

This format of the financial statements is not exhaustive. Listed companies should include separate disclosure of any item which is material because of its size and/or incidence so as to give a proper understanding of the group's performance.

Adequate disclosure should be given to explain any material exceptional and/or extraordinary item either in a footnote or in the "Review of the performance of the company and its principal subsidiaries".

GP BATTERIES INTERNATIONAL LIMITED

Proforma Half Year Financial Statement And Dividend Announcement

Half-year financial statements on consolidated results for the six months ended 30 September 2002.

These figures have not been audited.

Where the figures have been audited, the auditors' report (including any qualifications or emphasis of matter) must be set out.

		Group			Company		
		S\$'000		%	S\$'000		%
		Latest period	Previous corresponding period	Increase/ (Decrease)	Latest period	Previous corresponding period	Increase/ (Decrease)
1.(a)	Turnover	327,370	282,076	16.1	28,476	38,168	(25.4)
1.(b)	Cost of sales or classification as followed in the most recent audited annual financial statements	(258,559)	(223,098)	15.9	(5,189)	(4,164)	24.6
1.(c)	Gross profit/loss	68,811	58,978	16.7	23,287	34,004	(31.5)
1.(d)	Investment income	40	0	N/M	0	0	0
1.(e)	Other income including interest income	554	536	3.4	80	255	(68.6)
2.(a)	Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	38,134	29,093	31.1	18,320	30,015	(39.0)
2.(b)(i)	Interest on borrowings	(5,827)	(8,311)	(29.9)	(3,518)	(6,869)	(48.8)
2.(b)(ii)	Depreciation and amortisation	(18,070)	(13,488)	34.0	(492)	(380)	29.5
2.(b)(iii)	Foreign exchange gain/(loss)	(1,406)	(284)	395.1	(1,068)	157	N/M
2.(c)	Exceptional items (provide separate disclosure of items)	0	0	0	0	0	0

		Group			Company		
		S\$'000		%	S\$'000		%
		Latest period	Previous corresponding period	Increase/ (Decrease)	Latest period	Previous corresponding period	Increase/ (Decrease)
2.(d)	Operating profit before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	12,831	7,010	83.0	13,242	22,923	(42.2)
2.(e)	Income derived from associated companies (With separate disclosure of any items included therein which are exceptional because of size & incidence)	4,380	5,099	(14.1)	0	0	0
2.(f)	Operating profit before income tax	17,211	12,109	42.1	13,242	22,923	(42.2)
2.(g)	Less income tax (Indicate basis of computation)	(2,246)	(1,316)	70.7	(250)	0	N/M
2.(g)(i)	Operating profit after tax before deducting minority interests	14,965	10,793	38.7	12,992	22,923	(43.3)
2.(g)(ii)	Less minority interests	438	28	1,464.3	0	0	0
2.(h)	Operating profit after tax attributable to members of the company	15,403	10,821	42.3	12,992	22,923	(43.3)
2.(i)(i)	Extraordinary items (provide separate disclosure of items)	0	0	0	0	0	0
2.(i)(ii)	Less minority interests	0	0	0	0	0	0
2.(i)(iii)	Extraordinary items attributable to members of the company	0	0	0	0	0	0

N/M : Not meaningful

		Group			Company		
		S\$'000		%	S\$'000		%
		Latest period	Previous corresponding period	Increase/ (Decrease)	Latest period	Previous corresponding period	Increase/ (Decrease)
2.(i)(iv)	Transfer to/from Exchange Reserve	0	0	0	0	0	0
2.(i)(v)	Transfer to Capital Reserve	0	0	0	0	0	0
2.(i)(vi)	Transfer to Reserve Fund	0	0	0	0	0	0
2.(j)	Operating profit after tax and extraordinary items attributable to members of the company	15,403	10,821	42.3	12,992	22,923	(43.3)

Group Figures

		Latest period	Previous corresponding period
3.(a)	Operating profit [2(g)(i) above] as a percentage of turnover [1(a) above]	4.57%	3.83%
3.(b)	Operating profit [2(h) above] as a percentage of issued capital and reserves at end of the period	5.22%	3.76%
3.(c)	Earnings per ordinary share for the period based on 2(h) above after deducting any provision for preference dividends:-		
	(i) Based on weighted average number of ordinary shares in issue	14.88 cents	10.46 cents
	(ii) On a fully diluted basis	14.83 cents	10.41 cents
	(To disclose the basis used in arriving at the weighted average number of shares for the purposes of (c)(i) above and to provide details of any adjustments made for the purpose of (c)(ii) above)		
3.(d)	Net tangible asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	S\$2.40	S\$2.24

3.(e) To provide an analysis of expenses based on their function within the group for the current and previous corresponding period

**The Group
Half year
ended**

	30.9.2002	30.9.2001
	S\$'000	S\$'000
Distribution expenses	15,543	13,802
Administrative expenses	33,321	29,638
Other operating expenses	477	469
	49,341	43,909

Other operating expenses do not include interest expenses and foreign exchange loss.

Review of Results

- 1 The Group's turnover for the six months ended 30 September 2002 was S\$327.4 million, an increase of 16.1% 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\$15.4 million, an increase of 42.3%.
- 2 Gross profit was S\$68.8 million, an increase of 16.7%. This was mainly due to increase in sales of products with better margin and improvement in operating efficiency.
- 3 Distribution expenses increased by 12.6% to S\$15.5 million which is in line with the increase in sales activities. The increase in administrative expenses by 12.4% was mainly due to the increase in amortisation charges and research and development expenditure for Li-ion batteries totalling S\$2.9 million.
- 4 Interest on borrowings incurred during the period decreased by 29.9% due to lower interest rates on borrowings.
- 5 Depreciation and amortisation charges for the period amounted to S\$18.1 million, an increase of 34.0% over the same period last year. The increase was mainly due to the commencement of commercial production of our Li-ion batteries during the period.
- 6 The net exchange loss of S\$1.41 million (2001:S\$0.28 million), arose mainly on outstanding receivables denominated in US dollar and HK dollar as the Singapore dollar strengthened against the US dollar and HK dollar during the period.
- 7 The slight decrease in income derived from associated companies was mainly due to the reduction of profitability of a joint venture company in China during the period.
- 8 For earnings per ordinary share calculation, the weighted average number of ordinary shares for the period of 103,501,971 (2001:103,480,933) represents the number of ordinary shares in issue at the beginning of the period 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 option.
- 9 The increase in net tangible asset backing per ordinary share from S\$2.24 to S\$2.40 was mainly due to the increase in profits of the Group during the period.

Item 4 is not applicable to interim results	Group			Company		
	S\$'000		%	S\$'000		%
	Latest period	Previous corresponding period	Increase/ (Decrease)	Latest period	Previous corresponding period	Increase/ (Decrease)
4.(a) Sales reported for first half year	0	0	0	0	0	0
4.(b) Operating profit [2(g)(i) above] reported for first half year	0	0	0	0	0	0
4.(c) Sales reported for second half year	0	0	0	0	0	0
4.(d) Operating profit [2(g)(i) above] reported for second half year	0	0	0	0	0	0

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

The tax charge for the Group is determined on the basis of tax effect accounting using the liability method and is applied to all significant timing differences and by applying the different corporate tax rates prevailing in the various countries of incorporation of the Group companies. The effective tax rate for the latest half year was 13.0% of the total reported profit as compared to 10.9% for the last period. This was due to the effect of losses incurred by some subsidiaries in the Group which had reduced the overall profit of the Group.

The tax incentive granted to the Company as Operational Headquarters ("OHQ status") in Singapore had expired on 30 June 2002. Under this tax incentive, the dividend income received from approved qualifying corporations is tax exempt and certain types of income received from approved qualifying corporations are taxed at a concessionary rate of 10%. The Company had applied for the extension of OHQ status from the Economic Development Board ("EDB") and had received in-principle support for OHQ renewal from EDB, subject to final approval from the Minister (Trade and Industry).

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

Nil

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

Sale of investments/properties
Nil

\$Profit/(Loss)

5.(d) Any other comments relating to Paragraph 5

There was no sale of investments during the six months ended 30 September 2002.

6. Segmental Results

Primary segment information for the Group based on geographical segments for the six months are as follows:-

Geographical segments by location of assets:

	Asia			North and South America	Europe and Others		Elimination		Consolidated	
	30.9.02 S\$'000	30.9.01 S\$'000	30.9.02 S\$'000	30.9.01 S\$'000	30.9.02 S\$'000	30.9.01 S\$'000	30.9.02 S\$'000	30.9.01 S\$'000	30.9.02 S\$'000	30.9.01 S\$'000
Revenue										
External sales	282,552	245,588	18,669	13,384	26,149	23,104			327,370	282,076
Inter-segment sales	454,875	373,471	87,484	70,790	6,143	9,841	(548,502)	(454,102)	0	0
Total revenue	737,427	619,059	106,153	84,174	32,292	32,945	(548,502)	(454,102)	327,370	282,076
Results										
Segment results	17,011	14,456	709	400	938	465			18,658	15,321
Finance cost									(5,827)	(8,311)
Profit before share of results of associates									12,831	7,010
Share of results of associates	4,265	4,698	0	0	115	401			4,380	5,099
Profit before income tax									17,211	12,109
Income tax expense									(2,246)	(1,316)
Profit after income tax									14,965	10,793
Minority interests									438	28
Profit attributable to shareholders									15,403	10,821

Revenue from external customers by geographical customers

	30.9.02 S\$'000	Group Half year ended 30.9.01 S\$'000
	Asia	201,457
North and South America	63,741	58,371
Europe and others	62,172	55,236
	327,370	282,076

The operations of the Group are in the development, manufacture, distribution and trading of batteries and battery related products and accordingly, the income and profits of the Group are derived substantially from this business segment.

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

During the six months under review, the Group recovered strongly and achieved a record turnover. Many of the Group's manufacturing plants were running at a satisfactory level. Operating profit attributable to members of the Company grew by 42.3%.

Sales in Asia, mainly Hong Kong and China, increased by almost 20%. Rechargeable batteries recorded an increase of over 20% due to strong demand for high capacity NiMH batteries and commencement of commercial production of our Li-ion batteries. Sales to private-label customers remained steady and sales in the consumer markets, particularly GP rechargeable products including the PowerBank (Smart) continued to grow strongly. Performance of the associated companies remained steady.

The Group has launched a comprehensive range of Li-ion batteries since early 2002 and sales of these batteries have increased significantly over the last few months. In-house capability to incorporate electronic circuitry with the batteries has contributed to the Group's competitive advantage.

The Thin Metal Film ("TMF") lead acid battery facilities had been set up and trial production is in progress. Full commercial production is expected to commence in early 2003. The Group has started to launch its TMF batteries as an emergency starter battery to the automobile and marine markets.

The Group has delivered six sets of Electric Vehicles ("EV") batteries for the Advance Public Transport vehicle of The Netherlands and has received very encouraging feedback from the project leader.

In May 2002, the Group established a S\$500 million Multicurrency Debt Issuance Programme and appointed DBS Bank as the Lead Manager for the first issue of S\$50 million Fixed Rate Notes due 2005 under the Programme. The proceeds from the issue were used to refinance existing bank borrowings and provide for business operations and expansions.

In September 2002, the Group announced that it had entered into two conditional sales and purchase agreements to acquire 75% stake in Zhongyin (Ningbo) Battery Co Ltd ("Ningbo Batteries") for a total cash consideration of RMB230 million (approximately S\$48.7 million). Ningbo Batteries, which is the second largest alkaline battery producer in China, has a strong distribution network in over 80 major cities throughout the country.

7.(b) Where a forecast, or a prospect statement, has been previously disclosed to shareholders, the issuer must explain any variance between the forecast or prospect statement and the actual results

Not applicable

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

In the opinion of the Directors of the Company, no item or event of a material or unusual nature which would have affected materially the results of operations of the Group and Company has occurred between 30 September 2002 and the date on which this report is issued.

8. A commentary at the date of this 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

The outlook for the second half year remains optimistic. Market prices for batteries have generally stabilized. Demand for Li-ion and high capacity NiMH batteries is expected to grow. The Group has embarked on a renewed effort to expand its production capacities in its existing plants to cater for further growth.

The Group's worldwide GP distribution network is expected to benefit with the availability of highly competitive alkaline batteries from Ningbo Batteries. The distribution network of Ningbo Batteries will also enhance the Group's position in the China consumer market.

The Group will continue to explore emerging opportunities in EV batteries and TMF lead acid batteries. It has received further orders for a project in Italy to power a fleet of electric trams.

Barring any unforeseen circumstances, the Directors expect the Group's results for the second half year to remain profitable.

9. Dividend

(a) Present Period

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	5.25% 4.2 cents per ordinary share tax exempt
Par value of shares	S\$0.80
Tax Rate	

(b) Previous Corresponding Period

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

(c) Total Annual Dividend (if applicable)

	Latest Year (S\$'000)	Previous Year (S\$'000)
Ordinary	4,347	3,208
Preference	0	0
Total:	4,347	3,208

(d) Date payable

To be announced later.

(e) Books closure date

To be announced later.

(f) Any other comments relating to Paragraph 9

NIL

10.(a) Balance sheet

	30.9.2002	The Group	30.9.2002	The Company
	S\$'000	31.3.2002	S\$'000	31.3.2002
		S\$'000		S\$'000
Fixed Assets	268,524	267,143	8,057	8,313
Interest in subsidiaries	0	0	413,699	409,863
Interest in Associated Companies	28,907	27,766	11,453	11,453
Investment	24,234	25,132	0	0
Intangible Assets	46,899	54,246	2,507	2,663
Current Assets				
- Stocks	114,769	115,580	3,988	3,965
- Debtors	179,941	143,337	64,470	57,077
- Short-term investments, at market value	40	360	0	0
- Deposits and prepayments	8,420	14,129	979	880
- Bank balances, deposits and cash	45,620	16,159	26,765	1,145
Total current assets	348,790	289,565	96,202	63,067
Current Liabilities				
- Creditors and accrued charges	(104,913)	(79,918)	(16,915)	(7,673)
- Obligations under finance leases	(22)	(22)	(22)	(22)
- Income tax payable	(2,566)	(2,034)	(806)	(656)
- Bank loans and overdrafts	(197,356)	(107,952)	(134,891)	(50,708)
Total current liabilities	(304,857)	(189,926)	(152,634)	(59,059)
Non-current Liabilities				
- Bank loans	(27,807)	(29,174)	(26,666)	(27,633)
- Obligations under finance leases	(59)	(70)	(59)	(70)
- Fixed/floating rate notes	(50,000)	(110,534)	(50,000)	(110,534)
- Deferred tax liabilities	(4,629)	(4,542)	(375)	(275)

Total non-current liabilities	(82,495)	(144,320)	(77,100)	(138,512)
	330,002	329,606	302,184	297,788
Represented by:				
Share Capital	82,802	82,801	82,802	82,801
Reserves	212,055	209,271	219,382	214,987
Shareholders' funds	294,857	292,072	302,184	297,788
Minority Interests	35,145	37,534	0	0
	330,002	329,606	302,184	297,788

10.(b) Cash flow statement

The Group

	30.9.2002	Half year ended 30.9.2001
	S\$'000	S\$'000
Cash flows from operating activities:		
Profit before income tax and share of results of associates	12,831	7,010
Adjustments for:		
Depreciation and amortisation	18,070	13,488
Interest expense	5,827	8,311
Impairment loss of short-term investments	313	0
Loss (Gain) on disposal of property, plant and equipment	544	(65)
Write off of product development expenditure	348	0
Operating profit before working capital changes	37,933	28,744
Stocks	811	39,958
Debtors	(36,604)	(50,720)
Deposits and prepayments	5,709	1,313
Creditors and accrued charges	24,995	13,982
Cash generated from operations	32,844	33,277
Interest paid	(5,827)	(8,311)
Income tax paid	(1,470)	(695)
Net cash from operating activities	25,547	24,271
Cash flows from investing activities:		
Dividends received from associates	2,832	2,854
Increase in short-term investments	0	154
Payments for product development expenditure	0	(3,159)
Proceeds from disposal of property, plant and equipment	877	869
Purchase of property, plant and equipment	(23,900)	(21,599)
Net cash used in investing activities	(20,191)	(20,881)
Cash flows from financing activities:		
Repayment of bank loans	(18,137)	(10,767)
Dividends paid	(4,140)	(6,210)
Issue of fixed rate notes	50,000	0
Others	(408)	(299)
Net cash from (used in) financing activities	27,315	(17,276)
Net effect of exchange rate changes in consolidating subsidiaries	(3,738)	(1,021)
Net increase (decrease) in cash and cash equivalents	28,933	(14,907)
Cash and cash equivalents at 1 April	15,359	30,625
Cash and cash equivalents at 30 September	44,292	15,718

Cash and cash equivalents at 30 September comprise:

Bank balances, deposits and cash	45,620	17,065
Bank overdrafts	(1,328)	(1,347)
	44,292	15,718

10.(c) Statement of changes in equity

	Share capital	Share premium	Capital reserve	Legal surplus	Translation reserve	Property revaluation reserve	Dividend reserve	Retained profits	Total
The Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 31 March 2001	82,771	135,625	(30,750)	663	(17,349)	2,093	6,208	105,855	285,116
Issue of shares	30	0	0	0	0	0	0	0	30
Premium arising from issue of shares, net of expenses	0	22	0	0	0	0	0	0	22
Arising from:									
- revaluation of long-term foreign currency monetary balances	0	0	0	0	1,331	0	0	0	1,331
- translation of foreign currency financial statements	0	0	0	0	(2,207)	0	0	0	(2,207)
Transfer to (from) reserves	0	0	(3)	475	5	0	0	(477)	0
Profit attributable to shareholders	0	0	0	0	0	0	0	17,199	17,199
Dividends									
- paid	0	0	0	0	0	0	(6,208)	(3,211)	(9,419)
- proposed	0	0	0	0	0	0	4,140	(4,140)	0
Balance at 31 March 2002	82,801	135,647	(30,753)	1,138	(18,220)	2,093	4,140	115,226	292,072
Issue of shares	1	0	0	0	0	0	0	0	1
Premium arising from issue of shares, net of expenses	0	1	0	0	0	0	0	0	1
Arising from:									
-revaluation of long term foreign currency monetary balances	0	0	0	0	(4,237)	0	0	0	(4,237)
-translation of foreign currency financial statements	0	0	0	0	(4,243)	0	0	0	(4,243)
Transfer to (from) reserves	0	0	0	0	0	0	0	0	0
Profit attributable to shareholders	0	0	0	0	0	0	0	15,403	15,403
Dividends									
-paid	0	0	0	0	0	0	(4,140)	0	(4,140)
-proposed	0	0	0	0	0	0	4,347	(4,347)	0
Balance at 30 September 2002	82,802	135,648	(30,753)	1,138	(26,700)	2,093	4,347	126,282	294,857

	Share capital	Share premium	Translation reserve	Dividend reserve	Retained profits	Total
The Company	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 31 March 2001	82,771	135,625	(9,323)	6,208	47,669	262,950
Issue of shares	30	0	0	0	0	30
Premium arising from issue of shares, net of expenses	0	22	0	0	0	22
Arising from revaluation of long term foreign currency monetary balances	0	0	1,461	0	0	1,461
Profit attributable to shareholders	0	0	0	0	42,744	42,744
Dividends						
- paid	0	0	0	(6,208)	(3,211)	(9,419)
- proposed	0	0	0	4,140	(4,140)	0
Balance at 31 March 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
Arising from revaluation of long term foreign currency monetary balances	0	0	(4,458)	0	0	(4,458)
Profit attributable to shareholders	0	0	0	0	12,992	12,992
Dividends						
- paid	0	0	0	(4,140)	0	(4,140)
- proposed	0	0	0	4,347	(4,347)	0
Balance at 30 September 2002	82,802	135,648	(12,320)	4,347	91,707	302,184

10.(d) Explanatory notes that are material to an understanding of the information provided in 10.(a), (b) and (c) above

The increase in current assets of S\$59.2 million was mainly due to :

- The increase in debtors and deposits of S\$30.9 million of which about S\$21.1 million was due to increase in turnover for the period and the first 20% downpayment of S\$9.8 million for the acquisition of 75% in Ningbo Batteries.
- Increase in bank balances by S\$29.5 million as the net proceeds from the issue of S\$50 million fixed rate notes (the "Notes") in May 2002 had not been fully utilised.

The increase in current liabilities of S\$114.9 million was mainly due to :

- The reclassification of the US\$60 million (S\$106.7 million) unsecured Floating Rate Notes ("FRN") due September 2003 from non-current liabilities to current liabilities.
- Increase in trade creditors and accrued charges by S\$25 million in line with increase in manufacturing activities.
- Decrease in short term bank loans by S\$17.3 million.

The decrease in non-current liabilities of S\$61.8 million was mainly due to :

- Decrease in borrowings as a result of reclassification of the FRN of S\$106.7 million to current liabilities netted off by the issue of the S\$50 million Notes due 2005.

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

Since the end of the previous half year up to 30 September 2002, the issued share capital of the Company was increased from S\$82,801,000 to S\$82,802,000 arising from the issue of 1,000 ordinary shares of S\$0.80 each at S\$1.41 pursuant to the exercise by option holder under the Company's Executives' Share Option Scheme.

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

Date of Expiry	Exercise Price per each ordinary share of S\$0.80	As at 30.9.2002	As at 31.3.2002
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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	1,733,000	1,734,000
No. 2	10 October 2010	S\$1.60	2,000,000	2,000,000
No. 3	4 August 2012	S\$1.25	2,000,000	0
			8,463,000	7,399,000

12. The group's borrowings and debt securities as at the end of the financial period reported on, and comparative figures as at the end of the most recently announced financial statements

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

As at 30/09/2002 (DD/MM/YYYY)		As at 31/03/2002 (DD/MM/YYYY)	
Secured	Unsecured	Secured	Unsecured
S\$704,000	S\$196,674,000	S\$702,000	S\$107,272,000

(b) Amount repayable after one year

As at 30/09/2002 (DD/MM/YYYY)		As at 31/03/2002 (DD/MM/YYYY)	
Secured	Unsecured	Secured	Unsecured
S\$1,199,000	S\$76,667,000	S\$1,611,000	S\$138,167,000

(c) Any other comments relating to Paragraph 12

Please refer to explanatory notes in paragraph 10 (d).

13. A statement that the same accounting polices and methods of computation are followed in the financial statements as compared with the most recent audited annual financial statements. Where there have been any changes or departure from the accounting policies and methods of computation, including those required by an accounting standard, this should be disclosed together with the reasons for the change and the effect of the change

The Group has adopted the same accounting policies and methods of computation for the current financial period as those adopted for the audited financial statements for the financial year ended 31 March 2002.

During the year, the Group adopted all the new and revised Statements of Accounting Standards ("SAS") which became effective during the period ended 30 September 2002.

The adoption of the new and revised SAS does not affect the results of the current or prior periods except for the adoption of SAS20 (Revised) on The Effects of Changes in Foreign Exchange Rates. The changes in the above accounting policies have not been applied retrospectively as the impact is immaterial.

BY ORDER OF THE BOARD

Andrew Ng Sung On
Chairman & Chief Executive
03/12/2002