



Annual Report 2000

ASTRAL
S U P R E M E

Astral Supreme Berhad

Company No. 442371-A

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Board of Directors

And Corporate Information

Board Of Directors

Eddie Foo Chik Kin
Executive Chairman

Tan Choon Sin
Managing Director

Raja Abdul Aziz bin Raja Musa
Executive Director

Katherine Chang Choong Yeen
Executive Director and Chief Financial Officer
(appointed on 20 November 2000)

Leow Siew Beng
Non-executive Director

Yap Wing Chun
Independent Non-executive Director

Sieh Kok Jiun
Independent Non-executive Director

Lam Peng Lau
Executive Director (resigned on 30 September 2000)

Company Secretary

An Nai [MIA 1074]

Registered/Corporate Office

Suite 13-05, Level 13, Wisma Kiapeng
No. 3 Jalan Kia Peng
50450 Kuala Lumpur
Tel: 03-2163 3268 Fax: 03-2161 7078

Business Office

Lot 20, Kulim Industrial Estate
09000 Kulim
Kedah Darul Aman
Tel: 04-489 2288

Share Registrar

Signet Share Registration Services Sdn. Bhd.
11th Floor, Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur

Auditors

PricewaterhouseCoopers
Public Accountants
4th Floor, Wisma Penang Garden
Jalan Sultan Ahmad Shah
10050 Penang

Principal Bankers Of The Group

Malayan Banking Berhad
RHB Bank Berhad
Citibank Berhad

Stock Exchange Listing

Second Board of the Kuala Lumpur Stock Exchange

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the **Annual Report and Audited Financial Statements of the Group** for the financial year ended **31 December 2000**.

Business Review

The year 2000 proved to be a challenging one for the Group. During the first half of the year, the Group was severely affected by the global shortage of certain electronics components. This resulted in the delay in the shipment of orders thus affecting the Group's turnover and profit during the period. The component supply shortage only began to ease during the second half of the year, leaving the management with a very tight schedule to fulfill delivery commitments to customers. In this regard, on behalf of the Board, I wish to commend the management of our operating subsidiary for taking the challenges in their stride to record a satisfactory set of results despite the significant change in the business environment.

Financial Results

The Group's turnover grew by 24.6% from RM69.65 million in the previous year to RM86.76 million for the year under review while gross profit grew marginally from RM11.77 million to RM11.98 million due a decline in the Group's gross profit margin from 16.9% to 13.8%. The lower gross profit margin was largely attributed to the increase in materials cost caused by a change in the product mix and a global shortage of electronics components. The Group recorded a profit before tax of RM10.45 million compared to RM16.59 million in the previous year which included an exceptional gain of RM7.34 million.

Corporate Developments

Shareholders may recall from the last Annual Report the Company's intention to direct its surplus cash resources towards strategic investments with a view to broaden the Group's future earnings base. I am pleased to report our progress in this area.

The Company had entered into a conditional agreement on 27 February 2001 to invest USD2 million (RM7.6 million) in Gain Micro-Optics, Inc. ("GMO"). GMO, a California-based company in the USA, is principally involved in the development of high value optical products incorporating a new liquid crystal display ("LCD") technology. From its inception on 17 August 1999 until to date, GMO has developed two products, namely, a "light projection engine" and a micro-optic screen that will be initially targeted for use in large-screen consumer television exceeding 30 inches. GMO's "light projection engine" enables manufacturers of large-screen television to achieve superior image quality at a much lower cost, bringing high definition television (HDTV) with LCD to a cost closer to a conventional CRT television. The proposed investment is currently pending regulatory approvals.

In conjunction with the Company's proposed investment in GMO, the Company will establish a joint venture company with GMO in Malaysia. The joint venture company, to be held 51% and 49% by the Company and GMO respectively, will have exclusive rights to manufacture GMO's products. Initial capital outlay from the Company is USD5 million (RM19 million).

The proposed investment in GMO and the capital outlay for the joint venture company will be funded from the Group's internal resources.

Chairman's Statement (cont'd)

Corporate Developments (cont'd)

I am also pleased to report that the Company had on 4 October 2000 announced a proposal to establish an employees' share option scheme for the eligible employees of the Group. The scheme is aimed at retaining and rewarding employees and executive directors whose services are vital to the operations and continued growth of the Group. All required regulatory approvals for the proposal have been obtained. The proposed scheme is now subject to the approval of shareholders.

Dividends

The Company paid an interim dividend of 10% (tax exempt) on 22 December 2000. The Directors now recommend a final dividend of 20% comprising 10% (tax exempt) and 10% (less tax) for the year ended 31 December 2000. This will bring the total dividends declared for year 2000 to 30% comprising 20% (tax exempt) and 10% (less tax), compared with the previous year's total dividend of 25% comprising 15% (tax exempt) and 10% (less tax).

The Year Ahead

The year ahead will be another challenging one for the Group. Despite continuing efforts by the management to improve production efficiency and to secure new markets, the Directors expect the Group's export-oriented business to be adversely affected by the global economic slowdown. Nevertheless, the Group's operations are expected to remain profitable, barring any unforeseen circumstances.

Profit Guarantee

The Board is pleased to note that the Group had met the profit guarantee of RM10.45 million for year 2000, given in relation to the listing of the Company on the Second Board of the Kuala Lumpur Stock Exchange in 1999.

Acknowledgement

On behalf of the Board, I would like to express our sincere appreciation and gratitude to our valued clients, shareholders and business associates for their continued support.

I would like to thank the management and staff of the Group for their loyalty and dedication. Their support will be crucial in meeting the challenging times ahead.

I would also like to thank my fellow directors on the Board for their contribution to the Group.

Eddie Foo Chik Kin

Executive Chairman

4 April 2001

The Group registered an increase of 24.6% in turnover to RM86.76 million from RM69.65 million in the previous year. However, gross profit only increased marginally from RM11.77 million to RM11.98 million, due to a decline in gross profit margin from 16.9% to 13.8%. Various factors contributed to the decline in the gross profit margin and are elaborated below. Excluding exceptional items of RM7.34 million in year 1999, profit before tax increased from RM9.25 million to RM10.45 million.

The robust growth in the electronics sector worldwide in recent years has created a gap between the demand and supply of electronic components. Late 1999 saw a sharp surge in demand for certain electronic goods across the world which caused large increases in component lead times and prices. This situation continued well into the first half of 2000, posing a considerable challenge to the Group as it is pitted against other large multi-nationals in competing for the supply of the necessary components. The component supply shortage began to ease in the second half of 2000, with the supply situation returning to normal by year end.

At the same time, the Group's product mix, as dictated by its customers, has moved towards assemblies with a relatively higher material content and cost, and hence lower gross margin. Meanwhile, the international market for electronic assembly services has remained very competitive, offering limited opportunity to pass the increase in production cost to customers.

As a counter measure of the negative influences above, we have adopted a two-pronged strategy, focusing on marketing push and improving production efficiency. Greater emphasis was placed on our marketing function during the year. Whilst continuing to strengthen our ties with existing customers, we have stepped up our drive to secure new customers as well as new markets for our services. In terms of production efficiency, our main emphasis was to maintain high quality standards for our products and services, and achieving cost improvements in all facets of our operations.

We will continue our efforts aimed at strengthening our market presence and at improving production efficiency in year 2001. Nevertheless, we expect the Groups' performance to be adversely affected by the slowdown in the global economic environment.



Audit Committee

The Audit Committee was formed on 2 November 1998 by the Board of Directors with the main objective of continuously improving the corporate governance of the Group.

The Committee currently comprises the following members:

Chairman	: Yap Wing Chun	<i>Independent Non-Executive Director</i>
Members	: Sieh Kok Jiun	<i>Independent Non-Executive Director</i>
	Tan Choon Sin	<i>Managing Director</i>

The Board of Directors has approved and adopted the Terms of Reference of the Audit Committee as set out below:

TERMS OF REFERENCE OF THE COMMITTEE

Constitution:

The Board hereby resolves to establish a Committee of the Board to be known as the Audit Committee.

Membership & Meetings:

The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three (3) members. A majority of the Committee shall be non-executive directors. The Chairman of the Committee shall be appointed by the Board and the Secretary of the Committee shall be the Company Secretary.

The Audit Committee shall meet at least two (2) times a year, although additional meetings may be convened at any time at the discretion of the Chairman of the Committee. The external auditors may request for a meeting if they consider that it is necessary.

The quorum of all meetings of the Committee shall be two (2) and any decision shall be by a simple majority.

The Secretary of the Committee shall give notice of the meeting including the agenda together with the minutes of the last preceding meeting and all relevant documents to all members of the Committee prior to the meeting. Any persons who may be required to attend shall also be notified by the Secretary accordingly.

Authority:

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is further authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties and Responsibilities:

The duties and responsibilities of the Committee shall be:

- to recommend the appointment and remuneration of the external auditors.
- to discuss with the auditors their evaluation of the system of internal accounting controls and audit procedures.
- to review management reporting and control systems.
- to review the quarterly, half-yearly and annual financial statements before submission to the Board.
- to consider other issues as authorised by the Board from time to time.

The directors have pleasure in submitting their report together with the audited financial statements of the group and of the company for the financial year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of an investment holding company. The principal activities of the subsidiary is shown in Note 10 on the financial statements. There has been no significant change in these activities during the financial year.

During the financial year, Pinpeak Limited, a subsidiary company was de-registered on 19 May 2000.

FINANCIAL RESULTS

	<u>Group</u> RM	<u>Company</u> RM
Profit after taxation for the financial year	<u>7,882,983</u>	<u>15,917,969</u>

DIVIDENDS

Dividends paid or declared by the company since 31 December 1999 were as follows:

RM

In respect of the financial year ended 31 December 1999,
as shown in the directors' report of that financial year:

Final dividend of 10 sen gross per share less tax and 10 sen
per share (tax exempt), paid on 16 June 2000

7,740,000

In respect of the financial year ended 31 December 2000:

Interim dividend of 10 sen per share (tax exempt),
paid on 22 December 2000

4,500,000

The directors now recommend the payment of final dividend of 10 sen gross per share less tax and 10 sen per share (tax exempt) for the financial year ended 31 December 2000. The total amount of the final dividend will be RM7,740,000 and is subject to the approval of members at the forthcoming Annual General Meeting of the company.

ISSUE OF SHARES AND DEBENTURES

The company did not issue any new shares or debentures during the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year other than as disclosed in the financial statements.

SHARE OPTIONS

No option was granted to any person during the financial year to take up unissued shares of the company.

Directors'

Report (cont'd)

DIRECTORS

The directors who have held office during the period since the date of the last report are as follows:

Eddie Foo Chik Kin
 Tan Choon Sin
 Raja Abdul Aziz bin Raja Musa
 Katherine Chang Choong Yeen (appointed on 20 November 2000)
 Leow Siew Beng
 Yap Wing Chun
 Sieh Kok Jiun (appointed on 3 April 2000)
 Lam Peng Lau (resigned on 30 September 2000)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the company is a party, with the object or objects of enabling directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than directors' remuneration and benefits disclosed in the financial statements) by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of directors' shareholdings, particulars of interests of directors who held office at the end of the financial year in shares in the company and its related corporations are as follows:

<u>Astral Supreme Berhad</u>	<u>Number of ordinary shares of RM1.00 each</u>			
	<u>At 1.1.2000</u>	<u>Bought</u>	<u>Sold</u>	<u>At 31.12.2000</u>
Tan Choon Sin	2,676,000	-	676,000	2,000,000
Raja Abdul Aziz bin Raja Musa	5,733,000	-	4,717,000	1,016,000

<u>Singatronics Limited</u> <u>Held directly by directors</u>	<u>Number of ordinary shares of S\$0.20 each</u>			
	<u>At 1.1.2000</u>	<u>Bought</u>	<u>Sold</u>	<u>At 31.12.2000</u>
Eddie Foo Chik Kin	21,100,000	-	-	21,100,000
Leow Siew Beng	1,214,000	16,000	-	1,230,000

Held by companies in which directors have interest

Eddie Foo Chik Kin	97,617,729	-	-	97,617,729
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Share options

	<u>At 1.1.2000</u>	<u>Granted</u>	<u>Expired</u>	<u>At 31.12.2000</u>
Leow Siew Beng	460,000	-	60,000	400,000

ULTIMATE HOLDING COMPANY

The directors regard Singatronics Limited, a company incorporated in Singapore, as the company's ultimate holding company.

PROPOSED EMPLOYEES' SHARE OPTION SCHEME ("PROPOSED ESOS")

On 4 October 2000, the board announced that the company proposed to implement an Employees' Share Option Scheme for the benefit of eligible employees and executive directors of the company and its subsidiary company.

The Proposed ESOS has been approved by the Securities Commission vide its letter dated 10 January 2001.

The Proposed ESOS is still subject to:

- (a) the approval of the members of the company at an extraordinary general meeting to be convened; and
- (b) the approval of the Kuala Lumpur Stock Exchange, for the By-Laws of the Proposed ESOS and for the listing of and the quotation for the new ordinary shares of RM1.00 each in the company to be issued pursuant to the exercise of options granted under the Proposed ESOS.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets were made out, the directors took reasonable steps:

- (a) 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 satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the group and the company had been written down to an amount which they might be expected so to realise.

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

- (a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the group and the company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the group and the company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the group and the company misleading or inappropriate.

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

Directors'

Report (cont'd)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (cont'd)

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

- (a) any charge on the assets of the group and the company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the group and the company which has arisen since the end of the financial year.

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

In the opinion of the directors,

- (a) the results of the group's and the company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) 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 to affect substantially the results of the operations of the group or the company for the financial year in which this report is made.

AUDITORS

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

On behalf of the Board

TAN CHOON SIN
DIRECTOR

KATHERINE CHANG CHOONG YEEN
DIRECTOR

26 February 2001

Income

Statements For The Financial Year Ended 31 December 2000

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	Note	Group		Company	
		2000 RM	1999 RM	2000 RM	1999 RM
TURNOVER	4	86,756,428	69,647,695	18,000,000	11,250,000
COST OF SALES		(74,775,406)	(57,881,718)	-	-
GROSS PROFIT		11,981,022	11,765,977	18,000,000	11,250,000
OTHER OPERATING INCOME (GROUP: INCLUDING REALISATION OF TRANSLATION DIFFERENCE UPON DISSOLUTION OF A SUBSIDIARY RM NIL (1999: RM7,897,937))		4,245,182	10,734,058	438,211	508,984
ADMINISTRATIVE EXPENSES		(3,765,791)	(2,907,635)	(440,142)	(191,622)
SELLING AND MARKETING EXPENSES		(852,026)	(714,385)	-	-
OTHER OPERATING EXPENSES (GROUP: INCLUDING PROVISION FOR DIMINUTION IN VALUE OF MARKETABLE SECURITIES RM958,000 (1999: RM1,350,000))		(1,153,774)	(2,251,797)	-	-
PROFIT FROM OPERATIONS	5	10,454,613	16,626,218	17,998,069	11,567,362
FINANCE COST		-	(40,276)	-	-
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX		10,454,613	16,585,942	17,998,069	11,567,362
TAXATION	6	(2,571,630)	194,833	(2,080,100)	(1,260,000)
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS		7,882,983	16,780,775	15,917,969	10,307,362
EARNINGS PER SHARE	7	17.5 sen	38.3 sen	-	-
DIVIDENDS PER SHARE	8	30.0 sen	25.0 sen	30.0 sen	25.0 sen

The notes on pages 17 to 30 form part of these financial statements.

Balance

Sheets As At 31 December 2000

		Group		Company	
	Note	2000 RM	1999 RM	2000 RM	1999 RM
NON-CURRENT ASSETS					
Property, plant and equipment	9	7,745,456	7,303,188	313,261	-
Subsidiary	10	-	-	33,749,998	33,749,998
CURRENT ASSETS					
Marketable securities	11	3,454,587	7,635,711	-	-
Inventories	12	2,637,013	1,811,396	-	-
Amount due from ultimate holding company	18	10,554	-	10,554	-
Amount due from a subsidiary company	18	-	-	1,636	6,014,337
Debtors	13	6,304,368	1,345,959	108,314	12,439
Dividend receivable		-	-	-	7,740,000
Cash and cash equivalents	14	49,182,349	54,756,201	27,319,223	10,190,751
		<u>61,588,871</u>	<u>65,549,267</u>	<u>27,439,727</u>	<u>23,957,527</u>
LESS CURRENT LIABILITIES					
Trade and other creditors	15	2,798,997	2,596,232	32,043	29,051
Taxation		760,821	124,697	114,500	-
Proposed dividend		7,740,000	7,740,000	7,740,000	7,740,000
		<u>11,299,818</u>	<u>10,460,929</u>	<u>7,886,543</u>	<u>7,769,051</u>
NET CURRENT ASSETS					
		<u>50,289,053</u>	<u>55,088,338</u>	<u>19,553,184</u>	<u>16,188,476</u>
		<u>58,034,509</u>	<u>62,391,526</u>	<u>53,616,443</u>	<u>49,938,474</u>
Financed by:					
SHARE CAPITAL	16	45,000,000	45,000,000	45,000,000	45,000,000
RESERVES	17	13,034,509	17,391,526	8,616,443	4,938,474
		<u>58,034,509</u>	<u>62,391,526</u>	<u>53,616,443</u>	<u>49,938,474</u>

The notes on pages 17 to 30 form part of these financial statements.

Statement

Of Changes In Equity For The Financial Year Ended 31 December 2000

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		Issued and fully paid ordinary shares of RM1 each		Non- distributable reserves	Retained earnings	Total
GROUP	Note	Number of shares Unit	Nominal value RM	RM	RM	RM
At 1 January 1999		33,750,000	33,750,000	6,914,739	4,904,315	45,569,054
Shares issued during the financial year		11,250,000	11,250,000	-	-	11,250,000
Premium arising from issue of shares		-	-	6,187,500	-	6,187,500
Listing expenses		-	-	(1,677,209)	-	(1,677,209)
Movement during the financial year		-	-	(5,728,594)	-	(5,728,594)
Net profit for the financial year		-	-	-	16,780,775	16,780,775
Dividends for the financial year	8	-	-	-	(9,990,000)	(9,990,000)
At 31 December 1999		45,000,000	45,000,000	5,696,436	11,695,090	62,391,526
At 1 January 2000		45,000,000	45,000,000	5,696,436	11,695,090	62,391,526
Net profit for the financial year		-	-	-	7,882,983	7,882,983
Dividends for the financial year	8	-	-	-	(12,240,000)	(12,240,000)
At 31 December 2000		45,000,000	45,000,000	5,696,436	7,338,073	58,034,509

NON-DISTRIBUTABLE RESERVES	Shares premium	Revaluation reserve	Exchange fluctuation reserve	Total	
GROUP	Note	RM	RM	RM	
At 1 January 1999		-	1,186,145	5,728,594	6,914,739
Premium arising from issue of shares		6,187,500	-	-	6,187,500
Listing expenses		(1,677,209)	-	-	(1,677,209)
Movement during the financial year		-	-	(5,728,594)	(5,728,594)
At 31 December 1999		4,510,291	1,186,145	-	5,696,436
At 1 January 2000		4,510,291	1,186,145	-	5,696,436
At 31 December 2000		4,510,291	1,186,145	-	5,696,436

The notes on pages 17 to 30 form part of these financial statements.

Statement

Of Changes In Equity For The Financial Year Ended 31 December 2000 (cont'd)

COMPANY	Note	Issued and fully paid ordinary shares of RM1 each		Non- distributable share premium	Retained earnings	Total
		Number of shares Unit	Nominal value RM	RM	RM	RM
At 1 January 1999		33,750,000	33,750,000	-	110,821	33,860,821
Shares issued during the financial year		11,250,000	11,250,000	-	-	11,250,000
Premium arising from issue of shares		-	-	6,187,500	-	6,187,500
Listing expenses		-	-	(1,677,209)	-	(1,677,209)
Net profit for the financial year		-	-	-	10,307,362	10,307,362
Dividends for the financial year	8	-	-	-	(9,990,000)	(9,990,000)
At 31 December 1999		45,000,000	45,000,000	4,510,291	428,183	49,938,474
At 1 January 2000		45,000,000	45,000,000	4,510,291	428,183	49,938,474
Net profit for the financial year		-	-	-	15,917,969	15,917,969
Dividends for the financial year	8	-	-	-	(12,240,000)	(12,240,000)
At 31 December 2000		45,000,000	45,000,000	4,510,291	4,106,152	53,616,443

The notes on pages 17 to 30 form part of these financial statements.

Cash Flow

Statements For The Financial Year Ended 31 December 2000

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	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit after taxation	7,882,983	16,780,775	15,917,969	10,307,362
Adjustments for:				
Diminution in value of marketable securities	958,000	1,350,000	-	-
Depreciation	1,027,926	871,274	25,742	-
Gain on disposal of property, plant and equipment	(212,052)	(20,815)	-	-
Rental income from land and building	-	(26,279)	-	-
Interest income	(1,463,682)	(2,037,511)	(438,211)	(508,984)
Interest expense	-	40,276	-	-
Exchange differences	-	(7,480,744)	-	-
Gain on disposal of marketable securities	(2,136,760)	(274,149)	-	-
Dividends from marketable securities	(109,700)	(32,500)	-	-
Dividends receivable from a subsidiary company	-	-	(18,000,000)	(11,250,000)
Loss on disposal of investment property held by a subsidiary	-	557,284	-	-
Taxation	2,571,630	(194,833)	2,080,100	1,260,000
Operating profit before working capital changes	8,518,345	9,532,778	(414,400)	(191,622)
Decrease/(increase) in working capital:				
Inventories	(825,617)	581,184	-	-
Debtors	(4,958,409)	270,648	(95,875)	763,660
Creditors	202,765	453,735	2,992	10,272
Intercompany balances	(10,554)	(15,453)	6,002,147	(6,790,436)
Cash generated from operations	2,926,530	10,822,892	5,494,864	(6,208,126)
Tax paid	(1,935,506)	(5,378,321)	(1,965,600)	(1,260,000)
Interest paid	-	(40,276)	-	-
Net operating cash flow	991,024	5,404,295	3,529,264	(7,468,126)

The notes on pages 17 to 30 form part of these financial statements.

Cash Flow

Statements For The Financial Year Ended 31 December 2000 (cont'd)

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of marketable securities	(3,955,127)	(10,127,296)	-	-
Proceeds from disposal of marketable securities	9,315,011	1,415,734	-	-
Proceeds from disposal of investment property held by a subsidiary	-	46,327,700	-	-
Expenses paid on disposal of investment property held by a subsidiary	-	(557,284)	-	-
Interest received	1,463,682	2,037,511	438,211	508,984
Purchase of property, plant and equipment	(1,513,731)	(1,921,391)	(339,003)	-
Proceeds from disposal of property, plant and equipment	255,589	24,506	-	-
Rentals received	-	26,279	-	-
Dividends from marketable securities	109,700	32,500	-	-
Dividends received from a subsidiary company	-	-	25,740,000	11,415,600
Net investing cash flow	5,675,124	37,258,259	25,839,208	11,924,584
CASH FLOWS USED IN FINANCING ACTIVITIES				
Proceeds from issuance of shares	-	17,437,500	-	17,437,500
Dividends paid	(12,240,000)	(10,026,000)	(12,240,000)	(10,026,000)
Repayment of term loan	-	(18,531,080)	-	-
Payment of listing expenses	-	(1,677,209)	-	(1,677,209)
Net financing cash flow	(12,240,000)	(12,796,789)	(12,240,000)	5,734,291
Net change in cash and cash equivalents	(5,573,852)	29,865,765	17,128,472	10,190,749
Cash and cash equivalents at beginning of financial year	54,756,201	24,890,436	10,190,751	2
Cash and cash equivalents at end of financial year (Note 14)	49,182,349	54,756,201	27,319,223	10,190,751

The notes on pages 17 to 30 form part of these financial statements.

1 GENERAL INFORMATION

The principal activity of the company is that of an investment holding company. The principal activities of the subsidiary is shown in Note 10 on the financial statements.

The number of staff employed by the group and the company at the end of the financial year are 775 (1999: 688) and 2 (1999: nil) respectively.

The holding and ultimate holding company is Singatronics Limited, a company incorporated in Singapore.

The company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Second Board of the Kuala Lumpur Stock Exchange.

The address of the registered office and principal place of business of the company is Suite 13-05, Level 13, Wisma Kiapeng, No. 3 Jalan Kia Peng, 50450 Kuala Lumpur, Malaysia.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the group and of the company have been prepared under the historical cost convention, (as modified for the revaluation of land and buildings) unless otherwise indicated in this summary of significant accounting policies.

The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiaries made up to the end of the financial period. Acquisitions of the subsidiaries which meet the criteria for merger accounting under Malaysian Accounting Standard 2, Accounting for Acquisitions and Mergers ("MAS 2") are accounted for under that method. If the criteria of MAS 2 are not met, then the acquisitions are accounted for under the acquisition method of accounting.

Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous financial years.

Under the acquisition method of accounting, the results of the subsidiaries acquired or disposed off during the financial year are included from the date of acquisition or up to the date of disposal respectively.

(b) Subsidiaries

Investments in subsidiaries are stated in the financial statements of the company at cost. Provision is made for diminution in value when the directors consider that there has been a permanent impairment in value.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation, modified by valuation of long leasehold land and factory buildings. Long leasehold land is amortised over the lease period of 99 years expiring on 9 November 2080. Other property, plant and equipment are depreciated on the straight line basis over the period of their estimated useful lives at the following principal annual rates:

Factory buildings	2%
Plant and machinery)
Furniture, fixtures and equipment)
Tools and equipment) 20%
Electrical fittings)
Motor vehicles)
Renovation	33 1/3%

Construction work-in-progress is not depreciated.

Long leasehold land and factory buildings in a subsidiary company, Singatronics (Malaysia) Sdn. Bhd., have not been revalued since they were first revalued in 1981. The directors have not adopted a policy of regular revaluations of such assets. As permitted under the transitional provisions of International Accounting Standards ("IAS") No.16 (Revised): Property, Plant and Equipment adopted in Malaysia, these assets are stated at their 1981 valuation less depreciation.

(d) Marketable securities

Marketable securities are stated at lower of cost and market value.

(e) Inventories

Inventories comprising raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value. Cost is determined on the first-in first-out basis, and in the case of work in progress and finished goods, cost represents materials, direct labour, other direct costs and an appropriate proportion of production overheads.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

(f) Debtors

Known bad debts are written off and specific provision is made for any amounts considered to be doubtful of collection.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Foreign currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated into Ringgit Malaysia at exchange rates ruling at the transaction dates or at contracted rates, where applicable. At balance sheet date, monetary assets and liabilities resulting from foreign currency transactions are translated into Ringgit Malaysia at exchange rates ruling at that date or at contracted rates, where applicable. All gains and losses on exchange are included in the income statement.

The principal closing rates used in translation of foreign currency amounts are as follows:

<u>Foreign currency</u>	<u>31.12.2000</u>	<u>31.12.1999</u>
	RM	RM
1 US Dollar	3.8000	3.8000
1 Singapore Dollar	2.1930	2.2815
1 Deutsche mark	1.8050	1.9535
1 AUD	2.1060	2.4755
1 HKD	0.4873	0.4886

(i) Revenue recognition

Sales are recognised upon delivery of products and customer acceptance, net of sales taxes and discounts and allowances.

Dividend income are recognised on the accrual basis.

(j) Deferred taxation

Deferred taxation arising from significant timing differences between accounting income and taxable income is provided for by using the 'liability method' except where there is reasonable evidence that these timing differences will not reverse in the foreseeable future.

Deferred tax benefits are not recognised in the financial statements unless there is a reasonable expectation of their realisation.

(k) Comparatives

Comparative figures have been extended to conform with the additional disclosure requirements of the 13 new MASB Standards, i.e. MASB 1 to MASB 13, that are applicable for the financial year ended 31 December 2000.

4 TURNOVER

Turnover of the company consists of gross dividend income.

Turnover of the group represents the invoiced value of goods sold less returns.

5 PROFIT FROM OPERATIONS

Profit from operations are stated after charging:

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Loss on disposal of investment property held by a subsidiary	-	557,284	-	-
Directors' remuneration				
- fees	78,200	79,200	78,200	79,200
- other emoluments	644,024	599,909	94,885	-
Auditors' remuneration	40,000	40,000	12,000	12,000
Depreciation	1,027,926	871,274	25,742	-
Staff costs	8,516,647	7,175,033	107,030	-
Exchange loss (realised)	199	38,400	199	-
Inventory written off	61,916	-	-	-
Rental of equipment	52,224	28,980	-	-
Rental of building	287,806	100,476	-	-
Provision for diminution in value of marketable securities	958,000	1,350,000	-	-

and after crediting:

Realisation of translation difference upon dissolution of a subsidiary	-	7,897,937	-	-
Dividends receivable (gross) from a subsidiary	-	-	18,000,000	11,250,000
Exchange gain (realised)	133,406	-	-	-
Rental income from land and building	-	26,279	-	-
Gain on disposal of property, plant and equipment	212,052	20,815	-	-
Gain on disposal of marketable securities	2,136,760	274,149	-	-
Gross dividends from marketable securities	109,700	32,500	-	-
Interest income	1,463,682	2,037,511	438,211	508,984
Write back of provision for obsolete inventories no longer required	486,120	-	-	-
Bad debts written back	71,957	-	-	-

The estimated monetary value of benefits otherwise than in cash receivable during the financial year by directors from the group and the company are RM34,730 (1999: RM26,436) and RM3,917 (1999: RM nil) respectively.

6 TAXATION

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
In Malaysia				
- Current taxation	(2,834,500)	-	(2,080,100)	(1,260,000)
- Overprovision in respect of prior years	262,870	226,476	-	-
	(2,571,630)	226,476	(2,080,100)	(1,260,000)
Outside Malaysia				
- Underprovision in respect of prior years	-	(31,643)	-	-
	-	(31,643)	-	-
	(2,571,630)	194,833	(2,080,100)	(1,260,000)

The effective tax rate of the company for the financial year is lower than the statutory tax rate prevailing in Malaysia as certain dividend income are exempted from tax.

7 EARNINGS PER SHARE

The earnings per share is calculated by dividing the profit after taxation of RM7,882,983 (1999: RM16,780,775) for the group by the number of ordinary shares in issue during the financial year of 45,000,000 (1999: weighted average number of ordinary shares of 43,767,123).

8 DIVIDENDS

	Group and Company	
	2000	1999
	RM	RM
Interim dividend of 10 sen per share (tax exempt) (1999: 5 sen per share (tax exempt))	(4,500,000)	(2,250,000)
Proposed final dividend of 10 sen gross per share less tax and 10 sen per share (tax exempt) (1999: 10 sen gross per share less tax and 10 sen per share (tax exempt))	(7,740,000)	(7,740,000)
	(12,240,000)	(9,990,000)

The proposed final dividend of RM7,740,000 for the financial year ended 31 December 2000 is subject to the approval of members at the forthcoming Annual General Meeting of the company.

9 PROPERTY, PLANT AND EQUIPMENT

Group	Opening net book value RM	Additions RM	Reclassifi- cation RM	Disposals RM	Deprecia- tion for the year RM	Closing net book value RM
<u>Financial year ended 31 December 2000</u>						
Long leasehold land						
- at valuation	98,716	-	-	-	(1,212)	97,504
Factory buildings						
- at valuation	1,746,465	-	-	-	(53,600)	1,692,865
- at cost	2,952,814	-	-	-	(64,584)	2,888,230
	4,699,279	-	-	-	(118,184)	4,581,095
At cost						
Plant and machinery	446,839	-	782,008	-	(334,149)	894,698
Furniture, fixtures and equipment	247,925	273,682	-	(1,303)	(106,109)	414,195
Tools and equipment	510,733	72,997	223,769	-	(200,076)	607,423
Electrical fittings	1,551	9,165	305,567	-	(64,497)	251,786
Motor vehicles	559,974	298,814	-	(42,234)	(179,874)	636,680
Renovation	-	285,900	-	-	(23,825)	262,075
Construction work- in-progress	738,171	573,173	(1,311,344)	-	-	-
	7,303,188	1,513,731	-	(43,537)	(1,027,926)	7,745,456

	Valuation/cost RM	Accumulated depreciation RM	Net book value RM
<u>At 31 December 2000</u>			
Long leasehold land			
- valuation	120,000	(22,496)	97,504
Factory buildings			
- at valuation	2,680,000	(987,135)	1,692,865
- at cost	3,229,252	(341,022)	2,888,230
	5,909,252	(1,328,157)	4,581,095

9 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	<u>Valuation/cost</u> RM	<u>Accumulated depreciation</u> RM	<u>Net book value</u> RM
At cost			
Plant and machinery	3,303,321	(2,408,623)	894,698
Furniture, fixtures and equipment	1,386,735	(972,540)	414,195
Tools and equipment	1,806,035	(1,198,612)	607,423
Electrical fittings	368,920	(117,134)	251,786
Motor vehicles	790,516	(153,836)	636,680
Renovation	285,900	(23,825)	262,075
	<u>13,970,679</u>	<u>(6,225,223)</u>	<u>7,745,456</u>

Company

<u>Financial year ended 31 December 2000</u>	<u>Opening net book value</u> RM	<u>Additions</u> RM	<u>Disposals</u> RM	<u>Depreciation for the year</u> RM	<u>Closing net book value</u> RM
At cost					
Furniture, fixtures and equipment	-	53,103	-	(1,917)	51,186
Renovation	-	285,900	-	(23,825)	262,075
	<u>-</u>	<u>339,003</u>	<u>-</u>	<u>(25,742)</u>	<u>313,261</u>

	<u>Valuation/cost</u> RM	<u>Accumulated depreciation</u> RM	<u>Net book value</u> RM
<u>At 31 December 2000</u>			
At cost			
Furniture, fixtures and equipment	53,103	(1,917)	51,186
Renovation	285,900	(23,825)	262,075
	<u>339,003</u>	<u>(25,742)</u>	<u>313,261</u>

9 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group

Financial year ended 31 December 1999	Opening net book value RM	Additions RM	Disposals/ write-offs RM	Depreciation for the year RM	Closing net book value RM
Long leasehold land					
- at valuation	99,928	-	-	(1,212)	98,716
Factory buildings					
- at valuation	1,800,065	-	-	(53,600)	1,746,465
- at cost	2,928,263	88,954	-	(64,403)	2,952,814
	4,728,328	88,954	-	(118,003)	4,699,279
At cost					
Plant and machinery	641,742	138,660	-	(333,563)	446,839
Furniture, fixtures and equipment	252,444	115,672	-	(120,191)	247,925
Tools and equipment	351,879	348,232	-	(189,378)	510,733
Electrical fittings	9,814	-	-	(8,263)	1,551
Motor vehicles	172,627	491,702	(3,691)	(100,664)	559,974
Construction work-in-Progress	-	738,171	-	-	738,171
	6,256,762	1,921,391	(3,691)	(871,274)	7,303,188

	Valuation/cost RM	Accumulated depreciation RM	Net book value RM
At 31 December 1999			
Long leasehold land			
- at valuation	120,000	(21,284)	98,716
Factory buildings			
- at valuation	2,680,000	(933,535)	1,746,465
- at cost	3,229,252	(276,438)	2,952,814
	5,909,252	(1,209,973)	4,699,279
At cost			
Plant and machinery	2,521,313	(2,074,474)	446,839
Furniture, fixtures and equipment	1,185,361	(937,436)	247,925
Tools and equipment	1,515,311	(1,004,578)	510,733
Electrical fittings	54,188	(52,637)	1,551
Motor vehicles	896,931	(336,957)	559,974
Construction work-in-progress	738,171	-	738,171
	12,940,527	(5,637,339)	7,303,188

9 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The valuation of the long leasehold land and buildings were made by the directors based on an independent valuation of those assets in 1981 by a firm of professional valuers.

Long leasehold land and factory buildings in a subsidiary company, Singatronics (Malaysia) Sdn. Bhd., have not been revalued since the first revaluation exercise in 1981. The directors have adopted the transitional provisions in respect of assets carried at previously revalued amounts for IAS No.16 (Revised): Property, Plant and Equipment as allowed for by Malaysian Accounting Standards Board to retain the carrying amounts of the long leasehold land and factory buildings on the basis of their previous revaluation subject to the continuing application of the current depreciation policy.

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

Had the property, plant and equipment been included in the financial statements of the group at cost less depreciation, the net book value of each class of property, plant and equipment would have been as follows:

	2000 RM	Group 1999 RM
Long leasehold land	95,635	96,824
Factory buildings	3,833,300	3,927,807
Plant and machinery	894,698	446,839
Furniture, fixtures and equipment	414,195	247,925
Tools and equipment	607,423	510,733
Electrical fittings	251,786	1,551
Motor vehicles	636,680	559,974
Renovation	262,075	-
Construction work-in-progress	-	738,171
	<u>6,995,792</u>	<u>6,529,824</u>

10 SUBSIDIARY

	2000 RM	Company 1999 RM
Unquoted shares, at cost	<u>33,749,998</u>	<u>33,749,998</u>

Name	Country of Incorporation	Percentage of equity held		Principal activities
		2000	1999	
<u>Direct subsidiary</u>				
Singatronics (Malaysia) Sdn. Bhd.	Malaysia	100%	100%	Manufacture, assembly and export of electronic toys and games, electronic musical instruments, telecommunications and security products and printed circuit board assemblies

10 SUBSIDIARY (cont'd)

<u>Name</u>	<u>Country of Incorporation</u>	<u>Percentage of equity held</u>		<u>Principal activities</u>
		<u>2000</u>	<u>1999</u>	
Subsidiary of Singatronics (Malaysia) Sdn. Bhd.				
Pinpeak Limited	Hong Kong	-	100%	Trustee

Pinpeak Limited was de-registered on 19 May 2000.

11 MARKETABLE SECURITIES

	<u>2000</u> RM	<u>Group</u> <u>1999</u> RM
Shares in corporations quoted in Malaysia, at cost	5,762,587	8,985,711
Less: Provision for diminution in value	(2,308,000)	(1,350,000)
	<u>3,454,587</u>	<u>7,635,711</u>
Market value at 31 December	<u>3,455,370</u>	<u>8,512,000</u>

12 INVENTORIES

	<u>2000</u> RM	<u>Group</u> <u>1999</u> RM
Raw materials	2,325,232	2,230,024
Work in progress	188,130	2,296
Finished goods	123,651	88,373
	<u>2,637,013</u>	<u>2,320,693</u>
Less: Provision for obsolete stocks	-	(509,297)
	<u>2,637,013</u>	<u>1,811,396</u>

13 DEBTORS

	Group		Company	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM
Trade debtors	5,418,498	610,542	-	-
Other debtors	616,267	516,316	36,631	12,439
Deposits	100,875	25,792	71,078	-
Prepayments	72,045	95,326	605	-
Staff loans	96,683	97,983	-	-
	<u>6,304,368</u>	<u>1,345,959</u>	<u>108,314</u>	<u>12,439</u>

14 CASH AND CASH EQUIVALENTS

	Group		Company	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM
Deposits with licensed finance companies	14,750,000	14,250,000	10,750,000	2,250,000
Deposits with licensed banks	32,629,000	39,687,600	16,430,000	7,705,600
Cash and bank balances	1,803,349	818,601	139,223	235,151
	<u>49,182,349</u>	<u>54,756,201</u>	<u>27,319,223</u>	<u>10,190,751</u>

15 TRADE AND OTHER CREDITORS

	Group		Company	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM
Trade creditors	1,926,533	659,756	-	-
Other creditors	221,602	799,498	17,000	16,051
Accruals	650,862	1,136,978	15,043	13,000
	<u>2,798,997</u>	<u>2,596,232</u>	<u>32,043</u>	<u>29,051</u>

16 SHARE CAPITAL

	Group and Company	
	<u>2000</u>	<u>1999</u>
	RM	RM
Ordinary shares of RM1.00 each		
Authorised	100,000,000	100,000,000
Issued and fully paid		
At beginning of financial year	45,000,000	33,750,000
Issued during the financial year	-	11,250,000
At end of financial year	<u>45,000,000</u>	<u>45,000,000</u>

17 RESERVES

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM
<u>Non-distributable</u>				
Share premium	4,510,291	4,510,291	4,510,291	4,510,291
Revaluation reserve	1,186,145	1,186,145	-	-
	<u>5,696,436</u>	<u>5,696,436</u>	<u>4,510,291</u>	<u>4,510,291</u>
<u>Distributable</u>				
Retained earnings	7,338,073	11,695,090	4,106,152	428,183
	<u>13,034,509</u>	<u>17,391,526</u>	<u>8,616,443</u>	<u>4,938,474</u>

The revaluation reserve at 31 December 2000 represents revaluation surplus on long leasehold land and buildings of a subsidiary and is not distributable.

Movements in reserves are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM
<u>Share premium</u>				
At beginning of financial year	4,510,291	-	4,510,291	-
Premium arising from issue of shares	-	6,187,500	-	6,187,500
Listing expenses	-	(1,677,209)	-	(1,677,209)
	<u>4,510,291</u>	<u>4,510,291</u>	<u>4,510,291</u>	<u>4,510,291</u>

The share premium arose from a public issue of 11,250,000 new ordinary shares of RM1.00 at a premium of RM0.55 per share.

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM
<u>Exchange fluctuation reserve</u>				
At beginning of financial year	-	5,728,594	-	-
Movement during the financial year	-	(5,728,594)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The movement in exchange fluctuation reserve account represents exchange differences on translation of the net equity of foreign subsidiaries.

17 RESERVES (cont'd)

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
<u>Retained earnings</u>				
At beginning of financial year	11,695,090	4,904,315	428,183	110,821
Net profit for the financial year	7,882,983	16,780,775	15,917,969	10,307,362
Dividends for the financial year	(12,240,000)	(9,990,000)	(12,240,000)	(9,990,000)
At end of financial year	<u>7,338,073</u>	<u>11,695,090</u>	<u>4,106,152</u>	<u>428,183</u>

Subject to agreement by Inland Revenue Board, the company has sufficient tax exempt account balance and tax credits available under the Income Tax Act, 1967 to frank all of its retained earnings as at 31 December 2000, if paid out as dividends.

18 SIGNIFICANT RELATED PARTY BALANCES AND TRANSACTIONS

(a) Significant related party balances:

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Amount due from Singatronics (M) Sdn. Bhd.; a subsidiary company:				
- Non-trade	<u>-</u>	<u>-</u>	<u>1,636</u>	<u>6,014,337</u>
Amount due from Singatronics Limited; the ultimate holding company:				
- Non-trade	<u>10,554</u>	<u>-</u>	<u>10,554</u>	<u>-</u>

(b) Significant related party transactions:

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Dividends received and receivable (gross) from Singatronics (M) Sdn. Bhd.; a subsidiary company	-	-	18,000,000	11,250,000
Dividends paid and payable to Singatronics Limited; the ultimate holding company	<u>6,609,600</u>	<u>5,394,600</u>	<u>6,609,600</u>	<u>5,394,600</u>

Notes

On The Financial Statements (cont'd)

19 GROUP SEGMENTAL INFORMATION

(a) Analysis by geographical location

	<u>Turnover</u>		<u>Profit before taxation</u>		<u>Total assets employed</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM	RM	RM
Malaysia	86,756,428	69,621,416	10,454,613	13,240,633	69,334,327	72,852,454
Overseas	-	26,279	-	3,345,309	-	1
	<u>86,756,428</u>	<u>69,647,695</u>	<u>10,454,613</u>	<u>16,585,942</u>	<u>69,334,327</u>	<u>72,852,455</u>

(b) Analysis by activity

	<u>Turnover</u>		<u>Profit before taxation</u>		<u>Total assets employed</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM	RM	RM
Electronic products and printed circuit boards assemblies	86,756,428	69,621,416	10,454,613	13,240,633	69,334,327	72,852,454
Property investment	-	26,279	-	3,345,309	-	1
	<u>86,756,428</u>	<u>69,647,695</u>	<u>10,454,613</u>	<u>16,585,942</u>	<u>69,334,327</u>	<u>72,852,455</u>

Statement

By Directors Pursuant To Section 169(15) Of The Companies Act, 1965

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We, Tan Choon Sin and Katherine Chang Choong Yeen, two of the directors of Astral Supreme Berhad, state that in the opinion of the directors, the financial statements set out on pages 11 to 30 are drawn up so as to give a true and fair view of the state of affairs of the group and the company as at 31 December 2000 and of the results and the cash flows of the group and the company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and provisions of the Companies Act, 1965.

On behalf of the Board

TAN CHOON SIN
DIRECTOR

KATHERINE CHANG CHOONG YEEN
DIRECTOR

26 February 2001

Statutory

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

I, Tan Choon Sin, the director primarily responsible for the financial management of Astral Supreme Berhad, do solemnly and sincerely declare that the financial statements set out on pages 11 to 30 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.

TAN CHOON SIN

Subscribed and solemnly declared by the abovenamed Tan Choon Sin at Butterworth
on 26 February 2001, before me.

MD NAZAN BIN YUSUF
COMMISSIONER FOR OATHS

Butterworth

Report

Of The Auditors To The Members of Astral Supreme Berhad

We have audited the financial statements set out on pages 11 to 30. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:

- (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (ii) the state of affairs of the group and the company as at 31 December 2000 and of the results and cash flows of the group and the company for the financial year ended on that date;

and

(b) the accounting and other records and the registers required by the Act to be kept by the company and its subsidiary company have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary company that have been consolidated with the company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

Our audit reports on the financial statements of the subsidiary company was not subject to any qualification and did not include any comment made under subsection 3 of section 174 of the Act.

PRICEWATERHOUSECOOPERS
(No. AF-1146)
Public Accountants

TAN HOCK HIN
(No. 441/3/01(J/PH))
Partner of the firm

Penang
26 February 2001

Details Of Properties

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Location	Description	Land Area/ Built-up Area (sq. metre)	Tenure	Approx Age (years)	Market Value (as at 18.12.98)	Net Book Value (as at 31.12.2000)
Plot 20, HS(M) 2/1981 Kulim Industrial Estate Mukim of Sungei Seluang District of Kulim Kedah Darul Aman	Land Factory Building	10,036 6,624	Leasehold 60 years (Expires on 9.11.2041)	20	RM5.5 million	RM4.679 million

Analysis

Of Shareholdings As At 12 March 2001

Authorised Capital	RM100,000,000.00
Issued And Paid-up Capital	RM45,000,000.00
Class of Share	Ordinary Shares of RM1.00 each
Voting Rights	One vote per ordinary share
Number of Shareholders	2,635

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholdings	No. Of Holders	%	No. Of Shares	%
1 - 1,000	1,399	53.09	1,399,000	3.11
1,001 - 5,000	957	36.32	2,736,000	6.08
5,001 - 10,000	164	6.22	1,317,000	2.93
10,000 and above	115	4.37	39,548,000	87.88
	2,635	100.00	45,000,000	100.00

TOP TWENTY SHAREHOLDERS

Name Of Shareholders	No. Of Shares	%
1. Singatronics Limited	19,800,000	44.00
2. Lembaga Tabung Haji	6,786,000	15.08
3. CIMB Nominees (Asing) Sdn. Bhd. (Pledged Securities Account for Singatronics Limited)	4,500,000	10.00
4. Tan Ma Chau @ Tan Choon Sin	2,000,000	4.44
5. Citicorp Nominees (Asing) Sdn. Bhd. (CIB Lux Union Investment Management SA for Unidynamicfonds Asia)	1,400,000	3.11
6. CIMB Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Raja Abdul Aziz Bin Raja Musa)	1,000,000	2.22
7. Mohd Najib Bin Mashhor	820,000	1.82
8. Amanah Raya Berhad (Tabung Ittikal Arab-Malaysian)	549,000	1.22
9. Chua Tua Soon @ Chua Siow Seng	116,000	0.26
10. AM Nominees (Tempatan) Sdn. Bhd. (Malaysian France Institute Sdn. Bhd.)	106,000	0.24
11. Chartered Green Limited	100,000	0.22
12. SJ Sec Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Mohd Junid Bin Itam Suliman)	100,000	0.22
13. Teng U Heng	81,000	0.18
14. Employees Provident Fund Board	78,000	0.17
15. Andrew Ooi Soon Hock	77,000	0.17
16. Abdullah Bin Ibrahim	70,000	0.16
17. Ooi Tong Sun	57,000	0.13
18. Vanguard Nominees (Tempatan) Sdn. Bhd.	55,000	0.12
19. Yang Ah Lwi @ Yang Pek Yook	50,000	0.11
20. Teh Swee Seah	44,000	0.10
	37,789,000	83.97

Analysis

Of Shareholdings (cont'd)

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SUBSTANTIAL SHAREHOLDERS

Name Of Shareholders	Direct Interest		Indirect Interest	
	No. Of Shares	%	No. Of Shares	%
1. Singatronics Limited	24,3000,000	54.00	-	-
2. Eddie Foo Chik Kin	-	-	*24,3000,000	54.00
3. Lembaga Tabung Haji	6,786,000	15.08	-	-
4. Tan Ma Chau @ Tan Choon Sin	2,000,000	4.44	-	-
5. CIB Lux Union Investment Management SA for Unidynamicfonds Asia	1,400,000	3.11	-	-
6. Raja Abdul Aziz Bin Raja Musa	1,015,000	2.26	-	-

* Deemed interest by virtue of his interest in Singatronics Limited.

Statement

Of Directors' Interest In Shares As At 21 January 2001

Astral Supreme Berhad

No. Of Shares Of RM1.00 Each

	Direct Interest	Indirect Interest
--	-----------------	-------------------

Eddie Foo Chik Kin	-	*24,300,000
Tan Choon Sin	2,000,000	-
Raja Abdul Aziz Bin Raja Musa	1,016,000	-

*Deemed interest by virtue of his interest in Singatronics Limited.

Singatronics Limited

No. Of Shares Of S\$0.20 Each

	Direct Interest	Indirect Interest
--	-----------------	-------------------

Eddie Foo Chik Kin	21,100,000	97,617,729
Leow Siew Beng	1,230,000	-

Notice Of Annual General Meeting

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ASTRAL **S U P R E M E** **ASTRAL SUPREME BERHAD** (442371-A)

NOTICE IS HEREBY GIVEN THAT the Third Annual General Meeting of the Company will be held at Perak Room, Basement II, Shangri-La Hotel, No. 11 Jalan Sultan Ismail, 50250 Kuala Lumpur on Tuesday, 8 May 2001 at 10.30 a.m. to conduct the following businesses :-

AGENDA

As Ordinary Business :

1. To receive and adopt the Audited Accounts for the financial year ended 31 December 2000 together with the Reports of the Directors and Auditors thereon. (Resolution 1)
2. To approve the payment of a Final Dividend of 10 sen gross per share less tax at 28% and 10 sen per share (tax exempt) for the financial year ended 31 December 2000. (Resolution 2)
3. To approve the payment of Directors' Fees for the year ended 31 December 2000. (Resolution 3)
4. To re-elect the following Directors retiring in accordance with Article 83 of the Company's Articles of Association:-
 - a. Mr. Foo Chik Kin (Resolution 4)
 - b. Mr. Yap Wing Chun (Resolution 5)
5. To re-elect Ms. Chong Choong Yeen @ Chang Choong Yeen who retires pursuant to Article 82 of the Company's Articles of Association. (Resolution 6)
6. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and authorise the Directors to fix their remuneration. (Resolution 7)
7. As Special Business :

To consider and, if thought fit, pass with or without any modification, the following Ordinary Resolution:

Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

"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, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the total issued capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange and THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

 (Resolution 8)
8. To consider any other business of which due notice shall have been given.

Notice Of

Annual General Meeting (cont'd)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Third Annual General Meeting, a Final Dividend of 10 sen gross per share less tax at 28% and 10 sen per share (tax exempt) in respect of the financial year ended 31 December 2000, will be paid on 28 May 2001 to the registered shareholders of the Company whose names appear in the Record of Depositors at the close of business on 11 May 2001.

A depositor shall qualify for entitlement to the dividend in respect of :-

- (a) Shares transferred into the Depositor's Securities Account before 12.30 p.m. on 11 May 2001 in respect of ordinary transfers;
- (b) 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
AN NAI [MIA 1074]
Company Secretary

Kuala Lumpur
16 April 2001

NOTES ON APPOINTMENT OF PROXY

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead.
2. A proxy need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar.
3. To be valid, this proxy form duly completed, must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting.
4. Where a member appoints two or more proxies, the appointment shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

EXPLANATORY NOTE ON SPECIAL BUSINESS

1. The proposed Ordinary Resolution 8, if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, the 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 share capital of the Company for the time being for such other 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.

ASTRAL S U P R E M E ASTRAL SUPREME BERHAD (442371-A)

REGISTERED OFFICE

Suite 13-05, Level 13 Wisma Kiapeng, No. 3, Jalan Kia Peng, 50450 Kuala Lumpur.

*I/We _____ being
a member of ASTRAL SUPREME BERHAD ("the Company") hereby appoint the *Chairman or _____
of _____
or failing *him / her, _____
of _____
as * my / our proxy to vote for * me / our behalf at the Third Annual General Meeting of the Company to be held at Perak Room,
Basement II, Shangri-La Hotel, No. 11 Jalan Sultan Ismail, 50250 Kuala Lumpur on Tuesday, 8 May 2001 at 10.30 a.m. and at any
adjournment thereof.

Please indicate the manner in which you wish your votes should be cast with an "X" in the appropriate spaces below. Unless
voting instructions are specified therein, the proxy will vote or abstain from voting as he / she thinks fit.

	RESOLUTIONS	FOR	AGAINST
No. 1	To receive and adopt the Accounts and Reports		
No. 2	To approve payment of a Final Dividend of 10 sen gross per share less tax at 28% and 10 sen per share (tax exempt)		
No. 3	To approve the payment of Directors' Fees		
No. 4	To re-elect Mr. Foo Chik Kin as a Director pursuant to the Company's Articles of Association		
No. 5	To re-elect Mr. Yap Wing Chun as a Director pursuant to the Company's Articles of Association		
No. 6	To re-elect Ms. Chong Choong Yeen @ Chang Choong Yeen as a Director pursuant to the Company's Articles of Association		
No. 7	To re-appoint Messrs. PricewaterhouseCoopers as Auditors		
No. 8	As special business, to approve the ordinary resolution pursuant to Section 132D of the Companies Act, 1965		

Signature _____

(If shareholder is a corporation, this part should be executed under seal)

No. of Shares Held

Signed this _____ day of _____ 2001

NOTES

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead.
- A proxy need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar.
- To be valid, this proxy form duly completed, must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting.
- Where a member appoints two or more proxies, the appointment shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy.
- If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

* Delete where not applicable.

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The Company Secretary

ASTRAL SUPREME BERHAD

(442371-A)

Suite 13-05, Level 13 Wisma Kiapeng
No. 3, Jalan Kia Peng
50450 Kuala Lumpur

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