



FINANCIAL STATEMENTS

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report of the directors

The Directors have pleasure in presenting their report together with the audited financial statements of the Company and of the Group for the financial year ended 31 December 1999.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the provision of management services and that of an investment holding company. The principal activities of its subsidiary companies are the manufacture and sale of resistors and the distribution of electronic and non-electronic components.

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

RESULTS FOR THE FINANCIAL YEAR

	Group \$'000	Company \$'000
Profit after income tax	6,081	5,173
Minority interest	(67)	-
	<hr/>	<hr/>
Profit attributable to members of the Company	6,014	5,173
Less : Proposed dividends, less tax	(500)	(500)
	<hr/>	<hr/>
Retained profit transferred to revenue reserve	5,514	4,673
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In the opinion of the Directors, the results of the operations of the Company and the Group during the financial year have not been affected by any item, transaction or event of a material and unusual nature.

TRANSFERS TO/FROM RESERVES AND PROVISIONS

During the financial year, there were no material transfers to or from reserves or provisions except for normal amounts set aside for such items as depreciation of fixed assets, provisions for doubtful trade debts, stock obsolescence and income and deferred income tax as included in the financial statements.

DIVIDENDS

During the financial year, a first and final dividend of 0.75 cents, less tax, amounting to \$499,500 was paid in respect of previous financial year as proposed in the Report of the Directors of that year.

The Directors propose a first and final dividend of 0.75 cents, less tax, amounting to \$499,500 be paid for the financial year just ended.

SHARE CAPITAL

During the financial year, the Company issued 79,000 ordinary shares of \$0.20 each for cash at a premium of 33 cents per share by virtue of the exercise of options, granted in accordance with the provisions of the ASJ Holdings Executives' Share Option Scheme.

ACQUISITION AND DISPOSAL OF SUBSIDIARY COMPANIES

There was no acquisition or disposal of subsidiary companies during the financial year.

DIRECTORS OF THE COMPANY

The names of the Directors of the Company in office at the date of this report are :-

Fong Yow Wai
Chen Tie-Min
Chew Heng Ching
Chia Soon Loi
Lee Cheng-Ling
Yeo Wee Kiong

The following Directors who held office at the end of the financial year had, according to the register required to be kept under Section 164 of the Companies Act, Cap. 50, an interest in shares of the Company as stated below:-

Name of director	Number of ordinary shares of \$0.20 each			
	As at		As at	
	31 December 1999		31 December 1998	
	Direct	Deemed	Direct	Deemed
Fong Yow Wai	26,048,940	-	26,048,940	-
Chen Tie-Min	6,276,270	2,118,270	6,276,270	2,118,270
Chia Soon Loi	-	7,011,035	4,848,286	2,162,749

report of the directors

The Directors' interest in shares of the Company and of related corporations as at 21 January 2000, were the same as at 31 December 1999.

Mr. Fong Yow Wai is deemed to have an interest in shares of the Company's subsidiary companies in proportion to the Company's interest in the subsidiary companies by virtue of his interests in more than 20% of the issued share capital of the Company.

No other Directors who held office at the end of the financial year had an interest in shares or debentures of the Company or any of the subsidiary companies of the Company.

Since the end of the previous financial year, the Company and the Group have in the normal course of business entered into transactions with related parties of which certain Directors are deemed to have an interest. Such transactions comprised sales of goods and purchases of materials, fixed assets and spares. However, the Directors concerned have neither received nor will they become entitled to receive any benefit arising out of these transactions other than those which they may be entitled to as shareholders of these corporations.

Except as disclosed above and in the financial statements, since the end of the previous financial year, no Director has received or has become entitled to receive benefits under contracts required to be disclosed by Section 201(8) of the Companies Act, Cap. 50.

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangements, to which the Company is a party, whereby Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

ASSET VALUES

Before the profit and loss account and balance sheet of the Company were made out, the Directors took reasonable steps to ascertain that :-

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

At the date of this report, the Directors are not aware of any circumstances which would render :-

- (a) the amount written off or provided for bad and doubtful debts in the Group inadequate to any substantial extent; and
- (b) the values attributed to current assets in the consolidated financial statements misleading.

CHARGES AND CONTINGENT LIABILITIES

Since the end of the financial year, no charge on the assets of the Company or any company in the Group has arisen which secures the liabilities of any other person.

Since the end of the financial year, no contingent liability of the Company or any company in the Group has arisen.

No contingent or other liability of the Company or 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 Company and of the Group to meet their obligations as and when they fall due.

OTHER CIRCUMSTANCES AFFECTING THE FINANCIAL STATEMENTS

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

UNUSUAL ITEMS AFTER THE FINANCIAL YEAR

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Company or of the Group for the financial year in which this report is made.

report of the directors

SHARE OPTIONS TO SUBSCRIBE FOR ORDINARY SHARES

On 29 May 1998, the members of the Company approved the ASJ Holdings Executives' Share Option Scheme (the "Option Scheme").

Under the scheme, a Committee, comprising Directors of the Company who are not participating in the Scheme, will grant, for the consideration of \$1.00 each, to qualifying Executive Directors and full time employees of the Company and Group Options to subscribe for ordinary shares of \$0.20 each in the capital of the Company.

The aggregate number of shares over which the Committee may grant Options under the Scheme shall not exceed 10 percent of the issued share capital of the Company on the day preceding the relevant Date of Grant.

The Subscription Price for each Share in respect of which an Option is exercisable shall be the higher of the average of the last dealt price for the Shares, as determined by reference to the daily official list published by the Singapore Exchange Ltd for the five consecutive Trading Days immediately preceding the Date of Grant of that Option or the nominal amount of the Share.

At the end of the financial year, there were 1,551,000 unissued ordinary shares of the Company under the Option.

At the end of the financial year, there were no unissued ordinary shares of the subsidiary companies under the Option.

AUDIT COMMITTEE

The Audit Committee comprises three members, all of whom are non-executive Directors and the majority of members, including its chairman, are independent of management. The members of the Audit Committee at the date of this report are :

Chew Heng Ching (Chairman)
Chia Soon Loi
Yeo Wee Kiong

The Audit Committee meets periodically with management and the auditors of the Company to discuss and review :

- (a) the audit plans of the auditors of the Company and the results of their examination and evaluation of the Company's systems of internal accounting controls;
- (b) the Group's financial and operating results and accounting policies;

- (c) the assistance given by the Company's officers to the auditors;
- (d) the Group's transactions with related parties;
- (e) the financial statements of the Company and the consolidated financial statements of the Group before their submission to the Board of Directors and the auditors' report on these financial statements; and
- (f) the review of Year 2000 issues.

The Audit Committee has recommended to the Board of Directors the nomination of Ernst & Young for re-appointment as auditors of the Company at the forthcoming annual general meeting.

AUDITORS

The auditors, Ernst & Young, Certified Public Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board,



Fong Yow Wai
Director



Chia Soon Loi
Director

Singapore
26 April 2000

report on corporate governance

THE BOARD OF DIRECTORS

The Board of ASJ Holdings Limited comprises six Directors, one of whom hold executive position. The Executive and Non-executive Directors are as follows :

Fong Yow Wai (Chairman and CEO)
Chen Tie-Min
Chew Heng Ching
Chia Soon Loi
Lee Cheng-Ling
Yeo Wee Kiong

While the Directors take a keen interest in business strategies, they are also committed to increase the level of corporate governance in the Company. To enable the Board to carry out its functions more effectively, the following sub-committees were established :

1. **AUDIT COMMITTEE**

The Audit Committee members, activities and responsibilities are as set out in the Report of the Directors.

The Singapore Exchange Ltd issued a Best Practices Guide on 4 May 1998. The Company has adopted the Best Practices Guide in relation to the roles and responsibilities of the Audit Committee.

2. **EXECUTIVES' SHARE OPTION SCHEME COMMITTEE**

The Executives' Share Option Scheme Committee comprises three members :

Fong Yow Wai
Lee Cheng-Ling
Yeo Wee Kiong

The Committee is responsible for the administration of the Executives' Share Option Scheme in the Company. Members of the Committee do not participate in the Executives' Share Option Scheme.

3. **REMUNERATION COMMITTEE**

The Remuneration Committee comprises three members :

Chew Heng Ching
Chia Soon Loi
Lee Cheng-Ling

The Committee is responsible for the review and recommendation of the annual remuneration package of the Executive Directors.

SECURITIES TRANSACTIONS

Following the introduction of the Best Practices Guide by the Singapore Exchange Ltd, the Company has issued a Policy on Share Dealings to key employees of the Company setting out the implications of insider trading and the recommendations of the Best Practices Guide. To provide further guidance to employees on dealing in the Company's shares, the Company has adopted a code of conduct on transactions in the Company's shares. The code of conduct was modelled after the Best Practices Guide with some modifications.

The Directors of the Company have adopted the Best Practices Guide with regard to dealing in the Company's shares.

POLICY AND PROCEDURES ON DISSEMINATION OF PUBLIC INFORMATION

The Company believes that a high standard of disclosure is key to raising the level of corporate governance. Accordingly, the Company has adopted a policy of giving full disclosure in all public announcements, press releases, circulars to shareholders, interim reports and annual reports.

On Behalf of the Directors



Fong Yow Wai
Director



Chew Heng Ching
Director

Singapore
26 April 2000

statement by directors

Pursuant to Section 201(15)

We, Fong Yow Wai and Chia Soon Loi, being two of the Directors of ASJ Holdings Limited, do hereby state that, in the opinion of the Directors :-

- (i) the balance sheets, profit and loss accounts and consolidated statement of cash flows together with the notes thereto, set out on pages 28 to 44, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 1999, the results of the Company and the Group and the cash flows of the Group for the financial year ended 31 December 1999; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board,



Fong Yow Wai

Director



Chia Soon Loi

Director

Singapore
26 April 2000

auditor's report

To the Members of ASJ Holdings Limited

We have audited the financial statements of ASJ Holdings Limited. These financial statements comprise the balance sheets of the Company and the Group as at 31 December 1999, and the profit and loss accounts of the Company and the Group and the statement of cash flows of the Group for the financial year then ended as set out on pages 28 to 44. 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 Singapore Standards on Auditing. 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.


In our opinion,

- (a) the financial statements and consolidated financial statements are properly drawn up in accordance with the provisions of the Companies Act and Statements of Accounting Standard and so as to give a true and fair view of :
 - (i) the state of affairs of the Company and of the Group as at 31 December 1999, the results of the Company and of the Group and the cash flows of the Group for the financial year then ended; and
 - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements and consolidated financial statements;
- (b) the accounting and other records, and the registers required by the Act to be kept by the Company and by those subsidiary companies incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of all subsidiary companies of which we have not acted as auditors, being financial statements included in the consolidated financial statements. The names of those subsidiary companies, audited by another member firm of Ernst & Young International, are stated in note 3.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company 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 as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and in respect of subsidiary companies incorporated in Singapore did not include any comment made under Section 207(3) of the Act.



ERNST & YOUNG
Certified Public Accountants

Singapore
26 April 2000

profit and loss accounts

For the Year ended 31 December 1999

	Note	Group		Company	
		1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
Turnover	4	47,537	49,415	-	-
Operating profit/(loss)	5	7,138	6,766	(150)	(50)
Investment and interest income	6	849	727	7,113	1,011
Interest expense		(16)	(48)	-	-
Profit before income tax		7,971	7,445	6,963	961
Income tax	7	(1,890)	(1,748)	(1,790)	(247)
Profit after income tax		6,081	5,697	5,173	714
Minority interest		(67)	(223)	-	-
Profit attributable to members of the Company		6,014	5,474	5,173	714
Dividend - 0.75 cents (1998 : 0.75 cents), less tax		(500)	(500)	(500)	(500)
Retained profit for the financial year transferred to revenue reserve	21	5,514	4,974	4,673	214
Earnings per share (cents)					
- Basic	8	6.68	6.08		
- Diluted	8	6.63	6.08		

The accompanying notes form an integral part of the financial statements.

balance sheets

As at 31 December 1999

	Note	Group		Company	
		1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
Non current assets					
Fixed assets	9	9,670	10,615	-	-
Investment in subsidiary companies	10	-	-	16,938	16,938
Other assets	11	145	110	-	-
Current assets					
Stocks	12	4,167	4,089	-	-
Debtors	13	13,537	7,617	4,800	103
Due from subsidiary companies	14	-	-	1,536	410
Due from related parties	15	110	14	-	-
Floating rate notes	16	1,500	6,800	500	3,913
Fixed deposits		16,800	9,705	4,175	1,650
Cash and bank balances		4,549	3,807	256	676
		40,663	32,032	11,267	6,752
Less: Current liabilities					
Due to bankers	17	2,824	711	-	-
Creditors	18	6,717	6,537	1,038	1,133
Due to subsidiary companies	14	-	-	-	47
Due to related parties	15	167	345	-	-
Provision for income tax		1,646	1,800	24	82
		11,354	9,393	1,062	1,262
Net current assets		29,309	22,639	10,205	5,490
Non current liability					
Deferred income tax	19	(1,488)	(1,351)	-	-
		37,636	32,013	27,143	22,428
Capital and reserves					
Share capital	20	18,016	18,000	18,016	18,000
Reserves	21	19,275	13,735	9,127	4,428
		37,291	31,735	27,143	22,428
Minority interest					
		345	278	-	-
		37,636	32,013	27,143	22,428

The accompanying notes form an integral part of the financial statements.

consolidated statement of cash flows

For the Year Ended 31 December 1999

	1999	1998
	\$'000	\$'000
Cash flows from operating activities :		
Operating profit before interest and income tax	7,138	6,766
Adjustments for :		
Depreciation of fixed assets	2,782	2,494
Loss/(gain) on disposal of fixed assets	5	(2)
Net exchange adjustments	-	68
(Write-back)/provision for diminution in value in other assets	(35)	53
	<hr/>	<hr/>
Operating income before reinvestment in working capital	9,890	9,379
(Increase)/decrease in stocks	(78)	2,885
(Increase)/decrease in debtors	(5,920)	4,571
Decrease in amounts due from related parties	(96)	-
Increase/(decrease) in creditors	180	(4,353)
(Decrease)/increase in amounts due to related parties	(178)	74
	<hr/>	<hr/>
Cash generated from operations	3,798	12,556
Interest received	849	727
Interest paid	(16)	(48)
Income taxes paid	(1,907)	(462)
Dividends paid	(500)	(333)
	<hr/>	<hr/>
Net cash provided by operating activities	2,224	12,440
	<hr/>	<hr/>

	1999	1998
	\$'000	\$'000
Cash flows from investing activities :		
Acquisition of subsidiary company, net of cash acquired	-	(33)
Purchase of fixed assets	(1,844)	(2,506)
Proceeds from disposal of fixed assets	2	20
	<hr/>	<hr/>
Net cash used in investing activities	(1,842)	(2,519)
Cash flows from financing activities :		
Net proceeds from issue of shares	42	-
Hire purchase creditors	-	(30)
Short-term borrowings	1,275	(806)
Import loans	222	460
	<hr/>	<hr/>
Net cash provided by/(used in) financing activities	1,539	(376)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	1,921	9,545
Cash and cash equivalents at beginning of year (note 23)	20,061	10,516
	<hr/>	<hr/>
Cash and cash equivalents at end of year (note 23)	21,982	20,061
	<hr/>	<hr/>

The accompanying notes form an integral part of the financial statements.

notes to the financial statements

31 December 1999

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements of the Company and of the Group which are expressed in Singapore dollars are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies for the year ended 31 December 1999. The results of subsidiary companies acquired or disposed off during the year are included in or excluded from the respective date of acquisition or disposal, as applicable.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Assets, liabilities and results of the overseas subsidiary companies are translated into Singapore dollars on the basis outlined in paragraph (h) below.

(c) Subsidiary companies

Interest in subsidiary companies are stated at cost unless, in the opinion of the Directors, there has been permanent diminution in value, when they are written-down to a valuation fixed by the Directors.

Details of subsidiary companies are shown in note 3.

(d) Related parties

Related parties are entities with common direct or indirect shareholders or directors.

(e) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions and improvements are capitalised and expenditure for maintenance and repairs are charged to the profit and loss account. When assets are sold or retired, their cost and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in the profit and loss account.

Depreciation is calculated on the straight line method to write off the cost of fixed assets over their estimated useful lives except for motor vehicles which are depreciated at cost less residual value over their estimated useful lives. The estimated useful lives of fixed assets are as follows :-

Factory building	over the lease period
Facilities improvement	3 - 5 years
Plant and machinery	4 - 10 years
Office and other equipment	3 - 10 years

Assets in progress comprise fixed assets which are under installation or testing and are not yet in use. Depreciation is provided on such assets when they are put to use.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of these assets.

(f) Stocks

Stocks are stated at the lower of cost (determined on a weighted average basis) and net realisable value. Cost of raw materials, work-in-progress and consumable stocks include direct materials, and in the case of finished goods, cost comprises direct materials, direct labour and attributable manufacturing overheads.

Net realisable value is based on the estimated selling prices less further costs expected to be incurred to completion and disposal and after making allowance for damaged, obsolete and slow-moving items.

(g) Revenue recognition

Revenues from the sale of goods are recognised upon passage of title to the customer which generally coincides with their delivery and acceptance.

(h) Foreign currencies

Foreign currency transactions are recorded at the approximate rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange ruling at the date. Exchange differences are dealt with in the profit and loss account.

On consolidation, the financial statements of overseas subsidiary companies are translated to Singapore dollars at the approximate rates of exchange ruling at the balance sheet date and the results of foreign subsidiaries are translated into Singapore dollars at the weighted average exchange rates. The resulting exchange adjustments are taken to reserves.

(i) Deferred taxation

Deferred taxation is accounted for under the liability method whereby the tax charge for the year is based on the disclosed book profit after adjusting for all permanent differences. The amount of taxation deferred on account of all timing differences is reflected in the deferred taxation account. Deferred tax benefits are not recognised unless there is reasonable expectation of their realisation.

(j) Cash and cash equivalents

Cash and cash equivalents consists of cash and bank balances, fixed deposits and floating rate notes with 1-3 months maturity.

notes to the financial statements

31 December 1999

2. PRINCIPAL ACTIVITIES

The principal activities of the Company, which is incorporated in Singapore, are the provision for management services and that of an investment holding company and the principal activities of its subsidiary companies are the manufacture and sale of resistors and the distribution of electronic and non-electronic components.

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

3. GROUP COMPANIES

The subsidiary companies as at 31 December 1999 are :-

Name of company (country of incorporation and place of business)	Principal activities	Cost		Percentage of equity held by the Group	
		1999	1998	1999	1998
		\$'000	\$'000		
ASJ Pte Ltd (Singapore)	Manufacture and sale of resistors	9,231	9,231	100	100
Scan Technology (S) Pte Ltd (Singapore)	Import, export and distribution of electronic and non- electronic components	5,223	5,223	100	100
Zanstad Pte Ltd (Singapore)	Import, export and distribution of electronic and non- electronic components	1,650	1,650	75	75
Scan Components (M) Sdn. Bhd. * (Malaysia)	Import, export and distribution of electronic and non- electronic components	777	777	100	100
ASJ Components (M) Sdn. Bhd. * (Malaysia)	Commission agents	57	57	100	100
		<hr/>	<hr/>		
		16,938	16,938		

* Audited by another member firm of Ernst & Young, International.

4. TURNOVER

Turnover of the Group represents the invoiced sales net of allowances for goods returned and trade discounts, but excludes intra-group transactions.

5. OPERATING PROFIT/(LOSS)

	Group		Company	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss) is stated after charging/(crediting) :-				
Auditors' remuneration :				
- Auditors of the Company	36	34	13	12
- Others	5	5	-	-
Directors' fee	130	130	50	50
Directors' remuneration :				
- Directors of the Company	574	614	327	272
- Other Directors of subsidiary companies	67	69	-	-
Depreciation of fixed assets	2,782	2,494	-	-
Foreign exchange loss/(gain), net	242	(186)	28	3
Loss/(gain) on disposal of fixed assets	5	(2)	-	-

	Group	
	1999	1998
	\$'000	\$'000
Number of Directors in remuneration bands :		
\$500,000 and above	1	1
\$250,000 to \$499,999	-	-
Below \$250,000	6	7
	7	8

6. INVESTMENT AND INTEREST INCOME

	Group		Company	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000
Gross dividends from unquoted subsidiary companies	-	-	6,890	650
Interest income from fixed deposits and floating rate notes	849	727	223	361
	849	727	7,113	1,011

notes to the financial statements

31 December 1999

7. INCOME TAX

	Group		Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
Provision for income tax in respect of profit for the year :-				
Current income tax -				
Singapore	1,731	1,535	1,790	247
Overseas	-	183	-	-
Deferred income tax	137	15	-	-
Underprovision of tax in prior year	22	15	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,890	1,748	1,790	247

The income tax charge for the Group differs from the amount determined by applying the Singapore income tax rate of 26% (1998 : 26%) to the profit before income tax as a result of non-allowable expenses, the utilisation of investment allowances of \$193,000 (1998 : \$648,000), and difference in tax rates applicable for overseas subsidiary companies.

8. EARNINGS PER SHARE

	Group	
	1999 \$'000	1998 \$'000
Earnings	6,014	5,474
Number of shares (in thousands)		
Weighted average number of ordinary shares for calculation of basic earnings per share	90,008	90,000
Weighted average number of ordinary shares for calculation of diluted earnings per share	90,772	90,033
Earnings per share (cents)		
- Basic	6.68	6.08
- Diluted	6.63	6.08

9. FIXED ASSETS

Group	Factory building \$'000	Facilities improvement \$'000	Plant and machinery \$'000	Office and other equipment \$'000	Assets in-progress \$'000	Total \$'000
Cost						
At beginning of year	3,695	1,535	12,656	1,571	210	19,667
Additions	-	41	-	172	1,631	1,844
Disposals	-	-	-	(16)	-	(16)
Transfers	-	-	770	709	(1,479)	-
At end of year	3,695	1,576	13,426	2,436	362	21,495
Accumulated depreciation						
At beginning of year	1,744	900	5,462	946	-	9,052
Charge for year	135	277	2,079	291	-	2,782
Disposals	-	-	-	(9)	-	(9)
At end of year	1,879	1,177	7,541	1,228	-	11,825
Charge for 1998	135	291	1,768	300	-	2,494
Net book value						
At end of year	1,816	399	5,885	1,208	362	9,670
At beginning of year	1,951	635	7,194	625	210	10,615

The Group's major property comprises a factory building with a built-up area of 5,295.4 sq m situated at 10 Penjuru Lane, Singapore 609190. The lease expires on 15 June 2013.

10. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	1999 \$'000	1998 \$'000
Unquoted shares, at cost	16,938	16,938

Details of subsidiary companies are shown on note 3.

notes to the financial statements

31 December 1999

11. OTHER ASSETS

	1999 \$'000	Group	1998 \$'000
Transferable individual golf club membership, at cost	163		163
Less : Provision for diminution in value	(18)		(53)
	145		110
Movement in provision for diminution in value is as follows :			
Balance at beginning of year	53		-
Provision/(writeback) for the year	(35)		53
	18		53

12. STOCKS

Raw materials	810		731
Work-in-progress	265		162
Finished goods	3,495		3,944
Consumable stocks	226		49
Less : Provision for obsolescence	(629)		(797)
	4,167		4,089
Movement in provision for stock obsolescence is as follows :			
Balance at beginning of year	797		244
Provision utilised for the year	(150)		(28)
Provision/(write back) for the year	(18)		580
Exchange adjustment	-		1
	629		797
Stocks written off/(written back) directly to profit and loss account	(42)		65

13. DEBTORS

	Group		Company	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000
Trade receivables	13,392	7,532	-	-
Less : Provision for doubtful debts	(9)	(139)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	13,383	7,393	-	-
Other receivables :				
Advance to employees	26	3	-	-
Prepayments	22	34	-	-
Dividend receivable	-	-	4,787	-
Others	106	187	13	103
	<hr/>	<hr/>	<hr/>	<hr/>
	154	224	4,800	103
	<hr/>	<hr/>	<hr/>	<hr/>
	13,537	7,617	4,800	103
	<hr/>	<hr/>	<hr/>	<hr/>
Movement in provision for doubtful debts is as follows :				
Balance at beginning of year	139	25	-	-
Provision for the year	5	128	-	-
Provision utilised for the year	(135)	(15)	-	-
Exchange adjustment	-	1	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at end of year	9	139	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Bad debts directly written off to profit and loss account	13	3	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

14. DUE FROM/(TO) SUBSIDIARY COMPANIES

	Company	
	1999	1998
	\$'000	\$'000
Amounts receivable on current accounts - trade	1,536	410
Amounts payable on current accounts - trade	-	(47)
	<hr/>	<hr/>

The amounts due from/(to) subsidiary companies are unsecured, interest-free and have no fixed repayment terms.

notes to the financial statements

31 December 1999

15. DUE FROM/(TO) RELATED PARTIES

These amounts are trade related and were based on terms which are comparable to terms obtained from or offered to third parties.

16. FLOATING RATE NOTES

These bear interest between 2.5% and 5.3% (1998 : between 2.8% and 9.4%) per annum for the Group and the Company, and are rolled over on a quarterly basis.

17. DUE TO BANKERS

	Group	
	1999 \$'000	1998 \$'000
Bank overdrafts - unsecured	867	251
Short term loans - unsecured	1,275	-
Import loans - unsecured	682	460
	2,824	711

The bank overdrafts bear interest between nil% and 0.5% above the banks' prime lending rates (1998 : nil% and 0.5% above prime) per annum.

Import loans converted from trust receipts, bear interest between 1.125% and 4.563% (1998 : between 2.063% and 13.625%) per annum.

The short term loans bear interest between 1.5% and 3.5% (1998 : between 0.25% and 1.79%) per annum.

18. CREDITORS

	Group		Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
Trade payables	4,210	4,744	-	147
Other payables :				
Accruals	2,006	1,291	538	484
Dividend payable	500	500	500	500
Others	1	2	-	2
	2,507	1,793	1,038	986
	6,717	6,537	1,038	1,133

19. DEFERRED INCOME TAX

	Group	
	1999	1998
	\$'000	\$'000
Balance at beginning of year	1,351	1,336
Provision for the year	137	15
	<hr/>	<hr/>
Balance at end of year	1,488	1,351
	<hr/>	<hr/>
The deferred income tax arises as a result of :		
Excess of net book value over tax written down value of fixed assets	1,528	1,507
Unrealised exchange differences	(18)	(79)
Other timing differences	(22)	(77)
	<hr/>	<hr/>
	1,488	1,351
	<hr/>	<hr/>

20. SHARE CAPITAL

	Group and Company	
	1999	1998
	\$'000	\$'000
Authorised :		
200,000,000 ordinary shares of \$0.20 each	40,000	40,000
	<hr/>	<hr/>
Issued and fully paid :		
Balance at beginning of year		
90,000,000 ordinary shares of \$0.20 each	18,000	18,000
Issued during the year		
79,000 (1998 : nil) ordinary shares of \$0.20 each	16	-
	<hr/>	<hr/>
Balance at end of year		
90,079,000 (1998 : 90,000,000) ordinary shares of \$0.20 each	18,016	18,000
	<hr/>	<hr/>

notes to the financial statements

31 December 1999

21. RESERVES

	Group		Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
Share premium reserve				
Balance at beginning of year	4,048	4,048	4,048	4,048
Premium on issue of new ordinary shares 79,000 (1998: nil) ordinary shares of \$0.33 each	26	-	26	-
Balance at end of year	4,074	4,048	4,074	4,048
Revenue reserve				
Balance at beginning of year	9,930	6,437	380	166
Retained profit for the year	5,514	4,974	4,673	214
Goodwill arising on consolidation	-	(1,481)	-	-
Balance at end of year	15,444	9,930	5,053	380
Foreign currency translation reserve				
Balance at beginning of year	(243)	(301)	-	-
Exchange adjustments arising on consolidation	-	58	-	-
Balance at end of year	(243)	(243)	-	-
Total	19,275	13,735	9,127	4,428

22. OPERATING LEASES

The Group has the following estimated future rental liabilities of which \$3,073,000 (1998: \$3,093,000) is based upon the agreement for the lease of land from the Jurong Town Corporation. This rental can be annually revised based on the prevailing market rates up to a maximum increment of 7.6% per annum.

	Group	
	1999 \$'000	1998 \$'000
Non-cancellable operating lease payables due -		
Within one year	219	213
Within 2 to 5 years	983	861
After 5 years	1,961	2,046
	3,163	3,120

23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flows comprise of the following balance sheet amounts :

	Group	
	1999	1998
	\$'000	\$'000
Floating rate notes (note 16)	1,500	6,800
Fixed deposits	16,800	9,705
Cash and bank balances	4,549	3,807
Bank overdrafts (note 17)	(867)	(251)
	<hr/>	<hr/>
	21,982	20,061
	<hr/>	<hr/>

24. INFORMATION BY SEGMENT ON GROUP'S OPERATIONS

	Turnover		Operating profit	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000
By geographical areas :				
Singapore	20,580	27,532	3,807	3,324
Malaysia	4,376	4,637	1,137	1,203
Thailand	1,289	2,439	144	191
China/Hong Kong	9,318	3,195	557	77
USA	5,764	3,818	1,245	744
Europe	5,489	6,567	157	1,102
Rest of world	721	1,227	91	125
	<hr/>	<hr/>	<hr/>	<hr/>
Total	47,537	49,415	7,138	6,766
By activity :				
Manufacturing	27,725	21,649	5,592	3,875
Distribution	19,812	27,766	1,696	2,941
Others	-	-	(150)	(50)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	47,537	49,415	7,138	6,766
	<hr/>	<hr/>	<hr/>	<hr/>

The Group's assets are mainly employed in Singapore.

notes to the financial statements

31 December 1999

25. FUTURE CAPITAL EXPENDITURE

	Group		Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
Capital expenditure for factory building, plant and machinery not provided for in the financial statements:				
Committed and not contracted	11,022	-	-	-
Committed and contracted	-	752	-	-
	11,022	752	-	-

26. RELATED PARTY TRANSACTIONS

Related party transactions carried out during the financial year pursuant to the Shareholders' Mandate obtained for Interested Person Transactions under Chapter 9A of the Listing Manual of the Singapore Exchange Limited by the Group and the Company are as follows:

Purchases from related parties	1,141	994	-	-
Purchases of fixed assets and spares from a related party	266	360	-	-
Sales to a related party	-	(188)	-	-
Management fee charged to subsidiary companies	-	-	(473)	(650)
Recovery of expenses from subsidiary companies	-	-	(297)	(279)
Others	2	(17)	12	12

27. SUBSEQUENT EVENTS

On 16 February 2000, the Company had entered into a conditional Sale and Purchase Agreement with shareholders of ASJ Components, Inc. to acquire 1,000 ordinary shares of US\$1.00 each representing 100% of the issued and paid up capital of ASJ Components, Inc.. The total consideration is US\$1,200,000, of which 75.8% will be satisfied by cash, and the remaining balance by the Company through the allotment and issue of 488,855 ordinary shares of S\$0.20 each.

On 13 March 2000, subject to the approval of the Singapore Exchange Limited, the Directors recommended to the Members of the Company a bonus issue ("Bonus Issue") of one new ordinary share of S\$0.20 each to be credited as fully paid ("Bonus Share") for every two existing ordinary shares of S\$0.20 each held as of the close of business on a date to be determined, fractions of Bonus Share to be disregarded by capitalising the entire share premium account of the Company with the remainder from Group's revenue reserves; such Bonus Shares when issued, shall rank *pari passu* in all respects with the existing ordinary shares of the Company, except that these Bonus Shares shall not be entitled to any dividends which may be paid in respect of the financial year ended 31 December 1999.

28. COMPARATIVE FIGURES

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

statistics of shareholdings

As at 12 April 2000

Authorised Share Capital	-	S\$40,000,000
Issued and Fully-paid Capital	-	S\$18,037,800
Voting Rights	-	1 vote per ordinary share of S\$0.20 each

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders		No. of Shares	
		%		%
1 - 1,000	571	56.59	568,880	0.63
1,001 - 10,000	377	37.36	1,575,690	1.75
10,001 - 1,000,000	49	4.86	3,592,490	3.98
1,000,001 and above	12	1.19	84,451,940	93.64
Total	1,009	100.00	90,189,000	100.00

TWENTY LARGEST SHAREHOLDERS

Name	No. of Shares	%
1 Fong Yow Wai	26,048,940	28.88
2 Yageo Corporation	16,447,730	18.24
3 Kuo Hsin Investments Co Ltd	8,473,070	9.39
4 Raffles Nominees Pte Ltd	7,326,035	8.12
5 UOB Securities Pte Ltd	6,309,000	7.00
6 Chen Tie-Min	6,276,270	6.96
7 DBS Nominees Pte Ltd	5,992,000	6.64
8 Lee Hwei-Jan, Mdm	2,118,270	2.35
9 Low Thian Ser	1,890,715	2.10
10 Ang Hwee Tiang	1,340,955	1.49
11 Loi Teck Lee	1,217,955	1.35
12 G K Goh Stockbrokers Pte Ltd	1,011,000	1.12
13 Cheng Toon Foo	611,020	0.68
14 Goh Meng Chye	378,305	0.42
15 Singapore Nominees Pte Ltd	268,000	0.30
16 Teo Lai Seng	259,190	0.29
17 Mayban Nominees (Singapore) Pte Ltd	200,000	0.22
18 Wong Wai Kar Michael	165,000	0.18
19 Pang Chee Liong	146,190	0.16
20 Chan Lien Ching-Fen	120,000	0.13
Total	86,599,645	96.02

SUBSTANTIAL SHAREHOLDERS

Name	No. of Shares Held	%	No. of Shares Deemed Interested in	%
1 Fong Yow Wai	26,048,940	28.88	-	-
2 Yageo Corporation	16,447,730	18.24	12,794,070	14.19
3 Kuo Hsin Investment Co. Ltd	8,473,070	9.39	-	-
4 Chen Tie-Min	6,276,270	6.96	2,118,270	2.35
5 Chia Soon Loi	-	-	7,011,035	7.78

notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting of ASJ Holdings Limited (the "Company") will be held at 10 Penjuru Lane, Singapore 609190 on Monday, 22 May 2000 at 10.00 a.m. to transact the following business:

1. To receive and adopt the audited accounts of the Company for the year ended 31 December 1999 and the report of the Directors and Auditors thereon. (Resolution No. 1)
2. To re-elect the following Directors retiring under Article 91 of the Articles of Association of the Company:-
 - (i) Mr Chia Soon Loi (Resolution No. 2)
 - (ii) Mr Chew Heng Ching (Resolution No. 3)
3. To re-appoint the Auditors and to authorise the Directors to fix their remuneration. (Resolution No. 4)
4. To approve the payment of a first and final dividend of 0.75 cents per ordinary share in respect of the financial year ended 31 December 1999 as recommended by the Directors in their report. (Resolution No. 5)
5. To approve the Directors' fees of S\$50,000/- payable to the Directors of the Company for the year ended 31 December 1999. (Resolution No. 6)
6. To transact any other business which may be transacted at an Annual General Meeting.
7. As Special Business
To consider and if thought fit, to pass the following resolution as Ordinary Resolution:-
"That:-
 - (a) approval be and is hereby given for the purposes of Chapter 9A of the Listing Manual of the Singapore Exchange Limited, for the Company, its subsidiaries and target associated companies (the "Group") or any of them to enter into any of the transactions falling within the types of Interested Person Transactions, particulars of which are set out in the Company's Prospectus dated 16 January 1997 issued in connection with its initial public offer of shares (the "Prospectus"), with any party who is of the class of Interested Persons described in the Prospectus provided that such transactions are made on an arm's-length basis and on normal commercial terms; (Resolution No. 7)
 - (b) the approval given in paragraph (a) above (the "Mandate") shall, unless revoked or varied by the Company in General Meeting, continue in force until the next Annual General Meeting of the Company; and
 - (c) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Mandate and/or this Resolution."

By Order of the Board



Wendy Wong Mei Yoke nee Leong
Company Secretary
28 April 2000
Singapore

Notes:

1. A member who is entitled to attend and vote at the meeting may appoint not more than two proxies to attend, and on a poll, vote in his place. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be deposited at the Company's registered office at 10 Penjuru Lane, Singapore 609190 at least forty-eight hours before the time set for the meeting.

proxy form

I/We, _____

being a Member of ASJ Holdings Limited hereby appoint the following person(s):

NAME	ADDRESS	NRIC/PASSPORT NUMBER	PROPORTION OF SHAREHOLDINGS REPRESENTED BY PROXY (%)

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 10 Penjuru Lane, Singapore 609190 on Monday, 22 May 2000 at 10.00 a.m. and at any adjournment thereof in the manner indicated below.

NO	RESOLUTION RELATING TO	FOR	AGAINST
1.	Adoption of Directors' Report & Accounts		
2.	Re-election of Director - Mr Chia Soon Loi		
3.	Re-election of Director - Mr Chew Heng Ching		
4.	Re-appointment of Auditors		
5.	Approval of a first and final dividend of 0.75 cents		
6.	Approval of Directors' fees		
7.	Renewal of Shareholders' Mandate for Interested Person Transactions		

(Please indicate with a cross "X" in the space provided whether you wish your vote to be cast for or against the Resolutions as set out in the Notice of the Meeting. If no specific direction as to voting is given, your proxy may vote or abstain from voting as he/she thinks fit.)

No. Of Ordinary Shares Held:

DATED THIS _____ DAY OF _____ 2000

SIGNATURE OF MEMBER(S) or COMMON SEAL

IMPORTANT: Please read Notes on the reverse.

NOTES

1. Please insert the total number of Ordinary Shares held by you. If you have Ordinary Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Ordinary Shares. If you have Ordinary Shares registered in your name in the Register of Members, you should insert that number of Ordinary Shares. If you have Ordinary Shares entered in your name in the Depository Register and Ordinary Shares registered in your name in the Register of Members, you should insert the aggregate number of Ordinary Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Ordinary Shares held by you.
2. A Member who is entitled to attend and vote at the meeting may appoint one or two proxies to attend, and on a poll, vote in his place. A proxy need not be a member of the Company. Where a Member appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing and, in the case of an individual, shall be signed by the appointer or his attorney; and in the case of a corporation, shall either be given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.
4. Where an instrument appointing a proxy is signed on behalf of the appointer by an attorney, the letter or power of attorney or a certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy.
5. The instrument appointing a proxy must be deposited at the Company's registered office at 10 Penjuru Lane, Singapore 609190 at least forty-eight hours before the time appointed for the holding of the Annual General Meeting.
6. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument appointing a proxy or proxies. In addition, in the case of Members whose Ordinary Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such Members are not shown to have Ordinary Shares entered against their names in the Depository Register forty-eight hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

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PROXY FORM

Affix
Stamp
Here

The Company Secretary
ASJ Holdings Limited
10 Penjuru Lane
Singapore 609190

Fold Here
