

**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 Monetary Authority of 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 Sections 274 and 275 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). 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 securities exchange within the meaning of the SFA, such Notes may not be offered or sold or be made the subject of an invitation for subscription or purchase nor may this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes be circulated or distributed, whether 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 274 of the SFA, (b) to a sophisticated investor, and in accordance with the conditions, specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA and (2) in relation to Notes which are listed or quoted on the SGX-ST or a recognised securities 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 or be made the subject of an invitation for subscription or purchase nor may this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Listed Notes be circulated or distributed, whether 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 274 of the SFA, (b) to a sophisticated investor, and in accordance with the conditions, specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. After the Expiry Date, such Listed Notes may be offered or sold or be made the subject of an invitation for subscription or purchase 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 securities exchange.

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****DBS BANK LTD****THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED**

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NOTICE

DBS Bank Ltd (formerly known as The Development Bank of Singapore Ltd, the “**Arranger**”) had 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 offering 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 as to 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 herein)) 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 herein) 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 274 and/or Section 275 of the SFA 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) nor 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 274, 275 and 276 or any other provisions of the SFA) 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 (if any), 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 65 and 66 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) DBS Bank, 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”	: DBS Bank
“Arranger”	: DBS Bank
“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”	: 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
“DBS Bank”	: DBS Bank Ltd (formerly known as The Development Bank of Singapore Ltd)
“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
“FY”	: Financial Year ended 31 March
“Group”	: The Issuer and its subsidiaries
“Issuer”	: GP Batteries International Limited
“Issuing and Paying Agent”	: DBS Bank
“MAS”	: The Monetary Authority of Singapore
“Notes”	: The notes to be issued by the Issuer under the Programme
“Programme”	: The S\$500,000,000 Multicurrency Debt Issuance Programme of the Issuer
“Programme Agreement”	: The Programme Agreement dated 20 May 2002 made between (1) the Issuer, as issuer, (2) DBS Bank, as arranger, and (3) BNP Paribas, Citicorp Investment Bank (Singapore) Limited, DBS Bank 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
“SFA”	: Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
“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 as to 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
“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 Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

Board of Directors	: Andrew Ng Sung On (<i>Chairman and Chief Executive</i>) Richard Ku Yuk Hing (<i>Vice Chairman</i>) 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 6 Shenton Way #32-00 DBS Building Tower Two Singapore 068809
Arranger of the Programme	: DBS Bank Ltd 6 Shenton Way #35-00 DBS Building Tower One Singapore 068809
Dealers	: BNP Paribas 80 Raffles Place #43-01 UOB Plaza One Singapore 048624 Citicorp Investment Bank (Singapore) Limited 3 Temasek Avenue #17-00 Centennial Tower Singapore 039190 DBS Bank Ltd 6 Shenton Way #35-00 DBS Building Tower One Singapore 068809 The Hongkong and Shanghai Banking Corporation Limited 21 Collyer Quay #14-01 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	: DBS Bank Ltd 6 Shenton Way #36-02 DBS Building Tower One Singapore 068809
Trustee for the holders of the Notes	: DBS Trustee Limited 6 Shenton Way #36-02 DBS Building Tower One Singapore 068809
Principal Bankers	: BNP Paribas, Singapore Branch Tung Centre 20 Collyer Quay #01-01 Singapore 049319 Citibank, N.A., Singapore Branch 3 Temasek Avenue #12-00 Centennial Tower Singapore 039190 DBS Bank Ltd 6 Shenton Way DBS Building Singapore 068809 Oversea-Chinese Banking Corporation Limited 65 Chulia Street OCBC Centre Singapore 049513 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	: DBS Bank
Dealers	: BNP Paribas, Citicorp Investment Bank (Singapore) Limited, DBS Bank 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	: DBS Bank
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

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| 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 | : | <p>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</p> <p>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)</p> |
| 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(s)), 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 (as defined in the Trust Deed), 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 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. 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. (l) 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(l) 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:

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

In the case of Discount:

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

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 unmaturing 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 unmaturing 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 unmaturing 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 unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing 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, unmaturing 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 unmaturing 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

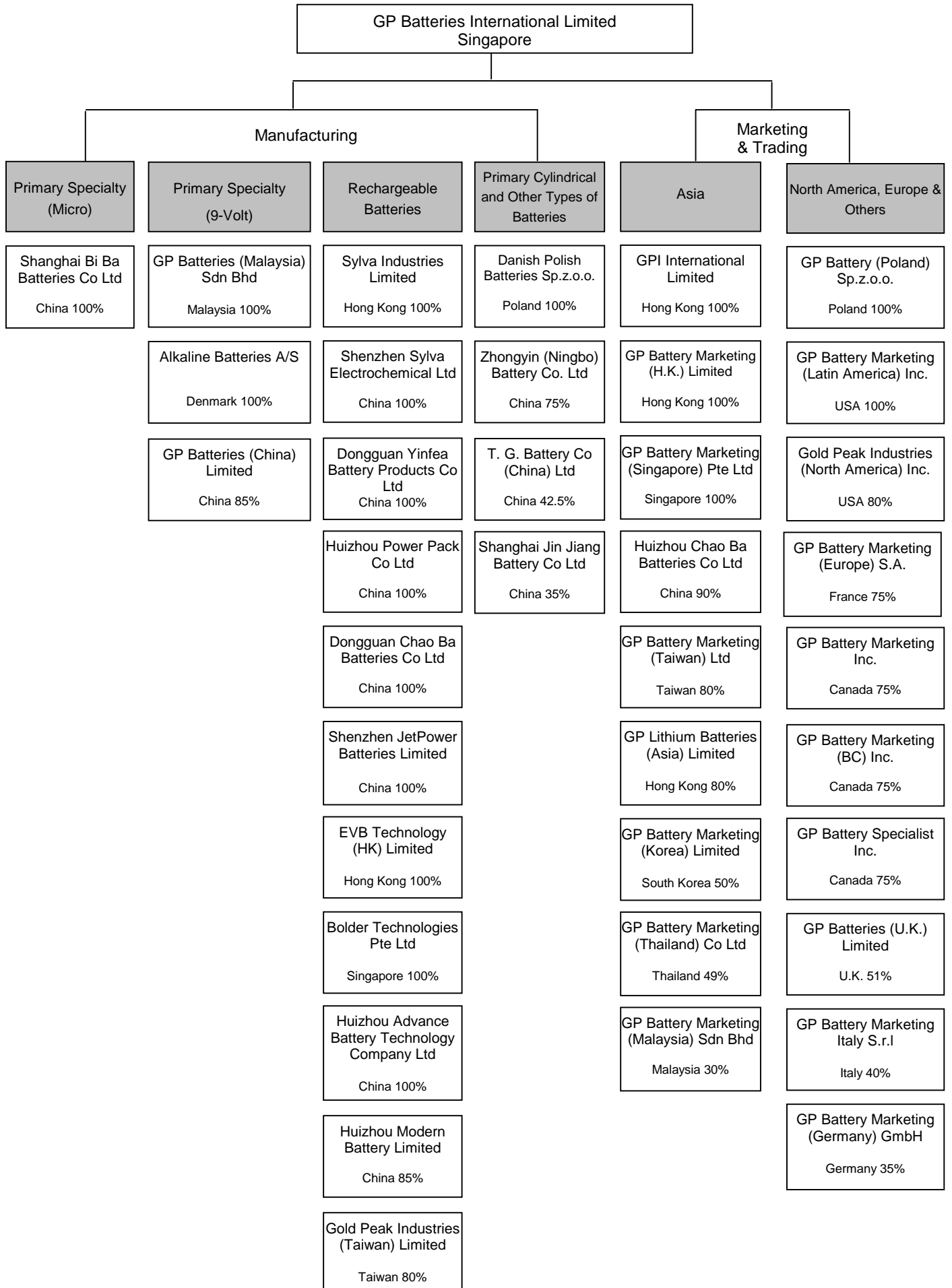
The Issuer was incorporated as a public company in Singapore under the name of Gold Peak Batteries (Singapore) Limited on 4 May 1990 under the Companies Act. The Issuer changed its name to GP Batteries International Limited on 5 June 1990. Pursuant to a restructuring exercise affected as at 1 April 1990, 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 Business Times - Singapore Regional Index.

The Issuer is principally an investment holding company carrying out the functions of an Operational Headquarters ("**OHQ**") 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 26 September 2003, GP Industries Limited is 85.27 per cent. owned by Gold Peak.

The Group is one of the world's major suppliers of primary and rechargeable batteries and the largest battery manufacturer in China. It has a global manufacturing and direct marketing distribution network in over 15 countries employing over 9,500 people.

The Issuer was awarded OHQ status by the Economic Development Board of Singapore ("**EDB**") in June 1990. 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 applied for the extension of OHQ status for a further five years from 1 July 2002 and has received in-principle support for OHQ renewal from EDB, subject to final approval by the Minister for Trade and Industry.

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 2003, AC Nielsen’s survey report in Hong Kong indicated that the Group achieved the fastest growth in sales volume and value in the alkaline segment among other brands in 2002. In February 2003, 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 primary batteries such as 9-volt batteries, micro primary specialty batteries and primary cylindrical 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 and emergency starter 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, Poland, France, Germany, Italy, the United Kingdom, Singapore, Hong Kong, Taiwan, China, South Korea, Malaysia and Thailand.

4. Business Review

Products

Turnover by Product

		<u>FY2002</u>		<u>FY2003</u>	
		S\$ million	% of total turnover	S\$ million	% of total turnover
(i)	Rechargeable Batteries				
(a)	Nickel metal hydride batteries	186.8	33.7	222.4	33.6
(b)	Nickel cadmium batteries	69.0	12.5	64.0	9.7
(c)	Lithium-ion batteries	-	-	31.0	4.7
(ii)	Primary Batteries				
(a)	Primary specialty batteries	147.2	26.6	148.7	22.5
(b)	Primary cylindrical batteries	151.0	27.2	194.6	29.5
Total		554.0	100	660.7	100

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

(i) *Rechargeable batteries*

For FY2003, the turnover for the rechargeable batteries segment which produces button, cylindrical, prismatic and battery packs, increased by 24.1 per cent. to S\$317.4 million. It contributed approximately 48.0 per cent. of the Group's total turnover in FY2003, an increase of 1.8 per cent. from 46.2 per cent. in FY2002.

With an overall recovery of the OEM market and the continuous growth of private-label demands, 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 and F cells have found acceptance in the market of portable home appliances, electric bicycles and other electronic applications. 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 the 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 1998, the Group acquired Duracell Inc.'s ("**Duracell**") rechargeable lithium-ion battery operations in Waterbury, Connecticut in the United States and relocated the operations to Taiwan. Subsequently, to enhance the Group's market position in Taiwan, the Group brought in prominent partners, including China Development Industrial Bank 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.

In March 2003, the Group acquired an additional 5 per cent. in GPIT, raising its stake to 80 per cent. GPIT has commenced production of a range of special sized cylindrical and prismatic lithium-ion cells for applications in handphones and digital cameras. However, GPIT has yet to turn around as its customer base is still insufficient to keep the plant's capacity fully utilised. The Group is working to expand the customer base and has successfully introduced its lithium-ion products to the Taiwanese notebook industry.

(c) *Electric vehicle batteries*

The Group has developed electric vehicle ("**EV**") batteries for electric vehicles, 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 electric vehicle 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 EV batteries and has been steadily working with manufacturers in the United States, Europe and China. EV 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.

In January 2002, the Group entered into a contract to supply EV batteries for the Advanced Public Transport ("**APT**") project in Netherlands. APT features the hybrid vehicle "Phileas" which offers ultra low emission, speed, flexibility, comfort, reliability, safety and environmental friendliness.

In November 2002, the Group secured a contract in Budapest, Hungary to supply EV batteries for the Electric Trolley Buses Project in Rome, Italy. Another order for EV batteries and custom-designed chargers was also received for a similar project to be commissioned in Stockholm, Sweden.

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

(d) *Thin metal film lead acid batteries*

In 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 Group 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.

The TMF Lead Acid battery facility in Singapore commenced commercial production in first quarter of 2003. Initial market response to TMF batteries as an emergency starter battery to automobile and marine markets has been encouraging.

(ii) *Primary batteries*

The primary batteries segment of the Group produces 9-volt and micro primary specialty batteries, and primary cylindrical batteries. For FY2003, turnover for this segment increased by 15.1 per cent. to S\$343.3 million and contributed in aggregate

approximately 52.0 per cent. of total turnover of the Group. This was due mainly to an increase in demand from the consumer market and the consolidation of the sales of its newly acquired subsidiary, Zhongyin (Ningbo) Battery Co. Ltd ("**Ningbo 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.

Approximately 50 per cent. of the Group's primary batteries are sold under the "GP" brand. Due to aggressive branding and competitive pricing strategy, the "GP" brand has gained significant market position in the Asian markets, especially Hong Kong and China.

In November 2002, the Group further strengthened its market position in China by acquiring a 75 per cent. stake in Ningbo Batteries, the second largest alkaline battery manufacturer in China. Ningbo Batteries owns the "Pairdeer" brand which was named "China Top Brand (battery category)" by China authorities in September 2002 and has around 9 per cent. market share in China.

The Group has also relocated and consolidated the production facilities of Huizhou Modern Battery Limited, its 85 per cent. owned subsidiary in China that manufactures primary alkaline cylindrical batteries, with Ningbo Batteries to maximise production efficiency.

Global Markets

Turnover by Location

	<u>FY2002</u>		<u>FY2003</u>	
	<u>S\$ million</u>	<u>%</u>	<u>S\$ million</u>	<u>%</u>
Hong Kong	177.9	32.1	220.3	33.3
Europe	118.6	21.4	145.2	22.0
North and South America	102.7	18.6	117.1	17.7
China	47.2	8.5	62.9	9.5
ASEAN	22.8	4.1	24.3	3.7
Rest of Asia	79.8	14.4	85.0	12.9
Others	5.0	0.9	5.9	0.9
Total	554.0	100	660.7	100

Asia

Sales in Asia grew by about 19.8 per cent. in FY2003 as compared to FY2002. Its contribution to the Group's turnover increased to 59.4 per cent. in FY2003 from 59.1 per cent. in FY2002.

China

In China, sales grew by 33.3 per cent. in FY 2003 due to strong recovery in both the OEM and consumer market. The Group's distribution network is supported by five regional offices in Beijing, Shanghai, Guangzhou, Wuhan and Huizhou. The Group's distribution network is further strengthened by the strong distribution network of Ningbo Batteries which has more than 30 sales offices covering over 80 major cities in China. The Group has 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.

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 6.6 per cent. in FY2003 as a result of strong consumer sales in the rechargeable segment. However, OEM sales decreased as electronic assembly industries continued to migrate to China.

Rest of Asia

Sales in Korea decreased by 7.4 per cent. due to weak demand from OEM market while sales in Taiwan went up by 16.4 per cent. due to additional sales from lithium-ion batteries.

Europe

Sales in Europe grew by about 22.4 per cent. in FY2003 as compared to FY2002.

This is attributed to robust demands in the consumer and private-label markets. Eastern Europe, including Russia and Poland, registered satisfactory growth. The strengthening of the Euros in the second half of the year has also contributed to the increase in turnover and profit in Europe.

North & South America

Sales in North America rose by 11.1 per cent. in FY2003 as the OEM team strove to provide customers with a total solution in battery applications. Sales in South America improved substantially over the previous year by about 40 per cent.

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 FY2003, OEM customers, private-label customers and the Issuer's own label customers accounted for approximately 28 per cent., 30 per cent. and 42 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 metal hydride batteries	12%	2
Primary Specialty – carbon zinc 9-volt	55%	1
Primary Specialty – carbon zinc 12-volt	60%	1
Primary Specialty – micro	20%	3
Primary Specialty – Alkaline 9-volt	20%	3

Source: estimation by the Issuer's in-house market research as at December 2002

The Group is the world market leader for primary specialty carbon zinc 9-volt and 12-volt batteries, having dominant 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 in electronic toys, remote control devices, watches, calculators and photographic equipment.

The Group's market share in primary specialty alkaline 9-volt batteries is estimated at 20 per cent., placing the Group as number three in the world ranking. The primary specialty alkaline 9-volt batteries are used mainly in smoke detectors, toys and remote control devices.

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 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 TMF Lead Acid battery production facility from Bolder in December 2001. The acquisition includes cell manufacturing equipment, inventory, as well as intellectual properties comprising the trademark and over 40 United States and foreign patents, issued or pending. The new TMF 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.
- (v) The Group acquired a 75 per cent. equity interest in Ningbo Batteries in November 2002. Ningbo Batteries owns the "Pairdeer" brand name and related trademarks, being one of the well-known brand names in China. A significant portion of Ningbo Batteries' output is sold in China under the "Pairdeer" brand name.

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 commercialising 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 9,500 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. **Subsidiaries and Associates of the Issuer and their Principal Business Activities**

Subsidiaries

Subsidiaries of the Issuer as at 26 September 2003, being the latest practicable date prior to the date of this Information Memorandum, are as follows:

Name of subsidiary	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group %	Principal activities
AB Ejendomsaktieselskabet Thisted	Denmark	100	Property investment
Advanced Battery Technology Limited	British Virgin Islands	80	Intellectual property
Alkaline Batteries A/S	Denmark	100	Manufacturing of batteries
Alkaline Batteries 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	80	Marketing and trading in batteries
Bestasi Sdn Bhd	Malaysia	100	Property investment
Bolder Technologies Pte Ltd	Singapore	100	Manufacturing of batteries
Champion World Limited	British Virgin Islands	100	Investment holding
Danish Polish Batteries Sp. z.o.o	Poland	100	Manufacturing of batteries
Dongguan Yinfea Battery Products Co Ltd	China	100	Manufacturing of batteries
Dongguan Chao Ba Batteries Co Ltd	China	100	Manufacturing of batteries

Name of subsidiary	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	100	Investment holding
Geewin Industrial Limited	Hong Kong	100	Provision of logistics support
Gold Peak Industries (Taiwan) Limited	Taiwan	80	Manufacturing of batteries
Gold Peak Industries (North America) Inc	United States	80	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	China	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

Name of subsidiary	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group %	Principal activities
GP Batteries (USA) Inc	United States	100	Manufacturing and marketing of batteries
GP Battery Marketing (Europe) S.A.	France	75	Marketing and trading in batteries
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	100	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
GPI International Limited	Hong Kong	100	Marketing and trading in batteries

Name of subsidiary	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group %	Principal activities
GP Lithium Batteries Limited	British Virgin Islands	100	Dormant
GP Lithium Batteries LLC	United States	100	Dormant
GP Lithium Batteries (Asia) Limited	Hong Kong	80	Marketing and trading in batteries
GP Lithium Batteries (S) Pte Ltd	Singapore	100	Investment holding and provision of logistic support
Hayle Limited	British Virgin Islands	100	Trading in batteries and battery materials
Huizhou Advance Battery Technology Company Limited	China	100	Manufacturing of batteries
Huizhou Chao Ba Batteries Co Ltd	China	90	Marketing and trading in batteries
Huizhou Gold Won Electrochemical Company Limited	China	85	Manufacturing of battery parts
Huizhou Modern Battery Limited	China	85	Manufacturing of batteries
Huizhou Power Pack Co Ltd	China	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
Ningbo Pairdeer Economy and Trade Co Ltd	China	68	Trading in batteries and battery materials
North America Land Holdings Inc	United States	100	Property investment

Name of subsidiary	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group %	Principal activities
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	China	100	Manufacturing of batteries
Shenzhen Sylva Electrochemical Ltd	China	100	Manufacturing of batteries
Shenzhen JetPower Batteries Limited	China	100	Manufacturing of batteries
Surplus Enterprise Limited	Hong Kong	100	Investment holding
Sylva Development Limited	British Virgin Islands	100	Property investment
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
Zhongyin (Ningbo) Battery Co. Ltd	China	75	Manufacturing of batteries

Associates

Associates of the Group as at 26 September 2003, being the latest practicable date prior to the date of this Information Memorandum, are as follows:

Name of associate	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
GP Battery Marketing (Korea) 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	China	38.3	Manufacturing of battery parts
Huizhou Long Tek Industries Co Ltd	China	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	China	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	China	42.5	Manufacturing of batteries

13. **Financial highlights for FY2000 to FY2003 and financial review for FY2001 to FY2003**

<i>(expressed in S\$ million)</i>	<u>FY2000*</u>	<u>FY2001*</u>	<u>FY2002*</u>	<u>FY2003</u>
Turnover	531.3	594.2	554.0	660.7
Profit Before Income Tax	25.5	28.9	19.2	37.2
Profit After Income Tax	23.5	25.3	16.6	31.6
Total Bank Balances, Deposits and Cash	25.4	31.2	16.2	33.6
Total Current Assets	335.0	342.0	294.7	388.7
Total Assets	665.1	692.1	669.0	797.9
Total Current Liabilities	292.4	235.2	195.1	337.7
Total Liabilities (include Contingent Liabilities)	381.5	391.4	360.2	465.4
Total Borrowings	248.8	278.8	247.8	299.5
Shareholders' Funds	282.7	285.1	292.1	306.1
Tangible Net Worth	224.6	230.5	237.8	247.1
Net Borrowings/Tangible Net Worth	99%	107%	97%	108%
Total Liabilities/Tangible Net Worth	170%	170%	151%	188%
EBITDA/Interest Expense	4.6x	3.7x	4.5x	9.2x

* Certain numbers for FY2002 and prior years have been adjusted for reclassification to conform with FY2003 presentation.

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.

FY2002

Turnover decreased by 6.8 per cent. from S\$594.2 million in FY2001 to S\$554.0 million in FY2002. Profit before income tax fell by 33.6 per cent from S\$28.9 million in FY2001 to S\$19.2 million in FY2002. This was mainly due to sluggish worldwide demand for batteries in the second half of FY2002 after the events of September 11. The worst hit business segment was the rechargeable batteries in the OEM market. The Group faced serious margin erosion due to weak demand and oversupply. The Group made progress in the GP rechargeable

products in the consumer market. It successfully developed the GP2000 series nickel metal hydride rechargeable batteries, which is amongst the highest capacity in the world.

FY2003

Turnover increased by 19.3 per cent. from S\$554.0 million in FY2002 to S\$660.7 million in FY2003. This was due to the strong growth of the consumer primary batteries, the increase in turnover of high-capacity nickel metal hydride batteries as well as the consolidation of the sales of Ningbo Batteries. Profit before income tax increased by 93.8 per cent. from S\$19.2 million in FY2002 to S\$37.2 million in FY2003. Gross profit margin improved due to a change in product mix and a more stable market. The Group also managed to reduce costs as a result of operational rationalisation over the last few years and relatively low interest rates.

14. Financial highlights and review for the three months ended 30 June 2002 and 2003

<i>(expressed in S\$ million)</i>	Three months ended 30 June 2002 (unaudited)	Three months ended 30 June 2003 (unaudited)
Turnover	156.5	189.6
Profit Before Income Tax	7.7	14.6
Profit After Income Tax	6.7	12.4
Total Borrowings	269.0	314.0
Tangible Net Worth	245.5	257.7
EBITDA/Interest Expense	7.1x	10.5x

The Group's turnover for the three months ended 30 June 2003 increased by 21.1 per cent. to S\$189.6 million as compared to S\$156.5 million for the three months ended 30 June 2002. This was attributable to the continued increase in sales of rechargeable lithium-ion batteries and alkaline 9-volt batteries and the inclusion of sales of Ningbo Batteries. Profit before income tax increased by 89.6 per cent. from S\$7.7 million for the three months ended 30 June 2002 to S\$14.6 million for the three months ended 30 June 2003. This was mainly due to an increase in gross profit as a result of steady selling price, contribution from Ningbo Batteries and continued cost reduction through operational rationalisation.

15. Recent Corporate Developments

- (i) In November 2002, the Issuer acquired 75 per cent. of the issued capital of Ningbo Batteries, China's second largest alkaline battery manufacturer. Ningbo Batteries owns the "Pairdeer" brand which was named "China Top Brand (battery category)" by China authorities in September 2002.
- (ii) In March 2003, the production facility of Huizhou Modern Battery Limited, which manufactures alkaline cylindrical batteries in Huizhou, China, was relocated to and consolidated with Ningbo Batteries to further improve production efficiency.
- (iii) In March 2003, the TMF Lead Acid battery facility in Singapore commenced commercial production. The Group acquired the assets and intellectual properties from Bolder in the United States in December 2001 and then transferred the production facilities to Singapore.

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 2003 was as follows:

	31 March 2003 S\$'000
Stockholders equity:	
Equity shares, S\$0.80 par value, 156,250,000 shares authorised 103,540,168 shares issued and fully paid	82,832
Additional paid-in capital:	
Share premium	135,674
Exchange translation reserve	(28,047)
Accumulated profit	134,298
Other reserves, net	(18,639)
<hr/>	
Total stockholders' equity	306,118
Total capitalisation (as at 26 September 2003)	386,255

There has been no material adverse change in the capitalisation or contingent liabilities of the Group since 31 March 2003

Note:

- (1) Subsequent to 31 March 2003, the Issuer increased its issued share capital from S\$82,832,134 comprising 103,540,168 shares of S\$0.80 each to S\$84,427,334 comprising 105,534,168 shares of S\$0.80 each. During this period, the Issuer issued 298,000, 917,000 and 779,000 new ordinary shares of S\$0.80 each at the exercise price of S\$3.08, S\$1.41 and S\$1.60 respectively per share for cash pursuant to the exercise of options granted under the Issuer's Executives' Share Option Scheme 1992 (the "**1992 Scheme**") and Executives' Share Option Scheme 1999 (the "**1999 Scheme**").

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 below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines issued by MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Information Memorandum are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do 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 holders of the Notes who are in doubt about their respective tax positions or any such tax implications of the purchase, ownership or transfer of Notes or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

1. Interest Payments

Under tax laws currently effective in Singapore, interest in connection with the Notes and/or Coupons derived by any persons would generally be subject to tax in Singapore. Further where any payment of income within Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (the “ITA”) (including interest) is made to a person not known to be a resident in Singapore for tax purposes, such payment would be subject to withholding of Singapore tax (currently at the rate of 22 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.

As the Programme was arranged as a whole by the Arranger, which is an Approved Bond Intermediary (as defined in the ITA), Notes issued during the period from 20 May 2002 to 27 February 2008 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;
- (b) subject to certain conditions having been fulfilled (including the submission by or on behalf of the Issuer of a return on debt securities to the Comptroller of Income Tax (the “**Comptroller**”)), interest on the Notes received by any company or body of persons in Singapore is subject to tax at a concessionary rate of 10 per cent.; and

(c) subject to:

- (i) the Issuer including in all offering documents relating to the Notes a statement to the effect that any person whose interest derived from the Notes is not exempt from tax shall include such interest in a return of income made under the ITA; and
- (ii) the Issuer, or such other person as the Comptroller may direct, furnishing 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,

interest derived from the Notes is not subject to withholding of tax by the Issuer.

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 2008, 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.

Notwithstanding that the Issuer is permitted to make payment of Notes without deduction or withholding for tax under Section 45(1) of the ITA, any person whose interest derived from Notes issued during the period from 20 May 2002 to 27 February 2008 is not exempt from tax is required under the ITA to include such interest in a return of income made under the ITA.

Where the Issuer is not permitted under applicable law 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 governmental 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.

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 it 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 (as defined in the Trust Deed) 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.

2. **Trading Income**

Income earned by financial institutions in Singapore during the period from 28 February 1998 to 27 February 2003 from trading in debt securities is subject to Singapore tax at a concessionary rate of 10 per cent. The Ministry of Finance has indicated in a public consultation, published on or about 1 June 2003, on the draft Income Tax (Amendment) Bill 2003 that the above incentive may be extended to 31 December 2003. However, there is no assurance that the proposed extension of the incentive will be enacted as proposed or at all. Prospective investors should therefore seek their own tax advice on this issue.

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 this 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 prospectus, circular, advertisement or other offering material (including, without limitation, this 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 MAS but has been lodged as an information memorandum with MAS and the Notes are offered by the Issuer pursuant to exemptions invoked under Sections 274 and 275 of the SFA. Accordingly, (1) in relation to Notes which are not listed or quoted on the SGX-ST or a recognised securities exchange within the meaning of the SFA, each Dealer represents and agrees that it will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or

purchase nor will it circulate or distribute this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether 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 274 of the SFA, (b) to a sophisticated investor, and in accordance with the conditions, specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA and (2) in relation to Notes which are listed or quoted on the SGX-ST or a recognised securities 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 or cause such Listed Notes to be made the subject of an invitation for subscription or purchase nor will it circulate or distribute this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Listed Notes, whether 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 274 of the SFA, (b) to a sophisticated investor, and in accordance with the conditions, specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. After the Expiry Date, such Listed Notes may be offered or sold or be made the subject of an invitation for subscription or purchase 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 securities exchange.

Each Dealer represents and agrees that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to persons whose ordinary business it is to buy or sell shares or debentures (whether as principle or agent) or (ii) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong; and
- (b) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Notes, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571) and any rules made thereunder.

Any person who may be in doubt as to the restrictions set out in the SFA 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	53	12 Cooper Road Jardine's Lookout Hong Kong	Chairman and Chief Executive
Richard Ku Yuk Hing	54	Flat G 9th Floor Begonia Mansion Taikoo Wan Road Taikooshing Hong Kong	Vice Chairman
Hui Wing Sun	56	5th Floor 54B Broadway Mei Foo Sun Chuen Kowloon Hong Kong	Executive Director
Lu Tse Wan	60	Flat G 12th Floor Block 13 City Garden North Point Hong Kong	Executive Director
Tsang Kwan Lung	50	Block 16 Dunearn Road #12-01 Dunearn Gardens Singapore 309420	Executive Director
Raymond Wong Wai Kan	51	Flat B 8th Floor 20 Nassau Street Mei Foo Sun Chuen Kowloon Hong Kong	Executive Director
Cheng Wai Keung	52	52B Nassim Road Singapore 258442	Non-executive Director
Phua Bah Lee	70	50 King's Close Singapore 268202	Non-executive Director
Harald E Kading	65	4D Evergreen Mansion 14 Cornwall Street Kowloon Tong Hong Kong	Non-executive Director

- (b) The management of the Group is headed by the six Executive Directors. The business and working experience of the Directors are as follows:

Executive Directors

Andrew Ng Sung On	Appointed as Chairman and Chief Executive since 1993. He is the founder of the micro battery and rechargeable battery divisions of the Group. He is also Vice Chairman of the Hong Kong-listed Gold Peak Industries (Holdings) Limited. Mr Ng is currently an Executive Committee Member of the Business Environment Council in Hong Kong and Vice Chairman of Hong Kong Critical Components Manufacturers Association. Mr Ng graduated from the Massachusetts Institute of Technology in the United States with a Master of Science degree in Chemical Engineering.
Richard Ku Yuk Hing	Appointed as Vice Chairman since 1993. He is also a board member of Gold Peak Industries (Holdings) Limited and Managing Director of GPI International Limited. Mr Ku has over 20 years' experience in international marketing in the battery industry. He graduated from the Sophia University in Japan with a Bachelor of Science degree in Economics.
Hui Wing Sun	Appointed an Executive Director since 1991. He is Managing Director of Sylva Industries Limited. He is a member of The Hong Kong Institution of Engineers and Chairman of Committee on Technologist Training and Sub-Committee on Training in New Technologies of the Vocational Training Council in Hong Kong. Mr Hui holds a Higher Diploma in Mechanical Engineering from Hong Kong Polytechnic University and a Master of Science degree in Applied Mechanics from the Institute of Science and Technology, University of Manchester in the United Kingdom.
Lu Tse Wan	Appointed an Executive Director since 1991. He is currently Managing Director of Gold Peak Industries (Taiwan) Limited. Mr Lu has over 20 years' experience in the battery industry. He graduated from the National Cheng Kung University in Taiwan with a Bachelor of Science degree in Mechanical Engineering.
Tsang Kwan Lung	Appointed an Executive Director since 1991. He is currently General Manager of the Company. Mr Tsang is a Council Member of the Singapore Manufacturers' Federation ("SMA") and also Chairman of SMA Electrical, Electronics and Allied Industries Industry Group. He is a Vice President of Hong Kong Singapore Business Association. Mr Tsang graduated from the Illinois Institute of Technology in the United States with a Bachelor of Science degree in Industrial Engineering.
Raymond Wong Wai Kan	Appointed an Executive Director since 1994. He is also a board member and General Manager of Gold Peak Industries (Holdings) Limited as well as a board member of the Singapore-listed GP Industries Limited. Mr Wong

is a Fellow Member of the Association of Chartered Certified Accountants as well as a member of the Institute of Chartered Secretaries and Administrators, the Institute of Financial Consultants of Canada and the Institute of Business Administration in the United States.

**Non-Executive
Directors**

Cheng Wai Keung	Appointed a Non-Executive Director since 1991. He is Chairman and Managing Director of the Singapore-listed Wing Tai Holdings Limited as well as Chairman of both Raffles Holdings Limited and 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 in the United States.
Phua Bah Lee	Appointed a Non-Executive Director since 1991. He also holds directorships in a number of public and private companies. He was the Parliamentary Secretary of the Ministry of Communications from 1968 to 1971 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. Mr Phua graduated from the Nanyang University in Singapore with a Bachelor of Commerce degree.
Harald E Kading	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 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 Mr Kading held management positions in various branches and subsidiaries of Commerzbank for more than 20 years. He was educated in Germany and has accumulated extensive banking experience in Europe, America 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 FY2003, was approximately S\$2.8 million. Some of these Directors may from time to time receive other benefits, including 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	66,199,957	12.25	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 during FY2003.

Under the 1999 Scheme

	Number of Shares under Options granted	Number of Shares under Options exercised
Directors		
Andrew Ng Sung On	190,000	-
Richard Ku Yuk Hing	170,000	-
Hui Wing Sun	150,000	-
Lu Tse Wan	150,000	-
Tsang Kwan Lung	120,000	-
Raymond Wong Wai Kan	120,000	-
Cheng Wai Keung	30,000	-
Phua Bah Lee	40,000	-
Harald E Kading	30,000	-

All options granted under the 1999 Scheme are for the subscription of unissued Shares.

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 26 September 2003, 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	180,000	-
Hui Wing Sun	90,028	-
Lu Tse Wan	24,000	-
Tsang Kwan Lung	130,000	-
Raymond Wong Wai Kan	254,000	-
Cheng Wai Keung	10,000	-
Phua Bah Lee	40,000	-

Name	No. of Options outstanding under the 1992 Scheme
<u>Directors</u>	
Andrew Ng Sung On	220,000
Richard Ku Yuk Hing	200,000
Hui Wing Sun	160,000
Lu Tse Wan	160,000
Raymond Wong Wai Kan	120,000

Name	No. of Options outstanding under the 1999 Scheme
<u>Directors</u>	
Andrew Ng Sung On	780,000
Richard Ku Yuk Hing	520,000
Hui Wing Sun	620,000
Lu Tse Wan	620,000
Tsang Kwan Lung	370,000
Raymond Wong Wai Kan	240,000
Cheng Wai Keung	90,000
Phua Bah Lee	80,000
Harald E Kading	90,000

Name	Direct interest		Deemed interest	
<u>Substantial shareholders</u>	No. of Shares	%	No. of Shares	%
GP Industries Limited	8,819,000	8.36	43,540,096 ⁽¹⁾	41.26
Gold Peak Industries (Holdings) Limited	-	-	52,359,096 ⁽²⁾	49.61
Deutsche Bank AG	-	-	6,857,000 ⁽³⁾	6.50

(1) GP Industries Limited is deemed to have an interest in 43,540,096 shares held in the name of DBS nominees

(2) Gold Peak Industries (Holdings) Limited is deemed to have an interest in the following shares held by:

Name of companies	No. of shares
GP Industries Limited	8,819,000
DBS Nominees	43,540,096
	<u>52,359,096</u>

(3) Deutsche Bank AG is deemed to have an interest in the following shares held by:

Name of companies	No. of shares
Deutsche Fund Management Inc., New York	200,000
DBS Investment Management S.A., Luxembourg	2,052,000
Deutsche Gesellschaft für Wertpapiersparen mbH, Frankfurt, Germany	4,592,000
DWS Finanz-service GmbH, Frankfurt, Germany	13,000
	<u>6,857,000</u>

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 26 September 2003, 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	105,534,168	84,427,334	8,931,000	7,144,800

13. Save for the 298,000 and 1,696,000 Shares issued by the Issuer pursuant to the 1992 Scheme and 1999 Scheme respectively, 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 26 September 2003, being the latest practicable date prior to the date of this Information Memorandum.

14. As at 26 September 2003, 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					
	6 August 1999	5 August 2004	S\$3.08	2,730,000	2,432,000
1999 Scheme					
	17 March 2000	16 March 2010	S\$1.41	1,771,000	796,000
	11 October 2000	10 October 2010	S\$1.60	2,000,000	1,203,000
	5 August 2002	4 August 2012	S\$1.25	2,000,000	2,000,000
	25 June 2003	24 June 2013	S\$2.50	2,500,000	2,500,000
				<u>8,271,000</u>	<u>6,499,000</u>
				<u>11,001,000</u>	<u>8,931,000</u>

BORROWINGS

15. Save as disclosed in Appendix II, the Group had as at 31 March 2003 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 or revised Statements of Accounting Standards (“SAS”) which became effective during FY2003. The adoption of the new or revised SAS does not have material impact on the results as at or prior to 31 March 2003.

Save as disclosed above, there have been no significant changes in the accounting policies of the Issuer since its audited financial accounts for FY2003.

LITIGATION

18. In June 2003, Energizer Holdings, Inc and Eveready Battery Company, Inc have initiated a United States International Trade Commission action against the Issuer for infringement of their patent in zero-mercury-added alkaline batteries. If successful it would prevent the importation of the Group's alkaline batteries into the United States. The Group is of the opinion that any action against it is without merit and the Group will aggressively defend its position. The investigation is likely to take over one year before the final verdict is known.

Save as disclosed above, there are no legal, arbitration or administrative proceedings against, affecting, pending or, so far as the Directors are aware, threatened against the Issuer or any of its subsidiaries 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

19. 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.
20. 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.
21. 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

22. 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

23. 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

24. 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 letters of consent referred to in paragraph 22 above; and
 - (d) the audited accounts of the Issuer and its subsidiaries for FY2002 and FY2003 respectively.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

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

APPENDIX II

**UNAUDITED RESULTS OF GP BATTERIES INTERNATIONAL LIMITED AND ITS SUBSIDIARIES
FOR THE THREE MONTHS ENDED 30 JUNE 2003**

*The information in this Appendix II is based on the unaudited results of
GP Batteries International Limited and its subsidiaries for the three months ended 30 June 2003
and has not been specifically prepared for inclusion in this Information Memorandum.*

Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".

GP BATTERIES INTERNATIONAL LIMITED

First Quarter Financial Statement And Dividend Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Group Income Statement for first quarter ended 30 June 2003

	30/06/03 S\$'000	30/06/02 S\$'000	% Change
Revenue	189,558	156,485	21.1
Cost of sales	(143,377)	(123,858)	15.8
Gross profit	46,181	32,627	41.5
Other operating income	852	403	111.4
Distribution expenses	(9,531)	(7,379)	29.2
Administrative expenses	(21,168)	(15,928)	32.9
Other operating expenses	(1,500)	(1,212)	23.8
Profit from operations	14,834	8,511	74.3
Finance costs	(2,688)	(2,803)	(4.1)
Profit before share of results of associates	12,146	5,708	112.8
Share of results of associates	2,442	1,972	23.8
Profit before income tax	14,588	7,680	89.9
Income tax expense	(2,146)	(1,003)	114.0
Profit after income tax	12,442	6,677	86.3
Minority interests	(1,077)	378	N/M
Profit attributable to shareholders	11,365	7,055	61.1

N/M :not meaningful

	30/06/03 S\$'000	30/06/02 S\$'000
Interest income included in other operating income	54	65
Foreign exchange adjustment gain included in other operating income	498	0
Foreign exchange adjustment loss included in other operating expenses	0	(956)
Depreciation and amortisation	(11,059)	(9,441)
Allowances for doubtful debts on trade receivables	(147)	(117)
Allowances for stock obsolescence	(1,721)	(1,694)
Bad trade receivables written back/(off)	60	(24)
Loss on disposal/written off of fixed assets (net)	(881)	(115)
Adjustment for underprovision of tax in respect of prior years	0	(9)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

		The Group		The Company
	30/06/03 S\$'000	31/03/03 S\$'000	30/06/03 S\$'000	31/03/03 S\$'000
Non-current Assets				
Property, plant and equipment	300,713	298,602	7,834	7,806
Interest in Subsidiaries	0	0	494,171	454,655
Interest in Associates	29,744	27,564	11,453	11,453
Other Investments	23,044	24,068	0	0
Goodwill arising on consolidation	15,265	15,663	0	0
Deferred expenditure	41,420	43,319	2,272	2,350
Total non-current assets	410,186	409,216	515,730	476,264
Current Assets				
- Stocks	169,550	148,426	3,380	4,066
- Debtors	183,308	190,257	21,738	58,087
- Short-term investments, at market value	55	52	0	0
- Deposits and prepayments	19,170	16,332	1,061	622
- Bank balances, deposits and cash	51,869	33,618	4,118	1,669
Total current assets	423,952	388,685	30,297	64,444
Current Liabilities				
- Creditors and accrued charges	(155,967)	(142,503)	(30,424)	(28,015)
- Obligations under finance leases	(1,115)	(65)	(22)	(22)
- Income tax payable	(2,419)	(2,864)	(806)	(806)
- Bank loans and overdrafts	(105,508)	(86,414)	(19,303)	(12,994)
- Floating rate notes	(104,000)	(105,882)	(104,000)	(105,882)
Total current liabilities	(369,009)	(337,728)	(154,555)	(147,719)
Non Current Liabilities				
- Bank loans	(53,242)	(57,034)	(26,000)	(26,471)
- Obligations under finance leases	(160)	(133)	(42)	(48)
- Fixed rate notes	(50,000)	(50,000)	(50,000)	(50,000)
- Deferred tax liabilities	(3,511)	(3,455)	(475)	(475)
Total non-current liabilities	(106,913)	(110,622)	(76,517)	(76,994)
	358,216	349,551	314,955	315,995
Represented by:				
Share Capital	83,470	82,832	83,470	82,832
Reserves	230,915	223,286	231,485	233,163
Shareholders' funds	314,385	306,118	314,955	315,995
Minority Interests	43,831	43,433	0	0
	358,216	349,551	314,955	315,995

The increase in current assets of S\$35.3 million was mainly due to:

- The increase in stocks of S\$21.1 million due to increase in business volume for the period.
- Increase in bank balances by S\$18.3 million.

The increase in current liabilities of S\$31.3 million was mainly due to:

- a) Increase in creditors and accrued charges by S\$13.5 million as a result of increase in manufacturing activities.
- b) Increase in short term bank loans and overdrafts by S\$19.1 million.

The decrease in non-current liabilities of S\$3.7 million was mainly due to decrease in bank loans.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30/06/03		As at 31/03/03	
Secured	Unsecured	Secured	Unsecured
S\$1,823,000	S\$208,800,000	S\$768,000	S\$191,593,000

Amount repayable after one year

As at 30/06/03		As at 31/03/03	
Secured	Unsecured	Secured	Unsecured
S\$735,000	S\$102,667,000	S\$907,000	S\$106,260,000

Details of any collateral

The net book value of fixed assets includes an amount of S\$1,676,000 (as at 31/03/03:S\$408,000) for the Group and S\$95,700 (as at 31/03/03:S\$102,000) for the Company in respect of motor vehicles held under finance leases.

Land and buildings with a total net book value of S\$4,050,000 (as at 31/03/03:S\$4,123,000) for the Group have been pledged to banks as securities for banking facilities granted.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

The Group	30/06/03 S\$'000	30/06/02 S\$'000
Cash flows from operating activities:		
Profit before income tax and share of results of associates	12,146	5,708
Adjustments for:		
Depreciation and amortisation	11,059	9,441
Interest expense	2,688	2,803
Interest income	(54)	(65)
Loss on disposal of property, plant and equipment	881	115

Operating profit before working capital changes	26,720	18,002
Stocks	(21,124)	(5,647)
Debtors	7,650	(13,985)
Deposits and prepayments	(3,539)	1,879
Creditors and accrued charges	13,025	8,203
Cash generated from operations	22,732	8,452
Interest received	53	100
Interest paid	(2,203)	(1,389)
Income tax paid	(2,386)	(919)
Net cash from operating activities	18,196	6,244
Cash flows from investing activities:		
Proceeds from disposal of property, plant & equipment	898	884
Proceeds from return of investments in securities	602	0
Purchase of property, plant and equipment	(16,528)	(11,764)
Net cash used in investing activities	(15,028)	(10,880)
Cash flows from financing activities:		
Increase/(decrease) in bank loans	17,108	(24,783)
Issue of fixed rate notes	0	50,000
Issue of shares, net of expenses	1,185	2
Others	1,077	(6)
Net cash from financing activities	19,370	25,213
Net effect of exchange rate changes in consolidating subsidiaries	(3,495)	(3,362)
Net increase in cash and cash equivalents	19,043	17,215
Cash and cash equivalents at 1 April	31,638	15,359
Cash and cash equivalents at 30 June (Note A)	50,681	32,574

Note:

	30/06/03 S\$'000	30/06/02 S\$'000
A. Cash and cash equivalents at 30 June comprise:		
Bank balances, deposits and cash	51,869	35,077
Bank overdrafts	(1,188)	(2,503)
	50,681	32,574

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of changes in equity

	Share capital	Share premium	Capital/ legal reserve	Translation reserve	Property revaluation reserve	Dividend reserve	Retained Profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
Balance at 31.3.2002	82,801	135,647	(29,615)	(18,220)	2,093	4,140	115,226	292,072
Issue of shares	1	0	0	0	0	0	0	1
Premium arising from issue of shares, net of expenses	0	1	0	0	0	0	0	1

Translation loss	0	0	0	(6,333)	0	0	0	(6,333)
Transfer to (from) reserves	0	0	0	0	0	0	0	0
Profit attributable to shareholders	0	0	0	0	0	0	7,055	7,055
Balance at 30.6.2002	82,802	135,648	(29,615)	(24,553)	2,093	4,140	122,281	292,796
Balance at 31.3.2003	82,832	135,675	(29,039)	(28,048)	2,093	8,308	134,297	306,118
Issue of shares	638	0	0	0	0	0	0	638
Premium arising from issue of shares, net of expenses	0	547	0	0	0	0	0	547
Translation loss	0	0	0	(4,372)	0	0	0	(4,372)
Transfer to (from) reserves	0	0	117	0	0	0	(28)	89
Profit attributable to shareholders	0	0	0	0	0	0	11,365	11,365
Balance at 30.6.2003	83,470	136,222	(28,922)	(32,420)	2,093	8,308	145,634	314,385

	Share capital S\$'000	Share premium S\$'000	Translation reserve S\$'000	Dividend reserve S\$'000	Retained Profits S\$'000	Total S\$'000
The Company						
Balance at 31.3.2002	82,801	135,647	(7,862)	4,140	83,062	297,788
Issue of shares	1	0	0	0	0	1
Premium arising from issue of shares, net of expenses	0	1	0	0	0	1
Translation loss	0	0	(5,175)	0	0	(5,175)
Loss attributable to shareholders	0	0	0	0	(1,107)	(1,107)
Balance at 30.6.2002	82,802	135,648	(13,037)	4,140	81,955	291,508
Balance at 31.3.2003	82,832	135,675	(14,854)	8,308	104,034	315,995
Issue of shares	638	0	0	0	0	638
Premium arising from issue of shares, net of expenses	0	547	0	0	0	547
Translation loss	0	0	(2,989)	0	0	(2,989)
Profit attributable to shareholders	0	0	0	0	764	764
Balance at 30.6.2003	83,470	136,222	(17,843)	8,308	104,798	314,955

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Since 31 March 2003, 797,000 ordinary shares of S\$0.80 each of the Company were issued pursuant to the exercise of options granted under the Company's Executives' Share Option Scheme, as follows:-

	Number of issued shares	Issued share capital (S\$'000)
As at 31.03.2003	103,540,168	82,832
- Issued at S\$1.41 per share	478,000	383
- Issued at S\$1.60 per share	319,000	255
As at 30.06.2003	104,337,168	83,470

Status of outstanding Share Options

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 30/6/2003	As at 30/6/2002
Share Option 1992 Scheme				
No. 6	28 July 2002	S\$4.448	0	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	1,235,000	1,733,000
No. 2	10 October 2010	S\$1.60	1,663,000	2,000,000
No. 3	4 August 2012	S\$1.25	2,000,000	0
No. 4	24 June 2013	S\$2.50	2,500,000	0
			10,128,000	7,398,000

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has adopted the same accounting policies and methods of computation for the current financial year as those adopted for the audited financial statements for the financial year ended 31 March 2003.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not applicable.

- 6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	30.6.03	Group 30.6.02
Earnings per ordinary share for the year after deducting any provision for preference dividends:		
(a) Based on weighted average number of ordinary shares in issue	10.96 cents	6.82 cents
(b) On a fully diluted basis	10.78 cents	6.79 cents

For earnings per ordinary share calculation, the weighted average number of ordinary shares for the year of 103,727,573 (2002:103,501,772) represents the number of ordinary shares in issue at the beginning of the year adjusted for shares issued upon exercise of options, multiplied by a time-weighted factor. For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue had been adjusted to reflect the effect of all potentially dilutive ordinary shares from the exercise of all outstanding share options.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	30.6.03	31.3.03	30.6.03	31.3.03
	S\$	S\$	S\$	S\$
Net tangible asset value per ordinary share based on issued share capital at the end of the year	2.47	2.39	3.00	3.03

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

The Group's turnover for the three months ended 30 June 2003 was S\$189.6 million, an increase of 21.1% over that of the same period last year. The consolidated net profit after taxation and minority interests attributable to members of the Company was S\$11.4 million, an increase of 61.1%.

The increase in turnover was attributable to the continued increase in sales of rechargeable Li-ion batteries, alkaline 9-volt batteries and inclusion of sales of Zhongyin Ningbo Battery Co. Ltd ("Ningbo Batteries") in China which the Group acquired a 75% stake in November 2002.

In terms of market performance, export sales to America and Europe increased by over 21% and 28% respectively. However, due to SARS, sales in Asia increased by only 19% after the inclusion of sales of Ningbo Batteries.

Gross profit was S\$46.2 million, an increase of 41.5%. This was mainly due to steady selling price and, contribution from Ningbo Batteries and continued cost reduction through operational rationalization. Overall operating margin improved from 4.5% to 6.0%.

Other operating income was S\$0.9 million, an increase of 111.4%. The Group recorded a net exchange gain of S\$0.5 million against a net exchange loss of S\$1.0 million recorded in the same period last year.

Distribution expenses increased by 29.2% to S\$9.5 million as the Group invested aggressively in advertising and promotional activities to strengthen its market position. The increase in administrative expenses by 32.9% was mainly due to the inclusion of Ningbo Batteries' expenses.

Interest on borrowings decreased by 4.1% mainly due to lower interest rates despite an increase in bank borrowings from S\$269.0 million to S\$314.0 million to finance the acquisition of Ningbo Batteries.

The income tax expense of S\$2.1 million was in line with the increase in profit to S\$14.6 million. As a result, the effective tax rate for the quarter was 14.7% of the total reported profit as compared to 13.1% during the same period last year.

Income from associated companies improved by 23.8% to S\$2.4 million due to the increase in profitability of the Group's joint ventures in China.

Depreciation and amortisation charges for the quarter amounted to S\$11.1 million, an increase of 17.1% over same period last year. The increase was mainly due to the inclusion of the depreciation and amortisation charges of Ningbo Batteries.

The relocation of the primary alkaline cylindrical battery production at Huizhou Modern Battery Limited ("HMBL") to Ningbo Batteries to improve production efficiency has been completed and the facility in HMBL will now be reorganized to cater for the production of Nickel Metal Hydride rechargeable batteries.

Sales of Li-Ion rechargeable batteries increased substantially as compared to the same period last year, when the Group had just started its commercial production. However, it is still behind expectation due to the outbreak of SARS.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The results are in line with the statement made in the Company's full year results announcement.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The business outlook remains steady. The Group will continue to strengthen its distribution network, especially in China. Production capacity for Nickel Metal Hydride rechargeable batteries will be increased from next quarter to meet an expected increase in demand. The Group will step up its effort to promote its Li-Ion rechargeable batteries.

The Group is currently working closely with its lawyers to defend the United States International Trade Commission action initiated by Energizer Holdings, Inc and Eveready

Battery Company, Inc ("EBC") for infringement of their patent in zero-mercury-added alkaline batteries. The investigation is likely to take over one year before the final verdict is known.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?
None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect

Not applicable.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Not applicable.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable.

15. A breakdown of sales

Not applicable.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year ()	Previous Full Year ()
Ordinary Preference Total:	0	0

BY ORDER OF THE BOARD

Andrew Ng Sung On
Chairman and Chief Executive
26/08/2003

APPENDIX III**FINANCIAL STATEMENTS OF GP BATTERIES INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES FOR FY2003**

*The information in this Appendix III has been extracted and reproduced from the Annual Report of
GP Batteries International Limited and its subsidiaries for FY2003
and has not been specifically prepared for inclusion in this Information Memorandum.*

PROFIT AND LOSS STATEMENTS

Year ended 31 March 2003

	Notes	The Group		The Company	
		2003 S\$'000	2002 S\$'000	2003 S\$'000	2002 S\$'000
Revenue	4	660,737	554,039	65,304	67,772
Cost of sales		(488,047)	(431,098)	(11,105)	(7,693)
Gross profit		172,690	122,941	54,199	60,079
Other operating income	5	1,878	5,116	152	2,716
Distribution expenses		(50,941)	(33,713)	(430)	(512)
Administrative expenses		(79,771)	(69,006)	(12,737)	(8,737)
Other operating expenses		(4,645)	(996)	(592)	-
Profit from operations		39,211	24,342	40,592	53,546
Finance costs	6	(9,826)	(13,841)	(6,615)	(10,722)
Profit before share of results of associates		29,385	10,501	33,977	42,824
Share of results of associates		7,797	8,681	-	-
Profit before income tax	7	37,182	19,182	33,977	42,824
Income tax expense	9	(5,561)	(2,623)	(350)	(80)
Profit after income tax		31,621	16,559	33,627	42,744
Minority interests		963	640	-	-
Profit attributable to shareholders		32,584	17,199	33,627	42,744
Earnings per share (cents)					
- Basic	11	31.48	16.62		
- Diluted	11	31.32	16.57		

See accompanying notes to financial statements.

BALANCE SHEETS

At 31 March 2003

		The Group		The Company	
		2003	2002	2003	2002
Notes		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	12	298,602	267,143	7,806	8,313
Interest in subsidiaries	13	-	-	454,655	409,863
Interest in associates	14	27,564	27,766	11,453	11,453
Other investments	15	24,068	25,132	-	-
Deferred expenditure	16	43,319	54,246	2,350	2,663
Goodwill on consolidation	17	15,663	-	-	-
Total non-current assets		409,216	374,287	476,264	432,292
Current assets					
Stocks	18	148,426	115,580	4,066	3,965
Debtors	19	190,257	148,511	58,087	59,386
Short-term investments		52	360	-	-
Deposits and prepayments		16,332	14,129	622	880
Bank balances, deposits and cash	20	33,618	16,159	1,669	1,145
Total current assets		388,685	294,739	64,444	65,376
Current liabilities					
Creditors and accrued charges	21	142,503	85,092	28,015	9,982
Obligations under finance leases	22	65	22	22	22
Income tax payable		2,864	2,034	806	656
Bank loans and overdrafts	23	86,414	107,952	12,994	50,708
Floating rate notes	24	105,882	-	105,882	-
Total current liabilities		337,728	195,100	147,719	61,368
Net current assets (liabilities)		50,957	99,639	(83,275)	4,008
Non-current liabilities					
Bank loans	25	57,034	29,174	26,471	27,633
Obligations under finance leases	22	133	70	48	70
Floating rate notes	24	-	110,534	-	110,534
Fixed rate notes	26	50,000	-	50,000	-
Deferred tax liabilities	27	3,455	4,542	475	275
Total non-current liabilities		110,622	144,320	76,994	138,512
		349,551	329,606	315,995	297,788
Represented by					
Share capital	28	82,832	82,801	82,832	82,801
Reserves		223,286	209,271	233,163	214,987
Shareholders' funds		306,118	292,072	315,995	297,788
Minority interests		43,433	37,534	-	-
		349,551	329,606	315,995	297,788

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 March 2003

	Share capital S\$'000	Share premium S\$'000	Capital/ Legal reserve* S\$'000	Translation reserve S\$'000	Property revaluation reserve S\$'000	Dividend reserve S\$'000	Retained profits S\$'000	Total S\$'000
The Group								
Balance at 1 April 2001	82,771	135,625	(30,087)	(17,349)	2,093	6,208	105,855	285,116
Issue of shares	30	-	-	-	-	-	-	30
Premium arising from issue of shares, net of expenses-		22	-	-	-	-	-	22
Translation loss	-	-	-	(876)	-	-	-	(876)
Transfer to (from) reserves	-	-	472	5	-	-	(477)	-
Profit attributable to shareholders	-	-	-	-	-	-	17,199	17,199
Dividends								
- paid [Note 10(a)]	-	-	-	-	-	(6,208)	(3,211)	(9,419)
- proposed [Note 10(b)]	-	-	-	-	-	4,140	(4,140)	-
Balance at 31 March 2002	82,801	135,647	(29,615)	(18,220)	2,093	4,140	115,226	292,072
Issue of shares	31	-	-	-	-	-	-	31
Premium arising from issue of shares, net of expenses	-	27	-	-	-	-	-	27
Translation loss	-	-	-	(10,109)	-	-	-	(10,109)
Transfer to (from) reserves	-	-	576	282	-	-	(858)	-
Profit attributable to shareholders	-	-	-	-	-	-	32,584	32,584
Dividends								
- paid [Note 10(a)]	-	-	-	-	-	(4,140)	(4,347)	(8,487)
- proposed [Note 10(b)]	-	-	-	-	-	8,307	(8,307)	-
Balance at 31 March 2003	82,832	135,674	(29,039)	(28,047)	2,093	8,307	134,298	306,118

* Comprises mainly goodwill arising from acquisition of subsidiaries and associates prior 1 April 2001.

	Share capital S\$'000	Share premium S\$'000	Translation reserve S\$'000	Dividend reserve S\$'000	Retained profits S\$'000	Total S\$'000
The Company						
Balance at 1 April 2001	82,771	135,625	(9,323)	6,208	47,669	262,950
Issue of shares	30	-	-	-	-	30
Premium arising from issue of shares, net of expenses	-	22	-	-	-	22
Translation gain	-	-	1,461	-	-	1,461
Profit attributable to shareholders	-	-	-	-	42,744	42,744
Dividends						
- paid [Note 10(a)]	-	-	-	(6,208)	(3,211)	(9,419)
- proposed [Note 10(b)]	-	-	-	4,140	(4,140)	-
Balance at 31 March 2002	82,801	135,647	(7,862)	4,140	83,062	297,788
Issue of shares	31	-	-	-	-	31
Premium arising from issue of shares, net of expenses	-	27	-	-	-	27
Translation loss	-	-	(6,991)	-	-	(6,991)
Profit attributable to shareholders	-	-	-	-	33,627	33,627
Dividends						
- paid [Note 10(a)]	-	-	-	(4,140)	(4,347)	(8,487)
- proposed (Note 10(b))	-	-	-	8,307	(8,307)	-
Balance at 31 March 2003	82,832	135,674	(14,853)	8,307	104,035	315,995

See accompanying notes to financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2003

	2003 S\$'000	2002 S\$'000
Cash flows from operating activities		
Profit before income tax and share of results of associates	29,385	10,501
Adjustments for:		
Amortisation:		
Goodwill on consolidation	416	-
Product development expenditure	5,262	2,648
Technical knowhow	340	162
Depreciation of property, plant and equipment	37,042	25,914
Interest expense	9,826	13,841
Interest income	(478)	(605)
Impairment loss on:		
Short-term investments	293	67
Property, plant and equipment	2,460	-
Loss (Gain) on disposal of property, plant and equipment	914	(80)
Others	734	-
Operating profit before working capital changes	86,194	52,448
Stocks	(25,568)	43,085
Debtors	(8,620)	(14,640)
Deposits and prepayments	(1,502)	2,911
Creditors and accrued charges	25,484	5,017
Cash generated from operations	75,988	88,821
Interest received	509	1,098
Interest paid	(9,203)	(14,768)
Income tax paid	(4,690)	(2,242)
Net cash from operating activities	62,604	72,909
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired (Note A)	(30,196)	-
Dividends received from associates	6,541	9,042
Increase in other investments	-	(10,980)
Payments for product development expenditure	-	(971)
Payments for technical knowhow	-	(340)
Proceeds from disposal of property, plant and equipment	1,924	1,027
Purchase of additional investments in subsidiaries	(11,402)	-
Purchase of property, plant and equipment	(47,755)	(40,710)
Net cash used in investing activities	(80,888)	(42,932)

CONSOLIDATED CASH FLOW STATEMENT (cont'd)
Year ended 31 March 2003

	2003 S\$'000	2002 S\$'000
Cash flows from financing activities		
Repayment of bank loans	(4,541)	(33,946)
Dividends paid	(8,487)	(9,419)
Issue of fixed rate notes	50,000	-
Issue of shares, net of expenses	59	52
Dividends paid to minority shareholders	(425)	(527)
Obligations under finance leases	106	92
Net cash from (used in) financing activities	36,712	(43,748)
Net effect of exchange rate changes in consolidating subsidiaries	(2,149)	(1,495)
Net increase (decrease) in cash and cash equivalents	16,279	(15,266)
Cash and cash equivalents at 1 April	15,359	30,625
Cash and cash equivalents at 31 March (Note B)	31,638	15,359

A. Acquisition of subsidiaries

The assets and liabilities of the subsidiaries acquired during the year are as follows:

Property, plant and equipment	33,383	-
Deferred expenditure	880	-
Bank balances, deposits and cash	8,448	-
Debtors	33,865	-
Stocks	7,278	-
Creditors and accrued charges	(21,733)	-
Bank loans	(10,835)	-
Minority interests	(12,979)	-
Net assets acquired	38,307	-
Goodwill on consolidation	9,953	-
Consideration of the acquisition	48,260	-
Balance of consideration payable	(9,616)	-
Less: bank balances, deposits and cash acquired	(8,448)	-
Cash flow on acquisition, net of cash acquired	30,196	-

B. Cash and cash equivalents at 31 March comprise

Bank balances, deposits and cash (Note 20)	33,618	16,159
Bank overdrafts (Note 23)	(1,980)	(800)
	31,638	15,359

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2003

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 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 its subsidiaries are as disclosed in Note 31 to the financial statements.

The financial statements of the Company and of the Group for the year ended 31 March 2003 were authorised for issue by the Board of Directors on 18 July 2003.

2 Summary of significant accounting policies

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, modified to include the revaluation of certain properties, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Statements of Accounting Standard ("SAS").

The Group and Company have adopted all the applicable new/revised SAS which become effective during the current financial year. The adoption of the new/revised SAS does not have material impact on the results of current or prior periods.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company, that is, its subsidiaries made up to 31 March each year. Subsidiaries incorporated in the People's Republic of China ("PRC") have adopted 31 December as financial year ends in compliance with the local statutory requirement. Adjustments have been made for the effects of any significant transactions that have occurred between the accounting year end date of the subsidiaries and 31 March. Control is achieved where the Company has the power to govern the financial and operating policies of an investee company so as to obtain benefits from its activities. On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group. All significant inter-company transactions and balances between Group companies are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

2 Summary of significant accounting policies (cont'd)

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Negative goodwill represents the excess of fair value of the Group's share of the net identifiable assets acquired over the cost of acquisition.

Goodwill arising from acquisition of subsidiaries and associates are amortised in the profit and loss statement using the straight-line method over its estimated useful life of 10 years with effect from the dates of acquisition.

Goodwill on acquisition arising prior to 1 April 2001 has been charged in full to shareholders' equity; such goodwill has not been retrospectively capitalised and amortised, as allowed under the revised SAS 22. The profit or loss on disposal of an entity includes the unamortised balance of goodwill relating to the entity disposed of, or for acquisitions prior to 1 April 2001, the goodwill charged to shareholders' equity.

Investments in subsidiaries

In the Company's financial statements, investments in subsidiaries are stated at cost less any impairment in net recoverable value that has been recognised in the profit and loss statement. A list of the Group's subsidiaries is shown in Note 31.

Investments in associates

An associate is defined as a company, not being a subsidiary, in which the Group has an interest of at least 20% of equity and in whose financial and operating policy decisions the Group exercises significant influence. A list of the Group's associates is shown in Note 32.

The investment in associates is carried at cost in the Company's financial statements less any impairment in net recoverable value that has been recognised in the profit and loss statement.

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.

Other investments

Long-term investments are stated at cost less any impairment in net recoverable value. Short-term investments are carried at the lower of cost and market value. Impairment losses are taken to the profit and loss statement.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

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.

Stocks

Stocks consisting of raw materials, work in progress and finished goods are stated at the lower of cost (first-in, first-out method) and net realisable value. Cost of work in progress and finished goods include direct material costs, direct labour costs and overheads that have been incurred in bringing the work in progress and finished goods to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Property, plant and equipment

Freehold land are carried at historical costs or at their revalued amounts, being the fair value on the basis of their existing use at the date of revaluation.

Leasehold land and leasehold improvements are carried at historical costs, less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Buildings are carried at historical costs or at their revalued amount, less accumulated depreciation and any impairment loss.

Any revaluation surplus arising on the revaluation of land and buildings is credited to the property revaluation reserve, except to the extent that it reverses a revaluation deficit for the same asset previously recognised as an expense, in which case the surplus is credited to the profit and loss statement to the extent of the deficit previously charged. A deficit in carrying amount arising on the revaluation of land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Depreciation is calculated to write off the cost or valuation of the properties over their estimated useful lives, using the straight-line method, on the following bases:

Buildings	-	2% to 5%
Leasehold improvements	-	3 to 10 years depending on lease terms
Leasehold land with a lease term of less than 50 years	-	over the respective lease periods

Freehold land and leasehold land with a lease term of more than 50 years are not depreciated.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

2 Summary of significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

Machinery, moulds and equipment, motor vehicles and furniture, fixtures and equipment are carried at historical cost, less accumulated depreciation and any impairment loss. Depreciation is calculated using the reducing balance method to write off the cost of the plant and equipment over their estimated useful lives, on the following bases:

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

Machinery under construction are not depreciated until they are put into effective use.

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.

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

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 (including licence) 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.

Impairment of assets

At each balance sheet date, the Group and Company review the carrying amounts of their tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is land or buildings at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

2 Summary of significant accounting policies (cont'd)

Foreign currency transactions

Transactions in foreign currencies are recorded in respective measurement currencies 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 monetary items that are in substance an extension of the Group's net investment or a hedge of the Group's net investment in a foreign entity are taken to translation reserve until disposal of the foreign entity.

Translation of foreign currency financial statements

For inclusion in the consolidated financial statements, assets and liabilities of the foreign subsidiaries and associates are translated at the rates of exchange approximating those ruling at the balance sheet date. The profit and loss statements are translated at the average rates of exchange for the year, and the opening net investment in the foreign entities are translated at the historical rates. The resulting currency translation differences are taken to the currency translation reserve. On disposal of a foreign entity, the accumulated currency translation differences are recognised in the profit and loss statements as part of the profit or loss on disposal.

The revised SAS 20 came into effect on 1 April 2002. Accordingly, the financial results of foreign subsidiaries and associates are now translated into Singapore dollars at the average exchange rates for the year. Previously, such results were translated at exchange rates prevailing at the balance sheet date. The change in accounting policy was applied prospectively as the financial effect of adopting the revised SAS 20 was not significant.

Income tax

Tax expense is determined on the basis of tax effect accounting, using the liability method. Deferred taxation based on the liability method has been provided on the amount by which the book values of those property, plant and equipment which qualify for tax allowances exceed their written down values for tax purposes and other temporary differences arising between the carrying amount of assets and liabilities in the final financial statements and the corresponding tax bases used in the computation of taxable profits.

Future tax benefits arising from all temporary differences, unutilised tax losses and capital allowances are recognised to the extent that it is probable that taxable profits will be available against which the temporary differences, unutilised tax losses and capital allowances can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the tax asset is realised or the tax liability is settled. Deferred tax is charged or credited to the profit and loss statements, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority.

At each balance sheet date, the Group and Company review unrecognised deferred tax assets and carrying amount of deferred tax assets. The Group and Company recognise a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Group and Company conversely reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be realised.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

2 Summary of significant accounting policies (cont'd)

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

Retirement benefit costs

Payments to defined contribution retirement benefit plans (including state-managed retirement benefit schemes) are charged as an expense when incurred.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair values at the date of the acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. 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 term of the relevant lease.

Rentals payable under operating leases are charged to profit and loss statements on a straight-line basis over the term of the relevant lease.

Financial assets

Financial assets include cash and bank balances, trade and other receivables and equity investments. Trade and other receivables are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include trade and other payables, bank loans, overdrafts, fixed and floating rate notes.

Trade and other payables are stated at their nominal values. Bank loans, overdrafts, fixed and floating rate notes are recorded at the proceeds received, net of transaction costs. Finance charges are accounted for on an accrual basis.

Equity instruments are recorded at the proceeds received, net of direct issue costs. Shares issued upon the exercise of share options are recorded when exercised and the exercise price is allocated between issued capital and share premiums accordingly.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

3 Financial instruments and risk management policies

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the Group. The Group performs ongoing credit evaluation of their counterparty's financial condition and generally do not require a collateral.

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics.

Interest rate risk

The Group's interest rate risk relates to interest bearing debts and interest bearing assets.

The interest rates and repayment terms of short-term and long-term debts are disclosed in Notes 22 to 26 to the financial statements.

Foreign currency risk

The Group's financial assets and liabilities are mainly denominated in United States dollars and Hong Kong dollars. Those exposures are managed by using natural hedges that arise from offsetting financial assets and financial liabilities that are denominated in foreign currencies.

Liquidity risk

Liquidity risk refers to the risk in which the Group has difficulties in meeting its short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle. The Group's operations are financed mainly through equity, retained profits and bank borrowings.

Fair value of financial assets and financial liabilities

The fair value of financial assets and financial liabilities reported in the balance sheet approximates the carrying amount of those assets and liabilities, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

Unrecognised financial instruments

The valuation of financial instruments not recognised in the balance sheet detailed in this note reflects amounts which the Group expects to pay to terminate the contracts or replace the contracts at their market rates at the balance sheet date.

The notional amount and net fair value of financial instruments not recognised in the balance sheet as at 31 March are:

	The Group			
	2003		2002	
	Notional amount S\$'000	Net fair value receivable S\$'000	Notional amount S\$'000	Net fair value receivable S\$'000
Forward foreign currency contracts	2,888	32	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

4 Revenue

	The Group		The Company	
	2003	2002	2003	2002
	S\$'000	S\$'000	S\$'000	S\$'000
Sales of products	660,737	554,039	18,370	12,698
Management fee income from subsidiaries (Note 31)	-	-	12,618	11,962
Gross dividend income from:				
Subsidiaries	-	-	28,785	36,438
Associates	-	-	5,531	6,674
	660,737	554,039	65,304	67,772

5 Other operating income

	The Group		The Company	
	2003	2002	2003	2002
	S\$'000	S\$'000	S\$'000	S\$'000
Dividend income from investment in:				
Quoted securities	121	186	-	-
Unquoted securities	687	-	-	-
Foreign exchange adjustment gain	-	2,885	-	2,577
Gain on disposal of property, plant and equipment	-	80	-	64
Interest income	478	605	104	36
Licence fee income	-	709	-	-
Management fee income	207	173	-	-
Rental income	385	326	48	39
Sundry income	-	152	-	-
	1,878	5,116	152	2,716

6 Finance costs

	The Group		The Company	
	2003	2002	2003	2002
	S\$'000	S\$'000	S\$'000	S\$'000
Interest expense on:				
Bank loans and overdrafts	4,801	8,192	1,608	5,073
Fixed rate notes	1,578	-	1,578	-
Floating rate notes	3,426	5,647	3,426	5,647
Finance leases	21	2	3	2
	9,826	13,841	6,615	10,722

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

7 Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the profit and loss statements, this item has been arrived at after charging:

	The Group		The Company	
	2003	2002	2003	2002
	S\$'000	S\$'000	S\$'000	S\$'000
Allowances for:				
Doubtful trade debts	6,498	800	-	-
Stock obsolescence	4,903	1,090	400	61
Amortisation:				
Goodwill on consolidation	416	-	-	-
Product development expenditure	5,262	2,648	313	313
Technical knowhow	340	162	-	-
Auditors' remuneration:				
Payable to auditors of the Company:				
Audit services				
- Current year	120	107	70	70
- Underprovision in prior year	3	11	2	-
Non-audit services	11	28	3	14
Payable to other auditors:				
Audit services				
- Current year	669	592	-	-
- Underprovision in prior year	14	30	-	-
Non-audit services	123	80	80	-
Bad trade receivables written off	3,837	1,000	-	-
Depreciation expense	37,042	25,914	709	771
Foreign exchange adjustment loss	410	-	576	-
Impairment loss on:				
Short-term investment	293	67	-	-
Property, plant and equipment	2,460	-	-	-
Loss on disposal of property, plant and equipment	914	-	-	-
Operating lease expense	13,443	10,770	256	244

8 Staff costs and number of employees

	The Group		The Company	
	2003	2002	2003	2002
	S\$'000	S\$'000	S\$'000	S\$'000
Directors' remuneration:				
Fees	120	120	120	120
Emoluments	2,641	2,678	483	462
Salaries and wages	101,543	86,110	5,099	4,693
Defined contribution plans	4,411	3,685	610	518
	108,715	92,593	6,312	5,793
	2003	2002	2003	2002
Number of employees at 31 March	9,500	7,200	170	156

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

9 Income tax expense

	The Group		The Company	
	2003	2002	2003	2002
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax:				
Singapore	164	85	150	80
Foreign	5,640	3,391	-	-
Overprovision in prior year	(341)	(441)	-	-
	5,463	3,035	150	80
Changes in deferred income tax	(1,225)	(2,115)	200	-
Share of income tax of associates (foreign)	1,323	1,703	-	-
	5,561	2,623	350	80

The Company has been awarded Operational Headquarters ("OHQ") status by the Economic Development Board ("EDB") for a period of 6 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, dividend income received from approved qualifying corporations within the Group is exempted from Singapore tax and certain types of income received from approved qualifying corporations are taxed at a concessionary rate of 10%. The Company's OHQ status had expired since 30 June 2002. The Company has applied for the extension of OHQ status from the EDB and had received in-principle support for OHQ renewal from the EDB, subject to final approval by the Minister for Trade and Industry.

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 22% (2002 : 24.5%) to profit before income tax as a result of the following differences:

	The Group		The Company	
	2003	2002	2003	2002
	S\$'000	S\$'000	S\$'000	S\$'000
Income tax expense at statutory rate	8,180	4,700	7,475	10,492
Add/(Less):				
Effect of different tax rates of overseas operations	(1,438)	(468)	-	-
Exempt income from subsidiaries and associates	-	-	(7,549)	(10,562)
Income not subject to tax	(2,985)	(2,746)	(298)	(843)
Utilisation of tax losses	(837)	(2,597)	-	-
Overprovision in prior year	(341)	(441)	-	-
Non-allowable items	1,051	2,168	722	993
Unrecognised deferred tax benefits	1,931	2,007	-	-
Total income tax expense at effective tax rates	5,561	2,623	350	80
Effective tax rates	15.0%	13.7%	1.0%	0.2%

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

10 Dividends

a) Dividends paid during the financial year are as follows:

	The Group and the Company	
	2003	2002
	S\$'000	S\$'000
2002 proposed final tax-exempt dividend of 4.0 Singapore cents per ordinary share of S\$0.80	4,140	-
2003 interim tax-exempt dividend of 4.2 Singapore cents per ordinary share of S\$0.80	4,347	-
2001 proposed final tax-exempt dividend of 6.0 Singapore cents per ordinary share of S\$0.80	-	6,208
2002 interim tax-exempt dividend of 3.1 Singapore cents per ordinary share of S\$0.80	-	3,211
	8,487	9,419

b) Proposed dividends at 31 March are as follows:

	The Group and the Company	
	2003	2002
	S\$'000	S\$'000
2003 proposed final tax-exempt dividend of 8.0 Singapore cents per ordinary share of S\$0.80	8,307	-
2002 proposed final tax-exempt dividend of 4.0 Singapore cents per ordinary share of S\$0.80	-	4,140

11 Earnings per share

Basic earnings per share is arrived at by dividing the net profit attributable to shareholders of S\$32,584,000 (2002 : S\$17,199,000) by the weighted average number of ordinary shares of 103,507,198 (2002 : 103,491,023) in issue during the financial year.

Fully diluted earnings per ordinary share is calculated based on 104,026,356 (2002 : 103,824,457) ordinary shares assuming the full exercise of share options outstanding during the year (paragraph 19 of Report of the Directors) and adjusting the weighted average number of ordinary shares to reflect the effect of all potentially dilutive ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

11 Earnings per share (cont'd)

	The Group			
	2003		2002	
	Basic S\$'000	Diluted S\$'000	Basic S\$'000	Diluted S\$'000
Net profit attributable to shareholders	32,584	32,584	17,199	17,199
	Number of shares	Number of shares	Number of shares	Number of shares
Weighted average number of ordinary shares in issue during the financial year	103,507,198	103,507,198	103,491,023	103,491,023
Adjustment for potentially dilutive ordinary shares	-	519,158	-	333,434
Weighted average number of ordinary shares as adjusted for potential dilutive effect	103,507,198	104,026,356	103,491,023	103,824,457
Earnings per share (cents)	31.48	31.32	16.62	16.57

12 Property, plant and equipment

	Freehold land S\$'000	Leasehold land S\$'000	Buildings and leasehold improvements S\$'000	Machinery, moulds and equipment S\$'000	Machinery under construction S\$'000	Furniture, fixtures, equipment and motor vehicles S\$'000	Total S\$'000
The Group							
Cost/Valuation:							
At 1 April 2002	10,378	5,692	66,111	319,204	9,243	42,269	452,897
Currency realignment	(332)	(173)	(2,014)	(10,325)	(163)	(1,312)	(14,319)
Acquisition of subsidiaries	-	-	5,548	40,749	1,452	3,991	51,740
Additions	-	-	5,554	37,748	816	3,637	47,755
Transfer from deferred expenditure	-	-	-	3,985	-	-	3,985
Disposals	-	-	-	(2,895)	(1,439)	(1,823)	(6,157)
At 31 March 2003	10,046	5,519	75,199	388,466	9,909	46,762	535,901
Represented by:							
Cost	5,416	5,519	71,007	388,466	9,909	46,762	527,079
Valuation	4,630	-	4,192	-	-	-	8,822
Total	10,046	5,519	75,199	388,466	9,909	46,762	535,901

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

12 Property, plant and equipment (cont'd)

	Freehold land S\$'000	Leasehold land S\$'000	Buildings and leasehold improvements S\$'000	Machinery, moulds and equipment S\$'000	Machinery under construction S\$'000	Furniture, fixtures, equipment and motor vehicles S\$'000	Total S\$'000
The Group (cont'd)							
Accumulated depreciation:							
At 1 April 2002	-	1,644	15,467	143,505	-	25,138	185,754
Currency realignment	-	(55)	(294)	(1,946)	-	(700)	(2,995)
Acquisition of subsidiaries	-	-	1,034	15,728	-	1,595	18,357
Depreciation for the year	-	294	2,672	30,192	-	3,884	37,042
Disposals	-	-	-	(1,869)	-	(1,450)	(3,319)
At 31 March 2003	-	1,883	18,879	185,610	-	28,467	234,839
Impairment loss for the year and at 31 March 2003							
	-	-	2,179	-	281	-	2,460
Depreciation for last year	-	304	2,696	19,136	-	3,778	25,914
Net book value:							
At 31 March 2003	10,046	3,636	54,141	202,856	9,628	18,295	298,602
At 31 March 2002	10,378	4,048	50,644	175,699	9,243	17,131	267,143
	Freehold land S\$'000	Leasehold land S\$'000	Buildings and leasehold improvements S\$'000	Machinery moulds and equipment S\$'000	Machinery under construction S\$'000	Furniture, fixtures, equipment and motor vehicles S\$'000	Total S\$'000
The Company							
Cost:							
At 1 April 2002		536	1,466	3,601	5,590	1,332	12,525
Additions		-	-	11	163	47	221
Disposals		-	-	-	(76)	(36)	(112)
At 31 March 2003		536	1,466	3,612	5,677	1,343	12,634
Accumulated depreciation:							
At 1 April 2002		-	249	567	2,523	873	4,212
Depreciation for the year		-	26	95	469	119	709
Disposals		-	-	-	(60)	(33)	(93)
At 31 March 2003		-	275	662	2,932	959	4,828
Depreciation for last year		-	26	95	509	141	771
Net book value:							
At 31 March 2003		536	1,191	2,950	2,745	384	7,806
At 31 March 2002		536	1,217	3,034	3,067	459	8,313

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

12 Property, plant and equipment (cont'd)

The net book value of fixed assets includes an amount of S\$408,000 (2002 : S\$135,000) for the Group and S\$102,000 (2002 : S\$135,000) for the Company in respect of motor vehicles held under finance leases.

Land and buildings with a total net book value of S\$4,123,000 (2002 : S\$6,569,000) for the Group have been pledged to banks as securities for banking facilities granted (Note 25).

The freehold 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. The resulting revaluation surpluses have been credited to the property revaluation reserve and the balance as at year end amounted to S\$2,093,000 (2002 : S\$2,093,000) for the Group. If the cost method had been used, the net book values of the freehold land and buildings and leasehold improvements of the Group would have been S\$8,554,000 (2002 : S\$8,820,000) and S\$54,008,000 (2002 : S\$50,502,000) respectively.

Impairment loss of S\$2,460,000 (2002 : S\$Nil) was recognised in current financial year mainly resulting from the reduction in estimated value of a property held by the Group. This loss is included in "other operating expenses" in the Profit and Loss Statement.

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	60 years from 1992
Symphony Heights 37 Hume Avenue, #06-04 Singapore	One unit of residential condominium of approximately 155 square metres	Freehold
97 Pioneer Road, Singapore 628459	A 2-storey factory building with built-up area of 6,407 square metres	56 years from 1994
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)
At 31 March 2003

12 Property, plant and equipment (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 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 built-up area of 6,239 square metres	20 years from 1988
No. 1-2, First Hong Ye Dong Road Hong Ye Industrial Area Tang Xia, Dongguan, Guangdong, China	A 3-storey factory building with built-up area of 4,119 square metres	50 years from 1993
Road 12, Hong Ye Road Hong Ye Industrial Area (138) Tang Xia, Dongguan, 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	50 years from 1995
3-603, 66, Yu Jian Lou Tang Xin Jie, Tang Xia, Dongguan, Guangdong, China	A 73-square metre staff quarters	50 years from 1994
Block No 43 Wen Hua Xin Cun Tang Xia, Dongguan, Guangdong, China	A 1,988-square metre staff quarters	50 years from 1995

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

12 Property, plant and equipment (cont'd)

Location	Description	Tenure
China (cont'd)		
Block No 41 Hong Ye Da Dao Hong Ye Industrial Area Tang Xia, Dongguan, Guangdong, China	A 1,465-square metre staff quarters	50 years from 1993
Lou Fang Yuan, Xin Xiu Cun Lou Fang Lu Huang Bei Ling, Lou Wu Shenzhen, China	A 4,179-square metre staff quarters	70 years from 1991
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	70 years from 1995
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	65 years from 1997
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	50 years from 1997
	A 2,008-square metre plot of land with a 7-storey staff quarters with built-up area of 4,484 square metres	50 years from 1997
	A 6,162-square metre plot of land for industrial use	50 years from 1997
	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	50 years from 1997
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	48 years from 2000
99 Dahetou Road Duantang, Ningbo, China	4 factory buildings and office buildings with built-up area of 33,266 square metres	50 years from 1998

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

12 Property, plant and equipment (cont'd)

Location	Description	Tenure
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	78 years from 1997
	A plot of land of 5,911 square metres for industrial use	Freehold

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

13 Interest in subsidiaries

	The Company	
	2003 S\$'000	2002 S\$'000
Unquoted equity shares, at cost	154,622	106,342
Amounts due from subsidiaries - non-trade	303,582	314,741
Amounts due to subsidiaries - non-trade	(3,549)	(11,220)
	454,655	409,863

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

14 Interest in associates

	The Group		The Company	
	2003 S\$'000	2002 S\$'000	2003 S\$'000	2002 S\$'000
Unquoted equity shares, at cost	33,530	33,530	11,453	11,453
Goodwill on acquisition	(18,512)	(18,512)	-	-
Share of post-acquisition profits	12,635	12,702	-	-
Share of post-acquisition translation differences	(89)	46	-	-
	27,564	27,766	11,453	11,453

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

15 Other investments

	The Group	
	2003 S\$'000	2002 S\$'000
Quoted equity securities, at cost	11,978	12,504
Unquoted equity securities, at cost	12,090	12,628
	24,068	25,132
Quoted equity securities, at market value	4,109	3,880

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

16 Deferred expenditure

	The Group		The Company	
	2003	2002	2003	2002
	S\$'000	S\$'000	S\$'000	S\$'000
Product development expenditure				
Cost:				
At 1 April	63,569	61,453	3,133	3,133
Currency realignment	(2,602)	1,145	-	-
Acquisition of subsidiaries	574	-	-	-
Additions	-	971	-	-
Transfer to property, plant and equipment (Note 12)	(3,985)	-	-	-
At 31 March	57,556	63,569	3,133	3,133
Accumulated amortisation:				
At 1 April	9,775	7,066	470	157
Currency realignment	(396)	61	-	-
Amortisation for the year	5,262	2,648	313	313
At 31 March	14,641	9,775	783	470
Net	42,915	53,794	2,350	2,663
Technical knowhow				
Cost:				
At 1 April	9,597	9,088	-	-
Currency realignment	(386)	169	-	-
Acquisition of subsidiaries	306	-	-	-
Additions	-	340	-	-
At 31 March	9,517	9,597	-	-
Accumulated amortisation:				
At 1 April	9,145	8,814	-	-
Currency realignment	(372)	169	-	-
Amortisation for the year	340	162	-	-
At 31 March	9,113	9,145	-	-
Net	404	452	-	-
Total deferred expenditure at 31 March	43,319	54,246	2,350	2,663

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

17 Goodwill on consolidation

	The Group 2003 S\$'000
At 1 April 2002	-
Acquisition of subsidiaries	9,953
Acquisition of additional interests in subsidiaries	6,126
Amortisation for the year	(416)
At 31 March 2003	15,663

18 Stocks

	The Group		The Company	
	2003	2002	2003	2002
	S\$'000	S\$'000	S\$'000	S\$'000
Raw materials, at cost	61,273	42,642	1,053	1,479
Work in progress, at cost	23,655	19,451	2,307	2,231
Finished goods				
- at cost	61,464	44,946	512	46
- at net realisable value after allowances	2,034	8,541	194	209
	148,426	115,580	4,066	3,965

Movements in allowances for stock obsolescence:

At 1 April	3,330	3,031	61	-
Currency realignment	(126)	57	-	-
Charge to profit and loss	4,903	1,090	400	61
Amount utilised	(2,088)	(848)	-	-
At 31 March	6,019	3,330	461	61

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

19 Debtors

	The Group		The Company	
	2003	2002	2003	2002
	S\$'000	S\$'000	S\$'000	S\$'000
Trade				
Outside parties	167,612	116,553	-	-
Less: allowances for doubtful debts	(9,713)	(2,918)	-	-
	157,899	113,635	-	-
Amount due from:				
Associates (Note 32)	6,839	4,085	-	111
Related parties (Note 33)	282	1,799	-	-
	165,020	119,519	-	111
Non-trade				
Outside parties	16,295	21,013	1,244	8,030
Amount due from:				
Subsidiaries (Note 31)	-	-	50,721	44,884
Associates (Note 32)	7,101	7,445	5,770	6,044
Related parties (Note 33)	1,841	534	352	317
	25,237	28,992	58,087	59,275
	190,257	148,511	58,087	59,386

Movements in allowances for doubtful debts:

	The Group	
	2003	2002
	S\$'000	S\$'000
At 1 April	2,918	2,485
Currency realignment	(131)	40
Acquisition of subsidiaries	685	-
Charge to profit and loss	6,498	800
Amount utilised	(257)	(407)
At 31 March	9,713	2,918

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

20 Bank balances, deposits and cash

	The Group		The Company	
	2003	2002	2003	2002
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed deposits	423	624	288	234
Bank balances and cash	33,195	15,535	1,381	911
	33,618	16,159	1,669	1,145

Fixed deposits bear interest at 1.2% to 1.6% (2002: 1.2% to 1.7%) per annum and mature within 3 months from end of the financial year.

21 Creditors and accrued charges

	The Group		The Company	
	2003	2002	2003	2002
	S\$'000	S\$'000	S\$'000	S\$'000
Trade				
Outside parties	94,782	52,311	13,057	6,852
Amount due to:				
Subsidiaries (Note 31)	-	-	3,013	1,543
Associates (Note 32)	16,914	13,005	710	729
Related parties (Note 33)	903	634	-	-
Accrued charges	19,712	16,652	1,571	812
	132,311	82,602	18,351	9,936
Non-trade				
Outside parties	9,616	-	9,616	-
Amount due to:				
Subsidiaries (Note 31)	-	-	30	-
Related parties (Note 33)	576	2,490	18	46
	10,192	2,490	9,664	46
	142,503	85,092	28,015	9,982

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

22 Obligations under finance leases

	The Group		The Company	
	2003	2002	2003	2002
	S\$'000	S\$'000	S\$'000	S\$'000
Payments	207	104	79	104
Interest	(9)	(12)	(9)	(12)
Principal	198	92	70	92
Amounts payable:				
Within 1 year	65	22	22	22
Within 2 to 5 years	133	70	48	70
	198	92	70	92

Interest rate on finance leases is 3.0% (2002 : 2.6%) per annum.

23 Bank loans and overdrafts

	The Group		The Company	
	2003	2002	2003	2002
	S\$'000	S\$'000	S\$'000	S\$'000
Current portion of long-term bank loans (Note 25)	703	16,625	-	11,339
Short-term bank loans - unsecured	61,878	67,636	11,805	39,369
Bank overdrafts - unsecured	1,980	800	1,189	-
Import loans - unsecured	21,853	22,891	-	-
	86,414	107,952	12,994	50,708

Interest rates on short-term bank loans, bank overdrafts and import loans range from 0.7% to 3.4% (2002 : 0.7% to 6.4%) per annum. The short-term bank loans and import loans mature within 12 months from the end of the financial year.

24 Floating rate notes

This represents US\$60,000,000 (S\$105,882,000) [2002 : US\$60,000,000 (S\$110,534,000)] unsecured Floating Rate Notes ("FRN") due September 2003 issued by the Company in 2001. The FRN is unsecured and bears interest at a rate of 1.1875% per annum over Singapore Inter-bank US Dollar Offered Rates.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

25 Bank loans

	The Group		The Company	
	2003	2002	2003	2002
	S\$'000	S\$'000	S\$'000	S\$'000
Long-term bank loans:				
Secured	1,477	2,221	-	-
Unsecured	56,260	43,578	26,471	38,972
	57,737	45,799	26,471	38,972
Less:				
Amounts due within one year:				
Secured	(703)	(680)	-	-
Unsecured	-	(15,945)	-	(11,339)
Current portion of long-term bank loans (Note 23)	(703)	(16,625)	-	(11,339)
Long-term portion of bank loans	57,034	29,174	26,471	27,633

The above bank loans comprise the following:

- Bank loan amounting to S\$1,477,000 (2002 : S\$2,221,000) secured by mortgage over two storeys of office building of a subsidiary which bears interests at 7.8% (2002 : 8.2%) per annum.
- Unsecured bank loans that bear interests at between 2.2% to 2.5% (2002 : 2.8% to 3.5%) per annum.

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

	The Group		The Company	
	2003	2002	2003	2002
	S\$'000	S\$'000	S\$'000	S\$'000
More than 1 year but not exceeding 2 years	27,230	734	26,471	-
More than 2 years but not exceeding 5 years	29,804	28,440	-	27,633
	57,034	29,174	26,471	27,633

26 Fixed rate notes

In May 2002, the Company signed an agreement with DBS Bank Ltd (formerly known as "The Development Bank of Singapore Limited") to establish a S\$500 million Multi-Currency Debt Issuance Programme ("Programme"). Thereafter, the Company issued the first series of S\$50 million Fixed Rate Notes due 2005 under the Programme, which were subsequently listed on the Singapore Exchange Securities Trading Limited on 23 May 2002. The Fixed Rate Notes are unsecured and bear interest at a rate of 3.68% per annum.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

27 Deferred tax liabilities

	The Group		The Company	
	2003	2002	2003	2002
	S\$'000	S\$'000	S\$'000	S\$'000
Deferred tax liabilities	19,181	10,985	475	275
Deferred tax assets	(15,726)	(6,443)	-	-
Net position	3,455	4,542	475	275

The following are the deferred tax liabilities and assets recognised by the Group and Company and movements thereon during the year:

The Group

Deferred tax liabilities

	Deferred expenditure	Accelerated tax depreciation	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2002	3,534	7,440	11	10,985
Currency realignment	(145)	(19)	(1)	(165)
Charge to profit and loss	(814)	9,139	36	8,361
At 31 March 2003	2,575	16,560	46	19,181

Deferred tax assets

	Provisions	Tax losses	Total
	S\$'000	S\$'000	S\$'000
At 1 April 2002	69	6,374	6,443
Currency realignment	(16)	(290)	(306)
Acquisition of subsidiaries	-	3	3
Charge to profit and loss	3,086	6,500	9,586
At 31 March 2003	3,139	12,587	15,726
Net deferred tax liabilities			3,455

The Company

The deferred tax liabilities of the Company as at 1 April 2002 and 31 March 2003 of S\$275,000 and S\$475,000 respectively are due to temporary differences arising mainly from accelerated tax depreciation.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

28 Share capital

	The Group and the Company	
	2003 S\$'000	2002 S\$'000
Authorised:		
156,250,000 ordinary shares of S\$0.80 each	125,000	125,000
Issued and fully paid:		
103,540,168 (2002 : 103,501,168) ordinary shares of S\$0.80 each	82,832	82,801

During the financial year, the Company issued 21,000 and 18,000 new ordinary shares of S\$0.80 each at S\$1.41 and S\$1.60 respectively per share for cash pursuant to the exercise of share options by option holders. The proceeds were used as working capital for the Company.

Details of outstanding share options of the Company are set out in paragraph 19 of the Report of the Directors.

29 Commitments

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

a) Operating lease commitments

	The Group		The Company	
	2003 S\$'000	2002 S\$'000	2003 S\$'000	2002 S\$'000
Within 1 year	4,189	3,633	65	65
After 1 year and within 5 years	5,246	5,946	259	259
After 5 years	6,425	3,464	2,819	2,884
	15,860	13,043	3,143	3,208

b) Capital expenditure commitments

	The Group	
	2003 S\$'000	2002 S\$'000
Capital expenditure contracted but not provided for	5,042	3,257
Capital expenditure authorised but not contracted for	7,904	4,058
	12,946	7,315

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

30 Contingent liabilities – unsecured

	The Group		The Company	
	2003	2002	2003	2002
	S\$'000	S\$'000	S\$'000	S\$'000
Guarantees given in respect of banking and other facilities granted to:				
Subsidiaries (Note 31)	-	-	269,538	198,024
Associates (Note 32)	12,572	13,124	12,572	13,124
Export bills discounted with recourse	4,467	7,617	-	-
	17,039	20,741	282,110	211,148

31 Subsidiaries

Subsidiaries of the Company 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	
		2003 %	2002 %		2003 S\$'000	2002 S\$'000
AB Ejendomsaktieselskabet Thisted (3) #	Denmark	100	100	Property investment	-	-
Advance Battery Technology International Limited (6) #	Hong Kong	-	100	Trading in batteries and battery materials (de-registered)	-	-
Advanced Battery Technology Limited (3) #	British Virgin Islands	80	75	Intellectual property	-	-
Alkaline Batteries A/S (3) #	Denmark	100	100	Manufacturing of batteries	-	-
Alkaline Batteries Limited (2) #	British Virgin Islands	100	100	Marketing and trading in batteries	-	-
Alkaline Batteries (L) Bhd (2) #	Malaysia	100	100	Marketing and trading in batteries	-	-
Allied Brilliant Trading Ltd (3) #	Taiwan	80	75	Marketing and trading in batteries	-	-
Bestasi Sdn Bhd (3) #	Malaysia	100	100	Property investment	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

31 Subsidiaries (cont'd)

Subsidiaries of the Company 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	
		2003 %	2002 %		2003 S\$'000	2002 S\$'000
Bolder Technologies Pte Ltd (1)	Singapore	100	100	Manufacturing of batteries	100	100
Champion World Limited (6) #	British Virgin Islands	100	100	Investment holding	-	-
Danish Polish Batteries Sp. z.o.o (3) #	Poland	100	100	Manufacturing of batteries	-	-
Dongguan Yinfea Battery Products Co Ltd (4) #	PRC	100	100	Manufacturing of batteries	-	-
Dongguan Chao Ba Batteries Co Ltd (4) #	PRC	100	100	Manufacturing of batteries	-	-
Douza Investments Ltd (6) #	British Virgin Islands	100	100	Investment holding	-	-
Energy Pack Netherlands Holdings B.V. (6)	Netherlands	100	100	Investment holding and provision of logistic support	185	185
EVb Technology Limited (6)	Bermuda	100	100	Investment holding	180	180
EVb Technology (HK) Limited (3) #	Hong Kong	100	100	Manufacturing of batteries	-	-
EVb Technology Pte Ltd (1)	Singapore	100	100	Manufacturing of batteries	*	*
Geewin Industrial (S) Pte Ltd (1)	Singapore	100	80	Investment holding	100	80
Geewin Industrial Limited (5) #	Hong Kong	100	80	Provision of logistic support	-	-
Gold Peak Industries (Taiwan) Limited (3)	Taiwan	80	75	Manufacturing of batteries	95,105	95,105

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

31 Subsidiaries (cont'd)

Subsidiaries of the Company 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	
		2003 %	2002 %		2003 S\$'000	2002 S\$'000
Gold Peak Industries (North America) Inc (3) #	United States of America	80	75	Marketing and trading in batteries	-	-
Gold Won Electrochemical Company Limited (5) #	Hong Kong	100	100	Investment holding and provision of logistic support	-	-
Golden State Financial Group Inc (6) #	United States of America	100	100	Provision of logistic support	-	-
GP Batteries (China) Limited (4) #	PRC	85	85	Manufacturing of batteries	-	-
GP Batteries (Malaysia) Sdn Bhd (3)	Malaysia	100	100	Manufacturing of batteries	5,799	5,799
GP Batteries (U.K.) Limited (5) #	United Kingdom	51	51	Marketing and trading in batteries	-	-
GP Batteries (USA) Inc (6) #	United States of America	100	100	Manufacturing and marketing of batteries	-	-
GP Battery Marketing (Europe) S.A. (3) #	France	75	75	Marketing and trading in batteries	-	-
GP Battery Marketing (H.K.) Limited (3) #	Hong Kong	100	100	Marketing and trading in batteries	-	-
GP Battery Marketing Inc. (5) #	Canada	75	75	Marketing and trading in batteries	-	-
GP Battery Marketing (BC) Inc (6) #	Canada	75	75	Marketing and trading in batteries	-	-
GP Battery Marketing (China) Ltd (5) #	Hong Kong	100	100	Investment holding	-	-
GP Battery Marketing (Latin America) Inc. (5) #	United States of America	100	51	Marketing and trading in batteries	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

31 Subsidiaries (cont'd)

Subsidiaries of the Company 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	
		2003 %	2002 %		2003 S\$'000	2002 S\$'000
GP Battery Marketing (Singapore) Pte Ltd (1)	Singapore	100	100	Marketing and trading in batteries	800	800
GP Battery Marketing (Taiwan) Limited (5) #	Taiwan	80	80	Marketing and trading in batteries	-	-
GP Battery (Poland) Sp. z.o.o. (3) #	Poland	100	100	Marketing and trading in batteries	-	-
GP Battery Specialist Inc. (6) #	Canada	75	75	Marketing and trading in batteries	-	-
GP Battery Technology (HK) Limited (3)	Hong Kong	100	100	Investment holding	*	*
GPI International Limited (3) #	Hong Kong	100	100	Marketing and trading in batteries	-	-
GP Lithium Batteries Limited (6) #	British Virgin Islands	100	100	Dormant	-	-
GP Lithium Batteries LLC (6) #	United States of America	100	100	Dormant	-	-
GP Lithium Batteries (Asia) Limited (3) #	Hong Kong	80	-	Marketing and trading in batteries	-	-
GP Lithium Batteries (S) Pte Ltd (1) #	Singapore	100	100	Investment holding and provision of logistic support	-	-
Hayle Limited (2) #	British Virgin Islands	100	100	Trading in batteries and battery materials	-	-
Huizhou Advance Battery Technology Company Limited (4) #	PRC	100	-	Manufacturing of batteries	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

31 Subsidiaries (cont'd)

Subsidiaries of the Company 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	
		2003 %	2002 %		2003 S\$'000	2002 S\$'000
Huizhou Chao Ba Batteries Co Ltd (4) #	PRC	90	90	Marketing and trading in batteries	-	-
Huizhou Gold Won Electrochemical Company Limited (6) #	PRC	85	85	Manufacturing of battery parts	-	-
Huizhou Modern Battery Limited (4) #	PRC	85	68	Manufacturing of batteries	-	-
Huizhou Power Pack Co Ltd (4) #	PRC	100	100	Manufacturing of batteries	-	-
Lehman Overseas Limited (2) #	British Virgin Islands	100	100	Trading in batteries and battery materials	-	-
Lucky Concept Ltd (6) #	British Virgin Islands	100	100	Investment holding	-	-
Ningbo Pairdeer Economy and Trade Co Ltd (5) #	PRC	68	-	Trading in batteries and battery materials	-	-
North America Land Holdings Inc (6) #	United States of America	100	100	Property investment	-	-
Power Era Limited (5) #	Hong Kong	100	100	Investment holding	-	-
Powerbank Limited (5) #	Hong Kong	100	100	Manufacturing of batteries	-	-
Praisewell International Limited (5) #	Hong Kong	100	100	Investment holding	-	-
Shanghai Bi Ba Batteries Co Ltd (4) #	PRC	100	100	Manufacturing of batteries	-	-
Shenzhen Sylva Electrochemical Ltd (4) #	PRC	100	100	Manufacturing of batteries	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

31 Subsidiaries (cont'd)

Subsidiaries of the Company 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	
		2003 %	2002 %		2003 S\$'000	2002 S\$'000
Shenzhen JetPower Batteries Limited (4) #	PRC	100	100	Manufacturing of batteries	-	-
Surplus Enterprise Limited (5) #	Hong Kong	100	100	Investment holding	-	-
Sylva Development Limited (6) #	British Virgin Islands	100	100	Property investment	-	-
Sylva Industries (China) Limited (3) #	Hong Kong	100	100	Investment holding	-	-
Sylva Industries Limited (3)	Hong Kong	100	100	Manufacturing of batteries	4,093	4,093
Whitehill Electrochemical Company Limited (3) #	Hong Kong	100	100	Investment holding and provision of logistic support	-	-
Zhongyin (Ningbo) Battery Co. Ltd (5)	PRC	75	-	Manufacturing of batteries	48,260	-
					154,622	106,342

* Represents cost of investment of less than S\$1,000

Held by subsidiaries of the Company

(1) Audited by Deloitte & Touche, Singapore

(2) Audited by Deloitte & Touche, Singapore for consolidation purposes

(3) Audited by member firms of Deloitte Touche Tohmatsu

(4) Audited by member firms of Deloitte Touche Tohmatsu for consolidation purposes

(5) Audited by other accounting firms as these subsidiaries are not significant

(6) Not audited as subsidiaries are not significant and do not have statutory reporting requirements in their respective countries of incorporation

In November 2002, the Group completed its acquisition of Zhongyin (Ningbo) Battery Co. Ltd and its subsidiary. The effect of acquisition of the subsidiaries' net assets is set out in the consolidated cash flow statement.

During the year, the Group also acquired additional interests in subsidiaries, as shown in "Acquisitions and Disposals of Subsidiaries" in the Report of the Directors. The financial impact to the net profit of the Group arising from these acquisitions and disposals is not material.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

32 Associates

Associates of the Group 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			
		2003 %	2002 %		The Group 2003 S\$'000	The Group 2002 S\$'000	The Company 2003 S\$'000	The Company 2002 S\$'000
Advance Technology Co Ltd (4) #	Taiwan	50	50	Manufacturing of battery parts	11,161	11,161	-	-
GP Battery Marketing (Korea) Limited (1) #	South Korea	50	50	Marketing and trading in batteries	194	194	-	-
Gold Yi Industries Co Ltd (2) #	Hong Kong	45	45	Investment holding and provision of logistic support	6,481	6,481	-	-
GP Battery Marketing (Germany) GmbH (4) #	Germany	35	35	Marketing and trading in batteries	59	59	-	-
GP Battery Marketing Italy S.r.l (4) #	Italy	40	40	Marketing and trading in batteries	66	66	-	-
GP Battery Marketing (Malaysia) Sdn Bhd (1) #	Malaysia	30	30	Marketing and trading in batteries	14	14	-	-
GP Battery Marketing (Thailand) Co Ltd (2) #	Thailand	49	49	Marketing and trading in batteries	89	89	-	-
Huizhou Gold Yi Industries Co Ltd (3) @	PRC	38.3	38.3	Manufacturing of battery parts	-	-	-	-
Huizhou Long Tek Industries Co Ltd (3) @	PRC	42.5	42.5	Manufacturing of battery parts	-	-	-	-
Long Tek Industries Co Ltd (2) #	Hong Kong	50	50	Investment holding and provision of logistic support	3,611	3,611	-	-
Shanghai Jin Jiang Battery Co Ltd (4) #	PRC	35	35	Manufacturing of batteries	402	402	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

32 Associates (cont'd)

Associates of the Group 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			
		2003	2002		The Group	The Group	The Company	The Company
		2003	2002		2003	2002	2003	2002
		%	%		S\$'000	S\$'000	S\$'000	S\$'000
T.G. Battery Co (Hong Kong) Limited (1)	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 (3) @	PRC	42.5	42.5	Manufacturing of batteries	-	-	-	-
					33,530	33,530	11,453	11,453

Held by subsidiaries of the Company

@ These are subsidiaries of other associates of the Company

(1) Audited by member firms of Deloitte Touche Tohmatsu

(2) Audited by other accounting firms as these associates are not significant

(3) The results of these associates are included in the audited consolidated financial statements of their respective holding companies and are therefore not separately audited

(4) Not audited as associates are not significant

33 Related party transactions

Related parties in these 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 which is listed on the Singapore Exchange Securities Trading Limited.

The amounts due from or to related parties are unsecured, non-interest bearing and have no fixed terms of repayment. The Group has significant transactions with related parties on normal commercial terms as agreed between the parties as follows:

	The Group	
	2003	2002
	S\$'000	S\$'000
Sales to related parties	102	1,235
Purchases from related parties	5,431	1,862
Rental and other services paid to related parties	1,285	1,153
Purchase of factory building from a related party	2,400	-
Sales to associates	24,996	19,268
Purchases from associates	64,921	67,853

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

34 Segment information

The Group's activities are primarily based in the People's Republic of China including Hong Kong and other 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.

Segment revenue, assets and capital expenditure are analysed based on the location of production facilities and assets. Capital expenditure includes the total cost incurred to acquire property, plant and equipment.

The Group operates in only one main business segment and that is the development, manufacturing, distribution and trading in batteries and battery related products.

Geographical segments by location of production facilities and assets

	Asia S\$'000	North and South America S\$'000	Europe and Others S\$'000	Elimination S\$'000	Consolidated S\$'000
2003					
Revenue					
External sales	569,475	35,306	55,956	-	660,737
Inter-segment sales	50,395	164,559	10,513	(225,467)	-
Total revenue	619,870	199,865	66,469	(225,467)	660,737
Results					
Segment results	32,614	2,286	4,311		39,211
Finance costs					(9,826)
Profit before share of results of associates					29,385
Share of results of associates	6,388	-	1,409		7,797
Profit before income tax					37,182
Income tax expense					(5,561)
Profit after income tax					31,621
Minority interests					963
Profit attributable to shareholders					32,584

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

34 Segment information (cont'd)

	Asia S\$'000	North and South America S\$'000	Europe and Others S\$'000	Consolidated S\$'000
2003				
Balance sheet				
Segment assets	650,495	79,410	40,349	770,254
Interest in associates	27,034	-	530	27,564
	<u>677,529</u>	<u>79,410</u>	<u>40,879</u>	<u>797,818</u>
Unallocated assets				83
Consolidated total assets				<u>797,901</u>
Segment liabilities	<u>131,444</u>	<u>2,617</u>	<u>8,442</u>	142,503
Unallocated liabilities				305,847
Consolidated total liabilities				<u>448,350</u>
Other information				
Addition of:				
Property, plant and equipment	<u>45,009</u>	<u>264</u>	<u>2,482</u>	<u>47,755</u>
Non cash expenses:				
Amortisation	6,016	2	-	6,018
Depreciation	34,331	995	1,716	37,042
Impairment loss	<u>2,179</u>	<u>293</u>	<u>281</u>	<u>2,753</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2003

34 Segment information (cont'd)

	Asia S\$'000	North and South America S\$'000	Europe and Others S\$'000	Elimination S\$'000	Consolidated S\$'000
2002					
Revenue					
External sales	469,976	31,751	52,312	-	554,039
Inter-segment sales	69,777	137,059	13,776	(220,612)	-
Total revenue	539,753	168,810	66,088	(220,612)	554,039
Results					
Segment results	21,120	1,369	1,853		24,342
Finance costs					(13,841)
Profit before share of results of associates					10,501
Share of results of associates	7,977	-	704		8,681
Profit before income tax					19,182
Income tax expense					(2,623)
Profit after income tax					16,559
Minority interests					640
Profit attributable to shareholders					17,199
2002					
Balance sheet					
Segment assets	495,652	80,441	65,017		641,110
Interest in associates	27,478	-	288		27,766
	523,130	80,441	65,305		668,876
Unallocated assets					150
Consolidated total assets					669,026
Segment liabilities	71,556	4,097	9,441		85,094
Unallocated liabilities					254,326
Consolidated total liabilities					339,420
Other information					
Addition of:					
Deferred expenditure	1,308	3	-		1,311
Property, plant and equipment	37,302	334	3,074		40,710
Non cash expenses:					
Amortisation	2,808	2	-		2,810
Depreciation	23,091	1,168	1,655		25,914
Impairment loss	-	67	-		67

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

34 Segment information (cont'd)

Revenue from external customers by geographical customers

	The Group	
	2003 S\$'000	2002 S\$'000
Asia	392,474	327,808
North and South America	117,131	102,663
Europe and others	151,132	123,568
	<u>660,737</u>	<u>554,039</u>

35 Reclassifications and comparative figures

Comparative figures for "Debtors" and "Creditors and accrued charges" for the Group and the Company have been reclassified to conform with current year's presentation.

The effects of the above-mentioned changes on the Group's and the Company's financial statements are immaterial.