(260,418)</b>	<b>(31,717)</b>	<b>2,824,174</b>	<b>33,240,486</b>

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## NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

### 2. FIXED ASSETS - GROUP (Cont'd)

Accumulated depreciation	As at 1.1.2000 RM	Charge for the year RM	Disposals RM	Written off RM	Adjustments RM	As at 31.12.2000 RM
<b>At valuation</b>						
Freehold land and buildings	491,545	159,476	-	-	(586,271)	64,750
Long leasehold land and buildings	56,429	13,098	-	-	(61,131)	8,396
<b>At cost</b>						
Freehold land and buildings	-	-	-	-	-	-
Plant and machinery	1,382,841	358,623	-	-	-	1,741,464
Factory, tools and equipment	746,013	152,865	-	-	-	898,878
Motor vehicles	2,353,402	343,008	(166,421)	(3,641)	-	2,526,348
Computer and office equipment	-	-	-	-	-	-
Furniture, fittings and renovation	2,007,992	418,871	(194)	(11,993)	-	2,414,676
	1,269,735	249,851	-	-	-	1,519,586
	<b>8,307,957</b>	<b>1,695,792</b>	<b>(166,615)</b>	<b>(15,634)</b>	<b>(647,402)</b>	<b>9,174,098</b>

	Net book value		Depreciation charge 1999 RM
	As at 31.12.2000 RM	As at 31.12.1999 RM	
<b>At valuation</b>			
Freehold land and buildings	13,335,250	10,199,181	162,334
Long leasehold land and buildings	1,291,604	733,571	9,405
<b>At cost</b>			
Freehold land and buildings	3,016,335	-	-
Plant and machinery	1,261,951	1,523,798	225,630
Factory, tools and equipment	571,625	613,318	135,587
Motor vehicles	769,270	619,918	424,589
Computer and office equipment	2,171,786	2,084,382	403,560
Furniture, fittings and renovation	1,648,567	1,549,691	228,972
	<b>24,066,388</b>	<b>17,323,859</b>	<b>1,590,077</b>



# NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

## 2. FIXED ASSETS - COMPANY

	As at 1.1.2000 RM	Additions RM	Disposals RM	Written off RM	Adjustments RM	As at 31.12.2000 RM
<b>At valuation</b>						
Freehold land and buildings	8,081,023	-	-	-	2,018,977	10,100,000
Long leasehold land and building	420,000	-	-	-	280,000	700,000
<b>At cost</b>						
Plant and machinery	160,708	-	-	-	-	160,708
Factory, tools and equipment	815,866	45,917	-	-	-	861,783
Motor vehicles	1,975,348	224,708	(186,543)	-	-	2,013,513
Computer and office equipment	2,129,713	340,829	-	(20,362)	-	2,450,180
Furniture, fittings and renovation	1,573,230	18,623	-	-	-	1,591,853
	15,155,888	630,077	(186,543)	(20,362)	2,298,977	17,878,037

	As at 1.1.2000 RM	Charge for the year RM	Disposals RM	Written off RM	Adjustments RM	As at 31.12.2000 RM
<b>Accumulated depreciation</b>						
<b>At valuation</b>						
Freehold land and buildings	373,797	108,196	-	-	(431,993)	50,000
Long leasehold land and building	30,000	7,000	-	-	(32,500)	4,500
<b>At cost</b>						
Plant and machinery	109,533	16,071	-	-	-	125,604
Factory, tools and equipment	363,443	79,097	-	-	-	442,540
Motor vehicles	1,629,610	216,998	(152,421)	-	-	1,694,187
Computer and office equipment	923,077	217,901	-	(10,966)	-	1,130,012
Furniture, fittings and renovation	610,058	104,968	-	-	-	715,026
	4,039,518	750,231	(152,421)	(10,966)	(464,493)	4,161,869

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## NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

### 2. FIXED ASSETS - COMPANY (Cont'd)

	Net book value		Depreciation charge 1999 RM
	As at 31.12.2000 RM	As at 31.12.1999 RM	
<b>At valuation</b>			
Freehold land and buildings	10,050,000	7,707,226	117,140
Long leasehold land and building	695,500	390,000	5,000
<b>At cost</b>			
Plant and machinery	35,104	51,175	16,634
Factory, tools and equipment	419,243	452,423	74,932
Motor vehicles	319,326	345,738	280,350
Computer and office equipment	1,320,168	1,206,636	187,144
Furniture, fittings and renovation	876,827	963,172	113,277
	<u>13,716,168</u>	<u>11,116,370</u>	<u>794,477</u>

Included in the fixed assets of the Group and of the Company are assets being acquired under hire purchase instalment plans at cost of RM1,269,936 (1999: RM1,198,275) and RM536,937 (1999: RM526,252) respectively.

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

The land and buildings have been revalued by the directors in 1994 and 2000 based on independent professional valuation using the comparison method.

The tax effect on the revaluation surplus has not been provided for as these land and buildings are held on a long term basis.

Had the land and buildings been stated at cost less accumulated depreciation, the net book value of land and buildings would have been included in the accounts as at the end of the financial year as follows: -

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Freehold land and buildings	9,957,982	10,033,459	7,549,360	7,669,641
Long leasehold land and buildings	513,753	520,425	257,293	260,634
	<u>10,471,735</u>	<u>10,553,884</u>	<u>7,806,653</u>	<u>7,930,275</u>



# NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

### 3. SUBSIDIARY COMPANIES

	COMPANY	
	2000 RM	1999 RM
Unquoted shares:-		
- at cost	-	2,055,003
- at valuation	13,698,441	3,249,812
	<u>13,698,441</u>	<u>5,304,815</u>
Add: Amount due from subsidiary companies	4,624,761	3,557,474
Less: Amount due to subsidiary companies	231,521	861,734
	<u>4,393,240</u>	<u>2,695,740</u>
	<u>18,091,681</u>	<u>8,000,555</u>

The investment in subsidiary companies have been revalued by the directors in 1994 and 2000 based on the net tangible assets of the subsidiary companies as at 31 December 1994 and 31 December 2000. The surplus arising from revaluation in 1994 and 2000 amounting to RM2,070,000 and RM7,581,176 respectively have been credited to revaluation reserve (Note 19).

The amounts due from/(to) subsidiary companies are unsecured, have no fixed terms of repayment and interest free, other than certain amounts due from subsidiary companies which bear interest at 9% (1999: 9.9% to 10.5%) per annum.

### 4. ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Unquoted shares, at cost	6,182,526	3,825,626	5,984,126	3,627,226
Group's share of loss	(1,199,981)	(1,367,493)	-	-
	<u>4,982,545</u>	<u>2,458,133</u>	<u>5,984,126</u>	<u>3,627,226</u>
Add: Amount due from associated companies	5,099,967	2,802,764	2,258,617	2,802,764
Less: Amount due to associated companies	15,280	-	15,280	-
	<u>5,084,687</u>	<u>2,802,764</u>	<u>2,243,337</u>	<u>2,802,764</u>
	<u>10,067,232</u>	<u>5,260,897</u>	<u>8,227,463</u>	<u>6,429,990</u>

The amounts due from/(to) associated companies are unsecured, have no fixed terms of repayment and interest free, other than certain amounts due from associated company which bear interest at 9% (1999: 9.9% to 10.5%) per annum.



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## NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

### 5. INVESTMENTS

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Quoted shares in Malaysia, at cost	5,503,376	2,532,581	1,908,100	235,298
Less: Provision for diminution in value	85,400	85,400	-	-
	5,417,976	2,447,181	1,908,100	235,298
Unquoted shares in Malaysia Transferable memberships in golf clubs, at cost	3,000	-	-	-
	393,000	351,000	208,000	208,000
	5,813,976	2,798,181	2,116,100	443,298
Market value of quoted shares	2,194,232	2,142,458	990,837	375,298

No provision for diminution in value of quoted shares has been made in the income statements as the directors are of the view that the decline in value is of temporary nature and the shares are held on long term basis.

### 6. DEVELOPMENT COSTS

	GROUP/COMPANY	
	2000 RM	1999 RM
Development costs	1,056,322	-
Less: Amount amortised	211,264	-
	845,058	-

### 7. DEFERRED EXPENDITURE

	GROUP	
	2000 RM	1999 RM
Preliminary expenses, at cost	94,030	94,030
Pre-operating expenses, at cost	433,235	433,235
	527,265	527,265
Less: Amount amortised	133,871	133,871
	393,394	393,394
Less: Amount written off	393,394	-
	-	393,394



# NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

## 8. GOODWILL ON CONSOLIDATION

	GROUP	
	2000 RM	1999 RM
At 1 January	265,847	200,398
Increased during the year (Note 29)	53,955	65,449
Less: Amount amortised	16,134	-
At 31 December	303,668	265,847

## 9. STOCKS

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Finished goods	6,946,575	6,888,027	5,087,831	4,993,624
Raw materials	7,972,208	7,085,780	7,033,025	6,073,754
Goods in transit	2,237	1,116,305	2,237	1,116,305
Equipment and accessories	6,630,640	6,431,370	6,630,640	6,431,370
Work-in-progress	1,706,125	763,264	1,499,632	672,716
	23,257,785	22,284,746	20,253,365	19,287,769
Less: Provision for obsolete stocks	343,117	121,276	293,000	100,000
	22,914,668	22,163,470	19,960,365	19,187,769

## 10. AMOUNT DUE FROM CUSTOMERS

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Contract work-in-progress	11,919,949	2,470,154	11,413,652	-
Less: Provision for foreseeable losses	9,262	-	-	-
Add: Attributable profits	1,614,981	-	1,614,981	-
	13,525,668	2,470,154	13,028,633	-
Less: Progress billings	4,133,123	948,218	3,964,215	-
	9,392,545	1,521,936	9,064,418	-
Less: Advances from customer	3,240,222	-	3,240,222	-
	6,152,323	1,521,936	5,824,196	-



# Malaysia

## NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

### 11. TRADE RECEIVABLES

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Trade receivables	38,620,933	44,286,846	11,755,197	22,651,255
Less: Provision for doubtful debts	579,401	413,935	401,462	385,735
	<u>38,041,532</u>	<u>43,872,911</u>	<u>11,353,735</u>	<u>22,265,520</u>

### 12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Other receivables, deposits and prepayments	2,548,674	2,890,737	942,687	703,996
Less: Provision for doubtful debts	15,974	15,974	-	-
	<u>2,532,700</u>	<u>2,874,763</u>	<u>942,687</u>	<u>703,996</u>

### 13. CASH, BANK BALANCES AND DEPOSITS

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Cash and bank balances	1,146,303	1,810,291	854,325	1,047,790
Fixed deposits with licensed banks	3,810,171	7,253,534	1,300,000	200,000
	<u>4,956,474</u>	<u>9,063,825</u>	<u>2,154,325</u>	<u>1,247,790</u>

The fixed deposit of the Company of RM200,000 is held under lien by a bank for contract financing granted to the Company.

### 14. AMOUNT DUE TO CUSTOMERS

	GROUP/COMPANY	
	2000 RM	1999 RM
Contract work-in-progress	-	6,241,004
Add: Attributable profits	-	2,958,770
	-	<u>9,199,774</u>
Less: Progress billings	-	(11,588,398)
	-	<u>(2,388,624)</u>



## NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

### 15. OTHER PAYABLES, DEPOSITS AND ACCRUALS

Included in other payables, deposits and accruals of the Group and of the Company is deferred income of RM2,235,413 (1999: Nil).

### 16. HIRE PURCHASE CREDITORS

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Balance at 31 December	645,905	929,840	169,251	217,891
Less: Unexpired interest	168,753	140,148	31,915	49,051
Principal portion	477,152	789,692	137,336	168,840
Repayable as follows:				
Not later than one year	255,788	369,608	73,280	90,012
Later than one year and not later than five years	221,364	420,084	64,056	78,828
	477,152	789,692	137,336	168,840

### 17. SHORT TERM BORROWINGS

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Unsecured				
- Bank overdrafts	2,367,874	5,016,349	839,442	1,276,451
- Bankers' acceptance	1,595,000	6,138,727	1,595,000	5,002,000
- Revolving credit	2,600,000	8,300,000	2,600,000	8,300,000
	6,562,874	19,455,076	5,034,442	14,578,451
Secured				
- Bank overdrafts	1,175,233	-	-	-
- Term loan (Note20)	355,918	1,362,737	-	1,114,274
	8,094,025	20,817,813	5,034,442	15,692,725

The bank overdrafts carry interest rates at 1.5% to 2.5% (1999: 1.5% to 2.0%) per annum above the banks' base lending rates.

The unsecured short term borrowings of the Group are supported by corporate guarantee provided by the Company.

The secured portion of the bank overdrafts of the Group are secured on freehold land and building of a subsidiary company and corporate guarantee provided by the Company.



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## NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

### 18. SHARE CAPITAL

	GROUP/COMPANY	
	2000 RM	1999 RM
<b>Authorised:</b>		
Ordinary shares of RM 1 each		
Balance at 1 January	25,000,000	25,000,000
created during the year	75,000,000	-
Balance at 31 December	100,000,000	25,000,000
<b>Issued and fully paid:</b>		
Ordinary shares of RM1 each		
Balance at 1 January	18,000,000	18,000,000
Issued during the year pursuant to:		
Bonus issue	7,200,000	-
Rights issue	10,800,000	-
Balance at 31 December	36,000,000	18,000,000

- (i) the authorised share capital of the Company was increased from RM25 million to RM100 million by the creation of 75 million ordinary shares of RM1.00 each;
- (ii) the issued and paid-up share capital of the Company was increased from 18,000,000 ordinary shares of RM1.00 each to 36,000,000 ordinary shares of RM1.00 each by way of:-
- (a) A bonus issue of 7,200,000 new ordinary share of RM1.00 each in the Company on the basis of two (2) new ordinary shares for every five (5) existing ordinary shares held by capitalising RM7,200,000 from the retained profits of the Company; and
- (b) A rights issue of 10,800,000 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.50 per share on the basis of three (3) new ordinary shares for every five (5) existing ordinary shares held prior to the Bonus Issue.

The resulting share premium of RM5,400,000 arising from the Rights Issue has been credited to the share premium account.

### 19. RESERVES

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
<b>Non-distributable:</b>				
Reserve on consolidation (Note a)	220,543	220,543	-	-
Exchange fluctuation reserve (Note b)	129,259	142,389	-	-
Revaluation reserve (Note c)	3,222,143	-	11,030,378	685,732
Share premium (Note d)	5,025,401	-	5,025,401	-
	8,597,346	362,932	16,055,779	685,732
<b>Distributable:</b>				
Retained profits	18,528,582	22,406,035	12,697,983	16,660,117
	27,125,928	22,768,967	28,753,762	17,345,849



# NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

## 19. RESERVES (Cont'd)

	<b>GROUP</b>	
	<b>2000</b>	<b>1999</b>
	<b>RM</b>	<b>RM</b>
<b>Note a - Reserve on consolidation</b>		
Balance at 1 January	220,543	220,543
Amount arising on disposal	-	-
Balance at 31 December	220,543	220,543
<b>Note b - Exchange fluctuation reserve</b>		
Balance at 1 January	142,389	142,389
Translation exchange differences	(13,130)	-
Balance at 31 December	129,259	142,389

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Note c - Revaluation reserve</b>				
Balance at 1 January	-	-	685,732	685,732
Surplus on revaluation of land and buildings	3,222,143	-	2,763,470	-
Surplus on revaluation of investment in subsidiary companies	-	-	7,581,176	-
Balance at 31 December	3,222,143	-	11,030,378	685,732

	<b>GROUP/COMPANY</b>	
	<b>2000</b>	<b>1999</b>
	<b>RM</b>	<b>RM</b>
<b>Note d - Share premium</b>		
Balance at 1 January	-	-
Premium arising from Rights Issue	5,400,000	-
Less: Share issue expenses	374,599	-
Balance at 31 December	5,025,401	-



# Malaysia

## NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

### 20. TERM LOANS

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Principal outstanding				
- secured	1,031,333	3,062,242	-	1,789,606
- unsecured	193,806	2,550,000	-	2,550,000
	1,225,139	5,612,242	-	4,339,606
Less: Portion repayable within the next 12 months (Note 17)	355,918	1,362,737	-	1,114,274
	869,221	4,249,505	-	3,225,332

Substantial amount of the term loans has been settled during the year by using the proceeds from Rights Issue.

The term loans of the Group and the Company are secured by charges created on certain land and buildings and plant and machinery of the Group. Interest is payable at the rate of 8.3% (1999: 6.50% to 10.35%) per annum.

The unsecured term loan bears interest rate at 9.3% (1999: 8.8%) per annum.

### 21. DEFERRED TAXATION

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Balance at 1 January/31 December	403,795	403,795	370,335	370,335

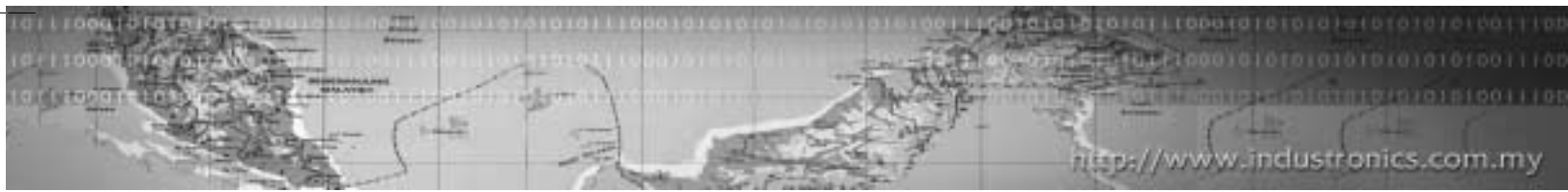
The deferred taxation is in respect of material timing differences between depreciation and corresponding capital allowances which are expected to reverse in the foreseeable future.

### 22. TURNOVER

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

### 23. EXCEPTIONAL ITEMS

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Gain on disposal of quoted investments	330,552	299,199	107,568	-
Gain on disposal of subsidiary company	-	90,145	-	-
Gain/(Loss) on voluntary liquidation of an associate company	-	(108,460)	-	112,000
	330,552	280,884	107,568	112,000



# NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

## 24. PROFIT BEFORE TAXATION

This is arrived at:

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
<b>a) After charging:</b>				
Directors' remuneration				
- fees	42,000	47,200	40,000	32,500
- other emoluments	890,672	675,500	890,672	675,500
Depreciation	1,695,792	1,590,077	750,231	794,477
Amortisation of deferred expenditure	-	133,871	-	-
Deferred expenditure written off	393,394	-	-	-
Amortisation of goodwill	16,134	-	-	-
Interest expense				
- Bank overdrafts	274,118	376,591	100,428	174,089
- Term loan	427,866	503,578	327,696	390,888
- Hire purchase	84,031	78,091	31,186	26,181
- Bankers' acceptance	30,908	136,080	30,908	127,443
- Revolving credit facilities	356,377	820,363	356,377	820,363
- Others	82,924	88,338	10,883	709
	1,256,224	2,003,041	857,478	1,539,673
Audit fee				
- Auditors of the Company	103,300	101,600	45,000	45,000
- Over provision in prior year	(8,450)	(3,000)	-	(3,000)
- Other auditors	8,800	9,200	-	-
Rental of premises	525,940	533,988	261,300	243,388
Bad debts written off	662,555	389,218	420,568	66,691
Fixed assets written off	16,083	10,455	9,396	-
Rental of office equipment	16,217	560	9,137	-
Rental of machinery	-	8,033	-	8,033
Loss on stolen fixed assets	-	27,700	-	145,753
Loss on foreign exchange	11,396	147,701	-	6,332
Provision for doubtful debts	191,365	80,722	137,033	12,548
Provision for obsolete stocks	210,021	-	193,000	-
Stocks written off	1,081,434	5,000	1,081,434	-
Provision for diminution in value of quoted shares	-	85,400	-	-
Amortisation of development cost	211,264	-	211,264	-



# Malaysia

## NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

### 24. PROFIT BEFORE TAXATION (Cont'd)

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
<b>b) And crediting :-</b>				
Interest income	368,867	466,030	171,345	232,453
Rental income	319,494	367,834	539,653	278,434
Gain on disposal of fixed assets	65,012	195,795	65,818	75,050
Gain on foreign exchange	1,066,022	78,826	983,069	-
Dividend income from				
- subsidiary company	-	-	1,530,000	1,530,000
- quoted shares	22,816	-	-	-
Insurance compensation received	30,000	-	-	-
<b>c) Employees' information</b>				
Staff costs	10,450,070	10,435,046	5,042,907	5,672,116

The estimated monetary value of benefits-in-kind of the Group received by the directors was RM26,525.

The total number of employee of the Group and of the Company at the end of financial year were 451 (1999: 449) and 171 (1999: 176) respectively.

### 25. TAXATION

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Provision for the year	4,067,443	259	2,431,343	428,660
Share of tax in associated companies	22,609	-	-	-
(Over)/Underprovision in prior year	4,090,052 (32,831)	259 72,586	2,431,343 -	428,660 25,345
	4,057,221	72,845	2,431,343	454,005

The disproportionate taxation charge of the Group for the current financial year is principally due to non-availability of Group tax relief.

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

Subject to agreement by the Inland Revenue Board, the Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and tax exempt income under Section 12 of the Income Tax (Amendment) Act, 1999 to frank the payment of dividends out of its entire retained profits as at 31 December 2000 without incurring additional tax liability.



# NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

## 26. EARNINGS PER SHARE

The earnings per share is calculated based on the Group profit after taxation and minority interests of RM5,122,547 (1999: RM10,218,582) over the weighted average number of ordinary shares in issue during the financial year of 34,359,813 (1999: 32,971,962)

There are no diluted earnings per share disclosed as the calculation of diluted earnings per share resulted in an increased earnings per share.

The basic earnings per share of the previous financial year has been restated for the Bonus Issue.

The calculation of Earnings Per Share is in accordance with Malaysian Accounting Standard Board, No. 13 "Earnings Per Share".

## 27. DIVIDEND

	<b>GROUP/COMPANY</b>	
	<b>2000</b>	<b>1999</b>
	<b>RM</b>	<b>RM</b>
Proposed first and final tax exempt dividend of 5 sen (1999: first and final tax exempt dividend of 5 sen) per share	1,800,000	900,000

## 28. PRIOR YEAR ADJUSTMENT

This relates to the effect of the change of the accounting policy in the previous financial year in respect of income recognition on contract from completed method to percentage of completion.

## 29. EFFECTS OF ACQUISITION OF ADDITIONAL SHARES IN SUBSIDIARY COMPANIES

	<b>GROUP/COMPANY</b>	
	<b>2000</b>	<b>1999</b>
	<b>RM</b>	<b>RM</b>
Share of net assets acquired from minority interest	107,495	114,551
Goodwill (Note 8)	53,955	65,449
Cash outflow on acquisition	161,450	180,000

## 30. ANALYSIS OF SUBSIDIARY COMPANY DISPOSED

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

	<b>GROUP</b>	
	<b>2000</b>	<b>1999</b>
	<b>RM</b>	<b>RM</b>
Net assets disposed:-		
Fixed assets	-	1,541
Current assets	-	376,823
Current liabilities	-	(80,764)
Total consideration received from disposal	-	297,600
Add: Net cash and bank balances disposed	-	19,061
Net cash inflow from disposal of subsidiary company	-	316,661



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## NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

### 31. CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR

	<b>GROUP</b>	
	<b>2000</b>	<b>1999</b>
	<b>RM</b>	<b>RM</b>
Cash, bank balances and deposits (Note 13)	4,956,474	9,063,825
Bank overdrafts (Note 17)	(3,543,107)	(5,016,349)
	1,413,367	4,047,476
	1,413,367	4,047,476

### 32. SIGNIFICANT RELATED COMPANY TRANSACTIONS

	<b>COMPANY</b>	
	<b>2000</b>	<b>1999</b>
	<b>RM</b>	<b>RM</b>
Purchases from subsidiary companies	3,727,204	6,888,569
Sales to subsidiary companies	612,890	6,991,845
Interest receivable from		
- subsidiary companies	105,952	160,738
- associated company	34,875	59,520
Dividend income received from subsidiary company	1,530,000	1,530,000
Rental income receivable from		
- subsidiary companies	240,000	45,000
- associated company	96,000	96,000
	96,000	96,000
	96,000	96,000

The above transactions have been entered into in the normal course of business at terms mutually agreed between the companies concerned and are not less favourable than those arranged with third parties.

### 33. CAPITAL COMMITMENT

	<b>GROUP/COMPANY</b>	
	<b>2000</b>	<b>1999</b>
	<b>RM</b>	<b>RM</b>
Amount approved and contracted for	1,455,000	-
	1,455,000	-
	1,455,000	-



## NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

### 34. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Unsecured:				
Guarantees given to banks in connection with facilities granted to subsidiary companies	-	-	24,029,000	18,229,000
Guarantees given to banks in connection with facilities granted to associated companies	6,000,000	6,300,000	6,000,000	6,300,000
Letter of indemnity given in respect of performance bonds issued	9,311,469	9,716,378	5,749,542	7,070,894
	<u>15,311,469</u>	<u>16,016,378</u>	<u>35,778,542</u>	<u>31,599,894</u>

### 35. SEGMENT INFORMATION

	Turnover RM	Profit/(Loss) before taxation RM	Total assets employed RM
<b>As at 31 December 2000</b>			
Security and fire alarm systems	33,368,745	6,892,258	42,609,911
Telecommunication	31,769,108	4,747,439	24,145,078
Electronic products and micro-processor systems	17,271,902	1,086,726	34,770,183
Advertising	2,867,014	(479,020)	1,929,047
Fabrication	2,521,206	(46,396)	2,275,587
Manufacturing	1,668,984	(365,547)	1,814,399
Others	51,232	(319,853)	248,499
	<u>89,518,191</u>	<u>11,515,607</u>	<u>107,792,704</u>
Associated companies	-	190,121	10,067,232
	<u>89,518,191</u>	<u>11,705,728</u>	<u>117,859,936</u>



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## NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

### 35. SEGMENT INFORMATION (Cont'd)

	<b>Turnover RM</b>	<b>Profit/(Loss) before taxation RM</b>	<b>Total assets employed RM</b>
<b>As at 31 December 1999</b>			
Security and fire alarm systems	50,140,634	8,667,793	35,096,659
Telecommunication	26,540,806	3,976,509	20,958,590
Electronic products and micro-processor systems	22,756,752	2,371,224	38,156,093
Advertising	2,673,340	(382,539)	1,786,755
Fabrication	1,417,178	(7,843)	1,730,272
Manufacturing	1,186,916	(18,321)	2,040,561
Others	966,246	(182,812)	509,256
	<b>105,681,872</b>	<b>14,424,011</b>	<b>100,278,186</b>
Associated companies	-	104,727	5,260,897
	<b>105,681,872</b>	<b>14,528,738</b>	<b>105,539,083</b>

No geographical information is presented as the business of the above operations were substantially conducted in Malaysia.

### 36. SIGNIFICANT EVENTS

The following are the significant events during the financial year:-

- i. the authorised share capital of the Company was increased from RM25 million to RM100 million by the creation of 75 million ordinary shares of RM1.00 each;
- ii. the issued and paid-up share capital of the Company was increased from 18,000,000 ordinary shares of RM1.00 each to 36,000,000 ordinary shares of RM1.00 each by way of:-
  - (a) A bonus issue of 7,200,000 new ordinary share of RM1.00 each in the Company on the basis of two (2) new ordinary shares for every five (5) existing ordinary shares held by capitalising RM7,200,000 from the retained profits of the Company; and
  - (b) A rights issue of 10,800,000 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.50 per share on the basis of three (3) new ordinary shares for every five (5) existing ordinary shares held prior to the Bonus Issue.

The resulting share premium of RM5,400,000 arising from the rights issue has been credited to the share premium account.

- iii. the Company subscribed for the issued and paid-up share capital of the subsidiary and associated companies, for cash, to provide for working capital purposes as follows:-
  - (a) 500,000 ordinary shares of RM1.00 each at par in TTE Electronics Sdn. Bhd., a subsidiary company;
  - (b) 204,000 ordinary shares of RM1.00 each at par and additional 90,000 ordinary shares of RM1.00 each at RM1.205 per share in Primeworth (M) Sdn. Bhd., a subsidiary company; and
  - (c) 1,700,000 ordinary shares of RM1.00 each at RM1.357 per share in PDX Computers Sdn. Bhd., an associated company, for a total consideration of RM2,306,900.



# NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

## 37. SUBSIDIARY AND ASSOCIATED COMPANIES

Details of the subsidiary and associated companies are as follows:-

### (A) Subsidiary companies of the Company:-

Name of Company	Principal activities	Place of incorporation	Equity interest	
			2000 %	1999 %
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 hightech electronic appliances and communication	Malaysia	100	100
TTE Electronics Sdn. Bhd.	Assembly of electronic device and contract manufacturing	Malaysia	100	100
Industronics Power Sdn. Bhd.	Design, manufacture and distribution of power electronic 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	85
*Industrial Electronics Pte. Ltd.	Trading, maintenance and supply of industrial electronic equipment	Singapore	70	70
Primeworth (M) Sdn. Bhd.	Involving in precision sheet metal fabrications works	Malaysia	69.2	57
Asian Advertising (M) Sdn. Bhd.	Advertising agency providing services in all areas of commercial advertising	Malaysia	55	55
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



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## NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

### 37. SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

#### (B) Subsidiary companies of Sukitronics Sdn Bhd:-

Name of Company	Principal activities	Place of incorporation	Equity interest	
			2000 %	1999 %
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	100	87
Advance Power Trade Sdn. Bhd.	Industrial maintenance and service works	Malaysia	83.5	80

#### (C) Subsidiary company of Primeworth (M) Sdn Bhd:-

PW Precision Sdn. Bhd.	Manufacturing of precision fabrication	Malaysia	100	100
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#### (D) Associated companies of the Company:-

Floramerge Sdn. Bhd.	Inactive	Malaysia	40	40
PDX Computers Sdn. Bhd.	Trading and servicing of computers and solutions	Malaysia	28.5	25

#### (E) Associated company of Sukitronics Sdn Bhd:-

Accumax Technology Sdn. Bhd.	Engineering contracting work	Malaysia	40	40
------------------------------	------------------------------	----------	----	----

#### (F) Subsidiary companies of PDX Computers Sdn Bhd:-

PDX CableNet Sdn. Bhd.	Cabling design and contracting	Malaysia	100	100
PDX System 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	Republic of China	100	100



## NOTES TO THE ACCOUNTS (Cont'd)

for the year ended 31 December 2000

### 37. SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

#### (F) Subsidiary companies of PDX Computers Sdn Bhd (Cont'd)

Name of Company	Principal activities	Place of incorporation	Equity interest	
			2000 %	1999 %
Nationhero Pilecon Computers (Beijing) Co. Ltd.	Producing and selling of computer software and hardware, data communications and networking systems	Republic of China	100	100
PDX BizSystem Sdn. Bhd.	Producing 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 Teknologi Sdn. Bhd.	Computers and electronic appliances	Malaysia	100	100
PDX InfoEdge Sdn. Bhd.	Trading in information technology products and services	Malaysia	100	100
PDX Computers (Sarawak) Sdn. Bhd.	Trading in computers and related products	Malaysia	100	60
PDX.com Sdn. Bhd.	Information technology and electronic appliances	Malaysia	100	-
PDX eWorks Sdn. Bhd. (fka Cybersell Sdn. Bhd.)	Distribution and retailing of computers and related accessories	Malaysia	100	-
<b>(G) Subsidiary company of CompAsia Superstore Sdn Bhd:-</b>				
PDX eWorks Sdn. Bhd. (fka Cybersell Sdn. Bhd.)	Distribution and retailing of computers and related accessories	Malaysia	-	100
<b>(H) Subsidiary company of Floramerge Sdn Bhd:-</b>				
Pilecon IDG Sdn Bhd	Multimedia communication systems	Malaysia	60	60

\*Subsidiary companies not audited by Messrs HLB I.M. Chieng & Co.

### 38. COMPARATIVE FIGURES

The Group and the Company have adopted the Malaysian Accounting Standards Board, No. 1 "Presentation of Financial Statements." As a result, comparative figures have been reclassified to conform with the current financial year's presentation.



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## STATEMENT BY DIRECTORS

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

We, Dr. Lim Jit Chow and Lee Foong Sam, being two of the directors of Industronics Berhad, state that in the opinion of the directors, the accounts set out from pages 22 to 49 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 2000 and of the results of the Group and of the Company and the cash flows of the Group for the year ended on that date.

On behalf of the Board,

**DR. LIM JIT CHOW**  
Director

**LEE FOONG SAM**  
Director

Kuala Lumpur  
16 April 2001



# STATUTORY DECLARATION

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

I, Kok Woo Sang @ Kok Woo Seng, being the officer primarily responsible for the financial management of Industronics Berhad, do solemnly and sincerely declare that the accounts set out from pages 22 to 49 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.

**KOK WOO SANG @ KOK WOO SENG**  
Financial Controller  
( MIA 6501 )

Subscribed and solemnly declared by the abovenamed Kok Woo Sang @ Kok Woo Seng at Kuala Lumpur in the state of Wilayah Persekutuan this 16 April 2001

Before me,

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

Annual Report 2000 Industronics Berhad



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## AUDITORS' REPORT

We have audited the accounts set out from pages 22 to 49 of Industronics 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 also 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 2000 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 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 the subsidiary company of which we have not acted as auditors, as indicated in Note 37 to the accounts.

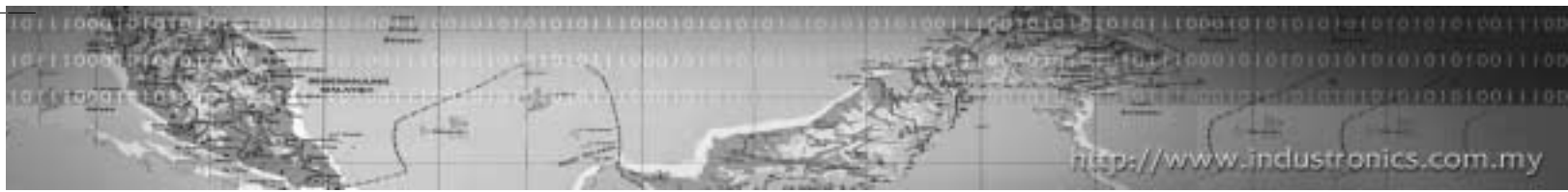
We are satisfied that the accounts of the subsidiary companies that have been consolidated with the Company's accounts are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and we have received satisfactory information and explanations required 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**  
No. 711/6/02 (J/PH)  
Public Accountant  
Chartered Accountant  
Certified Public Accountant

Kuala Lumpur  
16 April 2001



# LIST OF PROPERTIES

as at 31 December 2000

The properties of the Group as at 31 December 2000 are as follows:-

Location	Tenure	Description of Property (approximate land area)	Existing Use	Age of Building	Value (RM) (Revalued in September 2000)
<b>Company</b>					
Lot PT 19106 and PT 8801 Mukim of Kajang District of Ulu Langat Selangor D.E.	Freehold	Industrial land and building (14,876 sq feet)	Office, factory and warehouse	10 years	2,584,000
Lot 39222, Mukim of Kuala Lumpur Wilayah Persekutuan	Leasehold (99 years) expiring in year 2077	Office Building (1,539 sq feet)	Office	23 years	695,500
Lot PT 25949, Lot No. PS(A)8 Mukim of Kajang, District of Ulu Langat, Selangor D.E.	Freehold	Industrial land and building (38,403 sq. feet)	Office, factory and warehouse	3 years	4,475,000
Lots PT9143, PT10179, PT9144 and PT10180, Mukim of Sungai Buloh District of Petaling, Selangor D.E.	Freehold	Office Building (3,300 sq feet)	Office	17 years	2,991,000
<b>Subsidiary Companies</b>					
Lot PT8885, Mukim of Kajang District of Ulu Langat Selangor D.E.	Freehold	Industrial land and building (2,400 sq feet)	Factory	9 years	350,000
Lot 39255, Mukim of Kuala Lumpur Wilayah Persekutuan	Leasehold (99 years) expiring in year 2077	Office Building (1,539 sq feet)	Office	23 years	596,104
Lot 1349, Section 900, North East District, Penang	Freehold	Office Building (1,560 sq feet)	Office	17 years	646,750
Lot TF 54, Hicom-Glenmarie Industrial Park (Ph.18), Shah Alam, Selangor D.E.	Freehold	Industrial land and building (9,750 sq feet)	Factory	3 years	1,634,643
Lot TF 55, Hicom-Glenmarie Industrial Park (Ph.18), Shah Alam, Selangor D.E.	Freehold	Industrial land and building (3,900 sq feet)	Office	3 years	653,857
Lot 154, Hicom-Glenmarie Industrial Park (Ph 3), Shah Alam, Selangor D.E.	Freehold	Industrial land (62,743 sq feet)	Vacant land	N/A	3,016,335
					17,643,189

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## ANALYSIS OF SHAREHOLDINGS

as at 10 April 2001

Authorised Capital	:	RM100,000,000
Issued and Paid up Capital	:	RM36,000,000
Class of shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One Vote per Share

### SIZE OF HOLDINGS

Number of Holders	Shareholdings (Number of Ordinary Shares)	Total Holdings	%
54	1 - 1,000	24,000	0.07
1,715	1,001 - 10,000	4,901,800	13.62
134	10,001 - 100,000	4,143,200	11.50
29	100,001 to less than 5% of issued shares	10,275,000	28.54
5	5% and above of issued shares	16,656,000	46.27
<u>1,937</u>	<b>Total:</b>	<u>36,000,000</u>	<u>100.00</u>

### SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
1. Pilecon Engineering Berhad	10,509,000	29.19	-	-
2. Tradefast Properties Pte Ltd	-	-	10,509,000	29.19
3. Tan Hock Keng	-	-	10,509,000	29.19
4. Lim Jit Chow	8,018,000	22.27	642,000	1.78
5. Wong Teck Lin	2,010,000	5.58	-	-
6. IntegerVest Sdn Bhd	1,000,000	2.78	-	-
7. Peter Hii Hiong Huo	-	-	1,000,000	2.78
8. Tan Meng Yu	-	-	1,000,000	2.78
9. Kwek I Huang	1,132,000	3.14	-	-
10. Tye Tek Ngo	840,000	2.33	-	-
11. Zecon Engineering Berhad	800,000	2.22	-	-
12. Szeto Construction Sdn Bhd	-	-	800,000	2.22
13. Teo Kah Fatt	-	-	800,000	2.22
14. Teo Kai Chai	-	-	800,000	2.22
15. Polymight Sdn Bhd	-	-	800,000	2.22
16. Zainal Abidin bin Ahmad	-	-	800,000	2.22
17. Zamahari bin Ahmad	-	-	800,000	2.22
18. Lee Foong Sam	762,000	2.12	-	-



# ANALYSIS OF SHAREHOLDINGS (Cont'd)

as at 10 April 2001

## THIRTY LARGEST SHAREHOLDERS

	No. of Shares	%
1. Pilecon Engineering Berhad	4,043,000	11.23
2. Universal Trustee (Malaysia) Berhad <Pilecon Engineering Berhad>	4,021,000	11.17
3. Lim Jit Chow	3,129,200	8.69
4. Amsec Nominees (Tempatan) Sdn Bhd <Arab-Malaysian Bank Berhad for Lim Jit Chow>	3,086,800	8.57
5. Thong & Kay Hian Nominees (Tempatan) Sdn Bhd <UOB Kay Hian Pte Ltd for Pilecon Engineering Berhad>	2,376,000	6.60
6. Eng Nominees (Asing) Sdn Bhd <UOB Kay Hian Pte Ltd for Wong Teck Lin>	1,025,000	2.85
7. Southern Nominees (Tempatan) Sdn Bhd <IntegerVest Sdn Bhd>	1,000,000	2.78
8. RHB Nominees (Tempatan) Sdn Bhd <Lim Jit Chow>	900,000	2.50
9. Eng Nominees (Asing) Sdn Bhd <UOB Kay Hian Pte Ltd for Kwek I Huang>	862,000	2.39
10. Wong Teck Lin	851,000	2.36
11. HSBC Nominees (Tempatan) Sdn Bhd <Lim Jit Chow>	840,000	2.33
12. Tye Tek Ngo	840,000	2.33
13. Zecon Engineering Berhad	800,000	2.22
14. Cheong Poh Neo Pauline	393,000	1.09
15. Mahyon bt Haji Idros	244,000	0.68
16. JF Apex Nominees (Tempatan) Sdn Bhd <Lee Foong Sam>	233,500	0.65
17. Lim Hsiu Hoon	226,000	0.63
18. Lim Hsiu Min	208,000	0.58
19. Tye Pei Pin	208,000	0.58
20. Citicorp Nominees (Tempatan) Sdn Bhd <Lee Foong Sam>	205,000	0.57
21. Lim Yit Peng	200,000	0.56
22. Thong & Kay Hian Nominees (Tempatan) Sdn Bhd <UOB Kay Hian Pte Ltd for Kwek I Huang>	200,000	0.56
23. OSK Nominees (Tempatan) Sdn Bhd <Lee Foong Sam>	191,400	0.53
24. Hanjar Sdn Bhd	184,000	0.51
25. Mohd Tahir B Hj Abdul Manan	170,000	0.47
26. RHB Nominees (Asing) Sdn Bhd <Kripalson International Ltd>	146,000	0.41
27. Lee Foong Sam	134,100	0.37
28. Thong & Kay Hian Nominees (Tempatan) Sdn Bhd <UOB Kay Hian Pte Ltd for Wong Teck Lin>	134,000	0.37
29. Lim Hock Guan	125,000	0.35
30. Teng Yew Huat	110,000	0.31
<b>Total:</b>	<b>27,086,000</b>	<b>75.24</b>

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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-Sixth 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 Wednesday, 23rd May 2001 at 10.30 a.m.** and at any adjournment thereof.

My/our proxy is to vote as indicated as 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 of \_\_\_\_\_ 2001

\_\_\_\_\_  
*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

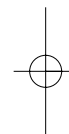
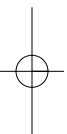
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Company Secretary  
Industronics Berhad (23699-X)  
No. 9, Jalan Taming 3,  
Taman Tanming Jaya,  
43300 Seri Kembangan,  
Selangor Darul Ehsan,  
Malaysia.

Affix  
Stamp

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2nd fold here



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1st fold here

