



GP BATTERIES INTERNATIONAL LIMITED
(Incorporated in the Republic of Singapore on 4 May 1990)

S\$500,000,000
Multicurrency Debt Issuance Programme
(the "Programme")

This Information Memorandum has not been and will not be registered as a prospectus with the Registrar of Companies and Businesses in Singapore and the notes ("**Notes**") to be issued from time to time by GP Batteries International Limited (the "**Issuer**") pursuant to the Programme are offered by the Issuer pursuant to exemptions invoked under Section 106C and/or Section 106D of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"). Accordingly, (1) in relation to Notes which are not listed or quoted on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") or a recognised stock exchange within the meaning of the Companies Act, such Notes may not be offered or sold nor may this Information Memorandum or any other offering document or material relating to such Notes be circulated or distributed, directly or indirectly, to the public or any member of the public in Singapore other than (a) to an institutional investor or other person specified in Section 106C of the Companies Act, (b) to a sophisticated investor, and in accordance with the conditions, specified in Section 106D of the Companies Act or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Companies Act and (2) in relation to Notes which are listed or quoted on the SGX-ST or a recognised stock exchange (the "**Listed Notes**"), until the date falling six months from the date of issue of the relevant Listed Notes (the "**Expiry Date**"), such Listed Notes may not be offered or sold nor may this Information Memorandum or any other offering document or material relating to such Listed Notes be circulated or distributed, directly or indirectly, to the public or any member of the public in Singapore other than (a) to an institutional investor or other person specified in Section 106C of the Companies Act, (b) to a sophisticated investor, and in accordance with the conditions, specified in Section 106D of the Companies Act or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Companies Act. After the Expiry Date, such Listed Notes may be offered or sold to the public or any member of the public in Singapore provided that they continue to be listed or quoted on the SGX-ST or such recognised stock exchange.

A copy of this Information Memorandum has been lodged with the Registrar of Companies and Businesses in Singapore as an information memorandum for the purposes of Section 106D of the Companies Act. The Registrar of Companies and Businesses in Singapore takes no responsibility as to the contents of this Information Memorandum.

Application has been made to the SGX-ST for permission to deal in and quotation for any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies or such Notes.

Arranger



Dealers

BNP PARIBAS

CITICORP INVESTMENT BANK (SINGAPORE) LIMITED

THE DEVELOPMENT BANK OF SINGAPORE LTD

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

TABLE OF CONTENTS

	Page
NOTICE	1
DEFINITIONS	4
CORPORATE INFORMATION	6
SUMMARY OF THE PROGRAMME	8
TERMS AND CONDITIONS OF THE NOTES	14
THE ISSUER	42
PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS	60
CAPITALISATION	61
CLEARING AND SETTLEMENT	62
SINGAPORE TAXATION	63
SUBSCRIPTION, PURCHASE AND DISTRIBUTION	66
APPENDICES	
I: General and Other Information	
II: Financial Statements of GP Batteries International Limited and its subsidiaries for the financial year ended 31 March 2000	
III: Financial Statements of GP Batteries International Limited and its subsidiaries for the financial year ended 31 March 2001	
IV: Unaudited Interim results of GP Batteries International Limited for the six months ended 30 September 2001	

NOTICE

The Development Bank of Singapore Ltd (the “**Arranger**”) has been authorised by GP Batteries International Limited (the “**Issuer**”) to arrange the S\$500,000,000 Multicurrency Debt Issuance Programme (the “**Programme**”) described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes (the “**Notes**”) denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, its subsidiaries and associated companies and the Notes. The Issuer, having made all reasonable enquiries, confirms that this Information Memorandum contains all information which is material in the context of the issue and offering of the Notes, that the information contained herein is true and accurate in all material respects and is not misleading, the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, and that there are no other facts the omission of which, in the context of the issue and offer of the Notes, would or might make any such information or expressions of opinion, expectation or intention misleading in any material respect.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including listing) except (in the case of Notes other than variable rate notes (as described under “Summary of the Programme”)) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form and may be listed on a stock exchange. Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of not less than one month nor more than 10 years from their respective issue dates (or such other tenor as may be agreed between the Issuer and the relevant Dealer (as defined below)) and may be subject to redemption or purchase in whole or in part. The Notes will bear interest at a fixed, floating, variable or hybrid rate or may not bear interest and will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the pricing supplement issued in relation to each series or tranche of Notes (the “**Redemption Amount**”). Details applicable to each series or tranche of Notes will be specified in the applicable pricing supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding (as defined in the Trust Deed referred to below) shall be S\$500,000,000 (or its equivalent in any other currencies) or such higher amount as may be agreed between the Issuer and the Arranger.

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or any of the Dealers. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer or any of its subsidiaries or associated companies (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to subscribe for or purchase, the Notes in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum or any such other document or information and the offer of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Notes have not been, and will not be, registered under the Securities Act (as defined herein) and are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to subscribe for or purchase, any of the Notes.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealers of the Notes from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 106C and/or Section 106D of the Companies Act and may not be relied upon by any person other than persons to whom the Notes are sold or with whom they are placed by the relevant Dealers as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) or the issue, offering, purchase or sale of the Notes shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or any of its subsidiaries or associated companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

None of the Issuer, the Arranger, any of the Dealers or any of their respective officers or employees is making any representation or warranty expressed or implied as to the merits of the Notes or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of the Issuer or its subsidiaries or associated companies (if any). Further, neither the Arranger nor any of the Dealers gives any representation or warranty as to the Issuer, its subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 106C, 106D and 106E or any other provisions of the Companies Act) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Notes. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer and its subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer. Accordingly, notwithstanding anything herein, none of the Issuer, the Arranger, any of the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the

Notes by a recipient of this Information Memorandum or such other document or information (or such part thereof).

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports or audited consolidated accounts or unaudited interim results of the Issuer and its subsidiaries and associated companies, and (2) any supplement or amendment to this Information Memorandum issued by the Issuer. This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Notes, any pricing supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Issuing and Paying Agent (as defined herein).

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement (as defined herein) and the issue of the Notes by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Issuer pursuant to the Programme Agreement.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Notes set out under "Subscription, Purchase and Distribution" on pages 66 and 67 of this Information Memorandum.

Any person(s) who is invited to subscribe for or purchase the Notes or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Notes or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase any of the Notes consult their own legal and other advisers before subscribing for or purchasing the Notes.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

“Agency Agreement”	:	The Agency Agreement dated 20 May 2002 between (1) the Issuer, as issuer, (2) The Development Bank of Singapore Ltd, as issuing and paying agent and agent bank, and (3) DBS Trustee Limited, as trustee, as amended, varied or supplemented from time to time
“Agent Bank”	:	The Development Bank of Singapore Ltd
“Arranger”	:	The Development Bank of Singapore Ltd
“Business Day”	:	A day (other than Saturday or Sunday) on which commercial banks in Singapore are open for business
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act” or “Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Coupons”	:	The interest coupons appertaining to an interest bearing definitive Note
“Dealers”	:	Persons appointed as dealers under the Programme
“Directors”	:	The directors (including alternate directors, if any) of the Issuer as at the date of this Information Memorandum
“Group”	:	The Issuer and its subsidiaries
“Issuer”	:	GP Batteries International Limited
“Issuing and Paying Agent”	:	The Development Bank of Singapore Ltd
“MAS”	:	The Monetary Authority of Singapore
“Programme”	:	The S\$500,000,000 Multicurrency Debt Issuance Programme of the Issuer
“Notes”	:	The notes to be issued by the Issuer under the Programme
“Programme Agreement”	:	The Programme Agreement dated 20 May 2002 made between (1) the Issuer, as issuer, (2) The Development Bank of Singapore Ltd, as arranger, and (3) BNP Paribas, Citicorp Investment Bank (Singapore) Limited, The Development Bank of Singapore Ltd and The Hongkong and Shanghai Banking Corporation Limited, as dealers, as amended, varied or supplemented from time to time

“Securities Act”	: Securities Act of 1933 of the United States, as amended
“Series”	: (1) (in relation to Notes other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shares”	: Ordinary shares of S\$0.80 each in the capital of the Issuer
“Tranche”	: Notes which are identical in all respects (including listing)
“Trust Deed”	: The Trust Deed dated 20 May 2002 made between (1) the Issuer, as issuer, and (2) DBS Trustee Limited, as trustee, as amended, varied or supplemented from time to time
“Trustee”	: DBS Trustee Limited
“United States” or “U.S.”	: United States of America
“Warrants”	: The 19,940,562 detachable warrants to subscribe for 19,940,562 new Shares issued by the Issuer on 16 November 1995 in conjunction with the issue of US\$35 million unsecured bonds due 2000
“S\$” or “\$” and “cents”	: Singapore dollars and cents respectively
“US\$”	: United States dollars
“%”	: Per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Act.

CORPORATE INFORMATION

Board of Directors	: Andrew Ng Sung On (Chairman and Chief Executive) Richard Ku Yuk Hing (Vice Chairman) Hui Wing Sun Lu Tse Wan Tsang Kwan Lung Raymond Wong Wai Kan Cheng Wai Keung Phua Bah Lee Harald E Kading
Company Secretaries	: Yvonne Choo, FCIS Tan San-Ju, FCIS
Registered Office	: 50 Gul Crescent Singapore 629543
Auditors to the Issuer	: Deloitte & Touche Certified Public Accountants 95 South Bridge Road #09-00 Pidemco Centre Singapore 058717
Arranger of the Programme	: The Development Bank of Singapore Ltd 6 Shenton Way DBS Building Tower One Singapore 068809
Dealers	: BNP Paribas 20 Collyer Quay #01-01 Tung Centre Singapore 049319 Citicorp Investment Bank (Singapore) Limited 3 Temasek Avenue #17-00 Centennial Tower Singapore 039190 The Development Bank of Singapore Ltd 6 Shenton Way DBS Building Tower One Singapore 068809 The Hongkong and Shanghai Banking Corporation Limited 21 Collyer Quay #02-00 HSBC Building Singapore 049320

Legal Advisers to the Arranger and the Dealers	: Allen & Gledhill 36 Robinson Road #18-01 City House Singapore 068877
Issuing and Paying Agent and Agent Bank	: The Development Bank of Singapore Ltd 180 Clemenceau Avenue #03-01/04 Haw Par Centre Singapore 239922
Trustee for the holders of the Notes	: DBS Trustee Limited 180 Clemenceau Avenue #03-01/04 Haw Par Centre Singapore 239922
Principal Bankers	: BNP Paribas 20 Collyer Quay #01-01 Tung Centre Singapore 049319 Citibank, N.A., Singapore Branch 3 Temasek Avenue #17-00 Centennial Tower Singapore 039190 The Development Bank of Singapore Ltd 6 Shenton Way DBS Building Singapore 068809 The Hongkong and Shanghai Banking Corporation Limited 21 Collyer Quay #14-01 HSBC Building Singapore 049320

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Programme Agreement, the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	:	GP Batteries International Limited
Arranger	:	The Development Bank of Singapore Ltd
Dealers	:	BNP Paribas, Citicorp Investment Bank (Singapore) Limited, The Development Bank of Singapore Ltd and The Hongkong and Shanghai Banking Corporation Limited and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement
Issuing and Paying Agent and Agent Bank	:	The Development Bank of Singapore Ltd
Trustee	:	DBS Trustee Limited
Description	:	Multicurrency Debt Issuance Programme
Programme Size	:	The maximum aggregate principal amount of the Notes outstanding at any time shall be S\$500,000,000 (or its equivalent in other currencies) or such higher amount as may be agreed between the Issuer and the Arranger
Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore Dollars or any other currency agreed between the Issuer and the relevant Dealer(s)
Method of Issue	:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement
Issue Price	:	Notes may be issued at par or at a discount to, or premium over, par
Maturities	:	Subject to compliance with all relevant laws, regulations and directives, Notes shall have maturities of not less than one month nor more than 10 years from their respective issue dates (or such other tenor as may be agreed between the Issuer and the relevant Dealer)

- Mandatory Redemption : Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face
- Interest Basis : Notes may bear interest at fixed, floating, variable or hybrid rates or may not bear interest
- Fixed Rate Notes : Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity
- Floating Rate Notes : Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S\$ SIBOR or S\$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue
- Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)
- Variable Rate Notes : Variable Rate Notes will bear interest at a variable rate determined in accordance with the terms and conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue
- Hybrid Notes : Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and at maturity and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s) at the rate of interest to be determined by reference to S\$ SIBOR or S\$ SWAP RATE (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer), in each case payable at the end of each interest period to be

agreed between the Issuer and the relevant Dealer(s)

- Zero Coupon Notes : Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment
- Form and Denomination of Notes : The Notes will be issued in bearer form only and in denominations of S\$250,000 each or in such denominations as may be agreed between the Issuer and the relevant Dealer(s)
- Custody of the Notes : Notes which are to be listed on the SGX-ST will be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are not to be cleared through CDP must be kept with authorised depositories which are appointed by MAS from time to time
- Status of the Notes : The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer
- Redemption and Purchase : If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes
- Negative Pledge : The Issuer has covenanted that, so long as any of the Notes remains outstanding, the Issuer will not, and will procure that none of its subsidiaries will, create or have outstanding any security over the whole or any part of its undertakings, assets, property or revenues, present or future, to secure (a) any payment or repayment of any indebtedness, (b) any payment under any guarantee of any indebtedness or (c) any payment under any indemnity or any other like obligation relating to any indebtedness, without in any such case at the same time according to the Notes the same security as is granted to or is outstanding in respect of such

indebtedness or such guarantee, indemnity or other like obligation, except for:

- (i) any security existing at the date of the Trust Deed and disclosed in writing to the Trustee on or prior to the date of the Trust Deed (but, except with the prior consent in writing of the Trustee, the amount secured by any such security may not be increased); or
- (ii) liens or rights of set-off arising solely by operation of law in the ordinary course of its or the relevant subsidiary's business in respect of indebtedness which either (1) has been due for less than seven days or (2) is being contested in good faith and by appropriate means; or
- (iii) any pledge of goods, the related documents of title and/or other related documents arising or created in the ordinary course of its or the relevant subsidiary's business as security only for indebtedness to a bank or financial institution directly relating to the goods or documents on or over which such pledge exists; or
- (iv) any security arising out of title retention provisions in a supplier's standard conditions of supply of goods acquired by the Issuer or the relevant subsidiary in the ordinary course of its or, as the case may be, the relevant subsidiary's business; or
- (v) in the case of any company which becomes a subsidiary of the Issuer after the date of the Trust Deed, any security (1) existing on or over its assets when it becomes a subsidiary, (2) not created in contemplation of or in connection with it becoming a subsidiary and (3) discharged within 180 days of it becoming a subsidiary; or
- (vi) any security created on or over any immovable property or asset acquired by the Issuer or the relevant subsidiary after the date of the Trust Deed for the purpose of its or the relevant subsidiary's core business provided always that (1) the aggregate value of all such property(ies) and asset(s) shall not exceed 10 per cent. of the Consolidated Tangible Net Worth (as defined in the Trust Deed) and (2) the amount of the indebtedness secured by such security shall not exceed the lower of (a) the cost of acquiring the relevant property(ies) or asset(s)

and (b) the fair market value of such property(ies) or asset(s) at the time of such acquisition; or

- (vii) any security created or permitted to subsist, the terms of which have been approved by the Noteholders (as defined in the Trust Deed) by way of Extraordinary Resolution (as defined in the Trust Deed).

Shareholding Covenants

: The Issuer has undertaken to the Trustee that it will:

- (i) ensure that GP Industries Limited will at all times own directly and beneficially not less than 35 per cent. of the issued share capital of the Issuer;
- (ii) at all times own beneficially 100 per cent. of the issued share capital of each of GPI International Limited, Sylva Industries Limited and GP Batteries (Malaysia) Sdn Bhd;
- (iii) ensure that each of Gold Peak Industries (Taiwan) Limited, Champion World Limited and Douza Investments Ltd is at all times its subsidiary; and
- (iv) at all times own directly and beneficially not less than 50 per cent. of the issued share capital of T.G. Battery Co (Hong Kong) Limited.

Financial Covenants

: The Issuer has undertaken to the Trustee that it will ensure:

- (1) the Consolidated Tangible Net Worth will not at any time be less than S\$200,000,000;
- (2) the ratio of Consolidated Total Net Borrowings (as defined in the Trust Deed) to Consolidated Tangible Net Worth will not at any time be more than 1.75:1;
- (3) the ratio of Consolidated Total Liabilities (as defined in the Trust Deed) to Consolidated Tangible Net Worth will not at any time be more than 2.5:1; and
- (4) the ratio of Consolidated Profit Before Taxation, Interest, Amortisation and Depreciation Expense (as defined in the Trust Deed) to Consolidated Interest Expense (as defined in the Trust Deed) will not at any time be less than 2.5:1.

- Covenant relating to Subsidiaries : The Issuer has undertaken to the Trustee that it will ensure that during each financial year, its subsidiaries will repatriate to it an aggregate sum of not less than US\$15,000,000 (in the form of dividends, management fee or otherwise)
- Taxation : All payments of principal and interest in respect of the Notes by the Issuer will be free and clear of and without withholding or deduction for or on account of any taxes or duties of whatever nature imposed by Singapore unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts in respect of any such deduction or withholding from payments in respect of the Notes and Coupons for, or on account of, any such taxes or duties as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required. For further details, see the section on "Singapore Taxation" below
- Listing : Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained
- Selling Restrictions : For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section on "Subscription, Purchase and Distribution" below. Further restrictions may apply in connection with any particular Series or Tranche of Notes
- Governing Law : The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement:

The Notes are constituted by a Trust Deed (as amended and supplemented, the "**Trust Deed**") dated 20 May 2002 made between (1) GP Batteries International Limited (the "**Issuer**") and (2) DBS Trustee Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below), and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended and supplemented, the "**Deed of Covenant**") dated 20 May 2002, relating to the Notes executed by the Issuer. The Issuer has entered into an Agency Agreement (as amended and supplemented, the "**Agency Agreement**") dated 20 May 2002 made between (1) the Issuer, (2) The Development Bank of Singapore Ltd, as issuing and paying agent (in such capacity, the "**Issuing and Paying Agent**") and agent bank (in such capacity, the "**Agent Bank**"), and (3) the Trustee, as trustee. The Noteholders and the holders of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes (the "**Couponholders**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being.

1. **Form, Denomination and Title**

(a) **Form and Denomination**

- (i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form in each case in the Denomination Amount shown hereon.
- (ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).
- (iii) Notes are serially numbered and issued with Coupons attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 6(f)) in these Conditions are not applicable.

(b) **Title**

- (i) Title to the Notes and the Coupons appertaining thereto shall pass by delivery.
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note or Coupon shall be deemed to be and may be treated as the absolute owner of such Note or of such Coupon, as the case may be, for the purpose of

receiving payment thereof or on account thereof and for all other purposes, whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

- (iii) For so long as any of the Notes is represented by a Global Note and such Global Note is held by The Central Depository (Pte) Limited (the “**Depository**”), each person who is for the time being shown in the records of the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Issuing and Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, interest and any other amounts in respect of the Notes, for which purpose the bearer of the Global Note shall be treated by the Issuer, the Issuing and Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Note (and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly). Notes which are represented by the Global Note will be transferable only in accordance with the rules and procedures for the time being of the Depository.
- (iv) In these Conditions, “**Global Note**” means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, “**Noteholder**” means the bearer of any Definitive Note and “**holder**” (in relation to a Definitive Note or Coupon) means the bearer of any Definitive Note or Coupon, “**Series**” means (a) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (i) expressed to be consolidated and forming a single series and (ii) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (b) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and “**Tranche**” means Notes which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

3. Covenants

(a) Negative Pledge

In the Trust Deed, the Issuer has covenanted that, so long as any of the Notes remains outstanding (as defined in the Trust Deed), the Issuer will not, and procure that none of its subsidiaries will, create or have outstanding any security over the whole or any part of its undertakings, assets, property or revenues, present or future, to secure (1) any payment or repayment of any indebtedness, (2) any payment under any guarantee of any indebtedness or (3) any payment under any indemnity or any other like obligation relating to any indebtedness, without in any such case at the same time according to the Notes the same security as is granted to or is outstanding in respect of such indebtedness or such guarantee, indemnity or other like obligation, except for:

- (i) any security existing at the date of the Trust Deed and disclosed in writing to the Trustee on or prior to the date of the Trust Deed (but, except with the prior consent in writing of the Trustee, the amount secured by any such security may not be increased); or
- (ii) liens or rights of set-off arising solely by operation of law in the ordinary course of its or the relevant subsidiary's business in respect of indebtedness which either (1) has been due for less than seven days or (2) is being contested in good faith and by appropriate means; or
- (iii) any pledge of goods, the related documents of title and/or other related documents arising or created in the ordinary course of its or the relevant subsidiary's business as security only for indebtedness to a bank or financial institution directly relating to the goods or documents on or over which such pledge exists; or
- (iv) any security arising out of title retention provisions in a supplier's standard conditions of supply of goods acquired by the Issuer or the relevant subsidiary in the ordinary course of its or, as the case may be, the relevant subsidiary's business; or
- (v) in the case of any company which becomes a subsidiary of the Issuer after the date of the Trust Deed, any security (a) existing on or over its assets when it becomes a subsidiary, (b) not created in contemplation of or in connection with it becoming a subsidiary and (c) discharged within 180 days of it becoming a subsidiary; or
- (vi) any security created on or over any immovable property or asset acquired by the Issuer or the relevant subsidiary after the date of the Trust Deed for the purpose of its or the relevant subsidiary's core business provided always that (a) the aggregate value of all such property(ies) and asset(s) shall not exceed 10 per cent. of the Consolidated Tangible Net Worth (as defined in the Trust Deed) and (b) the amount of the indebtedness secured by such security shall not exceed the lower of (1) the cost of acquiring the relevant property(ies) or asset(s) and (2) the fair market value of such property(ies) or asset(s) at the time of such acquisition; or
- (vii) any security created or permitted to subsist, the terms of which have been approved by the Noteholders by way of Extraordinary Resolution.

(b) Financial Covenants

In the Trust Deed, the Issuer has further covenanted that, so long as any of the Notes remains outstanding, it will ensure that:

- (i) the Consolidated Tangible Net Worth will not at any time be less than S\$200,000,000;
- (ii) the ratio of Consolidated Total Net Borrowings (as defined in the Trust Deed) to Consolidated Tangible Net Worth (as defined in the Trust Deed) will not at any time be more than 1.75:1; and
- (iii) the ratio of Consolidated Total Liabilities (as defined in the Trust Deed) to Consolidated Tangible Net Worth will not at any time be more than 2.5:1; and
- (iv) the ratio of Consolidated Profit Before Taxation, Interest, Amortisation and Depreciation Expense (as defined in the Trust Deed) to Consolidated Interest Expense (as defined in the Trust Deed) will not at any time be less than 2.5:1.

4. (I) Interest on Fixed Rate Notes**(a) Interest Rate and Accrual**

Each Fixed Rate Note bears interest on its Calculation Amount (as defined in Condition 4(II)(d)) from the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Reference Date or Reference Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on a Reference Date.

The first payment of interest will be made on the Reference Date next following the Interest Commencement Date (and if the Interest Commencement Date is not a Reference Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not a Reference Date, interest from the preceding Reference Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) to the Relevant Date (as defined in Condition 7).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each date (“**Interest Payment Date**”) which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the “**Specified Number of Months**”) after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 4(II)(c)) in respect of any Variable Rate Note for any Interest Period (as defined below) relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date would otherwise fall on a day which is not a business day (as defined below), it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month. In any such case as aforesaid or if there is no date in the relevant month which corresponds numerically with the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date (i) the Interest Payment Date shall be brought forward to the immediately preceding business day and (ii) each subsequent Interest Payment Date shall be the last business day of the month which is the last of the Specified Number of Months after the month in which the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall have fallen.

The period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an “**Interest Period**”.

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) to the Relevant Date.

(b) Rate of Interest - Floating Rate Notes

- (i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The “Spread” is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the “**Rate of Interest**”.

- (ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Agent Bank on the basis of the following provisions:
 - (1) in the case of Floating Rate Notes which are SIBOR Notes:
 - (A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen SIBOS Page (or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);
 - (B) if no such rate appears on the Reuter Screen SIBOS Page (or such other replacement page thereof), the Agent Bank will, at or about the Relevant Time on such Interest Determination Date, determine the Rate of Interest for such Interest Period which shall be the rate which appears on Telerate Page 7310 of the Dow Jones Telerate Service (or such other replacement page thereof), being the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);
 - (C) if no such rate appears on Telerate Page 7310 (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if Telerate Page 7310 (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;
 - (D) if on any Interest Determination Date two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (C) above on the basis

of the quotations of those Reference Banks providing such quotations; and

- (E) if on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any) or if on such Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotation, the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

- (A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Agent Bank as being the rate which appears under the caption "ASSOCIATION OF BANKS IN SINGAPORE SIBOR AND SWAP OFFER RATE FIXING AT 11 A.M. SINGAPORE TIME" and the row headed "SGD" on Telerate Page 50157 of the Dow Jones Telerate Service (or such other page as may replace Telerate Page 50157 for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period) and as adjusted by the Spread (if any);
- (B) if on any Interest Determination Date, no such rate is quoted on Telerate Page 50157 (or such other replacement page as aforesaid) or Telerate Page 50157 (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Average Swap Rate (which shall be rounded up, if necessary, to the nearest 1/16 per cent.) for such Interest Period in accordance with the following formula:

In the case of Premium:

$$\begin{aligned} \text{Average Swap Rate} = & \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} \\ & + \frac{(\text{SIBOR} \times \text{Premium}) \times 365}{(\text{Spot Rate}) \times 360} \end{aligned}$$

In the case of Discount:

$$\begin{aligned} \text{Average Swap Rate} = & \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} \\ & - \frac{(\text{SIBOR} \times \text{Discount}) \times 365}{(\text{Spot Rate}) \times 360} \end{aligned}$$

where:

SIBOR = the rate which appears under the caption "SINGAPORE INTERBANK OFFER RATES (US\$)" and the column headed "Fixing" on Telerate Page 7311 of the Dow Jones Telerate Service (or such other page as may replace Telerate Page 7311 for the purpose of displaying Singapore inter-bank United States dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

Spot Rate = the rate (determined by the Agent Bank) to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks and which appear under the caption "SINGAPORE BANKS RATES AT 11 A.M. SGP TIME" and the column headed "Spot" on Telerate Page 50162 of the Dow Jones Telerate Service (or such other page as may replace Telerate Page 50162 for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

Premium or Discount = the rate (determined by the Agent Bank) to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest

Period concerned which appear under the caption "SINGAPORE BANKS RATES AT 11 A.M. SGP TIME" on Telerate Page 50162 of the Dow Jones Telerate Service (or such other page as may replace Telerate Page 50162 for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; and

T = the number of days in the Interest Period concerned.

The Rate of Interest for such Interest Period shall be the Average Swap Rate (as determined by the Agent Bank) and as adjusted by the Spread (if any);

- (C) if on any Interest Determination Date any one of the components for the purposes of calculating the Average Swap Rate under (B) above is not quoted on the relevant Telerate Page (or such other replacement page as aforesaid) or the relevant Telerate Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of the Reference Banks to provide the Agent Bank with quotations of their Swap Rates for the Interest Period concerned at or about the Relevant Time on that Interest Determination Date and the Rate of Interest for such Interest Period shall be the Average Swap Rate for such Interest Period (which shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Swap Rates quoted by the Reference Banks to the Agent Bank) and as adjusted by the Spread (if any). The Swap Rate of a Reference Bank means the rate at which that Reference Bank can generate Singapore dollars for the Interest Period concerned in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date and shall be determined as follows:

In the case of Premium:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(T \times \text{Spot Rate})} \\ + \frac{(\text{SIBOR} \times \text{Premium}) \times 365}{(\text{Spot Rate}) \times 360}$$

In the case of Discount:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(T \times \text{Spot Rate})}$$

$$- \frac{(\text{SIBOR} \times \text{Discount}) \times 365}{(\text{Spot Rate}) \quad 360}$$

where:

SIBOR = the rate per annum at which United States dollar deposits for a period equal to the duration of the Interest Period concerned are being offered by that Reference Bank to prime banks in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;

Spot Rate = the rate at which that Reference Bank sells United States dollars spot in exchange for Singapore dollars in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;

Premium = the premium that would have been paid by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore inter-bank market;

Discount = the discount that would have been received by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore inter-bank market; and

T = the number of days in the Interest Period concerned; and

- (D) if on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with quotations of their Swap Rate(s), the Average Swap Rate shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such

Interest Period by whatever means they determine to be most appropriate and the Rate of Interest for the relevant Interest Period shall be the Average Swap Rate (as so determined by the Agent Bank) and as adjusted by the Spread (if any), or if on such Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

- (C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.
- (iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(c) Rate of Interest - Variable Rate Notes

- (i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Agreed Yield**” and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Rate of Interest**”.
- (ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:
 - (1) not earlier than 9 a.m. (Singapore time) on the ninth business day nor later than 5 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:
 - (A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;
 - (B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and
 - (C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an “**Agreed Rate**”) and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

- (2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 5 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.
- (iii) The Issuer has undertaken to the Issuing and Paying Agent and the Agent Bank that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 5 p.m. (Singapore time) on the next following business day:
- (1) notify the Issuing and Paying Agent and the Agent Bank of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and
- (2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.
- (iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the “**Fall Back Rate**”) determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).
- Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The “Spread” is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.
- The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Agent Bank in accordance with the provisions of Condition 4(II)(b)(ii) above (*mutatis mutandis*) and references therein to “**Rate of Interest**” shall mean “**Fall Back Rate**”.
- (v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(d) Definitions

As used in these Conditions:

“**Benchmark**” means the rate specified as such in the applicable Pricing Supplement;

“**business day**” means:

- (i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday or Sunday) on which commercial banks are open for business in Singapore; and
- (ii) (in the case of Notes denominated in a currency other than Singapore dollars), a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in Singapore and the principal financial centre for that currency;

“**Calculation Amount**” means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

“**Interest Determination Date**” means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

“**Reference Banks**” means the institutions specified as such hereon or, if none, three major banks selected by the Agent Bank in the interbank market that is most closely connected with the Benchmark;

“**Relevant Currency**” means the currency in which the Notes are denominated;

“**Relevant Dealer**” means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

“**Relevant Financial Centre**” means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

“**Relevant Rate**” means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

“**Relevant Time**” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the inter-bank market in the Relevant Financial Centre; and

“Screen Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters Monitor Money Rates Service (“**Reuters**”) and the Dow Jones Telerate Service (“**Telerate**”)) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

- (i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Reference Date or Reference Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on a Reference Date.
- (ii) The first payment of interest will be made on the Reference Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not a Reference Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not a Reference Date, interest from the preceding Reference Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.
- (iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) to the Relevant Date.
- (iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon during the Fixed Rate Period.

(c) Floating Rate Period

- (i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the

Floating Rate Period, and such interest will be payable in arrear on each date (“**Interest Payment Date**”) which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the “**Specified Number of Months**”) after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date would otherwise fall on a day which is not a business day, it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month. In any such case as aforesaid or if there is no date in the relevant month which corresponds numerically with the preceding Interest Payment Date or, as the case may be, the first day of the Floating Rate Period (i) the Interest Payment Date shall be brought forward to the immediately preceding business day and (ii) each subsequent Interest Payment Date shall be the last business day of the month which is the last of the Specified Number of Months after the month in which the preceding Interest Payment Date or, as the case may be, the first day of the Floating Rate Period shall have fallen.

- (ii) The period beginning on the first day of the Floating Rate Period and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an “**Interest Period**”.
- (iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) and the Agency Agreement to the Relevant Date.
- (iv) The provisions of Condition 4(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 5(h)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5(h)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the “**Interest Amounts**”) in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable in respect of any Note shall be

calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the relevant currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee and the Issuer and (in the case of Floating Rate Notes) to be notified to Noteholders in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth business day thereafter. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 9, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Agent Bank does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank (which shall be approved by the Trustee) with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign its duties without a successor having been appointed as aforesaid.

5. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on the Singapore Exchange Securities Trading Limited, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of Notes.

(c) Purchase at the Option of Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit any Variable Rate Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Variable Rate Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder

shall deposit any Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws. So long as the Notes are listed on the Singapore Exchange Securities Trading Limited, the Issuer shall, comply with the rules of such Stock Exchange in relation to the publication of any redemption of Notes.

(e) Redemption at the Option of Noteholders

If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to the date fixed for redemption. To exercise such option, the holder must deposit such Note (together with all unexpired Coupons) with the Issuing and Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Reference Date or Interest Payment Date (as the case may be) or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 5(h) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or

any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent a certificate signed by a duly authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

(g) Purchases

The Issuer or any of its subsidiaries may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by the Issuer or any of its subsidiaries may be surrendered by the purchaser through the Issuer to the Issuing and Paying Agent for cancellation or may at the option of the Issuer or relevant subsidiary be held or resold.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(h) Early Redemption of Zero Coupon Notes

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless

the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 4(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(i) Cancellation

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons to the Issuing and Paying Agent at its specified office and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Interest

Payments of principal and interest in respect of the Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of the Issuing and Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the payee in that currency with, a bank in the principal financial centre for that currency.

(b) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(c) Appointment of Agents

The Issuing and Paying Agent and its specified office are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent and to appoint additional or other Issuing and Paying Agents, provided that it will at all times maintain an Issuing and Paying Agent having a specified office in Singapore.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 15.

The Agency Agreement may be amended by the Issuer, the Issuing and Paying Agent and the Trustee, without the consent of any holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Issuing and Paying Agent and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of the Issuer, the Issuing and Paying Agent and the Trustee, adversely affect the interests of the holders.

(d) Unmatured Coupons

(i) Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes,

relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

- (ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Where any Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (iv) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note.

(e) Non-business days

Subject as provided in the relevant Pricing Supplement, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(f) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to four per cent. per annum above the prime lending rate for Singapore Dollars quoted by The Development Bank of Singapore Ltd for the time being. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction specified hereon and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

7. Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future

taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore); or
- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 15 that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

The Notes and Coupons shall become void unless presented for payment within five years from the appropriate Relevant Date for payment.

9. Events of Default

If any of the following events ("**Events of Default**") occurs the Trustee at its discretion may, and if so requested by holders of at least 20 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, give notice to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

- (a) the Issuer does not pay any sum payable by it under any of the Notes or the Issue Documents when due;
- (b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Issue Documents (as defined in the Trust Deed) or any of the Notes and (except where the Trustee certifies that such default is, in its opinion, incapable of remedy) such failure continuing for a period of seven days of its occurrence;

- (c) any representation, warranty or statement by the Issuer in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated;
- (d)
 - (i) any other indebtedness of the Issuer or any of its subsidiaries in respect of borrowed moneys is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) or is not paid when due or, as a result of any actual or potential default, event of default or the like (however described) any facility relating to any such indebtedness is or is declared to be or is capable of being cancelled or terminated before its normal expiry date or any person otherwise entitled to use any such facility is not so entitled; or
 - (ii) the Issuer or any of its subsidiaries fails to pay when properly called upon to do so any guarantee or indebtedness for borrowed moneys,

provided that the aggregate amount of the relevant indebtedness or guarantee in respect of which one or more of the events mentioned above in this sub-paragraph (d) has/have occurred equals or exceeds US\$500,000 (or its equivalent in other currencies);

- (e) the Issuer or any of its subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or a material part of (or of a particular type of) its indebtedness (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of (or of a particular type of) the indebtedness of the Issuer or any of its subsidiaries;
- (f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the assets of the Issuer or any of its subsidiaries and is not discharged or stayed within 14 days;
- (g) any security on or over the assets of the Issuer or any of its subsidiaries becomes enforceable;
- (h) any step is taken by any person with a view to the winding-up of the Issuer or any of its subsidiaries (except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee before that step is taken) or for the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Issuer or any of its subsidiaries or over any part of the assets of the Issuer or any of its subsidiaries;
- (i) the Issuer or any of its subsidiaries ceases or threatens to cease to carry on all or any part of its business or (otherwise than in the ordinary course of its business) disposes or threatens to dispose of the whole or any part of its property or assets (in each case,

otherwise than for the purposes of such a consolidation, amalgamation, merger or reconstruction as is referred to in sub-paragraph (h) above);

- (j) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any of its subsidiaries;
- (k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 15.3 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);
- (l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Issue Documents or any of the Notes;
- (m) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;
- (n) any litigation, arbitration or administrative proceeding is current or pending (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer under any of the Issue Documents or any of the Notes or (ii) which has or could have a material adverse effect on the Issuer or on the Issuer and its subsidiaries taken as a whole;
- (o) (i) GP Industries Limited ceases to own directly and beneficially not less than 35 per cent. of the issued share capital of the Issuer, (ii) the Issuer ceases to own beneficially 100 per cent. of the issued share capital of any of GPI International Limited, Sylva Industries Limited and GP Batteries (Malaysia) Sdn Bhd, (iii) any of Gold Peak Industries (Taiwan) Limited, Champion World Limited or Douza Investments Ltd ceases to be a subsidiary of the Issuer or (iv) the Issuer ceases to own directly and beneficially not less than 50 per cent. of the issued share capital of T.G. Battery Co (Hong Kong) Limited;
- (p) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h) or (j);
- (q) the Issuer or any of its subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore; and
- (r) any event occurs or circumstances arise which the Trustee reasonably determines (i) give(s) reasonable grounds for believing that the Issuer may not (or may be unable to) perform or comply with any one or more of its obligations under any of the Issue Documents or any of the Notes or (ii) has a material adverse effect on the business, financial or other condition, operations, performance or the properties of the Issuer or the Issuer and its subsidiaries taken as a whole.

In these Conditions, “**subsidiary**” has the meaning ascribed to it in Section 5 of the Companies Act, Chapter 50 of Singapore.

10. Enforcement of Rights

At any time after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes, together with accrued interest, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 20 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified by the Noteholders to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period not exceeding 30 days and such failure or neglect shall be continuing.

11. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than one-tenth of the principal amount of the Notes of any Series for the time being outstanding shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (a) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law and (b) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard

to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

12. Replacement of Notes and Coupons

If a Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, at the specified office of the Issuing and Paying Agent, or at the specified office of such other Issuing and Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 15, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note or Coupon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note or Coupon) and otherwise as the Issuer may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes of any Series and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

14. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified to its satisfaction. The Trust Deed also contains a provision entitling the Trustee to enter into business transactions with the Issuer or any of its subsidiaries without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

15. Notices

Notices to the holders will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in the Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 15.

Until such time as any Definitive Notes (as defined in the Trust Deed) are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of the Depository, be substituted for such publication in such newspapers the delivery of the relevant notice to the Depository for communication by it to the Noteholders, except that if the Notes are listed on the Singapore Exchange Securities Trading Limited and the rules of such exchange so require, notice will in any event be published in accordance with the previous paragraph. Any such

notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issuing and Paying Agent. Whilst the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Issuing and Paying Agent through the Depository in such manner as the Issuing and Paying Agent and the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

16. Governing Law

The Notes and the Coupons are governed by, and shall be construed in accordance with, the laws of Singapore.

17. Contracts (Rights of Third Parties) Act 2001

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 2001.

THE ISSUER

1. History and Background

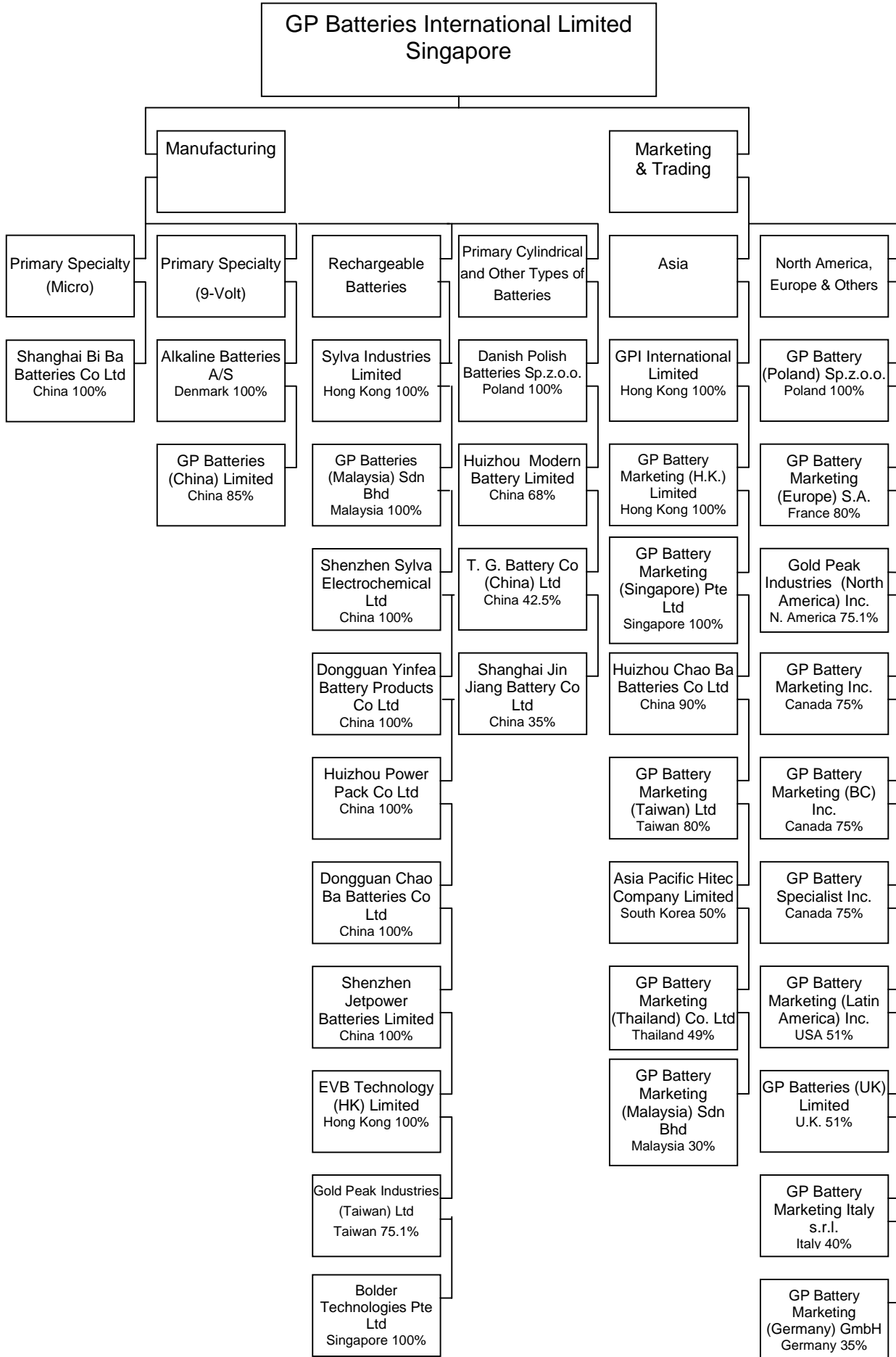
The Issuer was incorporated as a public company in Singapore under the name of Gold Peak Batteries (Singapore) Limited on 4 May 1990 under the Companies Act. The Issuer changed its name to GP Batteries International Limited on 5 June 1990. Pursuant to a restructuring exercise effected as at 1 April 1990, the Issuer acquired the entire battery division of the Gold Peak Industries (Holdings) Limited group of Hong Kong ("**Gold Peak Group**"). Gold Peak Group, which was founded in 1964, is a major export manufacturing group producing various types of batteries, car audio products, electrical accessories and precision parts and components. The Issuer has been listed on the SGX-ST since March 1991 and is currently a component stock of the BT Singapore Regional Index.

The Issuer is principally an investment holding company carrying out the functions of an Operational Headquarters of the battery division of the Gold Peak Group. In June 2000, Gold Peak Industries (Holdings) Limited ("**Gold Peak**") transferred its entire interest of approximately 42 per cent. in the Issuer to Singapore-listed GP Industries Limited (formerly known as GPE Industries Limited). As at 9 May 2002, GP Industries Limited is 86.5 per cent. owned by Gold Peak.

The Group is one of the world's major suppliers of consumer and rechargeable batteries. It has a global manufacturing and direct marketing distribution network in over 15 countries employing over 7,000 people.

The Issuer was awarded Operational Headquarters status by the Economic Development Board of Singapore ("**EDB**") in June 1990 and this status has been extended for six more years commencing 1 July 1996. Under this scheme, the dividend income received by the Issuer from approved qualifying corporations within the Group will be exempted from Singapore tax and certain types of income received by the Issuer from approved qualifying corporations within the Group will be taxed at a concessionary rate of 10 per cent. in Singapore. The Issuer has recently applied for further extension of Operational Headquarters status. The application is currently being processed by EDB.

2. Corporate Functional Structure



3. Principal Business Activities

The Group is principally engaged in the development, manufacture and marketing of batteries and related products.

The Group supplies an extensive range of battery products to original equipment manufacturers (“OEM”), leading battery manufacturers as well as consumer retail markets under the “GP” brand name. Its consumer battery products have significant market shares in China and Hong Kong, where the Group was awarded one of the 1999 Hong Kong Top Ten Brandnames Awards by the Chinese Manufacturers’ Association of Hong Kong. In January 2001, its wholly-owned subsidiary, GPI International Limited, was awarded “Manufacturer of the Year” and “Outstanding Quality Manufacturer of the Year” by RadioShack Corporation of the United States.

The broad range of products produced by the Group include rechargeable batteries for use in computers, communication devices and other high value electronic products and also specialty batteries such as 9-volt batteries and micro batteries for use in toys, electronic toys, remote control devices, watches, calculators and photographic equipment. The Issuer also has an on-going research and development programme to develop electric vehicle batteries.

The Issuer’s major production facilities are located in Hong Kong, China, Singapore, Taiwan, Malaysia, Denmark and Poland. These are supported by an established distribution network with 18 marketing sales offices located in Canada, the United States, Sweden, Poland, France, Germany, Italy, the United Kingdom, Australia, Singapore, Hong Kong, Taiwan, China, South Korea, Malaysia and Thailand.

4. Business Review

Products

Turnover by Product

	Financial year ended 31 March			
	<u>2000</u>		<u>2001</u>	
	S\$ million	%	S\$ million	%
(i) Rechargeable Batteries				
(a) Nickel metal hydride batteries	99.9	18.8	172.3	29.0
(b) Nickel cadmium batteries	150.9	28.4	141.4	23.8
(ii) Primary Batteries				
(a) Primary specialty batteries	141.3	26.6	133.7	22.5
(b) Primary cylindrical batteries	139.2	26.2	146.8	24.7
Total	531.3	100	594.2	100

The Group's main products can be categorised into two segments — rechargeable and primary batteries:

(i) *Rechargeable batteries*

For the financial year ended 31 March 2001 (“FY2001”), the turnover for the rechargeable batteries segment which produces button, cylindrical, prismatic and battery packs, increased by 25.1 per cent. to S\$313.7 million. It contributed approximately 52.8 per cent. of the Group's total turnover in FY2001, an increase of 5.6 per cent. from 47.2 per cent. in the financial year ended 31 March 2000 (“FY2000”).

With the exit of major producers in the sector and the buoyant telecommunications market, there is an increasing demand for rechargeable batteries. The “GP” brand is quickly becoming one of the most well-recognised brands in Asia for rechargeable battery packs and consumer rechargeable batteries through a series of aggressive marketing efforts.

(a) *Nickel metal hydride and nickel cadmium batteries*

Nickel metal hydride and nickel cadmium batteries, being used mainly in communication devices, are the core products of the Group. Demand for these batteries continued to grow due to greater market awareness and increasing consumer applications.

The Group continues to invest in upgrading the performance and quality of these products. The Group's effort in bigger cell sizes such as the C, D, F cells are beginning to find acceptance in the market. New applications in emergency lighting, skate bikes, e-bicycles and mini scooters are creating new markets for nickel metal hydride batteries. The Group has successfully developed the world's highest capacity nickel metal hydride AA and AAA batteries. Growth of nickel metal hydride batteries was also fuelled by soaring demand for applications like digital cameras and MP3 players, which performed better with nickel metal hydride than alkaline batteries.

Furthermore, new products for the consumer market will be developed to complement sale of niche products, for example, the GP PowerBank, which is a revolutionary rechargeable battery pack with a charger. The introduction of the GP PowerBank was timely and has enjoyed overwhelming success, as consumers look towards enhanced performance, cost-savings and environmental friendliness.

(b) *Lithium-ion batteries*

The lithium-ion battery system has a better performance capacity and longer life cycle than the existing nickel based battery systems. Lithium-ion batteries are used mainly in high-priced electronic applications such as laptop computers. The Group believes that it is one of the most important rechargeable battery systems in the future.

In February 1998, the Group acquired Duracell's rechargeable lithium-ion battery operations in Waterbury, Connecticut in the United States which provides an excellent opportunity for the Group to enter into this business. In August 1998, the Group decided to relocate the operations to Taiwan. Subsequently, to enhance the Group's market position in Taiwan, the Group brought in prominent partners such as China Development Corporation of Taiwan (now known as China Development Industrial Bank) and Meiloon

Industrial Co. Ltd. to invest in Gold Peak Industries (Taiwan) Limited (“**GPIT**”), the Group's lithium-ion operations.

GPIT commenced mass production of lithium-ion cylindrical batteries in 2001. The Group successfully introduced the 2,100mAh lithium-ion 18650 battery, which has the highest capacity for batteries of the same size. A full-scale sales effort to introduce the Group to personal computer (“**PC**”) manufacturers worldwide and to promote the Group's product has been undertaken.

(c) *Electric vehicle batteries*

The Group has developed EV batteries for electric vehicles (“**EVs**”), an environmentally friendly mode of transportation in the urban area which operate quietly and produce no polluting emissions with low running costs. Powered by GP Nickel Metal Hydride batteries, an advanced EV converted from a gasoline car can run up to 150 kilometres on a single battery charge in a typical urban driving cycle.

The Group has continued to refine electric vehicle batteries and has been steadily working with manufacturers in the United States, Europe and China. Electric vehicle batteries have been installed and tested in several hybrid transport systems and have been demonstrated to increase energy efficiency as well as reduce air pollution. The Group expects hybrid electric vehicles to be the trend of the future and it is poised to participate in this exciting market as one of only a handful of companies in the world with experience to build such batteries.

The Group's electric vehicle batteries were chosen to power a 45-seater hybrid electric prototype bus used in the promotion of Beijing to host the 2008 Olympics.

(ii) *Primary batteries*

The primary batteries segment of the Group produces 9-volt and micro primary specialty batteries, and primary cylindrical batteries. For FY2001, turnover for this segment remained constant at S\$280.5 million and contributed in aggregate approximately 47.2 per cent. of total turnover of the Group. This was due mainly to the stable demand for carbon zinc and alkaline cylindrical batteries.

Owing to the strong out-sourcing demand from the Group's private label customers, the production capacity of its Malaysian 9-volt alkaline battery factory has been expanded. The Group's button cell production has achieved improved efficiency and economy with the consolidation of operations into the factory in Shanghai.

In line with Gold Peak's strategy of teaming with other world-renowned manufacturers in obtaining technology transfer, the Group set up a joint venture with Toshiba in China in 1992 to manufacture primary consumer batteries including brand names of “GP” and “Toshiba”. The Group has installed additional machinery in its joint venture's carbon zinc cylindrical battery factory in order to meet the demand.

Global Markets

Turnover by Location

	Financial year ended 31 March			
	2000		2001	
	<u>S\$ million</u>	<u>%</u>	<u>S\$ million</u>	<u>%</u>
Hong Kong	157.3	29.6	174.7	29.4
Europe	126.4	23.8	137.2	23.1
North and South America	108.4	20.4	106.4	17.9
China	48.9	9.2	43.4	7.3
ASEAN	20.7	3.9	25.0	4.2
Rest of Asia	59.5	11.2	98.6	16.6
Others	10.1	1.9	8.9	1.5
Total	531.3	100	594.2	100

Asia

Sales in Asia grew by about 19.3 per cent. in FY2001 as compared to FY2000. Its contribution to the Group's turnover increased to 57.5 per cent. in FY2001 from 53.9 per cent. in FY2000.

China

In China, the Group's distribution network was further strengthened. Supported by five regional offices in Beijing, Shanghai, Guangzhou, Wuhan and Huizhou, the Group managed to have its products listed in most of the major supermarkets, and currently has over 100,000 retail points nation-wide. With these, the Group effectively commands a comprehensive coverage for its product sale and distribution in China.

	Percentage of Coverage
Hypermarkets	99%
Major supermarkets	95%
Major convenience stores	80%
Major departmental stores	95%

In addition to the primary cylindrical batteries, the Group is the recognised market leader in consumer rechargeable AA and AAA batteries in nickel metal hydride and nickel cadmium. Competition was keen in some sectors but the Group's wide range of products has given the Group an edge over the competitors.

In the industrial sector, competition from Chinese manufacturers continued to drive down prices. The Group has adopted a new pricing strategy to protect its margins and not engage in further price competition with low quality small battery producers.

China's entry into the World Trade Organisation and its large consumer market have contributed to the strong demand for usage of telecommunication and information technology products. With a strong presence in China, the Group expects this development to contribute significant benefits to its product sales.

ASEAN

In ASEAN, sales grew by about 20.8 per cent. in FY2001. Growth was achieved through increased share of the consumer market and providing better customer service.

With the listing on the SGX-ST over the last 10 years, the favourable tax concession granted by EDB for the operation, and the establishment of a research and development centre and production plant in Singapore, the Group has successfully developed a strong foothold in the OEM and consumer market in ASEAN. This boosted the turnover in ASEAN as a percentage of the total turnover from 3.9 per cent. in FY2000 to 4.2 per cent. in FY2001.

Rest of Asia

Sales in Korea was more than double in FY2001 as compared to FY2000 while that for Taiwan grew by 14.1 per cent. in FY2001. This was mainly due to the increase in demand from new applications such as wireless local loops and Bluetooth applications.

In Taiwan, the Group has started an aggressive marketing campaign to introduce its lithium-ion cylindrical batteries to the local PC manufacturers. Its efforts were hindered by the slowdown in the PC industry in the last quarter of FY2001. Sales are slowly gathering momentum.

With the successful launch of the GP PowerBank, the Group has followed up with a series of new chargers offering more features and shorter charging time. This has solidified its position as the leading consumer rechargeable battery company in Asia.

Europe

Sales in Europe grew by about 8.5 per cent. in FY2001 as compared to FY2000.

Sales to cellular phone manufacturers were strong for the first three quarters of FY2001 but slackened in the last quarter of FY2001. Sales of GP PowerBank and nickel metal hydride consumer rechargeable batteries grew satisfactorily especially in Scandinavia where the population is generally more environmentally conscious.

North & South America

Sales decreased marginally by 1.9 per cent. in FY2001 as compared to FY2000 due to a slackened demand in the United States particularly in the last quarter of FY2001. It is expected to recover gradually as the Group's customers continue to adjust their inventory. With the departure of the local and European battery producers from nickel metal hydride and nickel cadmium manufacturing, the Group expects to increase its market share in these regions.

5. Major customers and suppliers

The Group manufactures and distributes a wide range of primary and rechargeable battery products. It supplies its batteries to (i) OEM customers (who are electronic and electrical products manufacturers) for sale with their products, (ii) private label customers who are mainly battery manufacturers and major retailers and (iii) the general consumer markets under "GP" label. For FY2001, OEM customers, private label customers and the Issuer's own label customers accounted for approximately 29 per cent., 34 per cent. and 37 per cent. respectively of the Group's turnover.

The Group sources its raw materials largely from the United States, Japan and Asia. In order to maintain competitiveness, the Group increasingly sources raw materials from Asia where

most of its production facilities are located. As a result, this has reduced the Group's reliance on Japan and the United States as sources of raw material supply. The Group is not dependent on any single supplier or group of suppliers for its raw materials.

6. Competition

	Worldwide Market Share in terms of output	World Ranking No.
Rechargeable – nickel hydride batteries	7%	3
Primary Specialty – carbon zinc 9-volt	55%	1
Primary Specialty – carbon zinc 12-volt	60%	1
Primary Specialty – micro	20%	3

Source: estimation by the Issuer's in-house market research as at December 2001

Japanese competitors in the rechargeable nickel hydride batteries segment, such as Panasonic, Sanyo and Toshiba, have dominated over 70 per cent. of the world's market share. As the Group's production facilities are based on low-cost countries like China and Malaysia, its low-cost structure gives the Group certain advantages over its Japanese competitors.

The Group is the world market leader for primary specialty carbon zinc 9-volt and 12-volt batteries, having dominating worldwide market shares of 55 per cent. and 60 per cent. respectively. The carbon zinc 9-volt batteries are mainly used in smoke detectors, toys and remote control devices while 12-volt batteries are used in car alarms.

The Group's market share in micro primary specialty batteries is estimated at 20 per cent., placing the Group as number three in the world ranking. The micro primary specialty batteries are used mainly for electronic toys, remote control devices, watches, calculators and photographic equipment.

7. Licences/patents/rights used by the Issuer

The intellectual property rights currently used by the Group are as follows:

- (i) The Group's wholly-owned subsidiary, Sylva Industries Limited, entered into a formal licensing agreement with Ovonic Battery Company ("**Ovonic**"), a United States research company in 1990 giving the Group access to the knowhow and proprietary patents developed by Ovonic in nickel metal hydride batteries. The agreement also provides the Group with marketing rights worldwide and manufacturing rights in Singapore, Hong Kong, China and a number of other Asian countries.
- (ii) The Group is the owner of the following trademarks: "SYLVA.CELL" and "WHIZ 威信". Pursuant to a licence agreement entered in February 1991, the Group was granted the exclusive rights by Gold Peak Industries (Holdings) Limited to use the following trademarks in the sales and marketing of their respective batteries and battery related products: "GOLD PEAK", "GOLDEN TONE", "GOLDEN TONE GP 金山", "GP", "GP 金山", "GP ALKACELL", "GP GOLD PEAK", "GP POWERCELL", "GP SUPERCELL", "GP SYLVA.CHARGE", "HYPERCELL GP", "PEAK POWER", "PEAK POWER 峰力", "SUPERCELL", "SUPERCELL GP", "SYLVACELL", "ULTRACELL GP", "銀輝" and "必霸".

- (iii) The Group has a technology licence agreement with Duracell Inc. (“**Duracell**”) for the manufacture of lithium-ion rechargeable batteries. This worldwide licence to manufacture rechargeable batteries using Duracell’s technology is non-exclusive, royalty-free and perpetual. Under the terms of this licence agreement, this agreement would terminate should there be a change in control of the Group resulting in Duracell’s proprietary technology becoming available to other battery manufacturers or its competitors.
- (iv) The Group acquired the Thin Metal Film Lead Acid battery production facility from Bolder Technologies Corporation in December 2001. The acquisition includes cell manufacturing equipment, inventory, as well as intellectual properties comprising trademark and over 40 United States and foreign patents, issued or pending. The new Thin Metal Film Lead Acid technology will enable the Group to offer a superior emergency starter battery for the automobile industry. In the longer term, the technology has numerous possibilities in high-powered applications as well as the emerging hybrid electric vehicles and 36-volt automotive batteries.

8. Policy on research and development over the past five years

The Group realises the importance of technological advancement and the development of its products to maintain its competitive position. Therefore, the Group commits considerable effort and maintains a sizeable research and development team of over 100 staff who are actively involved in developing and commercializing the various battery technology and production processes for the respective applications in the market place.

9. Insurance

The Issuer believes that its insurance coverage is in line with industry practice.

10. Employees and Labour Relations

Excluding associated companies, the Group employs over 7000 people in over 15 countries in Asia, Europe, North America, the Middle East and Australia.

There have been no material disruptions of the Issuer’s business operations on account of labour disputes or strikes.

11. Governmental Regulations and Licences

The Issuer is not aware of any significant changes to governmental regulations and licences applicable to the Issuer or any of its subsidiaries which may have an adverse effect on the financial condition, results of operations or business of the Issuer or any of its subsidiaries.

12. Legal Proceedings

The Issuer is not aware of any litigation, arbitration or administrative proceedings against or affecting the Issuer or any of its subsidiaries (and no such proceedings are pending or threatened) which have or may have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial condition, results of operations or business of the Issuer or any of its subsidiaries.

13. Subsidiaries and Associates of the Issuer and their Principal Business Activities

Subsidiaries

Subsidiaries of the Issuer as at 9 May 2002, being the latest practicable date prior to the date of this Information Memorandum, are as follows:

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group %	Principal activities
AB Ejendomsaktieselskabet Thisted	Denmark	100	Property investment
Advance Battery Technology International Limited	Hong Kong	100	Trading in batteries and battery materials
Advanced Battery Technology Limited	British Virgin Islands	75	Intellectual property
Alkaline Batteries A/S	Denmark	100	Manufacturing of batteries
Alkaline Batteries Limited (formerly known as GP Battery Technology (BVI) Limited)	British Virgin Islands	100	Marketing and trading in batteries
Alkaline Batteries (L) Bhd	Malaysia	100	Marketing and trading in batteries
Allied Brilliant Trading Ltd	Taiwan	75	Marketing and trading in batteries
Bestasi Sdn Bhd	Malaysia	100	Property investment
Bolder Technologies Pte Ltd	Singapore	100	Development, manufacturing, distribution and trading of batteries and battery-related products
Champion World Limited	British Virgin Island	100	Investment holding
Danish Polish Batteries Sp. z.o.o	Poland	100	Manufacturing of batteries
Dongguan Yinfea Battery Products Co Ltd	PRC	100	Manufacturing of batteries
Dongguan Chao Ba Batteries Co Ltd	PRC	100	Manufacturing of batteries

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group %	Principal activities
Douza Investments Ltd	British Virgin Islands	100	Investment holding
Energy Pack Netherlands Holdings B.V.	Netherlands	100	Investment holding and provision of logistic support
EVB Technology Limited	Bermuda	100	Investment holding
EVB Technology (HK) Limited	Hong Kong	100	Manufacturing of batteries
EVB Technology Pte Ltd	Singapore	100	Manufacturing of batteries
Geewin Industrial (S) Pte Ltd	Singapore	80	Investment holding
Geewin Industrial Limited	Hong Kong	80	Provision of logistics support
Gold Peak Industries (Taiwan) Limited	Taiwan	75	Manufacturing of batteries
Gold Peak Industries (North America) Inc	United States	75	Marketing and trading in batteries
Gold Won Electrochemical Company Limited	Hong Kong	100	Investment holding and provision of logistic support
Golden State Financial Group Inc	United States	100	Provision of logistic support
GP Batteries (China) Limited	PRC	85	Manufacturing of batteries
GP Batteries (Malaysia) Sdn Bhd	Malaysia	100	Manufacturing of batteries
GP Batteries (U.K.) Limited	United Kingdom	51	Marketing and trading in batteries
GP Batteries (USA) Inc	United States	100	Manufacturing and marketing of batteries
GP Battery Marketing (Europe) S.A.	France	80	Marketing and trading in batteries

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group %	Principal activities
GP Battery Marketing (H.K.) Limited	Hong Kong	100	Marketing and trading in batteries
GP Battery Marketing Inc.	Canada	75	Marketing and trading in batteries
GP Battery Marketing (BC) Inc	Canada	75	Marketing and trading in batteries
GP Battery Marketing (China) Ltd	Hong Kong	100	Investment holding
GP Battery Marketing (Latin America) Inc.	United States	51	Marketing and trading in batteries
GP Battery Marketing (Singapore) Pte Ltd	Singapore	100	Marketing and trading in batteries
GP Battery Marketing (Taiwan) Limited	Taiwan	80	Marketing and trading in batteries
GP Battery (Poland) Sp. z.o.o.	Poland	100	Marketing and trading in batteries
GP Battery Specialist Inc.	Canada	75	Marketing and trading in batteries
GP Battery Technology (HK) Limited	Hong Kong	100	Investment holding
GP Battery Technologies LLC	United States	75	Research and development
GPI International Limited	Hong Kong	100	Marketing and trading in batteries
GP Lithium Batteries Limited	British Virgin Islands	100	Investment holding
GP Lithium Batteries LLC	United States	100	Manufacturing and marketing of batteries
GP Lithium Batteries (S) Pte Ltd	Singapore	100	Investment holding and provision of logistic support

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group %	Principal activities
Hayle Limited	British Virgin Islands	100	Trading in batteries and battery materials
Huizhou Chao Ba Batteries Co Ltd	PRC	90	Marketing and trading in batteries
Huizhou Gold Won Electrochemical Company Limited	PRC	85	Manufacturing of battery parts
Huizhou Modern Battery Limited	PRC	68	Manufacturing of batteries
Huizhou Power Pack Co Ltd	PRC	100	Manufacturing of batteries
Lehman Overseas Limited	British Virgin Islands	100	Trading in batteries and battery materials
Lucky Concept Ltd	British Virgin Islands	100	Investment holding
North America Land Holdings Inc	United States	100	Property investment
Power Era Limited	Hong Kong	100	Investment holding
Powerbank Limited	Hong Kong	100	Manufacturing of batteries
Praisewell International Limited	Hong Kong	100	Investment holding
Shanghai Bi Ba Batteries Co Ltd	PRC	100	Manufacturing of batteries
Shenzhen Sylva Electrochemical Ltd	PRC	100	Manufacturing of batteries
Shenzhen Jetpower Batteries Limited	PRC	100	Manufacturing of battery parts
Surplus Enterprise Limited	Hong Kong	100	Investment holding
Sylva Development Limited	British Virgin Islands	100	Property investment

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group %	Principal activities
Sylva Industries (China) Limited	Hong Kong	100	Investment holding
Sylva Industries Limited	Hong Kong	100	Manufacturing of batteries
Whitehill Electrochemical Company Limited	Hong Kong	100	Investment holding and provision of logistic support

Associates

Associates of the Group as at 9 May 2002, being the latest practicable date prior to the date of this Information Memorandum, are as follows:

Name of associates	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group %	Principal activities
Advance Technology Co Ltd	Taiwan	50	Manufacturing of battery parts
Asia Pacific Hitec Company Limited	South Korea	50	Marketing and trading in batteries
Gold Yi Industries Co Ltd	Hong Kong	45	Investment holding and provision of logistic support
GP Battery Marketing (Germany) GmbH	Germany	35	Marketing and trading in batteries
GP Battery Marketing Italy S.r.l	Italy	40	Marketing and trading in batteries
GP Battery Marketing (Malaysia) Sdn Bhd	Malaysia	30	Marketing and trading in batteries
GP Battery Marketing (Thailand) Co Ltd	Thailand	49	Marketing and trading in batteries
Huizhou Gold Yi Industries Co Ltd	PRC	38.3	Manufacturing of battery parts

Name of associates	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group %	Principal activities
Huizhou Long Tek Industries Co Ltd	PRC	42.5	Manufacturing of battery parts
Long Tek Industries Co Ltd	Hong Kong	50	Investment holding and provision of logistic support
Shanghai Jin Jiang Battery Co Ltd	PRC	35	Manufacturing of batteries
T.G. Battery Co (Hong Kong) Limited	Hong Kong	50	Investment holding and provision of logistic support
T.G. Battery Co (China) Ltd	PRC	42.5	Manufacturing of batteries

14. **Financial highlights for the past five financial years ended 31 March (1997 to 2001) and financial review for the past three financial years ended 31 March (1999 to 2001)**

	Financial year ended 31 March				
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
	<i>(expressed in S\$ million)</i>				
Turnover	357.7	440.9	464.5	531.3	594.2
Profit Before Income Tax	26.7	32.9	28.7	25.5	28.9
Profit After Income Tax	24.9	29.7	26.0	23.0	25.7
Total Bank Balances, Deposits and Cash	7.5	8.5	42.8	25.4	31.2
Total Current Assets	207.7	254.1	291.4	324.3	338.6
Total Assets	390.4	502.3	587.8	654.5	688.7
Total Current Liabilities	156.4	121.9	158.0	288.5	238.0
Total Liabilities (include Contingent Liabilities)	233.2	260.9	324.5	375.0	391.0
Total Borrowings	137.1	168.0	229.6	248.8	278.8
Shareholders' Funds	171.9	258.4	265.3	278.5	282.1
Tangible Net Worth	152.0	227.3	214.4	220.5	227.4
Net Borrowings/Tangible Net Worth	85%	70%	87%	101%	109%
Total Liabilities/Tangible Net Worth	153%	115%	151%	170%	172%
EBITDA/Interest Expense	6.6x	7.5x	6.0x	4.6x	3.9x

Financial Year ended 31 March 1999 (“FY1999”)

Turnover increased by 5.4 per cent. from S\$440.9 million in the financial year ended 31 March 1998 (“FY1998”) to S\$464.5 million in FY1999. This was mainly due to sales of a new product for the consumer market, GP PowerBank, which was launched in October 1998, and increased sales of 9-volt batteries resulting from increased applications for electronic toys and an upsurge in private label demand.

However, the profit before income tax fell by 12.7 per cent. from S\$32.9 million in FY1998 to S\$28.7 million in FY1999. This was attributable to intense price competition in the first half of FY1999 as a result of a weakened Japanese Yen, while in the second half of FY1999, the appreciation of the Japanese Yen resulted in higher raw material costs and hence reduced its operating profits.

Financial Year ended 31 March 2000 (“FY2000”)

Turnover increased by 14.4 per cent. from S\$464.5 million in FY1999 to S\$531.3 million in FY2000. This was due to the exit of some players from the rechargeable battery sector and the buoyant telecommunication market which created a strong demand in this sector. There was also an increase in private label out-sourcing demand from large battery manufacturers.

However, profit before income tax decreased by 11.2 per cent. from S\$28.7 million in FY1999 to S\$25.5 million in FY2000. This was mainly attributable to an abnormal rise in raw material costs, unfavourable high yen exchange rate and high interest rates during the first half of FY2000. The profit before income tax during the second half of FY2000 rebounded strongly which partially offset the decrease in profit experienced in the first half of FY2000. This was due to continuing efforts by the Group to focus on higher value products which yielded better margins. In addition, cost cutting measures including the relocation of operations from Hong Kong to more cost-competitive locations in China further improve margins.

Financial Year ended 31 March 2001 (“FY2001”)

Turnover increased by 11.8 per cent. from S\$531.3 million in FY2000 to S\$594.2 million in FY2001 and profit before income tax increased by 13.3 per cent. from S\$25.5 million in FY2000 to S\$28.9 million in FY2001. This was due to the strong performance in the first three quarters of FY2001 as a result of an improvement in business environment. The Group's sales increased significantly in Asia as the Group gained market share from weaker competitors. It also managed to achieve its targeted growth in Europe. In addition, its continuous efforts to reduce costs and improve efficiency contributed to its higher profit for FY2001. The increase in turnover and profit was however offset by slackened sales in the fourth quarter of FY2001 due to the sudden and sharp slowdown in the United States economy.

15. **Financial highlights for the past 6 months ended 30 September 2001 and financial review for the past 6 months ended 30 September 2001**

<i>(expressed in S\$ million)</i>	6 months ended 30 September 2000 (unaudited)	6 months ended 30 September 2001 (unaudited)
Turnover	286.5	282.1
Profit Before Income Tax	16.0	12.1
Profit After Income Tax	14.4	10.8
Total Borrowings	303.5	267.2
Tangible Net Worth	234.9	231.8
EBITDA/Interest Expense	4.0x	4.1x

The Group's turnover for the 6 months ended 30 September 2001 decreased slightly by 1.5 per cent. to S\$282.1 million as compared to S\$286.5 million for the 6 months ended 30 September 2000. In line with the decrease in turnover, profit before income tax decreased by 24.5 per cent. from S\$16.0 million for the 6 months ended 30 September 2000 to S\$12.1 million for the 6 months ended 30 September 2001. The decrease was due to the slowdown in the PC and cell phone demand which resulted in a sharp reduction of orders from OEM customers. In addition, margins were affected by the fierce competition due to oversupply, especially in the rechargeable battery market. However, strong demand from private-label customers especially the Alkaline 9-volt batteries and the steady consumer sales helped to cushion the shortfall.

16. **Recent Corporate Developments**

(i) *The Issuer invests in TCL Group of China*

On 30 January 2002, the Group announced that, together with Clipsal Industries (Holdings) Limited ("**Clipsal Industries**"), they had entered into an agreement to acquire a total of six per cent. interest in TCL Holdings Corporation Limited ("**TCL Group**") of Huizhou, China from an independent third party. The Group and Clipsal Industries will each take up a three per cent. interest in TCL Group with the total cash consideration amounting to RMB49,260,000 (approximately S\$10,800,000) for each company. The Group believes that this partnership will prove to be mutually beneficial by leveraging strengths of both groups. There are a lot of synergies between the groups in areas such as product technologies, manufacturing capabilities, and distribution networks for China as well as global markets.

(ii) *The Group enters into contract with Advanced Public Transport project in Netherlands*

On 7 January 2002, the Group entered into a contract to supply nickel metal hydride batteries for the Advanced Public Transport ("**APT**") project in Netherlands. The prototype of this APT hybrid system was officially launched in Eindhoven, the Netherlands in the beginning of January 2002. APT features the hybrid vehicle ("**Phileas**") which offers ultra low emission, speed, flexibility, comfort, reliability, safety and environmental friendliness. The value of the contract to supply nickel metal hydride batteries for APT project in Netherlands is approximately US\$500,000.

Phileas offers the flexibility of transport by bus with the reliability of transport by rail or underground. It will be of particular interest to medium and large cities, where transport by bus is too limited and that by rail is not economically viable. The management believes that the increasing global acceptance of electric transportation will present tremendous opportunities for the Group.

(iii) *The Group acquires Thin Metal Film Lead Acid battery production facility*

On 20 December 2001, the Group acquired the Thin Metal Film (“**TMF**”) Lead Acid battery production facility from Bolder Technologies Corporation (“**Bolder**”) headquartered in Golden, Colorado in the United States. The total consideration, which includes cell manufacturing equipment, inventory, as well as intellectual properties comprising trademark and over 40 United States and foreign patents, issued or pending, is about US\$2,500,000.

The management believes that the acquisition of technology from Bolder will provide tremendous potential for growth in high-powered applications as well as the emerging hybrid electric vehicles and 36-volt automotive batteries. With the Group’s proven record in mass scale product commercialisation and a low cost operating environment in Asia, it is confident that it will make the TMF Lead Acid technology a commercial success. After the acquisition, the Group plans to set up a research and development centre in Singapore.

(iv) *The Group’s Lithium Ion battery plant in Taiwan commences production*

On 30 April 2001, the Group announced that its lithium-ion battery plant in Taiwan has recently commenced the mass production of 2100mAh 18650 lithium-ion batteries. The 18650 lithium-ion cell is the main workhorse for the laptop computer industry. The Group is one of the first in the industry to mass-produce this 2100mAh battery. The management believes that with this technological achievement, the Group firmly establishes itself as a player in the lithium-ion rechargeable battery market. With the increasing popularity of portable electronic equipment, the management is very positive about the outlook of lithium-ion batteries.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The Programme will provide the Issuer with the flexibility to procure funding at competitive rates as and when the opportunities arise. The net proceeds of each issue of Notes under the Programme will be used for the purpose of refinancing the existing borrowings of the Group from time to time and for financing the general corporate or working capital requirements of the Issuer and its subsidiaries or for such other purposes as may be specified in the relevant Pricing Supplement.

CAPITALISATION

The consolidated capitalisation of the Group as at 31 March 2001 was as follows:

	31 March 2001 S\$'000
Stockholders equity:	
Equity shares, S\$0.80 par value, 156,250,000 shares authorised 103,464,168 shares issued and outstanding actual	82,771
Additional paid-in capital:	
Share premium	135,625
Exchange translation reserve	(16,444)
Accumulated profit	108,115
Other reserves, net	(27,994)
<hr/>	
Total stockholders' equity	282,073
Total capitalisation (as at 9 May 2002)	170,779

There has been no material adverse change in the capitalisation or contingent liabilities of the Group since 31 March 2001

Note:

- (1) Subsequent to 31 March 2001, the Issuer increased its issued share capital from S\$82,771,334.40 comprising 103,464,168 shares of S\$0.80 each to S\$82,801,734.40 comprising 103,502,168 shares of S\$0.80 each. During this period, the Issuer issued 38,000 shares of S\$0.80 each (at the exercise price of S\$1.41) pursuant to the exercise of options granted under the Issuer's Executives' Share Option Scheme 1999.

CLEARING AND SETTLEMENT

Introduction

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Notes that are to be listed on the SGX-ST will be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

Clearance and Settlement under the Depository System

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a global note for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through certain corporate depositors ("**Depository Agents**") approved by CDP under the Companies Act to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

General

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Custody of Notes

In respect of Notes in bearer form which are not cleared through CDP, MAS has stated in its notice dated 1 November 1983 that, for reasons of prudence, all bearer securities (except where specific exemption has been granted by MAS) should be kept with authorised depositories who are appointed by MAS from time to time. Notes which are issued under the Programme in bearer form, which are not cleared through CDP, must be kept with such authorised depositories. Authorised depositories currently include all banks in Singapore, all members of the SGX-ST and certain merchant banks.

SINGAPORE TAXATION

The statements made herein regarding taxation are based on the laws in force as of the date of this Information Memorandum and are subject to any changes in such laws, or in the interpretation of these laws, occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Prospective purchasers of Notes are advised to consult their own tax advisers concerning the overall tax consequences of the acquisition, ownership of or disposition of Notes.

1. Interest Payments

Under tax laws currently effective in Singapore, any interest in connection with the Notes and/or the Coupons derived by any persons would generally be subject to tax in Singapore. Further, where any payment of interest which is chargeable to tax is made by a person in Singapore to a person not known to be a resident in Singapore for tax purposes, such payment would be subject to withholding tax in Singapore at the prevailing rate (which, for the year of assessment 2002, is 24.5 per cent.). However, if the interest is due and payable on or after 28 February 1996 and is derived by a person not resident in Singapore from sources other than its trade, business, profession or vocation carried on or exercised in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the withholding tax rate is 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

Section 13(1)(a) of the Income Tax Act, Chapter 134 of Singapore (the "ITA") states that subject to Section 13(2) of the ITA and the prescribed conditions, the interest derived from:

- (i) any qualifying debt securities issued during the period from 28 February 1998 to 27 February 2003 by any person who is not resident in Singapore and who does not have any permanent establishment in Singapore; and
- (ii) any qualifying debt securities issued during the period from 27 February 1999 to 27 February 2003 by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore where the funds used by that person to acquire the qualifying debt securities are not obtained from the operation,

shall be exempt from tax.

As the Programme is substantially arranged by the Arranger, who is an Approved Bond Intermediary, Notes issued during the period from 20 May 2002 to 27 February 2003 are "qualifying debt securities" for the purposes of the ITA. Accordingly:

- (a) interest on the Notes received by a holder who is not resident in Singapore and who does not have any permanent establishment in Singapore is exempt from Singapore tax. Non-residents who have permanent establishments in Singapore will also have the benefit of this exemption, provided that the funds used by them to acquire the Notes are not obtained from any operation in Singapore. Funds from Singapore operations means, in relation to a person, the funds and profits of that person's operations through a permanent establishment in Singapore; and

- (b) subject to certain conditions having been fulfilled (including the submission of a return on debt securities to the Comptroller of Income Tax (the “**Comptroller**”)), interest on the Notes received by any company in Singapore is subject to tax at a concessionary rate of 10 per cent.

However, notwithstanding the foregoing:

- (i) if during the primary launch of the Notes of any Series, the Notes of such Series are issued to less than four persons and 50 per cent. or more of the principal amount of such Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Notes would not qualify as “qualifying debt securities”; and
- (ii) even though the Notes of any Series are “qualifying debt securities”, if, at any time during the tenor of the Notes of any Series issued during the period from 20 May 2002 to 27 February 2003, 50 per cent. or more of the principal amount of such Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, interest derived from such Notes held by (1) any related party of the Issuer, or (2) any other person where the funds used by such person to acquire such Notes are obtained, directly or indirectly, from any related party of the Issuer, shall not be eligible for the withholding tax exemption or the concessionary rate of tax of 10 per cent.

The term “related party”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Further, Section 45(9) of the ITA states that the obligation to withhold tax on any interest paid to a non-resident in Singapore under Section 45(1) of the ITA does not apply to any interest derived from any qualifying debt securities issued during the period from 27 February 1999 to 27 February 2003, subject to the following conditions:

- (a) an issuer of any qualifying debt securities includes in all offering documents a statement to the effect that any person whose interest derived from those securities is not exempt from tax shall include such interest in a return of income made under the ITA; and
- (b) an issuer of any qualifying debt securities, or such other person as the Comptroller may direct, furnishes to the Comptroller a return on the debt securities within such period as the Comptroller may specify and such other particulars in connection with those securities as the Comptroller may require.

Accordingly, notwithstanding that the Issuer is permitted to make payment of the Notes without deduction or withholding for tax under Section 45(1) of the ITA, any person whose interest is not exempt from tax is required under the ITA to declare any such interest in a return of income to be submitted to the Comptroller.

Where the Issuer is not permitted under applicable laws, regulations, directives, guidelines or policies to make payment in respect of the Notes or the Coupons without any deduction or withholding for or on account of any such present or future taxes, duties, assessments or charges of whatever nature, no payment of principal or interest shall be made by the Issuer to any Noteholder or Couponholder without any such deduction or withholding unless such Noteholder or, as the case may be, Couponholder shall have provided a statutory declaration or other evidence satisfactory to the Issuing and Paying Agent that the beneficial owner of

such principal or interest is a resident in Singapore for tax purposes. The Issuer has, in accordance with the terms and conditions of the Notes, agreed to pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except (a) where a holder is subject to such taxes, duties, assessments or governmental charges by reason of it being connected with Singapore otherwise than by reason only of the holding of the Notes or Coupons or the receipt of any sums due in respect of such Notes or Coupons or (b) in the circumstances described in the terms and conditions of the Notes.

2. **Trading Income**

In addition, income derived by financial institutions in Singapore from trading in the Notes during the period from 20 May 2002 to 27 February 2003 is subject to Singapore tax at a concessionary rate of 10 per cent.

3. **Capital Gains**

Any gains in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains from the sale of the Notes derived by a person as part of a trade or business carried on by that person may be taxable in Singapore as such gains are considered revenue in nature.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Notes to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Notes from the Issuer pursuant to the Programme Agreement.

The Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the U.S. or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the same meaning as set out in Regulation S issued pursuant to the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used in connection with an offer or solicitation by any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution and publication of this Information Memorandum or any such other document or information and the offer of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Information Memorandum or any other document or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or any interest therein or rights in respect thereof or has in its possession or distributes, any other document or any Pricing Supplement. No Dealer will directly or indirectly offer, sell or deliver Notes or any interest therein or rights in respect thereof or distribute or publish any Information Memorandum, circular, advertisement or other offering material (including, without limitation, the Information Memorandum) in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of Notes or any interest therein or rights in respect thereof by it will be made on the foregoing terms. In connection with the offer, sale or delivery by any Dealer of any Notes or any interest therein or rights in respect thereof, the Issuer shall not have responsibility for, and each Dealer will obtain, any consent, approval or permission required in and each Dealer will comply with the laws and regulations in force in, any jurisdiction to which it is subject or from which it may make any such offer or sale.

Each Dealer acknowledges that this Information Memorandum has not been registered as a prospectus with the Registrar of Companies and Businesses in Singapore but has been lodged as an information memorandum with the Registrar of Companies and Businesses in Singapore and the Notes are offered by the Issuer pursuant to exemptions invoked under Section 106C and/or Section 106D of the Companies Act. Accordingly, (1) in relation to Notes other than those which are listed or quoted on the SGX-ST or a recognised stock exchange within the meaning of the Companies Act, each Dealer

represents and agrees that it will not offer or sell such Notes, nor will it circulate or distribute this Information Memorandum or any other offering document or material relating to such Notes, directly or indirectly, to the public or any member of the public in Singapore other than (a) to an institutional investor or other person specified in Section 106C of the Companies Act, (b) to a sophisticated investor, and in accordance with the conditions, specified in Section 106D of the Companies Act or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Companies Act and (2) in relation to Notes which are listed or quoted on the SGX-ST or a recognised stock exchange (the "**Listed Notes**"), each Dealer represents and agrees that until the date falling six months from the date of issue of the relevant Listed Notes (the "**Expiry Date**"), it will not offer or sell the Listed Notes nor will it circulate or distribute this Information Memorandum or any other offering document or material relating to such Listed Notes, directly or indirectly, to the public or any member of the public in Singapore other than (a) to an institutional investor or other person specified in Section 106C of the Companies Act, (b) to a sophisticated investor, and in accordance with the conditions, specified in Section 106D of the Companies Act or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Companies Act. After the Expiry Date, such Listed Notes may be offered or sold to the public or any member of the public in Singapore provided that they continue to be listed or quoted on the SGX-ST or such recognised stock exchange.

Any person who may be in doubt as to the restrictions set out in the Companies Act or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Notes or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

1. (a) The name, age, address and occupation of each of the Directors are set out below:

Name	Age	Address	Position
Andrew Ng Sung On	52	12 Cooper Road Jardine's Lookout Hong Kong	Chairman and Chief Executive
Richard Ku Yuk Hing	53	Flat G 9th Floor Begonia Mansion Taikoo Wan Road Taikooshing Hong Kong	Vice Chairman
Hui Wing Sun	55	5th Floor 54B Broadway Mei Foo Sun Chuen Kowloon Hong Kong	Executive Director
Lu Tse Wan	59	Flat G 12th Floor Block 13 City Garden North Point Hong Kong	Executive Director
Tsang Kwan Lung	49	Block 16 Dunearn Road #12-01 Dunearn Gardens Singapore 309420	Executive Director
Raymond Wong Wai Kan	50	Flat B 8th Floor 20 Nassau Street Mei Foo Sun Chuen Kowloon Hong Kong	Executive Director
Cheng Wai Keung	51	52B Nassim Road Singapore 258442	Non-executive Director
Phua Bah Lee	69	50 King's Close Singapore 268202	Non-executive Director
Harald E Kading	64	71 Holland Road #03-01 Singapore 258869	Non-executive Director

Raymond Wong Wai Kan Aged 50, appointed an Executive Director since 1994. He is a board member and the General Manager of Gold Peak Industries (Holdings) Limited. He is also a board member of GP Industries Limited. He is a Fellow Member of the Chartered Association of Certified Accountants and a Member of the Institute of Chartered Secretaries and Administrators.

Non-Executive Directors

Cheng Wai Keung Aged 51, appointed a Non-Executive Director since 1991. He is the Chairman and Managing Director of Wing Tai Holdings Limited, a company listed on the SGX-ST. He is also the Chairman of Raffles Holdings Limited and Deputy Chairman of Neptune Orient Lines Limited. He also holds directorships in several other public companies. He graduated from the Indiana University with a Bachelor of Science degree and holds a Master of Business Administration degree from the University of Chicago.

Phua Bah Lee Aged 69, appointed a Non-Executive Director since 1991. Mr Phua also holds directorships in a number of public and private companies. He was the Parliamentary Secretary of the Ministry of Communications from 1971 to 1986 and Senior Parliamentary Secretary of the Ministry of Defence from 1972 to 1988. He was a Member of Parliament for the Tampines Constituency from 1968 to 1988. He graduated from the Nanyang University in Singapore with a Bachelor of Commerce degree.

Harald E Kading Aged 64, appointed a Non-Executive Director since 1993. He is currently an independent advisor and consultant to local and overseas companies. He was Senior Vice President and the General Manager of BHF-Bank AG, Singapore Branch from 1985 to 1990 and General Manager of Commerzbank AG Hong Kong Branch from 1979 to 1985. Prior to that he held management positions in various branches and subsidiaries of Commerzbank for more than 20 years. He was educated in Germany and accumulated extensive banking experience in Europe, the United States and Asia.

2. No Director is or was involved in any of the following events:

- (a) a petition under any bankruptcy laws filed in any jurisdiction against such person or any partnership in which he was a partner or any corporation of which he was a director or an executive officer;
- (b) a conviction of any offence, other than a traffic offence, or judgment, including findings in relation to fraud, misrepresentation or dishonesty, given against him in any civil proceedings in Singapore or elsewhere, or being a named subject to any pending proceedings which may lead to such a conviction or judgment, or so far as such person is aware, any criminal investigation pending against him; or

- (c) the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or government body, permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.
3. The aggregate remuneration paid or distributed to the Directors for services rendered in all capacities to the Group during the financial year ended 31 March 2001, was approximately S\$2.9 million. Some of these Directors may from time to time receive other benefits, including housing, transportation and medical benefits.
 4. There is no existing or proposed service contract between any of the Directors and the Issuer.
 5. The Directors are not related by blood or marriage to one another nor are they related by blood or marriage to any substantial shareholder of the Issuer.
 6. Save as disclosed in paragraph 1(b) above, the Directors are not directors of any substantial shareholder of the Issuer.
 7. Save as disclosed below, the Directors are not substantial shareholders of any substantial shareholder of the Issuer:

Director	Name Substantial shareholder	Direct interest		Deemed interest	
		No. of Shares	%	No. of Shares	%
Andrew Ng Sung On	Gold Peak Industries (Holdings) Limited	64,699,957	12.16	417,000	0.08

8. Save as disclosed below, no option to subscribe for shares in, or debentures of, the Issuer has been granted to, or was exercised by, any Director or Executive Officer:

Under the Executives' Share Option Scheme 1992 (the "1992 Scheme")

Directors	Aggregate options granted since commencement of the 1992 Scheme to 20 December 1999	Aggregate options exercised since commencement of the 1992 Scheme to 9 May 2002	Aggregate options lapsed since commencement of the 1992 Scheme to 9 May 2002	Aggregate options outstanding as at 9 May 2002
Andrew Ng Sung On	665,000	(80,000)	(295,000)	290,000
Richard Ku Yuk Hing	520,000	(40,000)	(220,000)	260,000
Hui Wing Sun	480,000	(40,000)	(220,000)	220,000
Lu Tse Wan	409,000	(24,000)	(175,000)	210,000
Tsang Kwan Lung	305,000	(55,000)	(95,000)	155,000
Raymond Wong Wai Kan	215,000	-	(70,000)	145,000

All options (the "1992 Options") granted under the 1992 Scheme are for the subscription of unissued Shares.

Under the Executives' Share Option Scheme 1999 (the "1999 Scheme")

Directors	Options granted from 1 April 2001 to 9 May 2002	Aggregate options granted since commencement of the 1999 Scheme to 9 May 2002	Aggregate options exercised since commencement of the 1999 Scheme to 9 May 2002	Aggregate options lapsed since commencement of the 1999 Scheme to 9 May 2002	Aggregate options outstanding as at 9 May 2002
Andrew Ng Sung On	-	400,000	-	-	400,000
Richard Ku Yuk Hing	-	360,000	-	-	360,000
Hui Wing Sun	-	320,000	-	-	320,000
Lu Tse Wan	-	320,000	-	-	320,000
Tsang Kwan Lung	-	250,000	-	-	250,000
Raymond Wong Wai Kan	-	250,000	-	-	250,000
Cheng Wai Keung	-	30,000	-	-	30,000
Phua Bah Lee	-	40,000	-	-	40,000
Harald E Kading	-	30,000	-	-	30,000

All options ("1999 Options") granted under the 1999 Scheme are for the subscription of unissued Shares.

Under the Warrants

Directors	Aggregate warrants granted since 16 November 1995	Aggregate warrants exercised since 16 November 1995 to 15 November 2000⁽¹⁾
Andrew Ng Sung On	1,000	-
Richard Ku Yuk Hing	17,500	-
Hui Wing Sun	12,500	-
Lu Tse Wan	6,000	-
Tsang Kwan Lung	5,000	-
Raymond Wong Wai Kan	1,000	-

Note:

(1) All the Warrants expired on 15 November 2000.

9. No Director is interested, directly or indirectly, in the promotion of any assets acquired or disposed of by or leased to, the Issuer or any of its subsidiaries, within the two years preceding the date of this Information Memorandum, or in any proposal for such acquisition, disposal or lease as aforesaid.

10. The interests of the Directors and the substantial shareholders of the Issuer in the Shares as at 9 May 2002, being the latest practicable date prior to the date of this Information Memorandum, are as follows:

Name	Direct interest	Deemed interest
<u>Directors</u>	No. of Shares	No. of Shares
Andrew Ng Sung On	80,000	533,332
Richard Ku Yuk Hing	50,000	0
Hui Wing Sun	90,028	0
Lu Tse Wan	24,000	0
Tsang Kwan Lung	10,000	0
Raymond Wong Wai Kan	4,000	0
Cheng Wai Keung	10,000	0

Name	No. of 1992 Options
<u>Directors</u>	
Andrew Ng Sung On	290,000
Richard Ku Yuk Hing	260,000
Hui Wing Sun	220,000
Lu Tse Wan	210,000
Tsang Kwan Lung	155,000
Raymond Wong Wai Kan	145,000

Name	No. of 1999 Options
<u>Directors</u>	
Andrew Ng Sung On	400,000
Richard Ku Yuk Hing	360,000
Hui Wing Sun	320,000
Lu Tse Wan	320,000
Tsang Kwan Lung	250,000
Raymond Wong Wai Kan	250,000
Cheng Wai Keung	30,000
Phua Bah Lee	40,000
Harald E Kading	30,000

Name	Direct interest		Deemed interest	
	No. of Shares	%	No. of Shares	%
<u>Substantial shareholders</u>				
Gold Peak Industries (Holdings) Limited	-	-	49,556,096	47.88
GP Industries Limited	6,016,000	5.81	43,540,096	42.07
Deutsche Bank AG	-	-	5,367,000	5.19

SHARE CAPITAL

11. As at the date of this Information Memorandum, there is only one class of ordinary shares in the Issuer. The rights and privileges attached to the Shares are stated in the Articles of Association of the Issuer.
12. The issued share capital and the authorised capital of the Issuer as at 9 May 2002, being the latest practicable date prior to the date of this Information Memorandum, are as follows:

**Authorised Share Capital
(S\$)**

125,000,000

Share Designation	Par Value	Issued Share Capital		Unissued Reserved Shares	
	(S\$)	(no.)	(S\$)	(no.)	(S\$)
Ordinary Shares	0.80	103,502,168	82,801,734	7,398,000	5,918,400

13. Save for the 38,000 Shares issued by the Issuer pursuant to the 1999 Scheme and the 3,000 Shares issued by the Issuer pursuant to the exercise of the Warrants, no shares in, or debentures of, the Issuer have been issued, as fully or partly paid-up, for cash or for consideration other than cash, within the two years preceding 9 May 2002, being the latest practicable date prior to the date of this Information Memorandum.
14. As at 9 May 2002, being the latest practicable date prior to the date of this Information Memorandum, save as disclosed below, no shares in, or debentures of, the Issuer are under option or agreed conditionally or unconditionally to be put under option to subscribe for any shares in, or debentures of, the Issuer:

	Date of issue	Expiry date	Exercise price per Share	Number of share options granted	Number of share options outstanding
1992 Scheme					
	29 July 1997	28 July 2002	S\$4.448	935,000	935,000
	6 August 1999	5 August 2004	S\$3.08	2,730,000	2,730,000
				<u>3,665,000</u>	<u>3,665,000</u>
1999 Scheme					
	17 March 2000	16 March 2010	S\$1.41	1,771,000	1,733,000
	11 October 2000	10 October 2010	S\$1.60	2,000,000	2,000,000
				<u>3,771,000</u>	<u>3,733,000</u>
				<u>7,436,000</u>	<u>7,398,000</u>

BORROWINGS

15. Save as disclosed in Appendix III, the Group had as at 31 March 2001 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

16. The Directors are of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Notes, the Issuer will have adequate working capital for their present requirements.

CHANGES IN ACCOUNTING POLICIES

17. The Issuer has adopted all the applicable new/revised Statements of Accounting Standards (SAS) which become effective during the financial year ended 31 March 2002 :

SAS 8 (Revised 2000)	Net Profit and Loss for the Period, Fundamental Errors and Changes in Accounting Policies
SAS 10 (Revised 2000)	Events after Balance Sheet Date
SAS 12 (Revised 2001)	Income Tax
SAS 17 (2000)	Employee Benefits
SAS 22 (2000)	Business Combinations
SAS 31 (2000)	Provisions, Contingent Liabilities and Contingent Assets
SAS 32 (2000)	Financial Instruments: Disclosure and Presentation
SAS 34 (2000)	Intangible Assets
SAS 36 (2000)	Impairment of Assets

The adoption of SAS 12 (Revised 2001) is a change in accounting policy as a result of which the opening retained earnings had been adjusted to reflect the change in accounting policy.

The adoption of the other new/revised SAS did not affect the results of the current or prior periods.

Save as disclosed above, there have been no significant changes in the accounting policies of the Issuer since its audited financial accounts for the year ended 31 March 2001.

MATERIAL CONTRACTS

18. The following contracts, not being contracts entered into in the ordinary course of business of the Issuer, have been entered into by the Issuer within the two years preceding the date of this Information Memorandum:
- (a) the Subscription Agreement dated 8 September 2000 made between (1) the Issuer, as issuer, (2) BNP Paribas, Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited and KBC Bank N.V., Singapore Branch, as Joint Lead Managers, and (3) BNP Paribas, Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, KBC Bank N.V., Singapore Branch, Westdeutsche Landesbank Girozentrale, Singapore Branch, ABSA Bank Limited, Singapore Branch, Banca Nazionale Del Lavoro S.p.A., Singapore Branch, Bank Austria Creditanstalt International AG, Singapore Branch, The Bank of East Asia Limited, Singapore Branch, Overseas Union Bank Limited, Arab Bank PLC, Singapore Branch and China Construction Bank, Singapore Branch, as Managers, relating to the US\$60,000,000 in principal amount of Floating Rate Notes Due 2003 of the Issuer (the **"Floating Rate Notes"**);
 - (b) the Paying Agency Agreement dated 8 September 2000 made between (1) the Issuer, as issuer, (2) The Hongkong and Shanghai Banking Corporation Limited, as paying agent, and (3) HSBC Trustee (Singapore) Limited, as trustee, relating to the Floating Rate Notes;
 - (c) the Agent Bank Agreement dated 8 September 2000 made between (1) the Issuer, as issuer, (2) The Hongkong and Shanghai Banking Corporation Limited, as agent bank, and (3) HSBC Trustee (Singapore) Limited, as trustee, relating to the Floating Rate Notes;
 - (d) the Trust Deed dated 8 September 2000 made between (1) the Issuer, as issuer, and (2) HSBC Trustee (Singapore) Limited, as trustee, constituting the Floating Rate Notes;
 - (e) the Programme Agreement dated 20 May 2002 made between (1) the Issuer, as issuer, (2) The Development Bank of Singapore Ltd, as arranger, and (3) BNP Paribas, Citicorp Investment Bank (Singapore) Limited, The Development Bank of Singapore Ltd and The Hongkong and Shanghai Banking Corporation Limited, as dealers, in relation to the issue of the Notes;
 - (f) the Agency Agreement dated 20 May 2002 made between (1) the Issuer, as issuer, (2) The Development Bank of Singapore Ltd, as issuing and paying agent and agent bank, and (3) the Trustee, as trustee, relating to the Programme;
 - (g) the Trust Deed dated 20 May 2002 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, constituting the Notes;

- (h) the Depository Agreement dated 20 May 2002 made between (1) the Issuer and (2) the CDP, relating to the Notes; and
- (i) the Deed of Covenant dated 20 May 2002 executed by the Issuer in relation to the Notes.

LITIGATION

19. There are no legal or arbitration proceedings pending or, so far as the Directors are aware, threatened against the Issuer the outcome of which, in the opinion of the Directors, may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Group.

GENERAL

20. No commission, discount or brokerage has been paid or other special terms granted by the Issuer within the two years preceding the date of this Information Memorandum or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in, or debentures of, the Issuer or any of its subsidiaries.
21. No amount of cash or securities or benefit has been paid or given to any promoter within the two years preceding the date of this Information Memorandum or is proposed or intended to be paid or given to any promoter.
22. Save as disclosed in this Information Memorandum, the financial condition and operations of the Group are not likely to be affected by any of the following:
- (a) known trends, demands, commitments, events or uncertainties that will result in or are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditures;
 - (c) unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from operations;
 - (d) known trends or uncertainties that have had or that the Group reasonably expects to have a material favourable or unfavourable impact on revenues or operating income; and
 - (e) any material information which may be relevant to the financial or trading prospects of the Issuer or the Group including special trading factors or risks, which are not mentioned elsewhere in this Information Memorandum or in any public announcement by the Issuer and which are unlikely to be known or anticipated by the general public and which could materially and adversely affect the profits of the Issuer or the Group.

CONSENTS

23. The Arranger of the Programme, the Dealers, the Legal Advisers to the Arranger and the Dealers, the Trustee, the Issuing and Paying Agent, the Agent Bank, the Auditors and the Principal Bankers have given and have not withdrawn their respective written consents to the

issue of this Information Memorandum with the references herein to their names and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

STATEMENT BY DIRECTORS

24. This Information Memorandum has been seen and approved by the Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Information Memorandum and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other material facts the omission of which would make any statement herein misleading, and that this Information Memorandum constitutes full and true disclosure of all material facts about the Issue of Notes and the Group.

DOCUMENTS AVAILABLE FOR INSPECTION

25. Copies of the following documents may be inspected at the registered office of the Issuer at, 50 Gul Crescent, Singapore 629543 during normal business hours for a period of six months from the date of this Information Memorandum:
- (a) the Memorandum and Articles of Association of the Issuer;
 - (b) the Trust Deed;
 - (c) the material contracts referred to in paragraph 18 above;
 - (d) the letters of consent referred to in paragraph 23 above; and
 - (e) the audited accounts of the Issuer and its subsidiaries for each of the last two financial years ended 31 March 2000 and 31 March 2001.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

26. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

**FINANCIAL STATEMENTS OF GP BATTERIES INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2000**

*The information in this Appendix II has been extracted from the Annual Report of
GP Batteries International Limited and its subsidiaries
for the financial year ended 31 March 2000
and has not been specifically prepared for inclusion in this Information Memorandum.*

PROFIT AND LOSS STATEMENTS

Year ended 31 March 2000

	Notes	The Group		The Company	
		2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Turnover	3	531,274	464,546	33,293	28,837
Operating profit	4	18,504	23,902	17,423	23,269
Share of results of associates		6,991	4,805	-	-
Profit before income tax		25,495	28,707	17,423	23,269
Income tax	5	(2,447)	(2,746)	(100)	(300)
Profit after income tax		23,048	25,961	17,323	22,969
Minority interests		(922)	181	-	-
Profit before extraordinary items		22,126	26,142	17,323	22,969
Extraordinary items	6	(2,317)	(5,562)	-	-
Profit attributable to shareholders		19,809	20,580	17,323	22,969
Retained profits brought forward					
- As previously reported		89,938	80,906	47,019	35,645
- Prior year adjustment	7	(6,819)	(6,796)	(796)	(1,010)
- As restated		83,119	74,110	46,223	34,635
Profits available for appropriations		102,928	94,690	63,546	57,604
Appropriations:					
Dividends	8	(9,312)	(11,381)	(9,312)	(11,381)
Transfer to non-distributable reserves	27	(3)	(190)	-	-
		(9,315)	(11,571)	(9,312)	(11,381)
Retained profits carried forward	27	93,613	83,119	54,234	46,223
Earnings per share (cents)	9				
Before extraordinary items					
- Basic		21.38	25.27		
- Diluted		21.38	25.27		
After extraordinary items					
- Basic		19.15	19.89		
- Diluted		19.14	19.89		

See accompanying notes to financial statements.

BALANCE SHEETS

As at 31 March 2000

	Notes	The Group		The Company	
		2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Fixed assets	10	234,790	212,337	8,435	7,543
Interest in subsidiaries	11	-	-	393,664	390,900
Interest in associates	12	25,549	20,738	11,453	11,453
Other investments	13	11,791	12,360	-	-
Deferred expenditure	14	58,020	50,893	3,133	2,678
Current assets	15	324,326	291,435	56,680	42,375
Current liabilities	16	288,494	158,013	162,421	78,910
Net current assets (liabilities)		35,832	133,422	(105,741)	(36,535)
Non-current liabilities:					
Bank loans	22	59,865	78,311	47,465	59,332
Bonds	23	-	60,508	-	60,508
Obligations under finance leases and hire purchase contracts	24	32	18	1	4
Deferred taxation	25	3,682	3,697	275	275
		63,579	142,534	47,741	120,119
		302,403	287,216	263,203	255,920
Represented by:					
Share capital	26	82,769	82,769	82,769	82,769
Reserves	27	195,774	182,485	180,434	173,151
Shareholders' funds		278,543	265,254	263,203	255,920
Minority interests		23,860	21,962	-	-
		302,403	287,216	263,203	255,920

See accompanying notes to financial statements.

CONSOLIDATED CASH FLOW STATEMENTS

Year ended 31 March 2000

	2000 S\$'000	1999 S\$'000
Cash flows from operating activities:		
Operating profit before income tax but after extraordinary items	16,187	18,340
Add (Less) items not involving cash flows:		
Amortisation of technical knowhow	852	1,169
Amortisation of bond premium	(360)	(360)
Provision for other investments	230	295
Depreciation of fixed assets	20,157	19,186
Interest expense	12,884	9,867
Interest income	(1,721)	(2,957)
Technical knowhow written off	272	762
Net loss on disposal of fixed assets	416	716
Cash flows provided by operations before changes in working capital	48,917	47,018
Working capital changes, excluding changes relating to cash:		
Stocks and work in progress	(24,983)	13,290
Debtors and bills receivable	(23,859)	(19,226)
Deposits and prepayments	(1,178)	3,326
Creditors and accrued charges	31,957	442
	30,854	44,850
Decrease in long-term receivable	-	10,417
Cash generated from operations:	30,854	55,267
Interest received	1,721	2,957
Interest paid	(12,884)	(9,867)
Income tax paid	(791)	(1,514)
Net cash from operating activities	18,900	46,843
Cash flows from investing activities:		
Purchase of fixed assets	(46,499)	(40,886)
Proceeds from disposal of fixed assets	2,230	1,008
Proceeds from sale of other investments	149	-
Payments for technical knowhow	(20)	-
Payments for product development expenditure	(8,047)	(19,488)
Increase in other investments	-	(1,817)
Increase in short-term investments	(283)	(424)
Investment in associates	(89)	(11,175)
Dividends received from associates	1,062	1,236
Net cash used in investing activities	(51,497)	(71,546)

CONSOLIDATED CASH FLOW STATEMENTS (cont'd)

Year ended 31 March 2000

	2000 S\$'000	1999 S\$'000
Cash flows from financing activities:		
Minority interests contribution less dividend paid	148	18,246
Issue of shares, net of expenses	-	737
Obligations under finance leases and hire purchase contracts	11	(37)
Bank loans	20,542	54,340
Dividends paid	(9,001)	(13,657)
Net cash from financing activities	11,700	59,629
Currency realignment	3,090	479
(Decrease) Increase in cash	(17,807)	35,405
Cash at 1 April	42,268	6,863
Cash at 31 March	24,461	42,268
Cash at 31 March comprises:		
Bank balances, deposits and cash	25,357	42,769
Bank overdrafts	(896)	(501)
	24,461	42,268

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2000

1 General

The Company was incorporated in the Republic of Singapore and is listed on the Main Board of the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activities of the Company are those of an investment holding company and carrying out the functions of the regional headquarters of the Group.

The principal activities of the subsidiaries consist of the development, manufacturing, distribution and trading in batteries and battery related products.

2 Summary of significant accounting policies

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified to include the revaluation of certain fixed assets. They are properly drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Statements of Accounting Standard.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year. Certain subsidiaries, being companies incorporated in the People's Republic of China ("PRC"), adopt 31 December as their financial year-end in compliance with local statutory requirements. Adjustments are made for the effect of any significant transactions that occur between the accounting year-end date of the subsidiaries and 31 March.

All material intra-group transactions and balances have been eliminated on consolidation.

Goodwill arising on consolidation, which represents the excess of the cost of investment in subsidiaries over the fair value of the net assets of the subsidiaries acquired at the date of acquisition, is written off directly to reserves in the year of acquisition.

Capital reserve arising on consolidation, which represents the excess of fair value of the net assets of the subsidiaries acquired over the cost of investment in subsidiaries at the date of acquisition, is dealt with in reserves in the year of acquisition. To the extent that the excess of fair value of the net assets are charged to the profit and loss statements of these companies after the acquisition, the corresponding amount of capital reserve is amortised and taken to the profit and loss statements.

Turnover

Turnover of the Group represents the total net amounts received and receivable for goods supplied and services rendered to outside customers during the financial year. Turnover of the Company represents dividend income, management fees and commission income for regional headquarters services rendered during the financial year to companies in the Group.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Depreciation and amortisation

a) Properties are stated at cost or valuation less amortisation, calculated to write off the cost or valuation of assets over their estimated useful lives as follows:

- Freehold and leasehold land with more than 50 years to expiry of the lease is not amortised
- Other leasehold land is amortised evenly over the term of the lease ranging from 20 to 50 years
- Buildings are depreciated over their estimated useful lives at 2% to 5% per annum on a straight line basis

Leasehold improvements are depreciated over the remaining period of respective leases ranging from 3 to 10 years by equal annual instalments.

b) Other fixed assets are stated at cost less depreciation, calculated using the reducing balance method to write off the cost over the estimated useful lives of the assets at the following rates per annum:

Machinery, moulds and equipment	-	10% to 30%
Motor vehicles	-	10% to 25%
Furniture, fixtures and equipment	-	10% to 25%

c) Fixed assets under construction are not depreciated until put into effective use.

d) Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the terms of the lease.

e) Fully depreciated assets still in use are retained in the financial statements.

Research and product development expenditure

Research expenditure is charged to the profit and loss statement in the financial year in which it is incurred except that product development expenditure incurred on projects in developing new products is capitalised and deferred when the project is clearly defined, the expenditure is separately identifiable and there is reasonable certainty that the project is technically feasible and the outcome will be of commercial value. Product development expenditure is amortised, using the straight line method, over a period of five to ten years commencing in the year when the product is put into commercial use.

Technical knowhow

Technical knowhow represents the cost of acquiring the right of technical knowhow for the production of new products. The cost is amortised, using the straight line method, over a period of three to five years from the date of acquisition.

Foreign currency transactions

Transactions in foreign currencies are recorded in Singapore dollars at the rates ruling at the date of the transactions. At each balance sheet date, recorded monetary balances that are denominated in foreign currencies are reported at the rates ruling at the balance sheet date. All exchange adjustment gains and losses are dealt with in the profit and loss statements except that exchange differences arising on inter-company monetary items that are in effect an extension of the Company's net investment in a foreign subsidiary, such differences are taken directly to reserves.

Translation of financial statements of overseas operations

For the purpose of preparing the consolidated financial statements, the results, assets and liabilities of the overseas operations are translated into Singapore dollars at the approximate market rates ruling on the balance sheet date. Differences arising on translation of the net assets of the overseas operations at the beginning of the financial year are taken directly to reserves.

Investments

Investments in subsidiaries and other investments held on long-term basis are stated at cost less provision for any permanent impairment in value of the investment in the financial statements of the Company and of the Group. Investments held on short-term basis are stated at the lower of cost and market value.

Associates

An associate is a company, other than a subsidiary, in which the Group holds a substantial percentage of the equity voting capital as a long-term investment and over which the Group is in a position to exercise a significant influence, including participation in financial and operating policy decisions.

Interest in associates is stated in the balance sheet of the Company at cost of investment less provision for any permanent impairment in value and in the balance sheet of the Group, the interest in associates is stated at cost of investment plus the Group's share of undistributed post-acquisition reserves. When there is an acquisition of an associate, the difference between the cost of acquisition and the Group's share of the fair value of the net assets of an associate at the date of acquisition is accounted for as goodwill or capital reserve and taken directly to capital reserve in the year of acquisition.

The results of associates are accounted for by the Company on the basis of dividends received and receivable during the year and by the Group using the equity method of accounting.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost which comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks and work in progress to its present location and condition, is calculated using the first-in, first-out method. Net realisable value is calculated as the actual or estimated selling price less all further costs of production and the related costs of marketing, selling and distribution.

Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. Assets leased under finance leases are capitalised at their fair value at the date of acquisition. The corresponding leasing commitments are shown as obligations to the lessor. The finance costs which represent the difference between the total leasing commitments and the fair value of the assets acquired are charged to the profit and loss statements over the period of the respective leases using an actuarial method.

All other leases are classified as operating leases and the annual rentals are charged to the profit and loss statements on a straight line method over the terms of the respective leases.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Bond premium

Bond premium represents the excess of the issue price of the bonds cum warrants over the par value of the bond and the expenses incurred on the bond issue. This premium is amortised over the life of the bond of five years using a straight-line basis.

Deferred taxation

Deferred taxation is provided using the liability method on all significant timing differences other than those which are not expected to crystallise in the foreseeable future.

Deferred tax benefits are not recognised unless there is reasonable expectation of their realisation.

Cash

Cash for the cash flow statements includes cash and cash equivalents less bank overdrafts.

3 Turnover

	The Group	
	2000 S\$'000	1999 S\$'000
Product sales	531,274	464,546
	The Company	
	2000 S\$'000	1999 S\$'000
Management fee income	13,452	10,841
Dividend income	19,841	17,996
	33,293	28,837

4 Operating profit

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Operating profit has been arrived at after charging:				
Amortisation of technical knowhow	852	1,169	-	-
Auditors' remuneration:				
Payable to auditors of the Company				
- Audit services	66	64	55	55
- Non-audit services	18	11	18	11
Payable to other auditors				
- Audit services	549	588	-	-
- Non-audit services	84	124	-	-
Bad debts written off on trade debtors	201	215	-	-
Depreciation and amortisation of fixed assets	20,157	19,186	609	615
Directors' remuneration:				
Directors of the Company:				
- Fees	105	105	105	105
- Other emoluments	2,234	2,474	446	426
Interest expense on:				
Bank loans and overdrafts	11,537	8,558	9,211	6,398
Bonds	1,341	1,303	1,341	1,303
Finance leases and hire purchase contracts	6	6	1	1
Loss on disposal of fixed assets	438	732	20	130
Pre-operating expenditure written off	567	2,416	130	-
Provision for doubtful debts on trade debtors	160	146	-	-
Provision for other investments	230	295	-	-
Provision (Write-back) for stock obsolescence	616	683	(328)	328
Rental expenses to related parties	2,154	2,199	-	-
and after crediting:				
Amortisation of bond premium	360	360	360	360
Dividend income from:				
Subsidiaries	-	-	19,297	17,399
Associates	-	-	544	597
Foreign exchange (loss) gain (net)	(3,910)	5,809	(167)	8,557
Interest income from non-related companies	1,721	2,957	32	38
Management fees received from subsidiaries	-	-	13,452	10,841
Profit on disposal of fixed assets	22	16	-	1

5 Income tax

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
The Company and its subsidiaries:				
Current taxation:				
Provision for tax in respect of profit for the year	128	300	100	300
Foreign tax charged on profits of subsidiaries arising outside Singapore	1,067	2,361	-	-
Over provision in respect of previous years	(37)	(1,032)	-	-
Deferred taxation (Note 25)	40	416	-	-
Share of taxation of associates:				
Overseas taxation	1,249	701	-	-
	2,447	2,746	100	300

The Company has been awarded Operational Headquarters status by the Economic Development Board for a further period of 6 years commencing 1 July 1996. Under this scheme, the dividend income received from approved qualifying corporations within the Group is tax-exempt and certain types of income received from approved qualifying corporations are taxed at a concessionary rate of 10%.

The tax expenses for subsidiaries and associates are calculated at the rates prevailing in the respective jurisdictions. Where the tax rates are different from the statutory tax rates, they are substantially due to non-deductible expenses.

6 Extraordinary items

Extraordinary items in 2000 represented the restructuring costs incurred by a subsidiary for their discontinued operations of button rechargeable batteries in Hong Kong. Extraordinary items in 1999 represented the restructuring costs incurred by respective subsidiaries for their discontinued operations of layer-built batteries in Taiwan and micro batteries in Hong Kong.

7 Prior year adjustment

With effect from 1 April 1999, the Group changed its accounting policy on the accounting treatment of pre-operating expenses from capitalization with subsequent amortisation to that of direct writing off in the accounting period they were incurred. This is because the major operating subsidiaries which incurred most of the Group's pre-operating expenses have to comply with a new accounting interpretation on the treatment of these expenses.

If the accounting policy had not been changed, the operating profit after tax attributable to members of the Company for the year ended 31 March 2000 would have been S\$20,920,000 (1999 : S\$26,165,000) and the net tangible assets of the Group would have been S\$219,753,000 (1999 : S\$213,381,000). Basic earning per share before extraordinary items would have been 20.22 (1999 : 25.29) Singapore cents. The cumulative adjustments for prior years have been made against opening retained earnings and the comparative figures for 1999 have been restated accordingly.

8 Dividends

	The Group and The Company	
	2000 S\$'000	1999 S\$'000
Interim tax-exempt dividend paid of 2.5 (1999 : 4.8) Singapore cents per ordinary share of S\$0.80 each	2,587	4,966
Final tax-exempt dividend proposed of 6.5 (1999 : 6.2) Singapore cents per ordinary share of S\$0.80 each	6,725	6,415
	9,312	11,381

9 Earnings per share ("EPS")

	The Group	
	2000 S\$'000	1999 S\$'000
Earnings		
Earnings before extraordinary items	22,126	26,142
Extraordinary items	(2,317)	(5,562)
Earnings after extraordinary items	19,809	20,580
Number of shares		
Weighted average number of ordinary shares for calculation of basic EPS	103,461,168	103,456,987
Dilution adjustment for share options	30,980	-
Adjusted weighted average number of ordinary shares for calculation of diluted EPS	103,492,148	103,456,987
EPS		
For earnings before extraordinary items		
- Basic	21.38	25.27
- Diluted	21.38	25.27
For earnings after extraordinary items		
- Basic	19.15	19.89
- Diluted	19.14	19.89

The comparative figures for basic and diluted earnings per share have been adjusted to reflect the change in accounting policy on the treatment of pre-operating expenses and to conform with the revised Statements of Accounting Standard No. 6, "Earnings Per Share".

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

10 Fixed assets

	Freehold land S\$'000	Leasehold land S\$'000	Buildings S\$'000	Leasehold improvement S\$'000	Machinery, moulds and equipment S\$'000	Machinery under construction S\$'000	Motor vehicles S\$'000	Furniture, fixtures and equipment S\$'000	Total S\$'000
The Group									
Cost/Valuation:									
At 1 April	9,990	5,241	47,364	4,227	229,386	3,549	3,831	27,830	331,418
Currency realignment	14	(60)	(727)	(130)	(1,523)	(267)	(32)	(449)	(3,174)
Additions	-	124	1,205	1,001	41,961	(1,620)	421	3,407	46,499
Disposals	-	-	(255)	-	(4,173)	-	(243)	(697)	(5,368)
At 31 March	10,004	5,305	47,587	5,098	265,651	1,662	3,977	30,091	369,375
Represented by:									
Cost	5,506	5,305	43,515	5,098	265,651	1,662	3,977	30,091	360,805
Valuation	4,498	-	4,072	-	-	-	-	-	8,570
Total	10,004	5,305	47,587	5,098	265,651	1,662	3,977	30,091	369,375
Accumulated depreciation:									
At 1 April	-	711	6,552	2,022	93,057	-	2,120	14,619	119,081
Currency realignment	-	(6)	(75)	(53)	(2,254)	-	(13)	(251)	(2,652)
Depreciation for the year	-	275	1,543	352	15,715	-	481	2,512	20,878
Disposals	-	-	-	-	(2,021)	-	(178)	(523)	(2,722)
At 31 March	-	980	8,020	2,321	104,497	-	2,410	16,357	134,585
Depreciation for last year	-	215	1,474	369	14,540	-	446	2,394	19,438
Net book value:									
At 31 March 2000	10,004	4,325	39,567	2,777	161,154	1,662	1,567	13,734	234,790
At 1 April 1999	9,990	4,530	40,812	2,205	136,329	3,549	1,711	13,211	212,337

	Freehold land S\$'000	Leasehold land S\$'000	Buildings S\$'000	Leasehold improvement S\$'000	Machinery and equipment S\$'000	Motor vehicles S\$'000	Furniture, fixtures and equipment S\$'000	Total S\$'000
The Company								
Cost:								
At 1 April	536	1,466	2,674	173	4,213	369	970	10,401
Additions	-	-	631	87	951	-	85	1,754
Disposals	-	-	-	-	(389)	-	(15)	(404)
At 31 March	536	1,466	3,305	260	4,775	369	1,040	11,751
Accumulated depreciation:								
At 1 April	-	172	262	42	1,448	299	635	2,858
Depreciation for the year	-	25	56	19	441	18	79	638
Disposals	-	-	-	-	(167)	-	(13)	(180)
At 31 March	-	197	318	61	1,722	317	701	3,316
Depreciation for last year	-	26	42	17	452	23	84	644
Net book value:								
At 31 March 2000	536	1,269	2,987	199	3,053	52	339	8,435
At 1 April 1999	536	1,294	2,412	131	2,765	70	335	7,543

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

The net book value of fixed assets of the Group includes an amount of S\$90,000 (1999 : S\$48,000) in respect of assets held under finance leases and hire purchase contracts.

In addition, certain of the Group's land and buildings with a total net book value of S\$6,403,000 (1999 : S\$6,208,000) has been pledged to banks as securities for banking facilities granted.

The freehold and leasehold land and buildings stated at valuation were revalued by independent professional valuer, Vigers (JB) Sdn Bhd in March 1994 based on the open market value on a willing buyer and willing seller basis for existing use. Revaluation is performed when required and there is no fixed policy on the frequency of revaluation. The resulting revaluation surpluses have been credited to the revaluation reserve and the balance as at year end amounted to S\$2,093,000 (1999 : S\$2,093,000) for the Group (see Note 27). If the cost method had been used, the net book value of the fixed assets would have been S\$233,201,000 (1999 : S\$210,720,000).

Of the total depreciation charge for the year, an amount of S\$721,000 (1999 : S\$252,000) for the Group and S\$29,000 (1999 : S\$29,000) for the Company have been capitalised as product development expenditure.

Particulars of the properties included in freehold land, leasehold land and buildings above are as follows:

Location	Description	Tenure
SINGAPORE		
No. 50, Gul Crescent, Singapore	A 2-storey factory building with built-up area of 2,615 square metres	Long-term lease
Symphony Heights, 37 Hume Avenue, #06-04, Singapore	One unit of residential condominium of approximately 155 square metres	Freehold
TAIWAN		
No. 211 Chung Cheng Road, Section 2 Hukow, Hsin-chu 30302, Taiwan	A 2-storey factory building with built-up area of 6,654 square metres	Freehold
	A factory warehouse with built-up area of 169 square metres	Freehold
Room 1011 and 1200, International Trade Building, No. 205 Tun Hua South Section 1, Taipei 10647, Taiwan	Office space of 500 square metres	Freehold
Lots 98-86 to 98-96 and Lot 98-182 Chung Pei Shih, Sub-section Shan Pei Shih Section, Hukow Hsiang, Hsin-chu County, Taiwan	A 2,108-square metre plot of land for investment	Freehold
207, 208 & 209, Mei Chih Cheng Hukow Hsiang, Hsin-chu County, Taiwan	Three 2-storey residential buildings of approximately 255 square metres	Freehold

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Location	Description	Tenure
MALAYSIA		
No. 5, Jalan Tampoi Tujuh Kawasan Perindustrian Tampoi 81200 Johor Bahru, Johor, Malaysia	A 19,652-square metre plot of land with a 3-storey factory building with a built-up area of 6,000 square metres	Freehold
	A 18,110-square metre plot of land with a warehouse with built-up area of 1,200 square metres	Freehold
Units No. A3-03, A3-04, TF-03 & TF-04 Putri Indah, Jalan Indra Putra Johor Bahru, Johor, Malaysia	Four units of residential condominium of approximately 516 square metres	Freehold
Lot 6975, Mukim of Senai-Kulai, Johor, Malaysia	A 39,885-square metre plot of land for factory building	Freehold
#18-00 and #19-00, Pacific Mall, Johor Bahru, Johor, Malaysia	Two storeys of office buildings of approximately 2,582 square metres	Freehold
CHINA		
Land Lot No. 9 Development District Upper Lung Fung Terrace Huizhou City Guangdong, China	A 2,892-square metre plot of land with a 7-storey staff quarters with a built-up area of 6,239 square metres	Medium-term lease
No. 1-2, First Hong Ye Dong Road Hong Ye Industrial Area Tang Xia, Dong Guan, Guangdong, China	A 3-storey factory building with built-up area of 4,119 square metres	Medium-term lease
Road 12, Hong Ye Road Hong Ye Industrial Area (138) Tang Xia, Dong Guan, Guangdong, China	A 30,821-square metre plot of land with a 3-storey factory building and 7-storey staff quarters with built-up area of 9,840 square metres and 13,269 square metres respectively	Medium-term lease
3-603, 66, Yu Jian Lou Tang Xin Jie, Tang Xia, Dong Guan, Guangdong, China	A 73-square metre staff quarters	Medium-term lease
Block No 43 Wen Hua Xin Cun Tang Xia, Dong Guan, Guangdong, China	A 1,988-square metre staff quarters	Medium-term lease

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Location	Description	Tenure
CHINA		
Block No 41 Hong Ye Da Dao Hong Ye Industrial Area Tang Xia, Dong Guan, Guangdong, China	A 1,465-square metre staff quarters	Medium-term lease
Lou Fang Yuan, Xin Xiu Cun Lou Fang Lu Huang Bei Ling, Lou Wu Shenzhen, China	A 4,179 square metres staff quarters	Medium-term lease
No. 1, 5 Long and No. 2, 193 Long Yong Ye Road Zhang Qiao Zhen Pu Dong Area Shanghai, China	A 2,362-square metre staff quarters	Medium-term lease
Room 1 25/F, Block F, Peace Garden, Yang Pu District, 2200 Kong Jiang Lu Shanghai, China	One unit of residential flat with built-up area of 64 square metres	Long -term lease
Gu Tang Au Industrial Development District, Huizhou City, Guangdong, China	A 13,034-square metre plot of land with a 3-storey factory building and staff quarters with built-up area of 11,149 square metres	Medium-term lease
	A 2,008-square metre plot of land with a 7-storey staff quarters with built-up area of 4,484 square metres	Medium-term lease
	A 6,162-square metre plot of land for industrial use	Medium-term lease
	A 14,024-square metre plot of land with a 2-storey factory building and a 3-storey staff quarters with built-up area of 4,581 square metres	Medium-term lease
CANADA		
Suite 7, 7780 Woodbine Avenue Markham, Ontario L3R 2N7, Canada	A 500-square metre office and warehouse	Freehold

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Location	Description	Tenure
USA		
11225, 11235 and 11245 West Bernardo Court San Diego, CA 92127-1638, USA	Three buildings of industrial complex	Freehold
DENMARK		
Tigervej 1, 7700 Thisted, Denmark	A 17,483-square metre plot of land with a factory building with built-up area of 6,489 square metres	Freehold
	A 14,345-square metre plot of land for industrial use	Freehold
POLAND		
ul. Zielona 22 PL 83-200 Starogard Gd.	A 19,736 square metre plot of land with a factory building and warehouse with built-up area of 3,060 square metres	Long-term lease
	A plot of land of 5,911 square metres for industrial use	Freehold

11 Interest in subsidiaries

	The Company	
	2000 S\$'000	1999 S\$'000
Unquoted equity shares, at cost	106,062	106,062
Amounts due from subsidiaries - non-trade	301,829	297,239
Amounts due to subsidiaries - non-trade	(14,227)	(12,401)
	393,664	390,900

Particulars of the subsidiaries at 31 March 2000 are set out in Note 31 to the financial statements. The amounts due to and from subsidiaries are non-interest bearing and have no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12 Interest in associates

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Unquoted equity shares, at cost	23,438	23,349	11,453	11,453
Goodwill on consolidation	(8,664)	(8,664)	-	-
Share of post-acquisition profits	11,069	6,286	-	-
Share of post-acquisition translation deficit	(294)	(233)	-	-
	25,549	20,738	11,453	11,453

Particulars of the associates are set out in Note 32 to the financial statements.

13 Other investments

	The Group	
	2000 S\$'000	1999 S\$'000
Quoted equity securities, at cost	12,763	13,114
Less: Provision	(1,015)	(797)
	11,748	12,317
Unquoted equity securities, at cost	43	43
	11,791	12,360
Quoted equity securities, at market value	3,849	4,251
Movement in provision:		
At 1 April	797	464
Currency realignment	(12)	38
Provision made during the year	230	295
At 31 March	1,015	797

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

14 Deferred expenditure

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
a) Product development expenditure	57,552	49,115	3,133	2,678
b) Technical knowhow	8,559	9,133	-	-
Less: Accumulated amortisation	(8,091)	(7,355)	-	-
	468	1,778	-	-
	58,020	50,893	3,133	2,678
Movement in accumulated amortisation of technical knowhow:				
At 1 April	7,355	5,792	-	-
Currency realignment	(116)	394	-	-
Provision made during the year	852	1,169	-	-
At 31 March	8,091	7,355	-	-

Included in product development expenditure is depreciation on fixed assets amounting to S\$1,697,000 (1999 : S\$976,000) for the Group and S\$290,000 (1999 : S\$261,000) for the Company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

15 Current assets

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Stocks and work in progress (Note 17)	140,058	115,075	3,097	2,920
Debtors and bills receivable (Note 18)	149,503	125,644	50,448	38,242
Short-term investments, at cost	841	558	-	-
Deposits and prepayments	8,567	7,389	1,561	446
Bank balances, deposits and cash (Note 19)	25,357	42,769	1,574	767
	324,326	291,435	56,680	42,375
Short-term investments, at market value	991	576	-	-

16 Current liabilities

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Creditors and accrued charges (Note 20)	89,785	58,188	18,228	12,149
Obligations under finance leases and hire purchase contracts (Note 24)	20	23	3	3
Income tax payable	3,077	2,572	491	391
Proposed dividend	6,725	6,415	6,725	6,415
Bank loans and overdrafts (Note 21)	128,995	90,815	77,082	59,952
Bonds (Note 23)	59,892	-	59,892	-
	288,494	158,013	162,421	78,910

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

17 Stocks and work in progress

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Raw materials, at cost	52,300	39,065	1,485	1,460
Work in progress, at cost	18,460	15,029	1,188	1,336
Finished goods, at net realisable value	69,298	60,981	424	124
	140,058	115,075	3,097	2,920
Movement in provision:				
At 1 April	2,562	3,159	328	-
Currency realignment	(38)	225	-	-
Provision (Write-back) made during the year	616	683	(328)	328
Amount written off	(524)	(1,505)	-	-
At 31 March	2,616	2,562	-	328

18 Debtors and bills receivable

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
a) Trade:				
Trade debtors and bills receivable	117,070	75,854	-	32
Amount due from associates	-	67	108	133
Amount due from subsidiaries	-	-	43,912	30,011
Amount due from related parties	-	616	-	-
	117,070	76,537	44,020	30,176
Non-trade:				
Amount due from associates	6,650	6,327	5,495	5,581
Amount due from related parties	141	1,309	17	12
Other debtors	25,642	41,471	916	2,473
	149,503	125,644	50,448	38,242

b) Trade debtors and bills receivable are stated after making the following provision for doubtful debts:

	The Group	
	2000 S\$'000	1999 S\$'000
At 1 April	2,278	3,516
Currency realignment	(40)	225
Provision made during the year	160	146
Amount written off	(245)	(1,609)
At 31 March	2,153	2,278

c) Related parties are entities with common direct or indirect shareholders or directors. Parties are also considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related parties in the financial statements refer to its substantial shareholder, Gold Peak Industries (Holdings) Limited, a company incorporated in Hong Kong and listed in the Stock Exchange of Hong Kong Limited and its associates.

The amount due from (to) related parties bears no interest and has no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

19 Bank balances, deposits and cash

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Fixed and call deposits	25,072	28,949	285	162
Bank balances and cash	285	13,820	1,289	605
	25,357	42,769	1,574	767

20 Creditors and accrued charges

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Trade:				
Trade creditors and bills payable	32,408	28,146	15,749	10,032
Amount due to associates	8,962	-	-	-
Amount due to related parties (Note 18c)	207	-	-	-
	41,577	28,146	15,749	10,032
Non-trade:				
Amount due to related parties (Note 18c)	6	-	58	16
Other creditors	48,202	30,042	2,421	2,101
	89,785	58,188	18,228	12,149

21 Bank loans and overdrafts

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Current portion of bank loans (Note 22)	17,613	10,194	11,264	6,442
Short-term bank loans	85,524	64,813	60,400	46,748
Bank overdrafts	896	501	102	21
Import loans	24,962	15,307	5,316	6,741
	128,995	90,815	77,082	59,952
Of which				
- secured	531	467	-	-
- unsecured	128,464	90,348	77,082	59,952
	128,995	90,815	77,082	59,952

Certain of the Group's fixed assets have been pledged to banks to secure the above secured bank borrowings (Note 10).

Interest rates on short-term loans range from 0.6% to 10.5% (1999 : 0.6% to 10.5%) per annum.

22 Bank loans

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Bank loans				
- secured	3,177	3,714	-	-
- unsecured	74,301	84,791	58,729	65,774
	77,478	88,505	58,729	65,774
Less: Amounts due within one year (Note 21)				
- secured	(531)	(467)	-	-
- unsecured	(17,082)	(9,727)	(11,264)	(6,442)
Current portion of bank loans	(17,613)	(10,194)	(11,264)	(6,442)
Long-term portion of bank loans	59,865	78,311	47,465	59,332

a) The bank loans comprise the following:

- i) Bank loan amounting to S\$3,177,000 (1999 : S\$3,714,000) is secured by mortgage over two storeys of office building of a subsidiary. It carries an interest rate of 8.2% to 9.0% (1999 : 9.4% to 13.7%) per annum.
- ii) The other bank loans carry interest charges at prevailing market rates. The interest rates charged range from 6.7% to 7.6% (1999 : 5.7% to 6.5%) per annum.

b) The long-term portions of bank loans are repayable within the periods as follows:

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
More than one year but not exceeding two years	42,984	18,113	36,932	11,380
More than two years but not exceeding five years	16,849	59,300	10,533	47,952
More than five years	32	898	-	-
	59,865	78,311	47,465	59,332

23 Bonds

- a) In October 1995, the Company entered into an agreement with Citicorp Investment Bank (Singapore) Limited to issue 19,940,562 detachable warrants to subscribe for 19,940,562 new ordinary shares of S\$0.80 each in the capital of the Company in conjunction with the issue of US\$35 million (S\$59,892,000) unsecured bonds due 2000 at a coupon rate of 2.25 per cent per annum.
- b) Accounting treatment of the US\$35 million bonds with 19,940,562 detachable warrants issue proposed by the International Accounting Standard 32 (IAS 32).

The Company has adopted the accounting practice of recording the bonds at its face value with no value attributed to the warrants.

In June 1995, the International Accounting Standards Committee issued IAS 32 which specifies the preferred accounting presentation and disclosure on the above financial instrument.

Under the preferred accounting treatment in IAS 32 a value would be ascribed to the discount implicit in the terms of such an issue and the value attributed to the warrants would be credited to a capital reserve account. The balance of the proceeds of the issue will be allocated to the bond, thus resulting in the recording of the bond at a discount. This discount will be amortised and charged to the profit and loss statement over the life of the bond. The carrying amount of the bond in the balance sheet will therefore increase by a corresponding amount as and when the bond discount is amortised. IAS 32 has not yet been adopted as an accounting standard in Singapore.

- c) Effect on earnings

If the accounting treatment under IAS 32 was adopted by the Company, the profit before taxation for the year ended 31 March 2000 would have been reduced by approximately S\$2,904,000 (1999 : S\$2,729,000).

- d) Effect on net tangible assets

Had IAS 32 been adopted, the net tangible assets of the Group and the Company as at 31 March 2000 would have increased by S\$2,455,000 (1999 : S\$5,359,000).

- e) The US\$35 million (S\$59,892,000) unsecured bonds due 2000 will be redeemed on 15 November 2000.

24 Obligations under finance leases and hire purchase contracts

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Minimum lease payments payable	53	42	5	9
Less: Finance charges allocated to future periods	(1)	(1)	(1)	(2)
	52	41	4	7
Less: Amounts due within one year (Note 16)	(20)	(23)	(3)	(3)
	32	18	1	4
Amounts due in the second to fifth year inclusive				

Interest rates on finance leases and hire purchase contracts range from 3.6% to 5.5% (1999 : 3.6% to 5.5%) per annum.

25 Deferred taxation

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Deferred taxation liability on:				
Timing difference for recognition of deferred expenditure	3,407	3,377	-	-
Excess of capital allowances over depreciation	275	320	275	275
	3,682	3,697	275	275

No deferred taxation has been provided on other timing differences as it is not expected that these timing differences will reverse in the foreseeable future. Had deferred taxation been provided on these timing differences, the potential deferred taxation credit for the Group for the year would be S\$926,000 (1999 : S\$2,640,000). At the end of the financial year, the full potential deferred taxation liability for the Group not recognised is as follows:

	The Group	
	2000 S\$'000	1999 S\$'000
On excess of capital allowances over depreciation	6,217	6,003
On other timing differences	(33)	122
On tax losses	(4,737)	(3,752)
	1,447	2,373

26 Share capital

	The Group and the Company	
	2000 S\$'000	1999 S\$'000
Authorised: 156,250,000 ordinary shares of S\$0.80 each	125,000	125,000
Issued and fully paid: 103,461,168 ordinary shares of S\$0.80 each	82,769	82,769

- a) Pursuant to the Company's share option schemes, the following share options which entitle the holders to subscribe for a total of 4,501,000 new ordinary shares of S\$0.80 each in the Company were granted during the financial year to eligible employees:

	Exercise Period	Exercise Price	Number of options granted
Share Options: 1992 Scheme	6 August 2000-5 August 2004	S\$3.08	2,730,000
1999 Scheme	17 March 2001-16 March 2010	S\$1.41	1,771,000
			4,501,000

- b) At the end of the financial year, unissued ordinary shares of S\$0.80 each of the Company under warrant and the share option schemes were as follows:

	Date of Expiry	Exercise Price	As at 31 March 2000
Warrants	15 November 2000	US\$2.10	12,678,644
Share Options: 1992 Scheme			
No. 4	16 July 2000	US\$2.538	736,000
No. 5	15 January 2002	US\$3.312	928,000
No. 6	28 July 2002	S\$4.448	935,000
No. 7	5 August 2004	S\$3.080	2,730,000
			5,329,000
1999 Scheme			
No. 1	16 March 2010	S\$1.41	1,771,000
			19,778,644

27 Reserves

	Share premium S\$'000	Capital reserve S\$'000	Legal surplus S\$'000	Foreign currency translation reserve S\$'000	Property revaluation reserve S\$'000	Retained profits S\$'000	Total S\$'000
The Group							
At 1 April - As restated	135,617	(21,261)	933	(18,016)	2,093	83,119	182,485
Profit for the year	-	-	-	-	-	19,809	19,809
Translation differences	-	-	-	2,792	-	-	2,792
Transfer to (from) reserves	-	-	3	-	-	(3)	-
Dividends	-	-	-	-	-	(9,312)	(9,312)
At 31 March	135,617	(21,261)	936	(15,224)	2,093	93,613	195,774

	Share premium S\$'000	Foreign currency translation reserve S\$'000	Retained profits S\$'000	Total S\$'000
The Company				
At 1 April - As restated	135,617	(8,689)	46,223	173,151
Profit for the year	-	-	17,323	17,323
Revaluation differences	-	(728)	-	(728)
Dividends	-	-	(9,312)	(9,312)
At 31 March	135,617	(9,417)	54,234	180,434

Capital reserve is shown net of purchased goodwill of S\$420,000 (1999 : S\$420,000) and goodwill on consolidation of S\$22,395,000 (1999 : S\$22,395,000).

28 Directors' remuneration

Number of directors of the Company in the following remuneration bands:

	Number of directors	
	2000	1999
S\$500,000 and above	1	2
S\$250,000 to S\$499,999	4	3
Below S\$250,000	4	4
Total	9	9

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

29 Commitments

The amounts of commitments which have not been provided for in the financial statements are as follows:

a) Future operating lease rentals

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Within 1 year	2,857	3,601	61	76
Within 2 to 5 years	4,056	3,976	269	327
After 5 years	3,342	4,134	1,042	3,881
	10,255	11,711	1,372	4,284

b) Capital expenditure commitments

	The Group	
	2000 S\$'000	1999 S\$'000
Capital expenditure contracted for but not provided for	6,889	3,106
Capital expenditure authorised but not contracted for	3,841	4,449
	10,730	7,555

- c) As at year end date, the Company has outstanding interest rate agreements from floating rates into fixed of 5.85% to 5.95% for notional principal amount of US\$20m (1999 : US\$20m). Such agreements were entered into as part of the Company's interest rate risk management measure.

30 Contingent liabilities - unsecured

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Guarantees given in respect of banking and other facilities granted to:				
- subsidiaries	-	-	168,492	154,754
- associates	12,743	12,886	12,743	12,886
Export bills discounted with recourse	10,126	11,107	-	-
	22,869	23,993	181,235	167,640

31 Subsidiaries

The following are subsidiaries as at 31 March:

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment	
		2000 %	1999 %		2000 S\$'000	1999 S\$'000
AB Ejendomsaktieselskabet Thisted*, #	Denmark	100	100	Property investment	-	-
Advance Battery Technology International Limited@, #	Hong Kong	100	100	Trading in batteries and battery materials	-	-
Advanced Battery Technology Limited@, #	British Virgin Islands	84	84	Intellectual property	-	-
Alkaline Batteries A/S*, #	Denmark	100	100	Manufacturing of batteries	-	-
Bestasi Sdn Bhd#	Malaysia	100	100	Property investment	-	-
Champion World Limited@, #	British Virgin Islands	100	100	Investment holding	-	-
Danish Polish Batteries Sp. z.o.o.*, #	Poland	100	100	Manufacturing of batteries	-	-
Dongguan Yinfa Battery Products Co Ltd+, #	PRC	100	100	Manufacturing of batteries	-	-
Dongguan Chao Ba Batteries Co Ltd+, #	PRC	100	100	Manufacturing of batteries	-	-
Douza Investments Ltd@, #	British Virgin Islands	100	100	Investment holding	-	-
Energy Pack Netherlands Holdings B.V. @	Netherlands	100	100	Investment holding and provision of logistic support	185	185
EVB Technology Pte Ltd	Singapore	100	100	Manufacturing of batteries	-	-
Geewin Industrial (S) Pte Ltd	Singapore	80	80	Investment holding	80	80
Geewin Industrial Limited*, #	Hong Kong	80	80	Provision of logistic support	-	-
Gold Peak Industries (Taiwan) Limited	Taiwan	84	84	Manufacturing of batteries	95,105	95,105
Gold Peak Industries (NA) Inc*, #	United States of America	84	-	Marketing and trading in batteries	-	-
Gold Won Electrochemical Company Limited*, #	Hong Kong	100	100	Investment holding and provision of logistic support	-	-
GP Batteries (China) Limited+, #	PRC	85	85	Manufacturing of batteries	-	-
GP Batteries (Malaysia) Sdn Bhd	Malaysia	100	100	Manufacturing of batteries	5,799	5,799

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment	
		2000 %	1999 %		2000 S\$'000	1999 S\$'000
GP Batteries (U.K.) Limited*, #	United Kingdom	51	51	Marketing and trading in batteries	-	-
GP Batteries (USA) Inc*, #	United States of America	100	100	Manufacturing and marketing of batteries	-	-
GP Battery Marketing (Europe) S.A.#	France	80	80	Marketing and trading in batteries	-	-
GP Battery Marketing (H.K.) Limited#	Hong Kong	100	100	Marketing and trading in batteries	-	-
GP Battery Marketing Inc*, #	Canada	75	75	Marketing and trading in batteries	-	-
GP Battery Marketing (BC) Inc@, #	Canada	75	75	Marketing and trading in batteries	-	-
GP Battery Marketing (China) Ltd*, #	Hong Kong	100	100	Investment holding	-	-
GP Battery Marketing (Latin America) Inc*, #	United States of America	51	51	Marketing and trading in batteries	-	-
GP Battery Marketing (Singapore) Pte Ltd	Singapore	100	100	Marketing and trading in batteries	800	800
GP Battery Marketing (Taiwan) Limited*, #	Taiwan	80	80	Marketing and trading in batteries	-	-
GP Battery (Poland) Sp. z.o.o.*, #	Poland	100	100	Marketing and trading in batteries	-	-
GP Battery Specialist Inc@, #	Canada	75	75	Marketing and trading in batteries	-	-
GP Battery Technology (BVI) Limited@, #	British Virgin Islands	100	100	Investment holding	-	-
GP Battery Technology (HK) Limited	Hong Kong	100	100	Investment holding	-	-
GP Battery Technologies LLC#	United States of America	84	84	Research & Development	-	-
GPI Advertising Co Limited#	Hong Kong	100	100	Provision of advertising agency services	-	-
GPI International Limited#	Hong Kong	100	100	Marketing and trading in batteries	-	-
GP Lithium Batteries Limited@, #	British Virgin Islands	100	100	Investment holding	-	-
GP Lithium Batteries LLC@, #	United States of America	100	100	Manufacturing and marketing of batteries	-	-
GP Lithium Batteries (S) Pte Ltd#	Singapore	100	100	Investment holding and provision of logistic support	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment	
		2000 %	1999 %		2000 S\$'000	1999 S\$'000
Hayle Limited@, #	British Virgin Islands	100	100	Trading in batteries and battery materials	-	-
Huizhou Chao Ba Batteries Co Ltd+, #	PRC	90	90	Marketing and trading in batteries	-	-
Huizhou Gold Won Electrochemical Company Limited+, #	PRC	85	85	Manufacturing of battery parts	-	-
Huizhou Modern Battery Limited+, #	PRC	68	68	Manufacturing of batteries	-	-
Huizhou Power Pack Co Ltd+, #	PRC	100	100	Manufacturing of batteries	-	-
Lehman Overseas Limited@, #	British Virgin Islands	100	100	Trading in batteries and battery materials	-	-
Powerbank Limited*, # (formerly known as Alkaline Batteries Limited)	Hong Kong	100	100	Manufacturing of batteries	-	-
Praisewell International Limited*, #	Hong Kong	100	100	Investment holding	-	-
Shanghai Bi Ba Batteries Co Ltd+, #	PRC	100	100	Manufacturing of batteries	-	-
Shenzhen Syla Electrochemical Ltd+, #	PRC	100	100	Manufacturing of batteries	-	-
Shenzhen Jetpower Batteries Limited+, #	PRC	100	-	Manufacturing of battery parts	-	-
Syla Development Limited@, #	British Virgin Islands	100	100	Property investment	-	-
Syla Industries (China) Limited #	Hong Kong	100	100	Investment holding	-	-
Syla Industries Limited	Hong Kong	100	100	Manufacturing of batteries	4,093	4,093
Syla Property Investment Limited #	Hong Kong	100	100	Property investment	-	-
Whitehill Electrochemical Company Limited #	Hong Kong	100	100	Investment holding and provision of logistic support	-	-
					106,062	106,062

Held by subsidiaries of the Company.

+ These subsidiaries, in compliance with their local statutory requirement, adopt 31 December as their financial year end. Such financial year end is not co-terminous with that of the Company. Adjustments are made for the effect of any significant transactions that occur between 1 January and the date of the Group's financial statements. The financial statements of the significant subsidiaries are subject to limited review by member firms of Deloitte Touche Tohmatsu (of which Deloitte & Touche, Singapore is a member) up to 31 March.

* The financial statements of these subsidiaries are audited by accounting firms other than member firms of Deloitte Touche Tohmatsu. The financial statements of two significant foreign subsidiaries, Alkaline Batteries A/S and GP Batteries (USA) Inc are audited by KPMG C Jespersen and Nation Smith Hermes Diamond respectively.

@ The financial statements of these subsidiaries are not audited as:
 - there are no such statutory requirements in their countries of incorporation.
 - they are not significant except for the financial statements of two subsidiaries Hayle Limited and Lehman Overseas Limited which are subject to limited review by Deloitte & Touche, Singapore.

Other than as disclosed above, all the subsidiaries are audited by Deloitte & Touche or its member firms.

32 Associates

The following are associates as at 31 March:

Name of associates	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment (Group)		Cost of investment (Company)	
		2000	1999		2000	1999	2000	1999
		%	%		S\$'000	S\$'000	S\$'000	S\$'000
Advance Technology Co Ltd #	Taiwan	50	50	Manufacturing of battery parts	11,161	11,161	-	-
Alkaline Batteries Volta S.r.l.*, #	Italy	50	50	Manufacturing of batteries	-	-	-	-
Asia Pacific Hitec Company Limited #	South Korea	50	50	Marketing and trading in batteries	194	194	-	-
GP Battery Marketing (Germany) GmbH*, #	Germany	35	35	Marketing and trading in batteries	59	59	-	-
GP Battery Marketing Italy S.r.l.*, #	Italy	40	40	Marketing and trading in batteries	66	66	-	-
GP Battery Marketing (Malaysia) Sdn Bhd #	Malaysia	30	30	Marketing and trading in batteries	14	14	-	-
GP Battery Marketing (Thailand) Co Ltd*, #	Thailand	49	-	Marketing and trading in batteries	89	-	-	-
Shanghai Jin Jiang Battery Co Ltd+, #	PRC	35	35	Manufacturing of batteries	402	402	-	-
T.G. Battery Co (Hong Kong) Limited	Hong Kong	50	50	Investment holding and provision of logistic support	11,453	11,453	11,453	11,453
T. G. Battery Co (China) Ltd+, **	PRC	42.5	42.5	Manufacturing of batteries	-	-	-	-
					23,438	23,349	11,453	11,453

Indirect shareholdings

+ These associates, in compliance with their local statutory requirement, adopt 31 December as their financial year end. Such financial year end is not co-terminous with that of the Company. Adjustments are made for the effect of any significant transactions that occur between 1 January and the date of the Group's financial statements. The financial statements of the significant associates are subject to limited review by member firms of Deloitte Touche Tohmatsu (of which Deloitte & Touche, Singapore is a member) up to 31 March.

* The financial statements of these associates are audited by accounting firms other than member firms of Deloitte Touche Tohmatsu (of which Deloitte & Touche, Singapore is a member) as they are not significant.

** Subsidiary of T. G. Battery Co (Hong Kong) Limited

All other associates are audited by member firms of Deloitte Touche Tohmatsu.

33 Segment information

A breakdown of the Group's turnover, profit before income tax and identifiable assets is set out below:

	Turnover		Profit before income tax		Identifiable assets	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Geographical areas						
Asia	286,585	252,102	13,185	16,291	510,331	461,588
North and South America	108,452	85,972	4,861	4,863	73,552	62,009
Europe and others	136,237	126,472	7,449	7,553	70,593	64,166
	531,274	464,546	25,495	28,707	654,476	587,763

Industry segments

The operations of the Group are in the development, manufacturing, distribution and trading in batteries and battery related products and most of the assets of the Group are deployed in these operations. Accordingly, the income and profits of the Group are derived substantially from this industry segment.

34 Subsequent events

In April 2000, Gold Peak Industries (Taiwan) Limited ("GPIT"), an 84% owned subsidiary, issued 10,000,000 new shares of NT\$10 each for cash at NT\$12 per share to the directors and employees of the Group and Company. This is a common practice in Taiwan, especially for companies in the high technology industry to attract and retain quality staff. The Group's effective interest in this subsidiary and its directly held entities is accordingly diluted from 84% to 79.2%.

In May 2000, GPIT further issued 10,416,980 new shares of NT\$10 each for cash at NT\$24 per share to an electronics manufacturer listed in Taiwan and one of GPIT's existing shareholders to provide for additional working capital. The Group's effective interest in this subsidiary and its directly held entities is accordingly further diluted from 79.2% to 75.1%.

In June 2000, a majority shareholder, Gold Peak Industries (Holdings) Limited sold its entire shareholdings of 43,540,096 shares in the Company to its subsidiary, GP Industries Limited (formerly known as GPE Industries Limited). GP Industries Limited is now a majority shareholder of the Company.

In June 2000, the Company entered into an agreement with its bankers to issue Floating Rate Notes of US\$50 million (with the provision to increase up to US\$60 million in the event of an over-subscription) to re-finance the US\$35 million unsecured bonds due November 2000 and for additional working capital.

35 Reclassification and comparative figures

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

**FINANCIAL STATEMENTS OF GP BATTERIES INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2001**

*The information in this Appendix III has been extracted from the Annual Report of
GP Batteries International Limited and its subsidiaries
for the financial year ended 31 March 2001
and has not been specifically prepared for inclusion in this Information Memorandum.*

PROFIT AND LOSS STATEMENTS

Year ended 31 March 2001

	Notes	The Group		The Company	
		2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
Revenue	3	594,172	531,274	50,204	40,543
Cost of sales		(459,379)	(419,436)	(7,466)	(5,244)
Gross profit		134,793	111,838	42,738	35,299
Other operating income	4	3,528	2,902	132	73
Distribution expenses		(30,919)	(24,110)	(375)	(273)
Administrative expenses		(64,634)	(58,607)	(7,474)	(7,123)
Other operating expenses		(998)	(635)	(6)	-
Profit from operations		41,770	31,388	35,015	27,976
Finance costs		(21,289)	(12,884)	(16,307)	(10,553)
Profit before exceptional items	5	20,481	18,504	18,708	17,423
Exceptional items	6	71	-	-	-
Profit before share of results of associates		20,552	18,504	18,708	17,423
Share of results of associates		8,329	6,991	-	-
Profit before income tax		28,881	25,495	18,708	17,423
Income tax	7	(3,210)	(2,447)	(100)	(100)
Profit after income tax		25,671	23,048	18,608	17,323
Minority interests		(633)	(922)	-	-
Profit before extraordinary item		25,038	22,126	18,608	17,323
Extraordinary item	8	-	(2,317)	-	-
Profit attributable to shareholders		25,038	19,809	18,608	17,323
Earnings per share (cents)	10				
Before extraordinary item					
- Basic		24.20	21.38		
- Diluted		24.07	21.38		
After extraordinary item					
- Basic		24.20	19.15		
- Diluted		24.07	19.14		

See accompanying notes to financial statements.

BALANCE SHEETS

As at 31 March 2001

	Notes	The Group		The Company	
		2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
Non-current assets:					
Fixed assets	11	251,875	234,790	8,589	8,435
Interest in subsidiaries	12	-	-	418,006	393,664
Interest in associates	13	29,655	25,549	11,453	11,453
Other investments	14	13,954	11,791	-	-
Deferred expenditure	15	54,661	58,020	2,976	3,133
		350,145	330,150	441,024	416,685
Current assets:					
Stocks and work in progress	16	158,665	140,058	4,029	3,097
Debtors	17	131,279	149,503	72,052	50,448
Short-term investments, at market value		409	841	-	-
Deposits and prepayments		17,040	8,567	1,321	1,561
Bank balances, deposits and cash	18	31,201	25,357	2,049	1,574
		338,594	324,326	79,451	56,680
Current liabilities:					
Creditors and accrued charges	19	77,641	89,785	13,318	18,228
Obligations under finance leases	20	-	20	-	3
Income tax payable		1,513	3,077	576	491
Proposed dividends		6,208	6,725	6,208	6,725
Bank loans and overdrafts	21	152,677	128,995	109,186	77,082
Bonds	22	-	59,892	-	59,892
		238,039	288,494	129,288	162,421
Net current assets (liabilities)		100,555	35,832	(49,837)	(105,741)
Non-current liabilities:					
Bank loans	23	17,809	59,865	11,114	47,465
Floating Rate Notes	24	108,333	-	108,333	-
Obligations under finance leases	20	-	32	-	1
Deferred income tax	25	3,364	3,682	275	275
		129,506	63,579	119,722	47,741
		321,194	302,403	271,465	263,203
Represented by:					
Share capital	26	82,771	82,769	82,771	82,769
Reserves		199,302	195,774	188,694	180,434
Shareholders' funds		282,073	278,543	271,465	263,203
Minority interests		39,121	23,860	-	-
		321,194	302,403	271,465	263,203

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 March 2001

	Share capital S\$'000	Share premium S\$'000	Capital reserve S\$'000	Legal surplus S\$'000	Translation reserve S\$'000	Property revaluation reserve S\$'000	Retained profits S\$'000	Total S\$'000
The Group								
At 1 April 1999	82,769	135,617	(21,261)	933	(18,016)	2,093	83,119	265,254
Arising from:								
- revaluation of long-term foreign currency monetary balances	-	-	-	-	(668)	-	-	(668)
- translation of foreign currency financial statements	-	-	-	-	3,460	-	-	3,460
Transfer to (from) reserves	-	-	-	3	-	-	(3)	-
Profit attributable to shareholders	-	-	-	-	-	-	19,809	19,809
Dividends (Note 9)	-	-	-	-	-	-	(9,312)	(9,312)
At 31 March 2000	82,769	135,617	(21,261)	936	(15,224)	2,093	93,613	278,543
Issue of shares	2	-	-	-	-	-	-	2
Premium arising from issue of shares net of expenses	-	8	-	-	-	-	-	8
Goodwill arising from acquisition of associates	-	-	(9,848)	-	-	-	-	(9,848)
Arising from:								
- revaluation of long-term foreign currency monetary balances	-	-	-	-	(254)	-	-	(254)
- translation of foreign currency financial statements	-	-	-	-	(966)	-	-	(966)
Transfer to (from) reserves	-	-	359	(273)	-	-	(86)	-
Profit attributable to shareholders	-	-	-	-	-	-	25,038	25,038
Dividends (Note 9)	-	-	-	-	-	-	(10,450)	(10,450)
At 31 March 2001	82,771	135,625	(30,750)	663	(16,444)	2,093	108,115	282,073

	Share capital S\$'000	Share premium S\$'000	Translation reserve S\$'000	Retained profits S\$'000	Total S\$'000
The Company					
At 1 April 1999	82,769	135,617	(8,689)	46,223	255,920
Arising from revaluation of long-term foreign currency monetary balances	-	-	(728)	-	(728)
Profit attributable to shareholders	-	-	-	17,323	17,323
Dividends (Note 9)	-	-	-	(9,312)	(9,312)
At 31 March 2000	82,769	135,617	(9,417)	54,234	263,203
Issue of shares	2	-	-	-	2
Premium arising from issue of shares net of expenses	-	8	-	-	8
Arising from revaluation of long-term foreign currency monetary balances	-	-	94	-	94
Profit attributable to shareholders	-	-	-	18,608	18,608
Dividends (Note 9)	-	-	-	(10,450)	(10,450)
At 31 March 2001	82,771	135,625	(9,323)	62,392	271,465

See accompanying notes to financial statements.

CONSOLIDATED CASH FLOW STATEMENTS

Year ended 31 March 2001

	2001 S\$'000	2000 S\$'000
Cash flows from operating activities:		
Profit before income tax and share of results of associates but after extraordinary item	20,552	16,187
Add (Less) items not involving cash flows:		
Amortisation of bond premium	(210)	(360)
Amortisation of product development expenditure	7,066	-
Amortisation of technical knowhow	292	851
Depreciation of fixed assets	26,035	20,157
Interest expense	21,289	12,884
Interest income	(2,472)	(1,731)
Diminution in value of short-term investments	388	-
Net loss on disposal of fixed assets	503	416
Provision for other investments	-	230
Technical knowhow written off	-	272
Cash flows provided by operations before changes in working capital	73,443	48,906
Working capital changes, excluding changes relating to cash:		
Stocks and work in progress	(18,607)	(24,983)
Debtors	18,224	(23,859)
Deposits and prepayments	(8,473)	(1,178)
Creditors and accrued charges	(11,934)	31,957
Cash generated from operations	52,653	30,843
Interest received	2,472	1,731
Interest paid	(21,289)	(12,884)
Income tax paid	(4,183)	(791)
Net cash from operating activities	29,653	18,899
Cash flows from investing activities:		
Dividends received from associates	3,424	1,062
Increase in other investments	(1,652)	-
Increase in short-term investments	-	(283)
Investment in associates	(10,092)	(89)
Payments for product development expenditure	(383)	(8,047)
Payments for technical knowhow	(93)	(20)
Proceeds from disposal of fixed assets	2,107	2,230
Proceeds from sale of other investments	-	149
Purchase of fixed assets	(37,042)	(46,499)
Net cash used in investing activities	(43,731)	(51,497)

CONSOLIDATED CASH FLOW STATEMENTS (cont'd)

Year ended 31 March 2001

	2001 S\$'000	2000 S\$'000
Cash flows from financing activities:		
Bank loans	(21,240)	20,542
Dividends paid	(10,967)	(9,001)
Issue of Floating Rate Notes	108,333	-
Issue of shares, net of expenses	10	-
Minority interests contribution less dividend paid	15,425	148
Obligations under finance leases	(52)	11
Repayment of bonds	(59,892)	-
Net cash from financing activities	31,617	11,700
Net effect of exchange rate changes in consolidating subsidiaries	(11,375)	3,091
Increase (Decrease) in cash	6,164	(17,807)
Cash and cash equivalents at beginning of financial year	24,461	42,268
Cash and cash equivalents at end of financial year	30,625	24,461
Cash and cash equivalents at end of financial year comprise:		
Bank balances, deposits and cash (Note 18)	31,201	25,357
Bank overdrafts (Note 21)	(576)	(896)
	30,625	24,461

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2001

1 General

The Company is incorporated in the Republic of Singapore with its registered office and principal place of business at 50 Gul Crescent Singapore 629543. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activities of the Company are those of investment holding and the carrying out of functions as the regional headquarters of the Group.

The principal activities of the subsidiaries are mainly those of development, manufacture, distribution and trading of batteries and battery related products.

2 Summary of significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention, modified to include the revaluation of certain fixed assets, and have been prepared in accordance with the provisions of the Singapore Companies Act and Singapore Statements of Accounting Standard.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March each year. Certain subsidiaries, being companies incorporated in the People's Republic of China ("PRC"), have adopted 31 December as their financial year-ends in compliance with the local statutory requirements. Adjustments have been made for the effects of any significant transactions that have occurred between the accounting year-end date of these subsidiaries and 31 March.

The results of subsidiaries acquired during the year are included in the consolidated profit and loss statement from their respective dates of their acquisitions and the results of those disposed of during the year are included up to their respective dates of disposals.

All significant inter-company transactions and balances have been eliminated on consolidation.

Goodwill arising on consolidation representing the excess of the cost of investment in subsidiaries over the fair value of the net identifiable assets of the subsidiaries acquired at the date of acquisition, is adjusted against capital reserve in the year of acquisition.

Capital reserve arising on consolidation, which represents the excess of fair value of the net identifiable assets of the subsidiaries acquired over the cost of investment in subsidiaries at the date of acquisition, is dealt with in reserves in the year of acquisition. To the extent that the excess of fair value of the net assets are charged to the profit and loss statements of these companies after the acquisition, the corresponding amount of capital reserve is amortised and taken to the profit and loss statements.

2 Summary of significant accounting policies (cont'd)

Revenue recognition

- a) Revenue from the sale of products is recognised when significant risks and rewards of ownership are transferred to the buyer and the amounts of revenue and the costs of the transaction (including future costs) can be measured reliably.
- b) Management fee income is recognised when the management services are rendered.
- c) Dividend income is recognised when the shareholders' right to receive the dividend is legally established.

Fixed assets and depreciation

- a) Properties including land and buildings are stated at historical cost or valuation less depreciation. Depreciation is calculated to write off the cost or valuation of the properties over their estimated useful lives as follows:
 - freehold land and leasehold land with a lease term of more than 50 years (i.e. long-term leases) are not depreciated;
 - other leasehold land with a lease term of between 20 and 50 years (i.e. medium-term leases) are depreciated over their respective term of leases on a straight-line basis;
 - buildings are depreciated over their estimated useful lives at 2% to 5% per annum on a straight-line basis; and
 - leasehold improvements are depreciated over the remaining period of their respective leases ranging from 3 to 10 years on a straight-line basis.
- b) Other fixed assets are stated at historical cost less depreciation. Depreciation is calculated using the reducing balance method to write off the cost of the fixed assets over their estimated useful lives at the following rates per annum:

Machinery, moulds and equipment	-	10% to 30%
Motor vehicles	-	10% to 25%
Furniture, fixtures and equipment	-	10% to 25%
- c) Machinery under construction are not depreciated until they are put into effective use.
- d) Assets held under finance leases are depreciated over their estimated useful lives on the same basis as owned assets or, where shorter, the terms of the leases.
- e) Fully depreciated assets still in use are retained in the financial statements.

2 Summary of significant accounting policies (cont'd)

Deferred expenditure

Deferred expenditure comprises product development expenditure and technical knowhow. Product development expenditure incurred on projects in developing new products is capitalised and deferred when the project is clearly defined, the expenditure is separately identifiable and there is reasonable certainty that the project is technically feasible and the outcome will be of commercial value. Product development expenditure is amortised, using the straight-line method, over a period of ten years commencing in the year when the product is put into commercial use.

Technical knowhow represents the cost of acquiring the right of technical knowhow for the production of new products. The cost is amortised, using the straight-line method, over a period of three to five years from the date of acquisition.

Research expenditure is charged to the profit and loss statement in the financial year in which it is incurred.

Foreign currency transactions

Transactions in foreign currencies are recorded in Singapore dollars at the rates ruling at the dates of the transactions. At each balance sheet date, recorded monetary balances and balances carried at fair value that are denominated in foreign currencies are reported at the rates ruling at the balance sheet date. All exchange adjustment gains and losses are dealt with in the profit and loss statements except that exchange adjustment differences arising on inter-company monetary items that are in effect an extension of the Company's net investment in a foreign subsidiary are taken to translation reserve until disposal of the net investment.

Translation of foreign currency financial statements

The assets, liabilities and results of foreign subsidiaries are translated at the rates of exchange ruling at the balance sheet date and the adjustments arising on translation of the net assets of foreign subsidiaries at the beginning of the financial year are taken directly to reserves.

Investments

Investments in subsidiaries, associates and other investments held on long-term basis are stated at cost in the financial statements of the Company. Provision is made for any impairment in value of investment which is other than temporary. Investments held on short-term basis are stated at the lower of cost and market value.

Associates

An associate is a company, other than a subsidiary, in which the Group holds a substantial percentage of the equity voting capital as a long-term investment and over which the Group is in a position to exercise a significant influence, including participation in financial and operating policy decisions.

The results of associates are accounted for by the Group using the equity method of accounting.

The Group's share of results of associates is included in the profit and loss statement of the Group, and the share of post-acquisition retained profits and reserves of associates is added to the carrying value of investments in the balance sheet of the Group.

When there is an acquisition of associate, the difference between the cost of the Group's investment over the Group's share of the fair value of the net identifiable assets of the associate at the date of acquisition is accounted for as goodwill adjusted against capital reserve in the year of acquisition.

2 Summary of significant accounting policies (cont'd)

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost (first-in, first-out method) and net realisable value. Costs include costs of direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks and work in progress to its present location and condition. Net realisable value is computed based on actual or estimated selling price less all further costs of production and related costs of marketing, selling and distribution.

Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased assets to the Group. Assets under finance leases are capitalised at their fair values or, if lower, at the present value of the lease payments based on the interest rate implicit in the lease, at their respective dates of acquisition. The corresponding lease commitments are shown as obligations to the lessors. The finance costs which represent the difference between the total lease commitments and the fair value of the leased assets acquired are charged to the profit and loss statements over the period of the respective leases using an actuarial method.

All other leases are classified as operating leases and the annual rentals are charged to the profit and loss statements on a straight-line method over the terms of the respective leases.

Bond premium

Bond premium represents the excess of the issue price of the bonds cum warrants over the par value of the bond and the expenses incurred on the bond issue. This premium is amortised over the life of the bond of five years using a straight-line basis.

Income tax

Tax expense is determined on the basis of tax effect accounting, using the liability method applied to all significant timing differences other than those which are not expected to crystallise in the foreseeable future.

Deferred taxation based on the liability method has been provided on the amount by which the book values of those fixed assets which qualify for tax allowances exceed their written down values for tax purposes and on other differences arising from the recognition of income and expenditure for taxation purposes in periods different from those for accounting purposes. Deferred tax benefits are recognised only to the extent of any deferred tax liability or where such benefits are expected to be realisable in the near future.

Cash

Cash for the cash flow statements includes cash and cash equivalents less bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3 Revenue

	The Group		The Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
Sales of products	594,172	531,274	10,434	7,250
Management fee income	-	-	14,931	13,452
Dividend income	-	-	24,839	19,841
	594,172	531,274	50,204	40,543

4 Other operating income

	The Group		The Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
Interest Income	2,472	1,731	91	32
Rental Income	376	440	41	41
Gain on sales of fixed assets	23	22	-	-
Sub-contracting income	123	709	-	-
Dividend income from investment in securities	534	-	-	-
	3,528	2,902	132	73

5 Profit before exceptional items

	The Group		The Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
This has been arrived at after charging:				
Amortisation:				
- product development expenditure	1,252	-	157	-
- technical knowhow	292	851	-	-
Auditors' remuneration:				
Payable to auditors of the Company				
- Audit services	70	66	55	55
- Non-audit services	21	18	19	18
Payable to other auditors				
- Audit services:				
- Current year	558	549	-	-
- Underprovision in prior year	17	-	-	-
- Non-audit services	143	84	-	-
Bad trade debts written off	530	201	-	-
Depreciation expenses	26,035	20,157	698	609
Diminution in value of short-term investments	388	-	-	-
Directors' remuneration:				
Directors of the Company:				
- Fees	120	105	120	105
- Other emoluments	2,789	2,234	453	446
Foreign exchange adjustment loss	-	3,910	62	167
Interest expense on:				
- Bank loans and overdrafts	16,157	11,537	11,179	9,211
- Bonds	736	1,341	736	1,341
- Floating Rate Notes	4,391	-	4,391	-
- Finance leases	5	6	1	1
Loss on disposal of fixed assets	526	438	136	20
Pre-operating expenditure written off	599	567	-	130
Provision for doubtful trade debts	463	160	-	-
Provision for diminution in value of other investments	-	230	-	-
Provision for stock obsolescence	731	616	-	-
Staff costs	93,042	84,917	4,844	3,686

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

5 Profit before exceptional items

	The Group		The Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
And after crediting:				
Amortisation of bond premium	210	360	210	360
Dividend income from:				
Subsidiaries	-	-	21,978	19,297
Associates	-	-	2,861	544
Others	534	-	-	-
Foreign exchange adjustment gain	3,076	-	-	-
Interest income from non-related companies	2,472	1,731	91	32
Management fees received from subsidiaries	-	-	14,931	13,452
Profit on disposal of fixed assets	23	22	-	-
Write-back of provision for stock obsolescence	-	-	-	328

The average number of employees in the Group and the Company for the year were 7,000 (2000 : 7,000) and 145 (2000: 143) respectively.

6 Exceptional items

This represents gain on dilution of interest in a subsidiary amounting to S\$5,885,000 (2000 : S\$nil) and the writing off of certain development expenditure amounting to S\$5,814,000 (Note 15) (2000 : S\$nil).

7 Income tax

	The Group		The Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
Current income tax:				
Provision for tax in respect of profit for the year	116	128	100	100
Foreign tax charged on profits of subsidiaries arising outside Singapore	2,245	1,067	-	-
Under (Over) provision in prior year	139	(37)	-	-
	2,500	1,158	100	100
(Reversal of) Deferred income tax (Note 25)	(498)	40	-	-
Share of income tax of associates:				
Overseas taxation	1,208	1,249	-	-
	3,210	2,447	100	100

The Company has been awarded Operational Headquarters ("OHQ") status by the Economic Development Board for a period of five years with effect from 1 July 1990. It has since been granted extension of the OHQ status for a further period of 6 years commencing 1 July 1996. Under this scheme, the dividend income received from approved qualifying corporations within the Group is tax-exempt and certain types of income received from approved qualifying corporations are taxed at a concessionary rate of 10%.

The Company

The income tax expense for 2001 and 2000 are less than the amount of income tax expense determined by applying the Singapore tax rate of 24.5% (2000 : 25.5%) to profit before income tax as a result of dividend income received from approved qualifying corporations within the Group which is tax-exempt and certain types of income received from approved qualifying corporations which are taxed at a concessionary rate of 10% (2000 : 10%).

The Group

The income tax expense for 2001 and 2000 are less than the amount of income tax expense determined by applying the Singapore tax rate of 24.5% (2000 : 25.5%) to profit before income tax as a result of lower tax rates applicable to certain overseas subsidiaries and associates, certain overseas subsidiaries and associates not subject to income tax and non-deductible items.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

8 Extraordinary item

This represents restructuring costs incurred by a subsidiary in connection with the discontinued operations of its button rechargeable batteries in Hong Kong in 2000.

9 Dividends

	The Group and The Company	
	2001 S\$'000	2000 S\$'000
Interim tax-exempt dividend paid of 4.1 (2000 : 2.5) Singapore cents per ordinary share	4,242	2,587
Final tax-exempt dividend proposed of 6.0 (2000 : 6.5) Singapore cents per ordinary share	6,208	6,725
	10,450	9,312

10 Earnings per share

	The Group	
	2001 S\$'000	2000 S\$'000
<i>Earnings</i>		
Earnings before extraordinary item	25,038	22,126
Extraordinary item	-	(2,317)
Earnings after extraordinary item	25,038	19,809

	The Group	
	2001	2000
<i>Number of shares</i>		
Weighted average number of ordinary shares	103,462,331	103,461,168
Dilution adjustment for share options	560,211	30,980
Adjusted weighted average number of ordinary shares	104,022,542	103,492,148

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11 Fixed assets

	Freehold land S\$'000	Leasehold land S\$'000	Buildings S\$'000	Leasehold improvement S\$'000	Machinery, moulds and equipment S\$'000	Machinery under construction S\$'000	Motor vehicles S\$'000	Furniture, fixtures and equipment S\$'000	Total S\$'000
The Group									
Cost/Valuation:									
At 1 April 2000	10,004	5,305	47,587	5,098	265,651	1,662	3,977	30,091	369,375
Currency realignment	289	201	1,820	199	8,062	75	115	1,354	12,115
Additions	-	105	1,667	1,057	23,604	4,654	955	5,000	37,042
Disposals	-	-	(369)	(293)	(5,422)	-	(369)	(1,252)	(7,705)
At 31 March 2001	10,293	5,611	50,705	6,061	291,895	6,391	4,678	35,193	410,827
Represented by:									
Cost	5,556	5,611	46,416	6,061	291,895	6,391	4,678	35,193	401,801
Valuation	4,737	-	4,289	-	-	-	-	-	9,026
Total	10,293	5,611	50,705	6,061	291,895	6,391	4,678	35,193	410,827
Accumulated depreciation:									
At 1 April 2000	-	980	8,020	2,321	104,497	-	2,410	16,357	134,585
Currency realignment	-	36	234	93	1,274	-	70	677	2,384
Depreciation for the year	-	304	1,691	568	21,110	-	505	2,900	27,078
Disposals	-	-	-	(283)	(3,619)	-	(232)	(961)	(5,095)
At 31 March 2001	-	1,320	9,945	2,699	123,262	-	2,753	18,973	158,952
Depreciation for last year	-	275	1,543	352	15,715	-	481	2,512	20,878
Net book value:									
At 31 March 2001	10,293	4,291	40,760	3,362	168,633	6,391	1,925	16,220	251,875
At 31 March 2000	10,004	4,325	39,567	2,777	161,154	1,662	1,567	13,734	234,790

	Freehold land S\$'000	Leasehold land S\$'000	Buildings S\$'000	Leasehold improvement S\$'000	Machinery and equipment S\$'000	Motor vehicles S\$'000	Furniture, fixtures and equipment S\$'000	Total S\$'000
The Company								
Cost:								
At 1 April 2000	536	1,466	3,305	260	4,775	369	1,040	11,751
Additions	-	-	7	7	904	-	115	1,033
Disposals	-	-	-	-	(353)	-	(36)	(389)
At 31 March 2001	536	1,466	3,312	267	5,326	369	1,119	12,395
Accumulated depreciation:								
At 1 April 2000	-	197	318	61	1,722	317	701	3,316
Depreciation for the year	-	26	66	27	482	13	84	698
Disposals	-	-	-	-	(190)	-	(18)	(208)
At 31 March 2001	-	223	384	88	2,014	330	767	3,806
Depreciation for last year	-	25	56	19	441	18	79	638
Net book value:								
At 31 March 2001	536	1,243	2,928	179	3,312	39	352	8,589
At 31 March 2000	536	1,269	2,987	199	3,053	52	339	8,435

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

The net book value of fixed assets includes an amount of S\$60,000 (2000 : S\$90,000) for the Group and S\$nil (2000 : S\$13,000) for the Company in respect of assets held under finance leases.

Land and buildings with a total net book value of S\$6,438,000 (2000 : S\$6,403,000) for the Group has been pledged to banks as securities for banking facilities granted (Note 23).

The freehold land and leasehold land and buildings stated at valuation were revalued by an independent professional valuer, Vigers (JB) Sdn Bhd, in March 1994 based on the open market value on a willing buyer and willing seller basis for existing use. Revaluation is performed when required and there is no fixed policy on the frequency of revaluation. The resulting revaluation surpluses have been credited to the revaluation reserve and the balance as at year end amounted to S\$2,093,000 (2000 : S\$2,093,000) for the Group. If the cost method had been used, the net book value of the freehold land and leasehold land and buildings would have been S\$57,036,000 (2000 : S\$55,082,000).

Of the total depreciation charge for the year, an amount of S\$1,043,000 (2000 : S\$721,000) for the Group and S\$nil (2000 : S\$29,000) for the Company have been capitalised as product development expenditure.

Particulars of the properties included in freehold land, leasehold land and buildings are as follows:

Location	Description	Tenure
SINGAPORE		
No. 50, Gul Crescent, Singapore	A 2-storey factory building with built-up area of 2,615 square metres	Long-term lease
Symphony Heights, 37 Hume Avenue, #06-04, Singapore	One unit of residential condominium of approximately 155 square metres	Freehold
TAIWAN		
No. 211 Chung Cheng Road, Section 2 Hukow, Hsin-chu 30302, Taiwan	A 2-storey factory building with built-up area of 6,654 square metres and a warehouse with built-up area of 169 square metres	Freehold
Room 1011 and 1200, International Trade Building, No. 205 Tun Hua South Section 1, Taipei 10647, Taiwan	Office space of 500 square metres	Freehold
Lots 98-86 to 98-96 and Lot 98-182 Chung Pei Shih, Sub-Section Shan Pei Shih Section, Hukow Hsiang, Hsin-chu County, Taiwan	A 2,108-square metre plot of land	Freehold
207, 208 & 209, Mei Chih Cheng Hukow Hsiang, Hsin-chu County, Taiwan	Three 2-storey residential buildings of approximately 255 square metres	Freehold

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Location	Description	Tenure
MALAYSIA		
No. 5, Jalan Tampoi Tujuh Kawasan Perindustrian Tampoi 81200 Johor Bahru, Johor, Malaysia	A 19,652-square metre plot of land with a 3-storey factory building with a built-up area of 6,000 square metres	Freehold
	A 18,110-square metre plot of land with a warehouse with built-up area of 1,200 square metres	
Units No. A3-03, A3-04, TF-03 & TF-04 Putri Indah, Jalan Indra Putra Johor Bahru, Johor, Malaysia	Four units of residential condominium of approximately 516 square metres	Freehold
Lot 6975, Mukim of Senai-Kulai, Johor, Malaysia	A 39,885-square metre plot of land for factory building	Freehold
#18-00 and #19-00 Pacific Mall, Johor Bahru, Johor Malaysia	Two storeys of office buildings of approximately 2,582 square metres	Freehold
CHINA		
Land Lot No. 9 Development District Upper Lung Fung Terrace Huizhou City Guangdong, China	A 2,892-square metre plot of land with a 7-storey staff quarters with a built-up area of 6,239 square metres	Medium-term lease
No. 1-2, First Hong Ye Dong Road Hong Ye Industrial Area Tang Xia, Dong Guan, Guangdong, China	A 3-storey factory building with built-up area of 4,119 square metres	Medium-term lease
Road 12, Hong Ye Road Hong Ye Industrial Area (138) Tang Xia, Dong Guan, Guangdong, China	A 30,821-square metre plot of land with a 3-storey factory building and 7-storey staff quarters with built-up area of 9,840 square metres and 13,269 square metres respectively	Medium-term lease
3-603, 66, Yu Jian Lou Tang Xin Jie, Tang Xia, Dong Guan, Guangdong, China	A 73-square metre staff quarters	Medium-term lease

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Location	Description	Tenure
CHINA		
Block No 43 Wen Hua Xin Cun Tang Xia, Dong Guan, Guangdong, China	A 1,988-square metre staff quarters	Medium-term lease
Block No 41 Hong Ye Da Dao Hong Ye Industrial Area Tang Xia, Dong Guan, Guangdong, China	A 1,465-square metre staff quarters	Medium-term lease
Lou Fang Yuan, Xin Xiu Cun Lou Fang Lu Huang Bei Ling, Lou Wu Shenzhen, China	A 4,179-square metre staff quarters	Medium-term lease
No. 1, 5 Long and No. 2, 193 Long Yong Ye Road Zhang Qiao Zhen Pu Dong Area Shanghai, China	A 2,362-square metre staff quarters	Medium-term lease
Room 1 25/F, Block F, Peace Garden, Yang Pu District, 2200 Kong Jiang Lu Shanghai, China	One unit of residential flat with built-up area of 64 square metres	Long-term lease
Gu Tang Au Industrial Development District, Huizhou City, Guangdong China	A 13,034-square metre plot of land with a 3-storey factory building and staff quarters with built-up area of 11,149 square metres	Medium-term lease
	A 2,008-square metre plot of land with a 7-storey staff quarters with built-up area of 4,484 square metres	
	A 6,162-square metre plot of land for industrial use	
	A 14,024-square metre plot of land with a 2-storey factory building and a 3-storey staff quarters with built-up area of 4,581 square metres	

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Location	Description	Tenure
CHINA		
Lot No. 22 and No. 48 Peng Nam Industrial District Huizhou City Guangdong China	A 8,752-square metre plot of land with a 3-storey factory building and 5-storey staff quarters with built up area of 3,078 square metres and 1,224 square metres respectively	Medium-term lease
CANADA		
Suite 7, 7780 Woodbine Avenue Markham, Ontario L3R 2N7, Canada	A 500-square metre office and warehouse	Freehold
USA		
11225, 11235 and 11245 West Bernardo Court San Diego, CA 92127-1638, USA	Three industrial buildings	Freehold
DENMARK		
Tigervej 1, 7700 Thisted, Denmark	A 17,483-square metre plot of land with a factory building with built-up area of 6,489 square metres	Freehold
	A 14,345-square metre plot of land for industrial use	Freehold
POLAND		
ul. Zielona 22 PL 83-200 Starogard Gd.	A 19,736-square metre plot of land with a factory building and warehouse with built up area of 3,060 square metres	Long-term lease
	A plot of land of 5,911 square metres for industrial use	Freehold

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12 Interest in subsidiaries

	The Company	
	2001	2000
	S\$'000	S\$'000
Unquoted equity shares, at cost	106,242	106,062
Amounts due from subsidiaries- non-trade	315,804	301,829
Amounts due to subsidiaries- non-trade	(4,040)	(14,227)
	418,006	393,664

Particulars of the subsidiaries at 31 March 2001 are set out in Note 30 to the financial statements. The amounts due to and from subsidiaries are non-interest bearing and have no fixed terms of repayment.

13 Interest in associates

	The Group		The Company	
	2001	2000	2001	2000
	S\$'000	S\$'000	S\$'000	S\$'000
Unquoted equity shares, at cost	33,530	23,438	11,453	11,453
Goodwill on acquisition	(18,512)	(8,664)	-	-
Share of post-acquisition profits	14,766	11,069	-	-
Share of post-acquisition translation difference	(129)	(294)	-	-
	29,655	25,549	11,453	11,453

Particulars of the associates are set out in Note 31 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

14 Other investments

	The Group	
	2001 S\$'000	2000 S\$'000
Quoted equity securities, at cost	12,256	12,763
Less: Provision for diminution in value	-	(1,015)
	12,256	11,748
Unquoted equity securities, at cost	1,698	43
	13,954	11,791
Quoted equity securities, at market value	5,157	3,849
Movement in provision:		
At beginning of financial year	1,015	797
Currency realignment	54	(12)
Provision made during the year	-	230
Provision utilised	(1,069)	-
At end of financial year	-	1,015

15 Deferred expenditure

	The Group		The Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
<i>Product development expenditure</i>				
Cost:				
At beginning of financial year	57,552	49,115	3,133	2,678
Currency realignment	2,475	390	-	-
Additions	1,426	8,047	-	455
At end of financial year (i)	61,453	57,552	3,133	3,133
Accumulated amortisation:				
Amortisation for the year and balance at end of financial year (ii)	7,066	-	157	-
Net	54,387	57,552	2,976	3,133

(i) Included in product development expenditure is depreciation on fixed assets amounting to S\$2,740,000 (2000 : S\$1,697,000) for the Group and S\$290,000 (2000 : S\$290,000) for the Company.

(ii) Included in the amortisation for the Group is S\$5,814,000 (2000 : S\$nil) that has been charged to exceptional items (Note 6) during the year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

15 Deferred expenditure (cont'd)

	The Group		The Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
<i>Technical knowhow</i>				
Cost:				
At beginning of financial year	8,559	9,133	-	-
Currency realignment	436	(594)	-	-
Additions	93	20	-	-
At end of financial year	9,088	8,559	-	-
Accumulated amortisation:				
At beginning of financial year	8,091	7,355	-	-
Currency realignment	431	(115)	-	-
Amortisation for the year	292	851	-	-
At end of financial year	8,814	8,091	-	-
Net	274	468	-	-
Total deferred expenditure at end of financial year	54,661	58,020	2,976	3,133

16 Stocks and work in progress

	The Group		The Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
Raw materials, at cost	68,348	52,300	2,006	1,485
Work in progress, at cost	14,993	18,460	1,416	1,188
Finished goods, at cost less the following provision	75,324	69,298	607	424
	158,665	140,058	4,029	3,097
Movement in provision:				
At beginning of financial year	2,616	2,562	-	328
Currency realignment	108	(38)	-	-
Provision made (Written-back) during the year	731	616	-	(328)
Provision utilised	(424)	(524)	-	-
At end of financial year	3,031	2,616	-	-

17 Debtors

	The Group		The Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
a) Trade:				
Trade debtors	102,883	119,223	-	-
Less provision for doubtful debts	(2,485)	(2,153)	-	-
	100,398	117,070	-	-
Amount due from associates	-	-	-	108
Amount due from subsidiaries	-	-	65,880	43,912
Amount due from related parties (Note 17(b))	2,710	-	288	-
	103,108	117,070	66,168	44,020
Non-trade:				
Amount due from associates	7,001	6,650	5,475	5,495
Amount due from related parties	52	141	-	17
Other debtors	21,118	25,642	409	916
	28,171	32,433	5,884	6,428
	131,279	149,503	72,052	50,448

	The Group	
	2001 S\$'000	2000 S\$'000
Movement in provision:		
At beginning of financial year	2,153	2,278
Currency realignment	86	(40)
Provision made during the year	463	160
Provision utilised	(217)	(245)
At end of financial year	2,485	2,153

- b) Related parties in the financial statements refer to entities owned or controlled directly or indirectly by Gold Peak Industries (Holdings) Limited ("GPIH") which has significant influence over the Company.

GPIH, a company incorporated in Hong Kong and listed on the Stock Exchange of Hong Kong Limited, is the Company's major shareholder. GPIH invests in the Company through a subsidiary, GP Industries Limited, a company incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited.

The amount due from or to related parties bears no interest and has no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

18 Bank balances, deposits and cash

	The Group		The Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
Fixed deposits	13,403	3,886	110	285
Bank balances and cash	17,798	21,471	1,939	1,289
	31,201	25,357	2,049	1,574

19 Creditors and accrued charges

	The Group		The Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
Trade:				
Trade creditors	46,920	63,144	11,789	16,310
Amount due to associates	11,595	8,962	-	-
Amount due to related parties (Note 17(b))	-	207	-	-
Accrued charges	18,679	17,466	1,448	1,860
	77,194	89,779	13,237	18,170
Non-trade:				
Amount due to related parties (Note 17(b))	447	6	81	58
	77,641	89,785	13,318	18,228

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

20 Obligations under finance leases

	The Group		The Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
Minimum lease payment:				
Within one year	-	21	-	4
In the second to fifth year inclusive	-	32	-	1
Total finance lease obligations payable	-	53	-	5
Less: Finance charges allocated to future periods	-	(1)	-	(1)
Present value of finance lease obligations	-	52	-	4
Less: Amounts due within one year as shown under current liabilities	-	(20)	-	(3)
Amount due in the second to fifth year inclusive	-	32	-	1

Interest rates on finance leases range from 3.6% to 5.5% (2000 : 3.6% to 5.5%) per annum.

21 Bank loans and overdrafts

	The Group		The Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
Current portion of bank loans (Note 23)	45,352	17,613	38,968	11,264
Short-term bank loans - unsecured	96,347	85,524	69,216	60,400
Bank overdrafts - unsecured	576	896	5	102
Import loans - unsecured	10,402	24,962	997	5,316
	152,677	128,995	109,186	77,082

Interest rates on short-term loans range from 1.0% to 9.0% (2000 : 0.6% to 10.5%) per annum.

22 Bonds

In October 1995, the Company entered into an agreement with Citicorp Investment Bank (Singapore) Limited to issue 19,940,562 detachable warrants to subscribe for 19,940,562 new ordinary shares of S\$0.80 each in the capital of the Company in conjunction with the issue of US\$35 million (S\$59,892,000) unsecured bonds due 2000 at a coupon rate of 2.25 per cent per annum.

The Company has adopted the accounting practice of recording the bonds at its face value with no value attributed to the warrants.

In June 1995, the International Accounting Standards Committee issued IAS 32 which specifies the preferred accounting presentation and disclosure on the above financial instrument. Under the preferred accounting treatment in IAS 32 a value would be ascribed to the discount implicit in the terms of such an issue and the value attributed to the warrants would be credited to a capital reserve account. The balance of the proceeds of the issue will be allocated to the bond, thus resulting in the recording of the bond at a discount. This discount will be amortised and charged to the profit and loss statement over the life of the bond. The carrying amount of the bond in the balance sheet will therefore increase by a corresponding amount as and when the bond discount is amortised. Singapore has adopted SAS 32 "*Financial Instruments : Disclosure and Presentation*" and SAS 33 "*Financial Instruments : Recognition and Measurement*" effective for financial statements covering periods beginning on or after 1 October 2000 and 1 July 2001 respectively.

Effect on Earnings

If the accounting treatment under IAS 32 was adopted by the Company, the profit before taxation for the year ended 31 March 2001 would have been reduced by approximately S\$1,756,000 (2000 : S\$2,904,000).

Effect on Net Tangible Assets

Had IAS 32 been adopted, the net tangible assets of the Group and the Company as at 31 March 2001 would have increased by S\$699,000 (2000 : S\$2,455,000).

The above unsecured bonds were fully repaid on 15 November 2000. The repayment was financed by a US\$60,000,000 Floating Rate Notes due 2003 that were issued by the Company on 8 September 2000 (see Note 24).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

23 Bank loans

	The Group		The Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
Bank loans				
Secured	2,787	3,177	-	-
Unsecured	60,374	74,301	50,082	58,729
	63,161	77,478	50,082	58,729
Less: Amounts due within one year (Note 21)				
Secured	(606)	(531)	-	-
Unsecured	(44,746)	(17,082)	(38,968)	(11,264)
Current portion of bank loans	(45,352)	(17,613)	(38,968)	(11,264)
Long-term portion of bank loans	17,809	59,865	11,114	47,465

The above bank loans comprise the following:

- a) Bank loan amounting to S\$2,787,000 (2000 : S\$3,177,000) is secured by mortgage over two storeys of office building of a subsidiary. It bears interests at 8.2% (2000 : 8.2% to 9.0%) per annum.
- b) The other bank loans bear interests at between 5.7% to 8.2% (2000 : 6.7% to 7.6%) per annum.

The long-term portions of bank loans are repayable as follows:

	The Group		The Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
More than one year but not exceeding two years	16,286	42,984	11,114	36,932
More than two years but not exceeding five years	1,523	16,849	-	10,533
More than five years	-	32	-	-
	17,809	59,865	11,114	47,465

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

24 Floating rate notes

On 8 September 2000, the Company issued US\$60,000,000 (S\$108,333,000) unsecured Floating Rate Notes ("FRN") due 2003 to re-finance the US\$35,000,000 unsecured bonds due 2000 and other short term bank borrowings. The FRN is unsecured and bears interest at 1.1875% over Singapore Inter-bank US Dollar Offered Rates.

25 Deferred income tax

	The Group		The Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
Deferred taxation liability on:				
Timing difference for recognition of deferred expenditure	3,089	3,407	-	-
Excess of capital allowances over depreciation	275	275	275	275
	3,364	3,682	275	275

No deferred taxation has been provided on other timing differences as it is not expected that these timing differences will reverse in the foreseeable future. At the end of the financial year, the full potential deferred taxation liability for the Group not recognised is as follows:

	The Group	
	2001 S\$'000	2000 S\$'000
On excess of capital allowances over depreciation	6,959	6,217
On other timing differences	(230)	(33)
On tax losses	(4,850)	(4,737)
	1,879	1,447

26 Share capital

	The Group and The Company	
	2001 S\$'000	2000 S\$'000
Authorised:		
156,250,000 ordinary shares of S\$0.80 each	125,000	125,000
Issued and fully paid:		
103,464,168 (2000 : 103,461,168) ordinary shares of S\$0.80 each	82,771	82,769

During the financial year, the Company issued 3,000 new ordinary shares of S\$0.80 each at US\$2.10 per share for cash pursuant to the exercise of warrants by warrant holders.

Details of outstanding share options of the Company are set out in paragraph 20 of the Directors' Report.

27 Directors' remuneration

Number of directors of the Company within each of the remuneration bands is as follows:

	Number of Directors	
	2001	2000
S\$500,000 and above	3	1
S\$250,000 to S\$499,999	2	4
Below S\$250,000	4	4
Total	9	9

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

28 Commitments

As at the balance sheet date, commitments of the Company and of the Group which have not been provided for in the financial statements are as follows:

a) Operating lease commitments

	The Group		The Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
Within 1 year	4,224	2,862	65	61
After 1 year and within 5 years	4,275	4,100	259	269
After 5 years	1,341	1,771	1,005	1,042
	9,840	8,733	1,329	1,372

b) Capital expenditure commitments

	The Group	
	2001 S\$'000	2000 S\$'000
Capital expenditure contracted for but not provided for	2,817	6,889
Capital expenditure authorised but not contracted for	3,645	3,841
	6,462	10,730

- c) As at year end date, the Company has outstanding interest rate agreements from floating rates into fixed of 5.85% to 5.95% for notional principal amount of US\$11,400,000 (2000 : US\$17,100,000). Such agreements were entered into as part of the Company's interest rate risk management measure.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

29 Contingent liabilities - unsecured

	The Group		The Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
Guarantees given in respect of banking and other facilities granted to:				
Subsidiaries	-	-	164,385	168,492
Associates	13,442	12,743	13,442	12,743
Export bills discounted with recourse	10,075	10,126	-	-
	23,517	22,869	177,827	181,235

30 Subsidiaries

Subsidiaries of the Company as at 31 March 2001 are as follows:

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment	
		2001 %	2000 %		2001 S\$'000	2000 S\$'000
AB Ejendomsaktieselskabet Thisted*, #	Denmark	100	100	Property investment	-	-
Advance Battery Technology International Limited@,#	Hong Kong	100	100	Trading in batteries and battery materials	-	-
Advanced Battery Technology Limited#	British Virgin Islands	75	84	Intellectual property	-	-
Alkaline Batteries A/S*, #	Denmark	100	100	Manufacturing of batteries	-	-
Alkaline Batteries Limited@, # [formerly known as GP Battery Technology (BVI) Limited]	British Virgin Islands	100	100	Marketing and trading in batteries	-	-
Alkaline Batteries (L) Bhd@, #	Malaysia	100	-	Marketing and trading in batteries	-	-
Allied Brilliant Trading Ltd+, #	Taiwan	75	-	Marketing and trading in batteries	-	-
Bestasi Sdn Bhd+, #	Malaysia	100	100	Property investment	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment	
		2001 %	2000 %		2001 S\$'000	2000 S\$'000
Champion World Limited@, #	British Virgin Islands	100	100	Investment holding	-	-
Danish Polish Batteries Sp. z.o.o*, #	Poland	100	100	Manufacturing of batteries	-	-
Dongguan Yinfea Battery Products Co Ltd*, #	PRC	100	100	Manufacturing of batteries	-	-
Dongguan Chao Ba Batteries Co Ltd*, #	PRC	100	100	Manufacturing of batteries	-	-
Douza Investments Ltd@, #	British Virgin Islands	100	100	Investment holding	-	-
Energy Pack Netherlands Holdings B.V. @	Netherlands	100	100	Investment holding and provision of logistic support	185	185
EVB Technology Limited@	Bermuda	100	-	Investment holding	180	-
EVB Technology (HK) Limited*, #	Hong Kong	100	-	Manufacturing of batteries	-	-
EVB Technology Pte Ltd	Singapore	100	100	Manufacturing of batteries	-	-
Geewin Industrial (S) Pte Ltd	Singapore	80	80	Investment holding	80	80
Geewin Industrial Limited*, #	Hong Kong	80	80	Provision of logistic support	-	-
Gold Peak Industries (Taiwan) Limited+	Taiwan	75	84	Manufacturing of batteries	95,105	95,105
Gold Peak Industries (North America) Inc@, #	United States of America	75	84	Marketing and trading in batteries	-	-
Gold Won Electrochemical Company Limited*, #	Hong Kong	100	100	Investment holding and provision of logistic support	-	-
Golden State Financial Group Inc*, #	United States of America	100	-	Provision of logistic support	-	-
GP Batteries (China) Limited*, #	PRC	85	85	Manufacturing of batteries	-	-
GP Batteries (Malaysia) Sdn Bhd+	Malaysia	100	100	Manufacturing of batteries	5,799	5,799

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment	
		2001 %	2000 %		2001 S\$'000	2000 S\$'000
GP Batteries (U.K.) Limited*, #	United Kingdom	51	51	Marketing and trading in batteries	-	-
GP Batteries (USA) Inc*, #	United States of America	100	100	Manufacturing and marketing of batteries	-	-
GP Battery Marketing (Europe) S.A., #	France	80	80	Marketing and trading in batteries	-	-
GP Battery Marketing (H.K.) Limited+, #	Hong Kong	100	100	Marketing and trading in batteries	-	-
GP Battery Marketing Inc., #	Canada	75	75	Marketing and trading in batteries	-	-
GP Battery Marketing (BC) Inc@, #	Canada	75	75	Marketing and trading in batteries	-	-
GP Battery Marketing (China) Ltd*, #	Hong Kong	100	100	Investment holding	-	-
GP Battery Marketing (Latin America) Inc., #	United States of America	51	51	Marketing and trading in batteries	-	-
GP Battery Marketing (Singapore) Pte Ltd	Singapore	100	100	Marketing and trading in batteries	800	800
GP Battery Marketing (Taiwan) Limited*, #	Taiwan	80	80	Marketing and trading in batteries	-	-
GP Battery (Poland) Sp. z.o.o.*, #	Poland	100	100	Marketing and trading in batteries	-	-
GP Battery Specialist Inc.@, #	Canada	75	75	Marketing and trading in batteries	-	-
GP Battery Technology (HK) Limited+	Hong Kong	100	100	Investment holding	-	-
GP Battery Technologies LLC@, #	United States of America	75	84	Research and development	-	-
GPI Advertising Co Limited+, #	Hong Kong	100	100	Provision of advertising agency services	-	-
GPI International Limited+, #	Hong Kong	100	100	Marketing and trading in batteries	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment	
		2001 %	2000 %		2001 S\$'000	2000 S\$'000
GP Lithium Batteries Limited@, #	British Virgin Islands	100	100	Investment holding	-	-
GP Lithium Batteries LLC@, #	United States of America	100	100	Manufacturing and marketing of batteries	-	-
GP Lithium Batteries (S) Pte Ltd #	Singapore	100	100	Investment holding and provision of logistic support	-	-
Hayle Limited@, #	British Virgin Islands	100	100	Trading in batteries and battery materials	-	-
Huizhou Chao Ba Batteries Co Ltd*, #	PRC	90	90	Marketing and trading in batteries	-	-
Huizhou Gold Won Electrochemical Company Limited*, #	PRC	85	85	Manufacturing of battery parts	-	-
Huizhou Modern Battery Limited*, #	PRC	68	68	Manufacturing of batteries	-	-
Huizhou Power Pack Co Ltd*, #	PRC	100	100	Manufacturing of batteries	-	-
Lehman Overseas Limited@, #	British Virgin Islands	100	100	Trading in batteries and battery materials	-	-
North America Land Holdings Inc*, #	United States of America	100	-	Property investment	-	-
Power Era Limited*, #	Hong Kong	100	-	Investment holding	-	-
Powerbank Limited*, #	Hong Kong	100	100	Manufacturing of batteries	-	-
Praisewell International Limited*, #	Hong Kong	100	100	Investment holding	-	-
Shanghai Bi Ba Batteries Co Ltd*, #	PRC	100	100	Manufacturing of batteries	-	-
Shenzhen Sylva Electrochemical Ltd*, #	PRC	100	100	Manufacturing of batteries	-	-
Shenzhen Jetpower Batteries Limited*, #	PRC	100	100	Manufacturing of battery parts	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment	
		2001 %	2000 %		2001 S\$'000	2000 S\$'000
Surplus Enterprise Limited*, #	Hong Kong	100	-	Investment holding	-	-
Sylva Development Limited@, #	British Virgin Islands	100	100	Property investment	-	-
Sylva Industries (China) Limited+, #	Hong Kong	100	100	Investment holding	-	-
Sylva Industries Limited+	Hong Kong	100	100	Manufacturing of batteries	4,093	4,093
Sylva Property Investment Limited@, #	Hong Kong	100	100	Property investment	-	-
Whitehill Electrochemical Company Limited+, #	Hong Kong	100	100	Investment holding and provision of logistic support	-	-
					106,242	106,062

Held by subsidiaries of the Company

+ Audited by member firms of Deloitte Touche Tohmatsu.

* Audited by other accounting firms.

@ The financial statements of these subsidiaries are not audited as there are no such statutory requirements in their countries of incorporation.

Other than as disclosed above, all the subsidiaries are audited by Deloitte & Touche, Singapore.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 Associates

Associates of the Group as at 31 March 2001 are as follows:

Name of associates	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment (Group)		Cost of investment (Company)	
		2001 %	2000 %		2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
Advance Technology Co Ltd #	Taiwan	50	50	Manufacturing of battery parts	11,161	11,161	-	-
Asia Pacific Hitec Company Limited #	South Korea	50	50	Marketing and trading in batteries	194	194	-	-
Gold Yi Industries Co Ltd #	Hong Kong	45	-	Investment holding and provision of logistic support	6,481	-	-	-
GP Battery Marketing (Germany) GmbH #	Germany	35	35	Marketing and trading in batteries	59	59	-	-
GP Battery Marketing Italy S.r.l. #	Italy	40	40	Marketing and trading in batteries	66	66	-	-
GP Battery Marketing (Malaysia) Sdn Bhd #	Malaysia	30	30	Marketing and trading in batteries	14	14	-	-
GP Battery Marketing (Thailand) Co Ltd #	Thailand	49	49	Marketing and trading in batteries	89	89	-	-
Huizhou Gold Yi Industries Co Ltd @	PRC	38.3	-	Manufacturing of battery parts	-	-	-	-
Huizhou Long Tek Industries Co Ltd @	PRC	42.5	-	Manufacturing of battery parts	-	-	-	-
Long Tek Industries Co Ltd #	Hong Kong	50	-	Investment holding and provision of logistic support	3,611	-	-	-
Shanghai Jin Jiang Battery Co Ltd #	PRC	35	35	Manufacturing of batteries	402	402	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Name of associates	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment (Group)		Cost of investment (Company)	
		2001 %	2000 %		2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
T.G. Battery Co (Hong Kong) Limited	Hong Kong	50	50	Investment holding and provision of logistic support	11,453	11,453	11,453	11,453
T. G. Battery Co (China) Ltd @	PRC	42.5	42.5	Manufacturing of batteries	-	-	-	-
					33,530	23,438	11,453	11,453

Held by subsidiaries of the Company

@ Held by associates of the Company

32 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the Group has transactions with related parties on normal commercial terms as agreed between the parties as follows:

	The Group	
	2001 S\$'000	2000 S\$'000
Sales to related parties	2,578	862
Rental income from related parties	8	12
Rental paid to related parties	2,224	2,154
	4,810	3,028

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

33 Segment information

The Group's activities are primarily based in People's Republic of China including Hong Kong and others Asian countries. The dominant source and nature of the Group's risk and returns are based on the geographical areas where its production facilities and assets are located. Therefore, the primary segment is geographical segments by location of assets.

In previous years, the geographical segments were based on the locations of the Group's customers and other assets. Accordingly, the comparative numbers have been reclassified.

Primary segment information for the Group based on geographical segments by location of assets for the year ended 31 March 2001 are as follows:

	Asia S\$'000	North and South America S\$'000	Europe and Others S\$'000	Elimination S\$'000	Consolidated S\$'000
2001					
Revenue					
External sales	520,840	26,622	46,710	-	594,172
Inter-segment sales	946,533	42,419	17,972	(1,006,924)	-
Total revenue	1,467,373	69,041	64,682	(1,006,924)	594,172
Results					
Segment results	40,216	509	1,045		41,770
Finance costs					(21,289)
Profit before exceptional items					20,481
Exceptional items					71
Profit before share of results of associates					20,552
Share of results of associates	7,851	-	478		8,329
Profit before income tax					28,881
Taxation					(3,210)
Profit after income tax					25,671
Minority interests					(633)
Profit attributable to shareholders					25,038

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

33 Segment information (cont'd)

	Asia S\$'000	North and South America S\$'000	Europe and Others S\$'000	Consolidated S\$'000
2001				
- Balance sheet				
Segments assets	538,370	79,783	40,500	658,653
Interest in associates	29,452	-	203	29,655
Unallocated assets				431
Consolidated total assets				688,739
Segments liabilities	64,287	3,635	9,719	77,641
Unallocated liabilities				289,904
Consolidated total liabilities				367,545
Other information				
Addition of:				
Capital expenditure	32,062	642	4,338	37,042
Deferred expenditure	895	624	-	1,519
Non cash expenses:				
Depreciation	23,815	643	1,577	26,035
Amortisation	1,575	5,783	-	7,358

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

33 Segment information (cont'd)

	Asia S\$'000	North and South America S\$'000	Europe and Others S\$'000	Elimination S\$'000	Consolidated S\$'000
2000					
Revenue					
External sales	458,425	25,727	47,122	-	531,274
Inter-segment sales	983,144	636	15,116	(998,896)	-
Total revenue	1,441,569	26,363	62,238	(998,896)	531,274
Results					
Segment results	29,285	977	1,126		31,388
Finance costs					(12,884)
Profit before share of results of associates					18,504
Share of results of associates	6,331	-	660		6,991
Profit before income tax					25,495
Taxation					(2,447)
Profit after income tax					23,048
Minority interests					(922)
Profit before extraordinary item					22,126
Extraordinary item					(2,317)
Profit attributable to shareholders					19,809

33 Segment information (cont'd)

	Asia S\$'000	North and South America S\$'000	Europe and Others S\$'000	Consolidated S\$'000
2000				
Balance sheet				
Segments assets	497,795	90,608	40,437	628,840
Interest in associates	25,348	-	201	25,549
Unallocated assets				87
Consolidated total assets				654,476
Segments liabilities	79,500	1,249	9,036	89,785
Unallocated liabilities				262,288
Consolidated total liabilities				352,073
Other information				
Addition of:				
Capital expenditure	39,478	4,443	2,578	46,499
Deferred expenditure	2,066	6,001	-	8,067
Non cash expenses:				
Depreciation	17,857	662	1,638	20,157
Amortisation	848	3	-	851

Revenue by location of customers

	The Group	
	2001 S\$'000	2000 S\$'000
Asia	341,451	286,585
North and South America	106,307	108,452
Europe and others	146,414	136,237
	594,172	531,274

The operations of the Group are in the development, manufacturing, distribution and trading in batteries and battery related products and most of the assets of the Group are deployed in these operations. Accordingly, the income and profits of the Group are derived substantially from this business segment.

34 Reclassifications and comparative figures

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

APPENDIX IV

**UNAUDITED INTERIM RESULTS OF GP BATTERIES INTERNATIONAL LIMITED
FOR THE SIX MONTHS
ENDED 30 SEPTEMBER 2001**

*The information in this Appendix IV has not been specifically prepared
for inclusion in this Information Memorandum.*

Half-year financial statement on consolidated results for the six months ended 30 September 2001.
 These figures have not been audited.

		Group			Company		
		S\$'000		%	S\$'000		%
		Latest half year	Previous half year	Change	Latest half year	Previous half year	Change
1.(a)	Turnover	282,076	286,459	(1.5)	17,335	17,170	1.0
1.(b)	Investment income	0	245	N/M	0	0	0
1.(c)	Other income including interest income	536	1,065	(49.7)	98	57	71.9
2.(a)	Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	29,093	32,831	(11.4)	15,293	15,614	(2.1)
2.(b)(i)	Interest on borrowings	(8,311)	(8,920)	(6.8)	(6,869)	(7,196)	(4.5)
2.(b)(ii)	Depreciation and amortisation	(13,488)	(11,003)	22.6	(380)	(339)	12.1
2.(b)(iii)	Foreign exchange gain/(loss)	(284)	(821)	(65.4)	157	(22)	N/M
2.(c)	Exceptional items	0	68	N/M	0	0	0
2.(d)	Operating profit before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	7,010	12,155	(42.3)	8,201	8,057	1.8

		Group			Company		
		S\$'000		%	S\$'000		%
		Latest half year	Previous half year	Change	Latest half year	Previous half year	Change
2.(e)	Income derived from associated companies	5,099	3,881	31.4	0	0	0
2.(f)	Less income tax	(1,316)	(1,650)	(20.2)	0	(50)	N/M
2.(g)(i)	Operating profit after tax before deducting minority interests	10,793	14,386	(25.0)	8,201	8,007	2.4
2.(g)(ii)	Less minority interests	28	(109)	N/M	0	0	0
2.(h)	Operating profit after tax attributable to members of the company	10,821	14,277	(24.2)	8,201	8,007	2.4
2.(i)(I)	Extraordinary items	0	0	0	0	0	0
2.(i)(ii)	Less minority interests	0	0	0	0	0	0
2.(i)(iii)	Extraordinary items attributable to members of the company	0	0	0	0	0	0
2.(j)	Operating profit after tax and extraordinary items attributable to members of the company	10,821	14,277	(24.2)	8,201	8,007	2.4

Note to 2(c) : Exceptional items for previous half year represented the net gain arising from the dilution of interest in a subsidiary and the writing off of some related intangible assets.

Group Figures

		Latest half year	Previous half year
3.(a)	Earnings per share based on 2(h) above after deducting any provision for preference dividends:-		
	(i) Based on existing issued share capital *	10.46 cents	13.80 cents
	(ii) On a fully diluted basis	10.41 cents	13.75 cents
3.(b)	Earnings per share based on 2(j) above:-		
	(i) Based on existing issued share capital *	10.46 cents	13.80 cents
	(ii) On a fully diluted basis	10.41 cents	13.75 cents
3.(c)	Net tangible asset backing per ordinary share **	S\$2.24	S\$2.27

(*) Earnings per ordinary share is computed based on the weighted average of 103,480,933 (2000:103,461,168) shares in issue during the period.

(**) Net tangible asset backing per ordinary share is computed based on actual number of shares in issue as at 30 September 2001 of 103,501,168 (2000:103,461,168).

4.(a) Amount of any adjustment for under or overprovision of tax in respect of prior years

There were no material adjustments for under or overprovision of taxation in respect of prior years.

The tax charge for the Group is determined on the basis of tax effect accounting using the liability method and is applied to all significant timing differences and by applying the different corporate tax rates prevailing in the various countries of incorporation of the Group companies. The effective tax rate for the period was 10.9% compared to 10.3% for the last period.

4.(b) Amount of any pre-acquisition profits

NIL

4.(c) Amount of profits on any sale of investments and/or properties

Sale of investments/properties
NIL

\$Profit/(Loss)

4.(d) Any other comments relating to Paragraph 4

There was no sale of investments during the six months ended 30 September 2001.

5.(a) Review of the performance of the company and its principal subsidiaries

The Group's turnover for the six months ended 30 September 2001 decreased slightly by 1.5% to S\$282.1 million. The operating profit before taxation, interest, depreciation and amortisation, and exchange amounted to S\$29.1 million, representing a decrease of 11.4% as compared to the same period last year. Other income decreased to S\$0.5 million due to lower interest income earned from deposit and depreciation and amortisation for the first six months increased by 22.6% to S\$13.5 million. However, income from associated companies continued to contribute significantly with contribution amounting to S\$5.1 million, an increase of 31.4% over last year. This increase was due mainly to the good performance of the major joint venture companies in China. Overall, the consolidated net profit after taxation attributable to members of the company decreased by 24.2% to S\$10.8 million when compared to the previous corresponding period.

Earnings per share for the period based on the weighted average of 103,480,933 (2000:103,461,168) shares in issue amounted to 10.46 Singapore cents, compared with 13.80 Singapore cents for the previous corresponding period. The diluted earnings per share, based on the weighted average of 103,989,253 (2000:103,844,885) after taking into account the dilution adjustment for share options, amounted to 10.41 Singapore cents, compared with 13.75 Singapore cents for 2000.

The slowdown in the personal computer and cell phone demand which started from the fourth quarter of last fiscal year continued into the first half of the year, causing a sharp reduction of orders from OEM customers. However, strong demand from private-label customers especially the Alkaline 9-volt batteries and the steady consumer sales helped to cushion the shortfall. Demand for our Nickel Metal Hydride battery remained satisfactory. Margins were affected by the fierce competition due to oversupply, especially in the rechargeable battery market.

Our plan to increase the production of the Lithium Ion batteries in Taiwan has been affected due to the sluggish demand for laptop computers. However, the plan to develop other Lithium Ion battery sizes as well as prismatics for cell phones and other electronic applications is continuing as scheduled.

With the launch of these batteries in early 2002, we shall have a comprehensive range of Lithium Ion batteries. This will enhance our competitiveness.

The Group has secured a contract to supply electric vehicle ("EV") batteries for the Advance Hybrid Transport vehicles of the Netherlands. This confirms our position as a major qualified battery supplier in Europe. The implementation of such a new transport system in January 2002 will bring forth an era of environmentally friendly and energy efficient electric mass transit creating a significant demand for EV batteries. The project negotiations to supply Beijing with EV batteries in time for the Olympics 2008 is still in progress.

Our plant in Singapore has undergone the QS9000 accreditation audit and has been recommended for certification.

- 5.(b) A statement by the Directors of the Company on whether "any item or event of a material or unusual nature which would have affected materially the results of operations of the Group and Company has occurred between the date to which the report refers and the date on which the report is issued". If none, to include a negative statement.

In the opinion of the Directors, no items, transaction or event of a material and unusual nature has arisen between the date up to which this report refers 30 September 2001 and the date on which this report is issued which would substantially affect the results of the Company or of the Group.

6. Commentary on current year prospects

The economy in the U.S. is expected to remain weak with the terrorist attacks on 11 September. Demand for batteries is expected to soften and competition will intensify. We intend to capitalize on our distribution in Asia to enhance our "GP" brand in the consumer market and explore more business opportunities in China. The Group will increase its efforts in the EV battery market especially for hybrid electric vehicles ("HEV").

During the Asian financial crisis, the Group had undertaken a number of measures to streamline its operation which improved its competitive position and cost structure. Some of the measures have been reinstated in view of the current economic climate.

Overall, barring any unforeseen circumstances, the Group's results for the second half year will remain profitable but would be lower than that of the first half year.

7. Dividend

(a) *Latest Period*

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	3.875%/ 3.1 cents per ordinary share tax exempt
Par value of shares	S\$0.80
Tax Rate	

(b) *Previous Corresponding Period*

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	5.125%/ 4.1 cents per ordinary share tax exempt
Par value of shares	S\$0.80
Tax Rate	

(c) Date payable

To be announced later.

(d) Books closing date

To be announced later.

(e) Any other comments relating to Paragraph 7

NIL

8. Details of any changes in the company's issued share capital

Since the end of the previous half year up to 30 September 2001, the issued share capital of the Company was increased from S\$82,771,000 to S\$82,801,000 arising from the issue of 37,000 ordinary shares of S\$0.80 each at S\$1.41 pursuant to the exercise by option holders under the Company's Executives' Share Option Scheme.

The total number of shares that may be issued on exercise of all outstanding share options granted under the Company's Executives' Share Option Scheme are as follows:

	Date of Expiry	Exercise Price per each ordinary share of S\$0.80	As at 30/9/2001	As at 31/3/2001
Share Option 1992 Scheme				
No. 5	15 January 2002	US\$3.312	928,000	928,000
No. 6	28 July 2002	S\$4.448	935,000	935,000
No. 7	5 August 2004	S\$3.08	2,730,000	2,730,000

1999 Scheme			
No. 1	16 March 2010	S\$1.41	1,734,000 1,771,000
No. 2	10 October 2010	S\$1.60	2,000,000 2,000,000
			8,327,000 8,364,000

9. Comparative figures of the group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

As at 30/09/2001 (DD/MM/YYYY)		As at 31/03/2001 (DD/MM/YYYY)	
Secured	Unsecured	Secured	Unsecured
S\$645,000	S\$150,909,000	S\$606,000	S\$152,071,000

(b) Amount repayable after one year

As at 30/09/2001 (DD/MM/YYYY)		As at 31/03/2001 (DD/MM/YYYY)	
Secured	Unsecured	Secured	Unsecured
S\$1,914,000	S\$113,730,000	S\$2,181,000	S\$123,961,000

(c) Any other comments relating to Paragraph 9

NIL