

CORPORATE INFORMATION

Chairman

Mazlan bin Muhamed

Managing Director

Yap Wee Hin

Directors

Robert Daniel Tan Kim Leng
(Executive Director)

Ng Back Heang
(Executive Director)

Law Siew Ngoh
(Executive Director)

Abdul Ghaffur bin Ramli
(Independent Non-Executive Director)

Aziz Yazdani bin Ahmad Khalil
(Independent Non-Executive Director)

Secretaries

Ng Lee Chum (MAICSA 7003990)
Lum Chee Yeng (MAICSA 0880217)

Registered Office

11th Floor, Wisma Damansara,
Jalan Semantan, Damansara Heights,
50490 Kuala Lumpur.
Tel : 03 - 255 7188
Fax : 03 - 255 0988

Registrars

M & C Services Sdn. Bhd.
11th Floor, Wisma Damansara,
Jalan Semantan, Damansara Heights,
50490 Kuala Lumpur.
Tel : 03 - 255 7188
Fax : 03 - 255 0988

Principal Bankers

Malayan Banking Berhad
Ground Floor, Block C,
Kompleks Pejabat Damansara,
Jalan Semantan, Damansara Heights,
50490 Kuala Lumpur.

Bumiputra-Commerce Bank Berhad
60-62, Jalan SS6/14, Kelana Jaya,
47301 Petaling Jaya.

Auditors

KPMG
Public Accountants
Wisma KPMG
Jalan Dungun, Damansara Heights,
50490 Kuala Lumpur.

Solicitors

Nik Hisham, Ainul Azam & Fakhiah
Advocates & Solicitors
Suite F&G, 10th Floor,
Bangunan Angkasa Raya,
Jalan Ampang,
50450 Kuala Lumpur.

Stock Exchange Listing

The Kuala Lumpur Stock Exchange
Second Board

AUDIT COMMITTEE

The Members of the Audit Committee are as follows :-

Chairman	Abdul Ghaffur bin Ramli <i>(Independent Non-Executive Director)</i>
Members	Aziz Yazdani bin Ahmad Khalil <i>(Independent Non-Executive Director)</i>
	Yap Wee Hin <i>(Managing Director)</i>

COMPOSITION OF AUDIT COMMITTEE

The Committee shall consist of not less than 3 members of the Board, of whom a majority shall be non-executive directors. A quorum shall consist of a majority of committee members.

The members of the Audit Committee shall elect a Chairman from amongst their number who is not an Executive Director or employee of the Company or any related corporation.

If the number of members is less than 3, the Board shall within 3 months, appoint new members to make up the minimum number of 3 members.

TERMS OF REFERENCE

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 co-operate with any request made by the Committee.

The Committee is 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.

The functions of the Committee shall be :-

a) to review

- i) with the external auditor, the audit plan;
- ii) with the external auditor, system of internal accounting controls;
- iii) with the external auditor, the audit report;
- iv) the assistance given by the Company's officers to the external auditor;
- v) the scope and results of internal audit procedures;
- vi) the consolidated balance-sheet and profit and loss accounts of the Group submitted to the Audit Committee by the Company and thereafter, submit them to the Directors of the Company; and
- vii) any related party transactions that may arise within the Company or Group.

b) to nominate a person or persons as the external auditors.

c) to identify and direct any special projects or investigations deemed necessary.

BOARD OF DIRECTORS



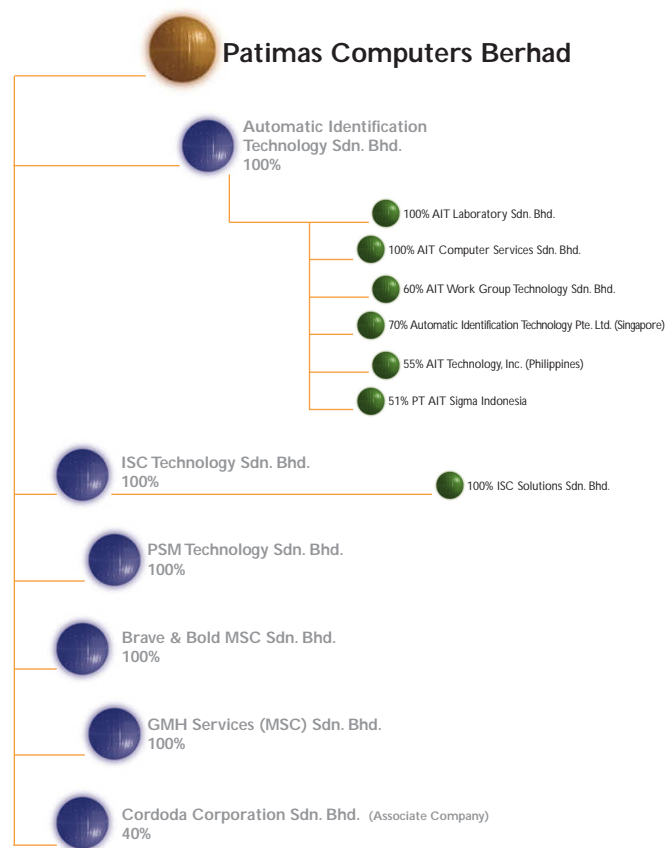
Standing from left to right

Robert Daniel Tan Kim Leng *Executive Director*, **Ng Back Heang** *Executive Director*,
Yap Wee Hin *Managing Director*, **Mazlan bin Muhamed** *Chairman*, **Law Siew Ngoh** *Executive Director*,
Abdul Ghaffur bin Ramli *Independent Non-Executive Director*

Not in picture

Aziz Yazdani bin Ahmad Khalil *Independent Non-Executive Director*

CORPORATE STRUCTURE



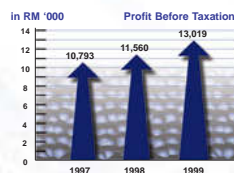


Mazlan bin Muhamad
Chairman
Patimas Computers Berhad

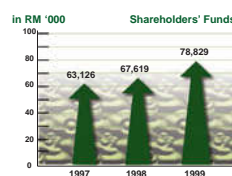
On behalf of the Board of Directors of Patimas Computers Berhad, I am pleased to present the Annual Report and Audited Accounts of the Group for the year ended 31 December 1999.

FINANCIAL PERFORMANCE

1999 has proven to be a good year for both the Malaysian economy and the Group. This was the year where Asia put behind them the economic crisis and began to show improved growth.



On the Malaysian front, the economy has rebounded from a negative growth in 1998 to a 5.4% growth in GDP for the year 1999. This recovery has been assisted by the growth in domestic demand, increased expenditure by the public sector and increased exports.



The improvement of the Malaysian economy is reflected in the overall performance of the Group. For the 1999 financial year, the Group recorded a turnover of RM82.95 million, an increase of 19% from 1998's RM69.72 million. Profit before tax rose by 12.6% to RM13.02 million from RM11.56 million in the previous year. The Earnings Per Share grew from 20 sen in 1998 to 31 sen in 1999.

CORPORATE DEVELOPMENT

On 27 October 1999, Patimas Computers Berhad ("the Company"), announced its proposals to implement a one for two bonus issue ("Proposed Bonus Issue") and a Renounceable Rights Issue of RM59,998,500 nominal amount of 5-year 6% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at 100% of the nominal value with 29,999,250 detachable free warrants on the basis of RM3.00 nominal amount of ICULS for every two (2) existing ordinary shares held and three (3) free detachable

warrants for every four (4) existing ordinary shares held. The Proposed Bonus Issue will increase the capital of the Company to provide a better reflection of the assets employed by the Company whilst the Proposed ICULS with Detachable Warrants Issue would provide a cost efficient source of funds for the Company to finance its existing operations and new business ventures.

be transmitted efficiently. With its venture and the strong growth in IT, Cordoda is expected to contribute to the Group's profitability in the future.

Dividend

The Board of Directors is pleased to propose a first and final dividend of 5% per share less tax for the year ended 31 December 1999.



The Centre is equipped with training facilities to provide continuous development for its people as well as partners and customers.

The above proposals are conditional upon approvals being obtained from the relevant authorities and the shareholders.

To reward its employees, the Company has proposed an employees' share option scheme ("ESOS") which was approved by the Securities Commission on 22 November 1999. The proposed ESOS is pending approvals from the shareholders and other relevant authorities.

The Company has also subscribed for 40% equity interest in Cordoda Corporation Sdn. Bhd. ("Cordoda"). Cordoda is involved in the provision of IT outsourcing via Enterprise Managed Network Services which aims to provide value-added services that will enable voice, data and video network services to

OPERATIONS REVIEW



Environmental landscaping is a distinctive feature at the Patimas Technology Centre where emphasis is placed on providing its staff with a conducive working place.

The Group continued its focus in providing enterprise applications software solutions and related services to its customers amidst fear of Y2K complications and disruptions. The Board is pleased to report that the Y2K remedial efforts undertaken by the Group on its operations and products have been successfully carried out without any major problem.

To meet the increased demand for IT solutions, the Group concentrated on the development of new software products as well as enhancement of existing ones, especially in the area of extending the current repertoire of solutions into the e-business arena. New products in the development stage include a next generation internet trading system called e-quity On-line which is expected to replace the current e-quity/DTB products. In the insurance sector, the Group introduced a full suite of insurance workflow automation system for use in general and life insurance.

Through Cordoda, the Group is positioning itself as a provider of Enterprise Managed Network Services to the Malaysian market. It intends to

capitalise on the growth in e-business which is expected to drive the future business environment. This evolution and the rising needs of reliable infrastructure and components will augur well for the future of this business.

The Group continues to play a more active role in meeting clients' needs in industries such as manufacturing. Here, the Group continues to offer its expertise such as integrating hardware, application software and support services to assist in the implementation of manufacturing software for the small, medium and large manufacturing companies in the country.

Other projects that the Group was involved in included creating a sales and distribution 'datamart', developing a front-end web-enabled online booking system, setting up of a reservation system, migrating application software and ensuring systems are Y2K-compliant.

The Group also developed an on-line learning system and was involved in the first on-line ICT Teachers Training Programme for the British International

Curriculum Assessment Agency. The prospective area for further development is the various facets of on-line learning and ICT-Enriched Education in the market.



The Centre is also equipped with various recreational facilities and services to provide its staff with the opportunity to balance work and play.

The Group was also the recipient of several awards including the Sales Achievement Award from Progress Software Corporation, USA for outstanding sales performance and the Lotus AP Star Award from Lotus Development Corporation, USA for its contribution in developing application software for the public sector.

To sustain and manage growth are the key challenges for the Group. One of the measures taken was to develop excellent processes in order to continue to deliver quality products and services. In this respect, efforts have since been made to attain the ISO 9002 for Quality Services from SIRIM. Patimas Computers Berhad expects to be accorded with the certification around middle of year 2000.

The Group has disposed of its 30% equity interest in NSTP Interactive Sdn. Bhd.

RESEARCH & DEVELOPMENT

1999 also saw the Group making its official move into Patimas Technology Centre, its new headquarters at Technology Park Malaysia, Bukit Jalil. The new premises are expected to propel the Group forward on the IT front by providing the environment for innovation and creativity in every area of IT development.

While the overall physical structure is complete, the Centre continues with renovation, fitting activities, installation of equipment and other research facilities. This exercise is expected to be fully completed by September 2000.

REGIONAL REVIEW

The Group's activities in the ASEAN region continued on a trend of growth. In Indonesia, there was a remarkable turnaround where a profit was turned in. The Philippines and Singapore operations remain a continued challenge in terms of competitiveness.

Janus Teamware in India has ceased to be a member of the Group.

CHALLENGES & OPPORTUNITIES IN THE NEW ECONOMY

We are now at a transition as we leave the 20th century, moving from an industrial-based economy to a knowledge-based economy. Some call this the Information Age. For others, this is the New Economy where information will determine how wealth will be created.

Looking at what is happening today, it is therefore, not surprising that many changes are taking place and how Information Technology being in a constant state of change, is the driver for all these changes.



A segment of the marketing department equipped to take on the new challenges of the 21st Century.

A lot of activities are developing in the computer networking area as it moves to the centre stage and wireless networking evolves to a point where information can be delivered over the air at relatively high speed. We are also witnessing the introduction of networking devices capable of delivering information via electrical power-lines to remote households. In the New Economy, networking will transform from merely connecting computers and peripherals, to an information utility that connects countless of information appliances, applications and services. It will become a utility, a primary service which people will depend on for many of their needs. Computing will become pervasive as more and more information

appliances start to appear, shielding people from the underlying complexity of computer and network technology.

On the business front, e-commerce is just starting to take off and many organisations which have web presence today are moving towards building e-commerce communities such as B2B (business to business) exchanges or e-business ecosystem. Yet, this is just the beginning as all key processes of a business must also be 'digitized' to deliver products, information and services to consumers in the shortest possible time.

The system of higher education is also affected when learning requirements undergo changes to meet the demands of increasingly heterogeneous students. In the New Economy that is primarily knowledge-based, those from the working group where job demand changes rapidly, will be joining the student population and more people will become lifelong students. The education system will become less campus-centric and more student-centric. On-line learning will bring the classroom to the students, at their convenience and in their own time frame. The Internet will enable the concept of on-line learning to become a reality.

As we enter this new era of Information Age, our focus will be in Networking, e-Business and On-line learning. We believe that these key areas will offer the most opportunities for growth in the current and next few years to come.



The interior of the Centre reflects the essential elements of its architecture and design - simplicity and functionality.

In the area of networking, our investment in Cordoda, an Enterprise Managed Network Services company, will provide a complete range of connectivity solutions, managed network services and e-business capability for all types of businesses. We are planning to provide a server farm to host applications and also develop our own network computing and recovery centre to ensure that the full range of services offered to our customers are complete with built-in redundant capabilities. In addition, we are forging alliances with strategic business partners to complement our strategy in providing end-to-end solutions. With all these, our customers will be able to have greater focus on their respective core competencies and allow us to be the ultimate outsourcing partner in connectivity and managed network services, from the local area network to customers' desktops.

In the New Economy where organisations must adapt to new business models in order to remain competitive and react to customers' needs quickly, our strength in providing

enterprise applications software solutions will enable us to build systems for our customers that will integrate with new web-based solutions. Our domain industry knowledge coupled with our understanding of our customers' business environment and requirements will position us as a one-stop e-business solution provider and enable us to seize the opportunities when our customers want to transform their business into e-business.

In the area of on-line learning, there are a lot of opportunities ahead for us. The challenge lies in the rate of commercial adoption of these initiatives. To this end, our integrated on-line learning application software solution has been successfully deployed in a major site in the UK. We will continue to enhance this product and market it locally as well as regionally.

As we leave behind the 20th century together with its Asian Economic Crisis, we can only be very optimistic of the future and the many opportunities that the New Economy brings for Information Technology corporations.

APPRECIATION



On behalf of the Board of Directors, I extend my sincere appreciation to the members of our management and staff for their commitment, hard work and invaluable contributions to the growth of the Company and its subsidiaries.

I would also like to thank all our Valued Customers, Business Partners and Associates and Shareholders for the continuous support given to us.

A handwritten signature in black ink, appearing to read 'Mazlan bin Muhammed'.

Mazlan bin Muhammed
Chairman

PRODUCT DEVELOPMENT

STOCKBROKING

- **TRACS400 (Trading Room Accounting & Control System) & Excalibur /6000**

- A comprehensive Stockbroking Backroom solution which includes Trading Processes, Settlements, Margin Trading, Custodian Services, Nominees and Share Management. These products are specially tailored for each of the market requirement in Malaysia, Indonesia and the Philippines.

- **e-equity** - A web-enabled on-line trading solution with real-time stock display, market news and electronic trading capability.

- **SWAMI (Security Workflow Automation & Messaging Infrastructure)** - A front-end workflow application developed using Lotus Notes that addresses areas such as customer service, distribution of KLSE circulars, opening of client account and more.

FINANCE & BANKING

- **SMuRF (Share Margin Financing)** - An automated solution for Share Margin Financing operations.

INSURANCE WORKFLOW

- **On-Time! Series** - A complete insurance claim workflow from the claims cycle that ensures all claims are processed within a certain time frame.

LOTUS NOTES - *Workgroup applications developed using Lotus Notes*

- **Budget Preparation System (BPS)**

- Assists budget planners in preparing the budget by automating all processes to ensure fast turnaround time for approval and resubmission.

- **BizMATCH** - A system that helps organisations to perform a search based on specific criteria and determines the best match for the organisations to work together.

- **Probe iNet Publisher** - A simple-to-use and robust Lotus Domino application system used to manage high volume of web content.

- **Project Management System** - A system which monitors the status of an infrastructure project. It provides information such as project expenses, budgets, project forecasts and more.



An open working environment encourages and keeps the communication channels open.

• **Corporate Human Resources Management System (CHaRMS)**

- A Human Resources Management System comprising of value-added components such as staff reviews, assessments, career planning and staff training.



The networking equipment that forms part of the Enterprise Broadband Network (EBN).

• **On-line Learning System** - A highly customisable and user-friendly content production manager for education and training markets consisting of 4 modules namely Instruction Designing & Production Module, Content Management & Delivery Module, Collaboration Module and Assessment & Competency Module.

PRODUCT DISTRIBUTION & RESELLING

CUSTOMER RELATIONSHIP MANAGEMENT

• **ONYX Front Office** by Onyx Software Corporation - A robust, web-enabled client/server solution for managing customer information across sales, marketing, service and support teams. Onyx enables companies to acquire, retain, and expand customer relationships more effectively.

MANUFACTURING & SUPPLY CHAIN

• **MK (Manufacturing Knowledge)** by interBiz (e-business application division of Computer Associates) - A fully integrated solution that covers all functional areas in a manufacturing environment such as Production Planning & Control, Distribution and Accounting. Value-added functionality and local requirements have been incorporated, such as Licensed Manufacturing Warehouse, Bar Coding, Electronic Data Interchange and etc.

• **WebPLAN** by webPlan - An off-the-shelf, user-configurable suite of supply chain software for mid-size manufacturers that interfaces with any ERP/MRP system.

• **aceFusion.com** by AceFusion.com - Offers a complete suite of client/server supply chain management solutions to meet the integrated logistics management needs of businesses with multi-model and multi-party supply chain structures.

• **ASPROVA** by Asprova Corporation - A factory-oriented production scheduling system for high-speed creation of multiple-product multi-process production schedules.

HELP DESK

- **HEAT (Help Desk Expert Automation Tool)** by Goldmine Software (Asia Pacific) Pty. Ltd. - A fully customisable support centre problem solving/problem management software to automate call logging/tracking.

TOOLS & DATABASE

- **PROGRESS** by Progress Software Corporation - A comprehensive component-based application development that offers powerful object-oriented development and deployment tools for building, assembling and distributing applications.

BUSINESS INTELLIGENCE

- **COGNOS** by Cognos Incorporated - Cognos Enterprise Business Intelligence software delivers the breadth and flexibility organisations need to thrive in the Internet economy. From the sophisticated visualisation and scorecarding, reporting, analysis and query, Cognos allows you to see your business from all perspectives.

NETWORK MANAGEMENT

- **TIVOLI** by Tivoli Systems Inc. - A system management solution that assists organisations worldwide to centrally manage all of their corporate computing resources.

NETWORK CONNECTIVITY

- **HUMMINGBIRD** by Hummingbird Communications Ltd. - An enterprise software solution that provides high performance access to internetwork-based information and applications.

PROFESSIONAL SERVICES

A pool of experienced and skilled personnel is ready to provide a full range of IT professional services which include system integration, consultancy, Business Process Re-engineering, system configuration, designing and programming, Business Recovery, outsource development, educational services, project management and more.



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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999

The directors have pleasure in submitting their report and the audited accounts of the Group and of the Company for the year ended 31 December 1999.

PRINCIPAL ACTIVITIES

The principal activities of the Company remained unchanged during the year and consist of investment holding and management of subsidiary companies.

During the year, the Company extended its principal activity to include the provision of computer equipment rental.

The principal activities of its subsidiary companies are described in Note 4 to the accounts.

RESULTS

	Group RM	Company RM
Profit after taxation	12,605,975	2,077,562
Minority interests	(193,992)	-
Profit attributable to shareholders of the Company	12,411,983	2,077,562
Unappropriated profit brought forward	14,454,177	7,363,744
Profit available for appropriation	26,866,160	9,441,306
Appropriations:		
Proposed dividend	(1,439,964)	(1,439,964)
Unappropriated profit carried forward	25,426,196	8,001,342

DIVIDEND

The Company paid the final dividend of 5% gross per share less tax amounting to RM1,439,964 for the year ended 31 December 1998 on 8 September 1999. The directors recommend the payment of a final dividend of 5% gross per share less tax amounting to RM1,439,964 in respect of the year ended 31 December 1999 subject to the approval of the shareholders at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

All material movements to or from reserves and provisions during the year under review are disclosed in the accounts.

DIRECTORS' REPORT

DIRECTORS OF THE COMPANIES

The directors who served since the date of the last report are as follows:-

Yap Wee Hin
Robert Daniel Tan Kim Leng
Mazlan bin Muhamed
Ng Back Heang
Law Siew Ngoh
Abdul Ghaffur bin Ramli
Aziz Yazdani bin Ahmad Khalil

In accordance with Article 83 of the Company's Articles of Association, Robert Daniel Tan Kim Leng and Mazlan bin Muhamed retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTEREST

The directors who held office at year end and have interest in the shares of the Company and its related companies are as follows:-

		•Number of Ordinary Shares of RM1.00 each•			
Name		Balance at 1.1.1999	Bought	Sold	Balance at 31.12.1999
The Company					
Yap Wee Hin	- direct	450,500	307,000	(747,000)	10,500
	- indirect*	19,999,501	200,000	(200,000)	19,999,501
Robert Daniel Tan Kim Leng	- direct	149,361	197,000	(344,000)	2,361
	- indirect**	20,006,501	200,000	(207,000)	19,999,501
Ng Back Heang	- direct	225,060	-	(225,000)	60
Law Siew Ngoh	- direct	624,000	114,000	(736,000)	2,000
Mazlan bin Muhamed	- direct	658,000	-	-	658,000
	- indirect***	3,986,345	-	(1,400,000)	2,586,345
Holding company					
- Forum Pintar Sdn. Bhd.					
Yap Wee Hin		572,600	-	-	572,600
Robert Daniel Tan Kim Leng		333,400	-	-	333,400
Ng Back Heang		94,000	-	-	94,000

*Deemed interest through directors' shareholdings in Forum Pintar Sdn. Bhd.

**Deemed interest through shareholdings of the director in Forum Pintar Sdn. Bhd. and shares held by his spouse.

***Deemed interest through shareholdings of the director in Uni-Image Sdn. Bhd. and shares held by his spouse.

By virtue of their interest in shares of the Company, the abovenamed directors are also deemed to have interest in shares of all other subsidiaries of the Company to the extent the Company or its related companies have an interest.

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the accounts) by reason of a contract made by the Company or a related company 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.

There were no arrangements during and at the end of the year which had the object 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.

ISSUE OF SHARES

There were no changes in the issued and paid-up capital of the Company during the year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the year.

OTHER STATUTORY INFORMATION

Before the profit and loss accounts and balance sheets of the Group and of the Company were made out, the directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

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

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company accounts misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the accounts, that would render any amount stated in the accounts of the Group and of the Company misleading.

At the date of this report there does not exist:

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

DIRECTORS' REPORT

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

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended 31 December 1999 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the directors:

YAP WEE HIN
Director

LAW SIEW NGOH
Director

Kuala Lumpur,

Date: 23 March 2000

STATEMENT BY DIRECTORS

We, YAP WEE HIN and LAW SIEW NGOH, being the directors of PATIMAS COMPUTERS BERHAD, do hereby state on behalf of the directors that in our opinion, the accounts set out on pages 26 to 48 are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 1999 and of the results of their operations and cash flows of the Group for the year ended on that date.

On behalf of the Board,

YAP WEE HIN
Director

LAW SIEW NGOH
Director

Kuala Lumpur,

Date: 23 March 2000

STATUTORY DECLARATION

I, LAW SIEW NGOH, being the director primarily responsible for the financial management of PATIMAS COMPUTERS BERHAD, do solemnly and sincerely declare that the accounts of the Group and of the Company set out on pages 26 to 48, 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.

Subscribed and solemnly declared by the abovenamed
LAW SIEW NGOH at PETALING JAYA
in SELANGOR DARUL EHSAN
this 23 day of March 2000.

BEFORE ME:

G. VIJAYAN @ BASKARAN (B014)
Commissioner for Oaths
Petaling Jaya

23 March 2000

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accounts set out on pages 26 to 48. The preparation of the accounts is 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 consider necessary to provide us with evidence to give reasonable assurance that the accounts are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the accounts. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the overall 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 are properly drawn up 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 state of affairs of the Group and of the Company at 31 December 1999 and the results of their operations and cash flows of the Group for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the accounts of the Group and of the Company;

and

- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 4 to the accounts and we have considered their accounts and the auditors' reports thereon.

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

The auditors' reports on the accounts of the subsidiary companies were not subject to any qualification or any adverse comment under sub-section (3) of Section 174 of the Act.

KPMG
Firm Number: AF 0758
Public Accountants

LIM HUN SOON @ DAVID LIM
Partner
Approval Number: 1514/5/00(J)

Kuala Lumpur,

Date: 23 March 2000

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 1999

	Note	1999 RM	1998 RM
FIXED ASSETS	3	43,810,258	11,036,070
INTEREST IN ASSOCIATED COMPANY	5	11,062,587	-
GOODWILL ON CONSOLIDATION	6	326,917	494,607
SOFTWARE DEVELOPMENT EXPENDITURE	7	6,650,028	5,254,350
CURRENT ASSETS			
Stocks	8	432,898	2,431,157
Trade debtors	9	22,639,615	30,178,531
Other debtors, deposits and prepayments	10	2,249,153	4,007,357
Short term deposits with licensed banks	11	6,426,153	36,042,791
Cash and bank balances		11,312,091	6,092,726
		43,059,910	78,752,562
LESS: CURRENT LIABILITIES			
Trade creditors		4,052,575	5,218,533
Other creditors and accruals		3,950,743	2,658,481
Hire purchase creditors	12	905,334	545,559
Bank borrowings (secured)	13	10,377,075	11,742,022
Provision for taxation		926,236	4,334,203
Proposed dividend		1,439,964	1,439,964
		21,651,927	25,938,762
Net Current Assets		21,407,983	52,813,800
		<u>83,257,773</u>	<u>69,598,827</u>
Financed by:-			
SHARE CAPITAL	14	39,999,000	39,999,000
UNAPPROPRIATED PROFITS		25,426,196	14,454,177
SHARE PREMIUM	15	13,456,223	13,456,223
CAPITAL RESERVES	16	700,000	700,000
EXCHANGE FLUCTUATION RESERVE	17	(752,152)	(990,047)
Shareholders' funds		78,829,267	67,619,353
MINORITY INTERESTS		643,151	179,143
HIRE PURCHASE CREDITORS	12	2,006,074	347,356
DEFERRED TAXATION	18	1,779,281	1,452,975
		<u>83,257,773</u>	<u>69,598,827</u>

The notes set out on pages 32 to 48 form an integral part of, and should be read in conjunction with, these accounts.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1999

	Note	1999 RM	1998 RM
Turnover	19	82,945,370	69,716,463
Profit before taxation	20	13,018,803	11,744,583
Less: Pre-acquisition profit		-	(184,550)
Profit before taxation and after pre-acquisition profit		13,018,803	11,560,033
Taxation	21	(412,828)	(4,212,196)
Profit after taxation		12,605,975	7,347,837
Minority interests		(193,992)	614,582
Profit after taxation and minority interests		12,411,983	7,962,419
Unappropriated profit brought forward		14,454,177	7,931,722
Profit available for appropriation		26,866,160	15,894,141
Appropriations:-			
Dividend - 5% gross per share less tax at 28%		(1,439,964)	(1,439,964)
Unappropriated profit carried forward		25,426,196	14,454,177
Earnings per share	22	0.31	0.20
Retained by:			
The Company		8,001,342	7,363,744
The Subsidiary companies		17,424,854	7,090,433
		25,426,196	14,454,177

The notes set out on pages 32 to 48 form an integral part of, and should be read in conjunction with, these accounts.

BALANCE SHEET AT 31 DECEMBER 1999

	Note	1999 RM	1998 RM
FIXED ASSETS	3	34,074,188	2,576,050
INTEREST IN SUBSIDIARY COMPANIES	4	21,169,796	26,198,411
INTEREST IN ASSOCIATED COMPANY	5	8,630	-
CURRENT ASSETS			
Trade debtors	9	1,772,806	-
Other debtors, deposits and prepayments	10	1,052,783	1,139,267
Fixed deposit with a licensed bank		2,000,000	34,000,000
Cash and bank balances		3,999,786	37,718
		8,825,375	35,176,985
LESS: CURRENT LIABILITIES			
Other creditors and accruals		412,235	15,842
Provision for taxation		69,225	976,673
Proposed dividend		1,439,964	1,439,964
		1,921,424	2,432,479
Net Current Assets		6,903,951	32,744,506
		<u>62,156,565</u>	<u>61,518,967</u>
Financed by:-			
SHARE CAPITAL	14	39,999,000	39,999,000
UNAPPROPRIATED PROFITS		8,001,342	7,363,744
SHARE PREMIUM	15	13,456,223	13,456,223
CAPITAL RESERVES	16	700,000	700,000
Shareholders' Funds		<u>62,156,565</u>	<u>61,518,967</u>

The notes set out on pages 32 to 48 form an integral part of, and should be read in conjunction with, these accounts.

PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

	Note	1999 RM	1998 RM
Turnover	19	9,012,989	4,181,984
Profit before taxation	20	3,049,784	7,445,231
Taxation	21	(972,222)	(2,092,000)
Profit after taxation		2,077,562	5,353,231
Unappropriated profit brought forward		7,363,744	3,450,477
Profit available for appropriation		9,441,306	8,803,708
Appropriations:			
Dividend - 5% gross per share less tax at 28%		(1,439,964)	(1,439,964)
Unappropriated profit carried forward		8,001,342	7,363,744

The notes set out on pages 32 to 48 form an integral part of, and should be read in conjunction with, these accounts.

CONSOLIDATED CASH FLOWS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1999

	1999 RM	1998 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation but after minority interests and pre-acquisition profit	12,824,811	12,174,615
Adjustments for:		
Amortisation of software development expenditure	1,169,241	634,306
Amortisation of goodwill on consolidation	171,691	171,691
Depreciation	2,084,488	1,630,104
Gain on disposal of fixed assets	(13,387)	(39,098)
Gain on disposal of investment in an associated company	(10,000)	-
Interest expense	1,658,762	1,414,347
Interest income	(1,615,900)	(3,858,022)
Minority interests in retained profits	193,992	(614,582)
Provision for diminution in value of investment	-	299,998
Operating profit before working capital changes	16,463,698	11,813,359
(Increase)/Decrease in working capital:		
Stocks	1,998,259	2,714,747
Debtors	8,641,715	(1,047,992)
Creditors	1,451,291	(4,860,880)
Cash generated from operations	28,554,963	8,619,234
Interest paid	(1,658,762)	(1,414,347)
Tax paid	(3,280,377)	(2,779,903)
Net cash generated from operating activities	23,615,824	4,424,984
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of remaining interest in a subsidiary company	(4,001)	(1,689,988)
Advances to an associated company	(11,058,587)	-
Exchange fluctuation reserve	237,895	(1,005,106)
Foreign exchange difference on translation of fixed assets	60	205,468
Interest income received	1,615,900	3,858,022
Investment in an associated company	(4,000)	-
Loss on disposal of investment in a subsidiary company (Note 23)	(529,052)	-
Minority interests in subsidiary company acquired	464,008	(412,670)
Net cash flow from disposal of a subsidiary company (Note 23)	(25,476)	-
Proceeds from sale of fixed assets	80,309	732,911
Proceeds from sale of investment in an associated company	10,000	-
Purchase of fixed assets	(35,681,049)	(3,985,541)
Software development expenditure	(2,982,686)	(2,852,513)
Net cash used in investing activities	(47,876,679)	(5,149,417)

CONSOLIDATED CASH FLOWS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1999
(continued)

	1999 RM	1998 RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from hire purchase creditors	3,350,000	-
Repayment of hire purchase creditors	(1,331,507)	(944,837)
Proceeds from issue of shares net of expenses	650,000	-
Dividend paid	(1,439,964)	(1,439,964)
Net cash generated from/(used in) financing activities	<u>1,228,529</u>	<u>(2,384,801)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(23,032,326)	(3,109,234)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	30,393,495	33,502,729
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>7,361,169</u>	<u>30,393,495</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Short term deposits with licensed banks	6,426,153	36,042,791
Cash and bank balances	11,312,091	6,092,726
Bankers' acceptance	(8,419,000)	(10,015,000)
Bank overdrafts	(1,958,075)	(1,727,022)
	<u>7,361,169</u>	<u>30,393,495</u>

The notes set out on pages 32 to 48 form an integral part of, and should be read in conjunction with, these accounts.

NOTES TO THE ACCOUNTS 31 DECEMBER 1999

1. PRINCIPAL ACTIVITIES

The principal activities of the company remained unchanged during the year and consist of investment holding and management of subsidiary companies.

During the year, the Company extended its principal activity to include the provision of computer equipment rental.

The principal activities of its subsidiary companies are described in Note 4 to the accounts.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in compliance with approved accounting standards in Malaysia.

2.2 Basis of Consolidation

The consolidated accounts incorporate the audited accounts of the Company and its subsidiary companies made up to 31 December 1999 and based on audited accounts made up to that date or the latest available date. The results of subsidiary companies acquired or disposed during the year are dealt with in the consolidated profit and loss account from the effective dates of acquisition or to the effective dates of disposal respectively. Related company transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only.

2.3 Associated Company

An associated company is a company which the Group has between 20% to 50% long term equity interest and where the Group is in a position to exercise significant influence over its financial and operating policies.

2.4 Fixed Assets and Depreciation

Fixed assets are stated at cost less depreciation except for certain freehold land and buildings which are stated at directors' valuation based on independent professional valuers' report. The revaluation of certain freehold land and buildings was done specifically for the listing exercise in 1997.

Depreciation of fixed assets, except for freehold land which is not depreciated, is calculated on the straight line basis so as to write off the cost or valuation of the assets over their expected useful lives based on the following annual rates:-

Freehold buildings	2%
Motor vehicles	20%
Computer equipment	20%
Office equipment	10% - 20%
Furniture and fittings	10%
Renovation	20%

NOTES TO THE ACCOUNTS

2.5 Investments

Investment in subsidiary companies and associated company are stated at cost less any provision for diminution in value which, in the opinion of the directors, is permanent in nature.

2.6 Goodwill and Reserve on Consolidation

The difference between the purchase price and the value of the net assets of subsidiary companies at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve arising on consolidation. Reserve arising on consolidation is written off against goodwill arising on consolidation. Any balance of goodwill on consolidation is amortised over ten years from the date of acquisition.

2.7 Expenditure Carried Forward

Incorporation expenses and expenses incurred subsequent to the date of incorporation but before the commencement of operations have been deferred and capitalised as expenditure carried forward. Expenditure carried forward will be written off in the year the company commences operations.

2.8 Stocks

Stocks consist of computer hardware and software and are valued at the lower of cost and net realisable value. Cost is the aggregate of cost of purchase and other costs incurred in bringing the stocks to their present location and condition and is determined on the weighted average basis.

2.9 Leasing and Hire Purchase

Fixed assets acquired under finance leases and hire purchase arrangements are capitalised in the accounts and the corresponding obligation recorded as a liability. Finance charges are allocated to the profit and loss account over the hire purchase period on a sum of digit basis.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the leases.

2.10 Foreign Currency Translation

Assets and liabilities of overseas subsidiary companies are translated into Ringgit Malaysia at the rates of exchange approximating those ruling at the balance sheet date. The results of overseas subsidiary companies for the year are translated at average rates applicable throughout the year. Exchange differences arising on these transactions are dealt with in the exchange fluctuation reserve.

Other transactions arising in foreign currencies are translated into Ringgit Malaysia at the rates of exchange approximating those ruling on transaction dates except for transactions uncompleted at balance sheet date which are translated at rates approximating those ruling to that date. Foreign currencies exchange profits and losses resulting from these transactions are included in the profit and loss account except for exchange differences arising on the translation of long term payables and receivables from foreign subsidiary companies which are, in substance, an extension to, or deduction from, the Company's investment in the foreign subsidiary companies, which are taken to reserves.

NOTES TO THE ACCOUNTS

2.11 Deferred Taxation

Deferred taxation of the Group and the Company is provided on the liability method for all material timing differences except where no liability is expected to arise in the foreseeable future.

Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

2.12 Software Development Expenditure

The Group capitalises software development expenditure subsequent to the establishment of the technological feasibility and until the product is available for general release.

Software development expenditure is amortised on a product-by-product basis over the greater of the ratio of current revenues to total anticipated revenues or on a straight line basis over the shorter of the estimated useful lives of the products, beginning with the initial release to customers or five years. The Group continually evaluates whether events or circumstances have occurred that indicate the remaining useful life of the capitalised software development costs should be revised or that the remaining balance of such assets may not be recoverable. The Group evaluates the recoverability of capitalised software based on the estimated future revenues of each product.

2.13 Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and highly liquid investment with original maturities of three months or less. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bankers' acceptances and bank overdrafts.

NOTES TO THE ACCOUNTS

3. FIXED ASSETS

Group	Freehold land & buildings RM	Motor vehicles RM	Computer equipment RM	Office equipment RM	Furniture and fittings RM	Renovation RM	Capital work in progress RM	Total RM
Cost or valuation								
At 1 January 1999	3,693,786	1,232,684	4,508,269	877,889	1,297,615	781,470	2,576,049	14,967,762
Additions	2,118	582,594	3,272,088	50,973	31,672	243,466	31,498,138	35,681,049
Disposals	-	(488,059)	(36,091)	(1,750)	(13,492)	-	-	(539,392)
Disposal of a subsidiary company	(30,098)	(26,286)	(480,162)	(151,292)	(388,818)	-	-	(1,076,656)
Exchange difference	-	172	8,320	12,565	4,418	(30,959)	-	(5,484)
At 31 December 1999	3,665,806	1,301,105	7,272,424	788,385	931,395	993,977	34,074,187	49,027,279
Accumulated Depreciation								
At 1 January 1999	359,852	690,679	1,912,237	319,685	308,051	341,188	-	3,931,692
Charge for the year	70,827	224,594	1,379,281	106,583	102,759	200,444	-	2,084,488
Disposals	-	(426,200)	(32,862)	(541)	(12,867)	-	-	(472,470)
Disposal of a subsidiary company	(11,703)	(9,601)	(169,936)	(58,211)	(71,814)	-	-	(321,265)
Exchange difference	-	88	7,264	12,795	5,553	(31,124)	-	(5,424)
At 31 December 1999	418,976	479,560	3,095,984	380,311	331,682	510,508	-	5,217,021
Net book value								
At 31 December 1999	3,246,830	821,545	4,176,440	408,074	599,713	483,469	34,074,187	43,810,258
At 31 December 1998	3,333,934	542,005	2,596,032	558,204	989,564	440,282	2,576,049	11,036,070
Depreciation charge for the year ended 31 December 1998	75,867	359,675	775,753	137,929	136,667	144,213	-	1,630,104

Company	Computer equipment RM	Capital work in-progress RM	Total RM
Cost			
At 1 January 1999	7,590	2,576,049	2,583,639
Additions	-	31,498,138	31,498,138
At 31 December 1999	7,590	34,074,187	34,081,777
Accumulated Depreciation			
At 1 January 1999/31 December 1999	7,589	-	7,589
Net book value			
At 31 December 1999	1	34,074,187	34,074,188
At 31 December 1998	1	2,576,049	2,576,050
Depreciation charge for the year ended 31 December 1998	-	-	-

NOTES TO THE ACCOUNTS

3. FIXED ASSETS (continued)

The freehold land and buildings of the Group are charged to a bank to secure banking facilities granted to the Group.

Included in fixed assets of the Group are assets acquired under hire purchase arrangements with net book value of RM3,839,572 (1998 - RM1,691,604).

The freehold land and buildings of Automatic Identification Technology Sdn. Bhd. were revalued by the directors based on a professional valuation carried out by an independent firm of valuers on 6 January 1997 on the open market value and existing use basis.

4. INTEREST IN SUBSIDIARY COMPANIES

	Company	
	1999 RM	1998 RM
Unquoted shares - at cost	2,609,000	2,055,000
- at valuation	15,449,666	15,449,666
	18,058,666	17,504,666
Amounts due from subsidiary companies	4,891,095	8,724,236
	22,949,761	26,228,902
Amounts due to subsidiary companies	(1,779,965)	(30,491)
	21,169,796	26,198,411

The amounts due from/(to) subsidiary companies are unsecured, interest free and have no fixed terms of repayment except for an amount due from a subsidiary company which is unsecured, interest free (1998 - 12% per annum) and has no fixed term of repayment.

Details of subsidiary companies, are as follows:-

Name of Company	Principal activities	Place of incorporation	Effective interest in equity	
			1999	1998
Automatic Identification Technology Sdn. Bhd.	Development and sales of computer related products and provision of computer related services for finance and stock-broking industry.	Malaysia	100%	100%
<i>Subsidiary companies of Automatic Identification Technology Sdn. Bhd.</i>				
AIT Laboratory Sdn. Bhd.	Provision of computer related services and development and sales of computer related products.	Malaysia	100%	100%
AIT Work Group Technology Sdn. Bhd.	Provision of computer related services and sales of computer related products.	Malaysia	60%	60%
AIT Computer Services Sdn. Bhd.	Distribution of computer software and other related products.	Malaysia	100%	100%

NOTES TO THE ACCOUNTS

4. INTEREST IN SUBSIDIARY COMPANIES (continued)

Name of Company	Principal activities	Place of incorporation	Effective interest in equity	
			1999	1998
Automatic Identification Technology Pte. Ltd.@	Provision of computer related services and sales of computer related products.	Singapore	70%	70%
AIT Technology Incorporated*	Provision of stockbroking software solution to stock-broking firms.	Philippines	55%	55%
PT AIT Sigma Indonesia @	Provision of application software to stockbroking companies.	Indonesia	51%	51%
ISC Technology Sdn. Bhd.	Development and sales of computer related products and provision of computer related services for the manufacturing industry.	Malaysia	100%	100%
<i>Subsidiary company of ISC Technology Sdn. Bhd.</i>				
ISC Solutions Sdn. Bhd.	Provision of computer related services and sales of computer related products to distribution and general insurance companies.	Malaysia	100%	100%
PSM Technology Sdn. Bhd.	Distribution of computer hardware, software and other related products and to provide software solution.	Malaysia	100%	100%
Brave & Bold MSC Sdn. Bhd.	Focusing on interactive, multimedia content development, on-line services, electronic commerce and information infrastructure.	Malaysia	100%	60%
GMH Services (MSC) Sdn. Bhd.	Development and sales of software for the manufacturing industry.	Malaysia	100%	100%
Janus Teamware Pvt Ltd@	Providing turnkey software services and supply of software specialists to other subsidiary companies within the Group.	India	-	55%

* Companies not audited by KPMG.

@ The accounts of these subsidiary companies are audited by overseas offices of KPMG.

On 26 October 1999, the Company disposed off its entire shareholding in Janus Teamware Pvt Ltd ("JTPL") comprising 137,445 ordinary shares of Rs10.00 each, representing 55% of the issued and paid up share capital of JTPL for a total cash consideration of RM1.00.

NOTES TO THE ACCOUNTS

5. INTEREST IN ASSOCIATED COMPANY

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Unquoted shares, at cost	4,000	299,998	4,000	299,998
Provision for diminution in value	-	(299,998)	-	(299,998)
	4,000	-	4,000	-
Amount due from associated company	11,058,587	-	4,630	-
	11,062,587	-	8,630	-

Details of the associated companies are as follows:-

Name of Company	Principal activities	Place of incorporation	Interest in equity	
			1999	1998
NSTP Interactive Sdn. Bhd. ("NSTPi")	Providing services on electronic publishing.	Malaysia	-	30%
Cordoda Corporation Sdn. Bhd. ("CCSB")	Provision of value added network data services which integrate information technology and networking solutions and services.	Malaysia	40%	-

On 30 December 1999, the Company disposed off its entire shareholding in NSTPi comprising 299,998 ordinary shares of RM1.00 each representing 30% of the issued and paid up share capital of NSTPi for a total cash consideration of RM10,000.

During the year, the Company subscribed for 4,000 ordinary shares of RM1.00 each representing 40% of the issued and paid up share capital of CCSB for a total cash consideration of RM4,000.

The amount due from the associated company is trade in nature, interest free and has no fixed term of repayment.

6. GOODWILL/(RESERVE) ON CONSOLIDATION

	Group	
	1999 RM	1998 RM
Balance at 1 January	494,607	(1,023,690)
Goodwill on acquisition of the remaining interest in Brave & Bold MSC Sdn. Bhd./AIT Laboratory Sdn. Bhd.	4,001	1,689,988
Amortisation of goodwill	(171,691)	(171,691)
Balance at 31 December	326,917	494,607

NOTES TO THE ACCOUNTS

7. SOFTWARE DEVELOPMENT EXPENDITURE

	Group	
	1999 RM	1998 RM
Balance at 1 January	5,254,350	3,036,143
Additions during the year	2,982,686	2,852,513
Amortisation during the year	(1,169,241)	(634,306)
Disposal of a subsidiary company	(417,767)	-
Balance at 31 December	6,650,028	5,254,350

8. STOCKS

	Group	
	1999 RM	1998 RM
Hardware	323,408	2,323,716
Software	54,704	107,441
System installation in progress	54,786	-
	432,898	2,431,157

9. TRADE DEBTORS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Trade debtors	23,478,839	32,351,473	1,772,806	-
Provision for doubtful debts	(839,224)	(2,172,942)	-	-
	22,639,615	30,178,531	1,772,806	-

10. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

Company and Group

Included in other debtors, deposits and prepayments is a deposit of RM747,191 (1998 - RM747,191) paid for the purpose of acquiring 2 pieces of leasehold land in Technology Park Malaysia.

11. SHORT TERM DEPOSITS WITH LICENSED BANKS

Group

Short term deposits of RM1,785,866 (1998 - RM1,215,341) is pledged as security for banking facilities for a subsidiary company.

NOTES TO THE ACCOUNTS

12. HIRE PURCHASE CREDITORS

	Group	
	1999 RM	1998 RM
Gross payable	4,148,333	1,109,815
Less: Unexpired interest	(1,236,925)	(216,900)
	<u>2,911,408</u>	<u>892,915</u>
Amount payable within twelve months	905,334	545,559
Amount payable after twelve months but within five years	2,006,074	347,356
	<u>2,911,408</u>	<u>892,915</u>

13. BANK BORROWINGS (SECURED)

	Group	
	1999 RM	1998 RM
Bankers' acceptance	8,419,000	10,015,000
Bank overdraft	1,958,075	1,727,022
	<u>10,377,075</u>	<u>11,742,022</u>

Bankers' acceptance bears interest at rates ranging from 4.55% to 9.00% (1998 - 7.85% to 15.60%) per annum whilst bank overdraft bears interest at 1.75% to 2% (1998 - 1.5% to 1.75%) per annum above the bank's base lending rate. The bankers' acceptance and bank overdraft are secured by:-

- i) first and second legal charges for RM3,000,000 over the Group's two freehold land and buildings;
- ii) pledge of fixed deposit of RM1,785,866;
- iii) negative pledge on all the present and future unencumbered assets;
- iv) joint and several guarantees of RM13,000,000 by directors of the subsidiary companies; and
- v) corporate guarantee of RM24,600,000 issued by the Company.

14. SHARE CAPITAL

	1999 RM	1998 RM
Ordinary shares of RM1 each Authorised	100,000,000	100,000,000
Issued and fully paid	<u>39,999,000</u>	<u>39,999,000</u>

NOTES TO THE ACCOUNTS

15. SHARE PREMIUM

	1999 RM	1998 RM
Premium arising from rights issue	3,934,993	3,934,993
Premium arising from public issue	10,958,400	10,958,400
Listing expenses	(1,437,170)	(1,437,170)
	<u>13,456,223</u>	<u>13,456,223</u>

16. CAPITAL RESERVES

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Balance at 1 January/31 December	700,000	700,000	700,000	700,000

17. EXCHANGE FLUCTUATION RESERVE

	Group	
	1999 RM	1998 RM
Balance at 1 January	(990,047)	15,059
Exchange adjustments on translation of foreign subsidiary companies	(7,402)	(135,251)
Amortisation during the year	266,041	-
Disposal of a subsidiary company	(20,744)	-
Unrealised loss on translation of amount due from a foreign subsidiary company	-	(869,855)
Balance at 31 December	<u>(752,152)</u>	<u>(990,047)</u>

18. DEFERRED TAXATION

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Balance at 1 January	1,452,975	845,675	-	-
Transfer from profit and loss account (Note 21)	326,306	607,300	-	-
Balance at 31 December	<u>1,779,281</u>	<u>1,452,975</u>	<u>-</u>	<u>-</u>

NOTES TO THE ACCOUNTS

18. DEFERRED TAXATION (continued)

	Group		Company	
	1999	1998	1999	1998
	RM	RM	RM	RM
Deferred tax liability/(benefit) arise from the following timing differences:-				
Timing differences between depreciation and capital allowances	1,131,000	1,461,000	-	-
Timing differences on provision account	2,580,000	3,830,000	-	-
Other timing differences	2,647,000	(102,000)	-	-
Unabsorbed tax losses	-	-	(1,589,000)	-

The deferred tax benefits for the Company are not taken up in the accounts.

19. TURNOVER

Turnover of the Company represents dividend income received, computer equipment rental income and management and administration fee income from subsidiary companies whilst that of the subsidiary companies comprise the invoiced value of goods sold and services rendered net of discounts and sales rebates.

20. PROFIT BEFORE TAXATION

	Group		Company	
	1999	1998	1999	1998
	RM	RM	RM	RM
Profit before taxation is arrived at:-				
After charging:-				
Auditors remuneration	119,000	135,000	11,000	11,000
Amortisation of software development expenditure	1,169,241	634,306	-	-
Amortisation of goodwill on consolidation	171,691	171,691	-	-
Cost of goods sold	43,994,157	27,845,541	5,036,598	-
Directors' salaries and other emoluments	1,532,984	1,633,644	92,000	53,144
Depreciation	2,084,488	1,630,104	-	-
Bad debts written off	327,743	71,982	-	-
Hire of furniture and office equipment	-	41,063	-	-
Interest on - hire purchase	415,678	229,928	-	-
- overdraft	554,432	188,774	-	-
- bankers' acceptance	688,652	995,645	-	-
Loss on foreign exchange - realised	8,943	851,886	-	-
Loss on disposal of fixed assets	420	50,529	-	-
Provision for doubtful debts	825,295	1,533,885	-	-

NOTES TO THE ACCOUNTS

20. PROFIT BEFORE TAXATION (continued)

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Provision for diminution in value of investment	-	299,998	-	-
Rental - lease	1,042,555	582,336	-	-
- others	1,305,843	1,189,043	-	-
Loss on disposal of investment in a subsidiary company	-	-	99,999	-
Stocks written off	24,350	-	-	-
Write off of amount due from a subsidiary company disposed	1,630,078	-	1,630,078	-
and crediting:-				
Bad debts recovered	618,477	-	-	-
Dividend income	-	-	3,472,222	4,166,667
Gain on disposal of fixed assets	13,807	89,627	-	-
Interest income - deposits	1,615,900	3,858,022	1,295,201	3,456,853
Management fee received	-	-	300,000	15,317
Rental income	532,965	111,219	-	-
Gain on foreign exchange - realised	48,267	28,722	-	-
Gain on disposal of investment in a subsidiary company	1,101,026	-	-	-
Gain on disposal of investment in an associated company	10,000	-	-	-
Write back of provision for doubtful debts	83,464	-	-	-

The estimated monetary value of benefits-in-kind to directors not included in the above is approximately RM144,200 (1998 - RM90,650).

21. TAXATION

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Taxation based on the results				
- Malaysian tax	-	3,598,333	972,222	2,092,000
- Foreign tax	14,394	-	-	-
Under/(Over) provision in prior year	72,128	6,563	-	-
Deferred taxation (Note 18)	326,306	607,300	-	-
	412,828	4,212,196	972,222	2,092,000

No provision for taxation is made for the year ended 31 December 1999 in view of the tax waiver in 1999 pursuant to the Income Tax (Amendment) Act, 1999.

The current year taxation for the Company is in respect of dividend income.

An amount equal to the chargeable income for which tax is waived pursuant to the Income Tax (Amendment) Act, 1999 will be credited to an exempt account.

NOTES TO THE ACCOUNTS

22. EARNINGS PER SHARE

Group

Earnings per share for the current year has been calculated based on the profit after taxation and minority interest of RM12,411,983 and on the number of ordinary shares in issue of RM39,999,000.

23. DISPOSAL OF A SUBSIDIARY COMPANY

	1999 RM	1998 RM
Fixed assets	755,391	-
Software development expenditure	417,767	-
Other debtors, deposits and prepayments	655,405	-
Cash and bank balances	25,477	-
Amount due to a director	(21,222)	-
Other creditors and accruals	(463,268)	-
Amount due to related companies	(840,497)	-
	<hr/>	
Share of net assets disposed	529,053	-
Loss on disposal of a subsidiary company	(529,052)	-
	<hr/>	
Total consideration	1	-
Less: Cash and bank balances of a subsidiary company disposed	(25,477)	-
	<hr/>	
Cash flow on disposal, net of cash disposed	(25,476)	-
	<hr/>	

24. HOLDING COMPANY

The holding company is Forum Pintar Sdn. Bhd., a company incorporated in Malaysia.

25. UNAPPROPRIATED PROFIT

Subject to the agreement by the Inland Revenue Board, the Company has sufficient tax exempt income and Section 108 tax credit to frank all its distributable reserves as dividend.

Pursuant to the requirements of Section 365(1A) of the Companies Act, 1965, future distribution of profits as dividends will be restricted to the greater of the profits after tax for a particular financial year and the average dividends declared in respect of the two financial years immediately preceding that financial year.

NOTES TO THE ACCOUNTS

26. SIGNIFICANT RELATED PARTIES TRANSACTIONS

Significant related parties transactions during the years are as follows :-

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
With subsidiary companies				
Dividend income	-	-	3,472,222	4,166,667
Management fee income	-	-	300,000	15,317
Interest income	-	-	-	52,000
With an associated company				
Sales	10,345,320	-	-	-

27. CAPITAL COMMITMENTS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Capital commitment				
- authorised and contracted for	-	6,753,000	-	6,753,000
- authorised but not contracted for	7,492,000	35,654,000	7,492,000	35,654,000
	7,492,000	42,407,000	7,492,000	42,407,000
Lease rental obligations	28,862,202	4,603,970	23,697,293	-
Lease rental payable within twelve months	8,962,965	1,851,098	6,446,568	-
Lease rental payable after twelve months but within five years	19,899,237	2,752,872	17,250,725	-
	28,862,202	4,603,970	23,697,293	-
Lease commitment to subsidiary companies	4,468,137	5,573,000	4,468,137	5,573,000
Lease commitment to associated company	-	2,898,528	-	2,898,528

28. CONTINGENT LIABILITIES

	Company	
	1999 RM	1998 RM
Unsecured corporate guarantees given to financial institution for hire purchase facilities extended to subsidiary companies	9,073,000	3,500,000
Unsecured corporate guarantees on bankers' acceptance and overdraft facilities extended to subsidiary companies	24,600,000	20,000,000
	33,673,000	23,500,000

NOTES TO THE ACCOUNTS

29. SEGMENTAL ANALYSIS

	Turnover RM	Profit/(loss) before taxation RM	Tangible assets employed RM
1999			
Major segment by country			
Malaysia	76,611,468	13,374,134	92,696,692
Singapore	4,272,804	(873,958)	2,103,605
Indonesia	1,017,093	593,500	2,207,387
Philippines	1,044,005	(74,873)	925,071
	<u>82,945,370</u>	<u>13,018,803</u>	<u>97,932,755</u>
1998			
Major segment by country			
Malaysia	60,778,763	13,229,257	81,527,390
Singapore	4,622,466	(56,444)	3,567,532
Indonesia	919,702	(537,022)	1,870,351
Philippines	1,003,734	(483,488)	1,293,687
India	2,391,798	(407,720)	1,529,672
	<u>69,716,463</u>	<u>11,744,583</u>	<u>89,788,632</u>

Segmental analysis by industry is not applicable as the Group is principally engaged in the information technology industry.

30. SIGNIFICANT EVENTS DURING THE YEAR

Significant events involving the Group and the Company during the year are as follows:-

- a) On 1 March 1999, the authorised share capital of ISC Technology Sdn. Bhd., a wholly owned subsidiary of the Company, was increased from 500,000 ordinary shares of RM1.00 each to 5,000,000 ordinary shares of RM1.00 each.

The issued and fully paid up share capital of ISC Technology Sdn. Bhd. was increased from 500,000 to 1,500,000 ordinary shares of RM1.00 each following the capitalisation of the unappropriated profit as bonus issue on the basis of two (2) new ordinary shares for every one (1) existing ordinary share held.

- b) On 9 March 1999, Patimas Computers Berhad approved the subscription of an additional 99,998 ordinary shares of RM1.00 each in GMH Services (MSC) Sdn. Bhd., a wholly owned subsidiary of the Company, for a total cash consideration of RM99,998 increasing the investment of the Company to 100,000 ordinary shares of RM1.00 each.

- c) On 23 April 1999, the authorised share capital of PSM Technology Sdn. Bhd., a wholly owned subsidiary of the Company, was increased from 250,000 ordinary shares of RM1.00 each to 500,000 ordinary shares of RM1.00 each.

NOTES TO THE ACCOUNTS

30. SIGNIFICANT EVENTS DURING THE YEAR (continued)

The issued and fully paid up share capital of PSM Technology Sdn. Bhd. was increased from 250,000 to 500,000 ordinary shares of RM1.00 each following the capitalisation of the unappropriated profit as bonus issue on the basis of one (1) new ordinary share for every one (1) existing ordinary share held.

- d) On 7 June 1999, the authorised share capital of Brave & Bold MSC Sdn. Bhd., a subsidiary of the Company was increased from 100,000 ordinary shares of RM1.00 each to 1,000,000 ordinary shares of RM1.00 each.

The issued and fully paid up share capital of Brave & Bold MSC Sdn. Bhd. was increased from 50,000 to 700,000 ordinary shares of RM1.00 each following the capitalisation of part of the amount due to Patimas Computers Berhad.

On 25 June 1999, an option was granted by Patimas Computers Berhad to a shareholder of Brave & Bold MSC Sdn. Bhd. to take up 433,333 ordinary shares of RM1.00 each to retain his effective shareholding in Brave & Bold MSC Sdn. Bhd. at 40%. The option expired on 16 July 1999 unexercised.

On 22 September 1999, the Company acquired 20,000 ordinary shares of RM1.00 each of Brave & Bold MSC Sdn. Bhd. from a shareholder for a total cash consideration of RM4,000. Upon acquisition of the share, the Company will hold 700,000 ordinary shares of RM1.00 each representing 100% of the total issued and paid up share capital of Brave & Bold MSC Sdn. Bhd.

- e) On 26 October 1999, the Company disposed off its entire shareholding comprising of 137,445 ordinary shares of Rs10.00, representing 55% of the issued and paid up share capital of Janus Teamware Pvt Ltd (India), a subsidiary of the Company for a total cash consideration of RM1.00.
- f) On 26 November 1999, the Company subscribed for 4,000 ordinary shares of RM1.00 each representing 40% of the issued and paid up share capital of Cordoda Corporation Sdn. Bhd. for a total cash consideration of RM4,000.
- g) On 22 November 1999, the Company obtained the approval from the Securities Commission ("SC") on the proposed establishment of employees share option scheme ("ESOS"). The ESOS scheme is subject to the approval of the shareholders and the relevant regulatory authorities.
- h) On 27 October 1999, the Company announced the following proposals:

Proposed Bonus Issue of 19,999,950 new ordinary shares of RM1.00 each on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held; and

Proposed a Renounceable Rights Issue of RM59,998,500 nominal amount of 5-year 6% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at 100% of the nominal value with 29,999,250 detachable warrants on the basis of RM3.00 nominal amount of ICULS for every two (2) existing ordinary shares held and three (3) free detachable warrants for every four (4) existing ordinary shares held.

NOTES TO THE ACCOUNTS

30. SIGNIFICANT EVENTS DURING THE YEAR (continued)

- i) On 30 December 1999, Brave & Bold MSC Sdn. Bhd. disposed of its entire shareholding comprising 299,998 ordinary shares of RM1.00 each of the issued and paid up share capital of NSTP Interactive Sdn. Bhd., an associated company for a total cash consideration of RM10,000.

31. ECONOMIC SITUATION

Since 1997, the effect of the adverse economic conditions in countries in the South East Asia Region have included a national liquidity crisis, significant depreciation in the value of the regional currencies and higher domestic interest rates. The Company's investments are in Philippines and Indonesia which are countries receiving assistance from the International Monetary Fund (IMF). The adverse economic conditions which are being encountered by Philippines and Indonesia may have further material adverse effect on the Company's investment in that countries. The Company's net exposure represented by its interests in these subsidiary companies amounted to RM2.5 million as at 31 December 1999. The financial statements therefore may not include all adjustments that might ultimately result from any further deterioration in the economic conditions in Philippines and Indonesia.

SHAREHOLDERS INFORMATION

ANALYSIS OF SHAREHOLDINGS AS AT 10 MAY 2000

Authorised Share Capital	:	RM100,000,000
Issued and Paid-Up Share Capital	:	RM 39,999,000
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One vote per share

ANALYSIS BY SIZE OF HOLDINGS AS AT 10 MAY 2000

Size of Holdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares held	% of Issued Capital
1 - 1,000	656	48.0938	654,775	1.6370
1,001 - 5,000	468	34.3108	1,344,087	3.3603
5,001 - 10,000	86	6.3050	700,000	1.7500
Above 10,000	154	11.2904	37,300,138	93.2527
TOTAL	1364	100.0000	39,999,000	100.0000

LIST OF TOP 20 SHAREHOLDERS/DEPOSITORS AS AT 10 MAY 2000

	NAME	NORMAL HOLDINGS	HOLDINGS PERCENTAGE
1	KUALA LUMPUR CITY NOMINEES (TEMPATAN) SDN BHD <i>INTERNATIONAL BANK MALAYSIA BHD FOR FORUM PINTAR SDN BHD (F-PDB-P)</i>	10,500,000	26.2506
2	ORIENTAL NOMINEE (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR FORUM PINTAR SDN BHD (BB)</i>	4,375,000	10.9378
3	FORUM PINTAR SDN BHD	2,624,501	6.5614
4	KUALA LUMPUR CITY NOMINEES (TEMPATAN) SDN BHD <i>INTERNATIONAL BANK MALAYSIA BHD FOR FORUM PINTAR SDN BHD (Y-PDB-P)</i>	1,500,000	3.7501
5	MAYBAN FINANCE BERHAD <i>PLEDGED SECURITIES ACCOUNT FOR FORUM PINTAR SDN BHD</i>	1,000,000	2.5001
6	UNI-IMAGE SDN BHD	951,345	2.3784
7	HSBC NOMINEES (ASING) SDN BHD <i>BOB HK BRANCH FOR DRESNER RCM LITTLE DRAGONS FUND LIMITED</i>	950,000	2.3750
8	HSBC NOMINEES (ASING) SDN BHD <i>BOB HK BRANCH FOR DRESNER RCM ORIENTAL INCOME FUND LIMITED</i>	900,000	2.2500
9	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD <i>BHLB PACIFIC EMERGING COMPANIES GROWTH FUND</i>	761,000	1.9025
10	MAYFIN NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR NOORIZAN BT ISMAIL (DIYS)</i>	750,000	1.8750
11	MAYFIN NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR MAZLAN B MUHAMED (DIYT)</i>	658,000	1.6450
12	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD <i>UTAMA SSSB PREMIER FUND</i>	624,000	1.5600
13	HSBC NOMINEES (ASING) SDN BHD <i>HSBC IT HK FOR JF MALAYSIA TRUST</i>	600,000	1.5000
14	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD <i>BHLB PACIFIC HIGH GROWTH FUND</i>	520,000	1.3000
15	HLB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR SONG KEE LING (TD02175-1)</i>	500,000	1.2500
16	CARTABAN NOMINEES (ASING) SDN BHD GOLDMAN, SACHS & CO. FOR BANYAN ASIA LIMITED	470,000	1.1750
17	HSBC NOMINEES (ASING) SDN BHD BNY BRUSSELS FOR JF ASEAN TRUST (SEA)	350,000	0.8750
18	CHASE MALAYSIA NOMINEES (ASING) SDN BHD SHELL CONTRIBUTORY PENSION FUND	348,000	0.8700
19	HSBC NOMINEES (ASING) SDN BHD HSBC BK PLC FOR DRESNER RCM ORIENTAL INCOME TRUST	347,000	0.8675
20	KUALA LUMPUR CITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SEC A/C FOR SONG KEE LING (D82)	308,000	0.7700
	SUB-TOTAL	29,036,846	72.5934
	TOTAL	29,036,846	72.59

SHAREHOLDERS INFORMATION

DIRECTORS' INTERESTS AS AT 21 JANUARY 2000

Name	No. of Shares	
	Direct Interest	Indirect Interest
Mazlan bin Muhamed	658,000	#1,701,345
Yap Wee Hin	10,500	##19,999,501
Robert Daniel Tan Kim Leng	2,361	##19,999,501
Ng Back Heang	60	-
Law Siew Ngoh	2,000	-
Abd Ghaffur bin Ramli	-	-
Aziz Yazdani bin Ahmad Khalil	-	-

Deemed interested in shares by virtue of Section 6A(4) of the Companies Act, 1965 and shares held by spouse.

Deemed interested in shares by virtue of Section 6A(4) of the Companies Act, 1965.

SUBSTANTIAL SHAREHOLDERS AS AT 10 MAY 2000

Name of Shareholders	No. of Shares	Percentage %
Yap Wee Hin	*20,010,001	50.0262
Robert Daniel Tan Kim Leng	*20,001,862	50.0059
Forum Pintar Sdn. Bhd.	19,999,501	50.0000
Mazlan Bin Muhamed	**2,359,345	5.8985
Noorizan Binti Ismail	**2,359,345	5.8985
Robert Fleming Holdings and Affiliated Companies	1,175,000	2.9376
Song Kee Ling	1,029,000	2.5726
Uni-Image Sdn. Bhd.	951,345	2.3784

* Includes deemed interests in shares by virtue of Section 6A(4) of the Companies Act, 1965.

** Includes deemed interests in shares by virtue of Section 6A(4) of the Companies Act, 1965 and shares held by spouse.

LIST OF PROPERTIES

Property	Description	Tenure	Total land Area	Net Book Value at 31 December 1999 RM'000	Age of Property at 31 December 1999
Lot Nos PT 9045 and PT 9046, HS (D) 80153 and 993 respectively, in the Mukim of Sungei Buloh, District of Petaling, Selangor Darul Ehsan	Four-storey shop office (Rented out)	Freehold	3,600 square feet	3,290	16 years



Company No. 244510-H
Incorporated in Malaysia

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighth Annual General Meeting of PATIMAS COMPUTERS BERHAD will be held at Langkawi Room, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Thursday, 29 June 2000 at 10.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

- | | |
|--|--|
| 1. To receive and adopt the Audited Accounts for the year ended 31 December 1999 together with the Directors' and the Auditors' Reports thereon. | Ordinary Resolution 1 |
| 2. To declare a Final Dividend of 5 sen per share less 28% Income Tax in respect of the year ended 31 December 1999. | Ordinary Resolution 2 |
| 3. To approve the Directors' Fees for the year ended 31 December 1999. | Ordinary Resolution 3 |
| 4. To re-elect the following Directors retiring under Article 83 of the Company's Articles of Association:-
(i) Encik Mazlan bin Muhamed
(ii) Mr. Robert Daniel Tan Kim Leng | Ordinary Resolution 4
Ordinary Resolution 5 |
| 5. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6 |

As Special Business

To consider and, if thought fit, to pass the following resolution:-

6. Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares

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

Ordinary Resolution 7

NOTICE OF DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Eighth Annual General Meeting, a Final Dividend of 5 sen per share less 28% Income Tax in respect of the year ended 31 December 1999 will be paid to shareholders on 28 July 2000. The entitlement date for the said dividend shall be 12 July 2000.

A Depositor shall qualify for entitlement to the Dividend only in respect of :

- Shares transferred to the Depositor's securities account before 12.30 pm on 12 July 2000 in respect of ordinary transfers,
- 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
NG LEE CHUM (MAICSA 7003990)
LUM CHEE YENG (MAICSA 0880217)
Secretaries

Kuala Lumpur
Date : 14 June 2000

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 may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.*
- Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.*
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at 11th Floor, Wisma Damansara, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or any adjournment thereof.*
- EXPLANATORY NOTE ON ITEM 6 OF THE AGENDA*
- Ordinary Resolution 7 pursuant to Section 132D of the Companies Act, 1965.
The Ordinary Resolution proposed under item 6 of the Agenda, if passed, will empower the Directors to allot and issue shares in the Company up to an amount not exceeding in total 10% of the Issued Share Capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.



Company No. 244510-H
Incorporated in Malaysia

PROXY FORM

PATIMAS COMPUTERS BERHAD (244510-H)
(Incorporated in Malaysia)

Number of
shares held

I/We,
of
being a member of PATIMAS COMPUTERS BERHAD hereby appoint
of
or failing him/her,
of
as my/our proxy to vote for me/us on my/our behalf at the Eighth Annual General Meeting of the
Company to be held at Langkawi Room, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil,
57000 Kuala Lumpur on Thursday, 29 June 2000 at 10.00 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below :

Ordinary Resolution		For	Against
Ordinary Resolution 1	Adoption of Audited Accounts for the year ended 31 December 1999 and Directors' and Auditors' Reports		
Ordinary Resolution 2	Declaration of a Final Dividend of 5 sen per share less 28% Income Tax		
Ordinary Resolution 3	Directors' Fees for the year ended 31 December 1999		
Ordinary Resolution 4	Re-election of Encik Mazlan bin Muhamed as Director		
Ordinary Resolution 5	Re-election of Mr. Robert Daniel Tan Kim Leng as Director		
Ordinary Resolution 6	Re-appointment of KPMG as Auditors		
Ordinary Resolution 7	Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares		

(Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.)

Dated this day of 2000

Signature:
Shareholder or Common Seal

NOTE :

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. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 11th Floor, Wisma Damansara, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

Fold this flap for sealing

STAMP

THE SECRETARY
PATIMAS COMPUTER BERHAD
11th Floor, Wisma Damansara,
Jalan Semantan, Damansara Heights,
50490 Kuala Lumpur,
Malaysia.

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