

# REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the Company and of the Group for the financial year ended 31 March 2002.

## 1 Directors

The directors of the Company in office at the date of this report are:

*Executive:*

Andrew Ng Sung On, Chairman and Chief Executive

Richard Ku Yuk Hing, Vice Chairman

Hui Wing Sun

Lu Tse Wan

Tsang Kwan Lung

Raymond Wong Wai Kan

*Non-executive:*

Cheng Wai Keung

Phua Bah Lee

Harald E Kading

## 2 Audit committee

The members of the audit committee at the date of this report are:

Phua Bah Lee, Chairman

Harald E Kading

Tsang Kwan Lung

## 3 Principal activities

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

The principal activities of the subsidiaries are as disclosed in Note 30 to the financial statements.

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

## REPORT OF THE DIRECTORS (cont'd)

### 4 Acquisitions and disposals of subsidiaries

During the financial year,

- a) the Group incorporated the following subsidiaries:

Name of subsidiaries	Consideration paid	Effective equity interest held by the Group %
Lucky Concept Limited	US\$1	100
Bolder Technologies Pte Ltd	S\$100,000	100

- b) there were no disposals of subsidiaries.

### 5 Result and appropriations for the financial year

	The Group S\$'000	The Company S\$'000
Profit attributable to shareholders	17,199	42,744
Retained profits at 1 April 2001		
- As previously reported	108,115	62,392
- Prior year adjustments (Note 34)	(2,260)	(14,723)
- As restated	105,855	47,669
Profits available for appropriations	123,054	90,413
Dividends		
- paid (Note 10)	(3,211)	(3,211)
- proposed (Note 10)	(4,140)	(4,140)
Transfer to non-distributable reserves	(477)	-
Retained profits at 31 March 2002	115,226	83,062

### 6 Material transfers to/from reserves and provisions

During the financial year, there were no material transfers to or from reserves and provisions other than those disclosed in the accompanying financial statements.

## REPORT OF THE DIRECTORS (cont'd)

### 7 Issues of shares and debentures

During the financial year,

- a) the Company issued 37,000 new ordinary shares of S\$0.80 each at S\$1.41 per share for cash pursuant to the exercise of share options by option holders. The proceeds were used as working capital for the Company.
- b) a subsidiary, Danish Polish Batteries Sp.z.o.o.,
  - (i) increased its authorised share capital from PLZ (Polish Zlotys) 4,414,500 comprising 88,290 ordinary shares of PLZ 50 each to PLZ 11,630,500 comprising 23,261 ordinary shares of PLZ 500 each by consolidating 88,290 ordinary shares of PLZ 50 each into 8,829 ordinary shares of PLZ 500 each and by creating 14,432 ordinary shares of PLZ 500 each; and
  - (ii) issued 14,432 ordinary shares of PLZ 500 each at par for cash to provide additional working capital.
- c) the Group made capital contribution to the following subsidiaries:

Name of subsidiaries	Capital contribution	Purposes
Huizhou Power Pack Co Ltd	HK\$2,458,470 in the form of fixed assets	To increase production capacity
Dongguan Chao Ba Batteries Co Ltd	HK\$4,123,512 in the form of fixed assets	To increase production capacity
Shenzhen Jetpower Batteries Limited	HK\$9,643,681 in the form of fixed assets	To increase production capacity
GP Battery (Poland) Sp.z.o.o.	PLZ 7,270,400 in cash in connection with an increase in par value from PLZ 100 per share to PLZ 795 per share	To provide additional working capital

- d) the Company and its subsidiaries did not issue any debentures.

### 8 Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate except for the Company's share option schemes as disclosed in paragraph 19 of this report.

## REPORT OF THE DIRECTORS (cont'd)

### 9 Directors' interests in shares and debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in the name of directors			Shareholdings in which directors are deemed to have an interest		
	At 1 April 2001	At 31 March 2002	At 21 April 2002	At 1 April 2001	At 31 March 2002	At 21 April 2002
<b>Ordinary shares of S\$0.80 each of the Company</b>						
Andrew Ng Sung On	80,000	80,000	80,000	533,332	533,332	533,332
Richard Ku Yuk Hing	50,000	50,000	50,000	-	-	-
Hui Wing Sun	90,028	90,028	90,028	-	-	-
Lu Tse Wan	24,000	24,000	24,000	-	-	-
Tsang Kwan Lung	30,000	10,000	10,000	-	-	-
Raymond Wong Wai Kan	4,000	4,000	4,000	-	-	-
Cheng Wai Keung	-	10,000	10,000	-	-	-
<b>Options to subscribe for ordinary shares of S\$0.80 each of the Company</b>						
Andrew Ng Sung On	760,000	690,000	690,000	-	-	-
Richard Ku Yuk Hing	680,000	620,000	620,000	-	-	-
Hui Wing Sun	600,000	540,000	540,000	-	-	-
Lu Tse Wan	580,000	530,000	530,000	-	-	-
Tsang Kwan Lung	440,000	405,000	405,000	-	-	-
Raymond Wong Wai Kan	420,000	395,000	395,000	-	-	-
Cheng Wai Keung	30,000	30,000	30,000	-	-	-
Phua Bah Lee	40,000	40,000	40,000	-	-	-
Harald E Kading	30,000	30,000	30,000	-	-	-
<b>Ordinary shares of NT\$10 each of Gold Peak Industries (Taiwan) Limited</b>						
Andrew Ng Sung On	500,000	500,000	500,000	-	-	-
Richard Ku Yuk Hing	200,000	200,000	200,000	-	-	-
Hui Wing Sun	200,000	200,000	200,000	-	-	-
Lu Tse Wan	200,000	200,000	200,000	-	-	-
Tsang Kwan Lung	100,000	100,000	100,000	-	-	-
Raymond Wong Wai Kan	100,000	100,000	100,000	-	-	-

## REPORT OF THE DIRECTORS (cont'd)

### 10 Dividends

Dividends paid, declared and proposed since the end of the Company's last financial year were as follows:

- a) a final tax-exempt dividend of 6.0 Singapore cents per ordinary share of S\$0.80 each totalling S\$6,210,070 was paid on 20 September 2001 in respect of the financial year ended 31 March 2001.
- b) an interim tax-exempt dividend of 3.1 Singapore cents per ordinary share of S\$0.80 each totalling S\$3,208,536 was paid on 31 January 2002 in respect of the financial year ended 31 March 2002.
- c) a proposed final tax-exempt dividend of 4.0 Singapore cents per ordinary share of S\$0.80 each totalling S\$4,140,047 was recommended by the directors of the Company, to be paid on 17 September 2002 in respect of the financial year ended 31 March 2002.

The Company has been awarded the Operational Headquarters ("OHQ") status by the Economic Development Board ("EDB"). Under this scheme, dividend income received from approved qualifying corporations within the Group is exempted from Singapore tax. The Company's OHQ status has expired on 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 EDB, subject to final approval by the Minister for Trade and Industry.

### 11 Directors' actions relating to bad and doubtful debts

Before the profit and loss statement and the balance sheet were made out, the directors of the Company took reasonable steps to ascertain that proper action had been taken in relation to the writing off and providing for bad and doubtful debts of the Company and have satisfied themselves that all known bad debts, if any, of the Company have been written off and that where necessary adequate provision has been made for doubtful debts.

At the date of this report, the directors of the Company are not aware of any circumstances which would render amounts written off or provided for bad and doubtful debts for the group of companies in consolidated financial statements of the Company inadequate to any substantial extent.

### 12 Directors' actions relating to current assets

Before the profit and loss statement and the balance sheet were made out, the directors of the Company took reasonable steps to ascertain that any current assets of the Company which were unlikely to realise their book values in the ordinary course of business, have been written down to their estimated realisable values or were adequately provided for.

At the date of this report, the directors of the Company are not aware of any circumstances which would render the values attributable to current assets in the consolidated financial statements misleading.

## REPORT OF THE DIRECTORS (cont'd)

### 13 Charges on assets and existence of contingent liabilities after year end date

At the date of this report:

- a) there does not exist any charge on the assets of the Company or any corporation in the Group which has arisen since the end of the financial year which secures the liability of any other person; and
- b) there does not exist any contingent liability of the Company or any corporation in the Group which has arisen since the end of the financial year other than those arising out of the ordinary course of business.

### 14 Ability to meet obligations

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

### 15 Other circumstances affecting the financial statements

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

### 16 Unusual items

In the opinion of the directors of the Company, the results of the operations of the Company and of the Group have not been substantially affected by any item, transaction or event of a material and unusual nature during the financial year.

### 17 Unusual items after year end date

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

### 18 Directors' receipt of and entitlement to contractual benefits

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements and that certain directors have received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

## REPORT OF THE DIRECTORS (cont'd)

### 19 Share options

- i) The Company's Executives' Share Option Scheme which was approved on 13 August 1992 (the "1992 Scheme") was discontinued on 20 December 1999. This has since been replaced by a new Share Option Scheme (the "1999 Scheme") which was approved by the shareholders of the Company at an Extraordinary General Meeting held on 20 December 1999. Options granted under the 1992 Scheme which have not been exercised at the time of discontinuation of the 1992 Scheme shall remain valid until such a time where the options have been exercised or have lapsed and will continue to be administered under the rules of the 1992 Scheme as amended and approved on 20 December 1999.
- ii) During the financial year,
- no option to take up unissued shares of the Company and subsidiaries was granted; and
  - except for the issue of 37,000 new ordinary shares pursuant to the exercise of share options by option holders as described in paragraph 7(a) of this report, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.
- iii) Options granted to directors were as follows:

#### *Under the 1992 Scheme*

<b>Name of directors</b>	<b>Aggregate options granted since commencement of the 1992 Scheme to 20 December 1999</b>	<b>Aggregate options exercised since commencement of the 1992 Scheme to 31 March 2002</b>	<b>Aggregate options lapsed since commencement of the 1992 Scheme to 31 March 2002</b>	<b>Aggregate options outstanding as at 31 March 2002</b>
Andrew Ng Sung On	665,000	(80,000)	(295,000)	290,000
Richard Ku Yuk Hing	520,000	(40,000)	(220,000)	260,000
Hui Wing Sun	480,000	(40,000)	(220,000)	220,000
Lu Tse Wan	409,000	(24,000)	(175,000)	210,000
Tsang Kwan Lung	305,000	(55,000)	(95,000)	155,000
Raymond Wong Wai Kan	215,000	-	(70,000)	145,000

All options granted under the 1992 Scheme are for the subscription of unissued ordinary shares of S\$0.80 each of the Company.

## REPORT OF THE DIRECTORS (cont'd)

### 19 Share options (cont'd)

*Under the 1999 Scheme*

<b>Name of directors</b>	<b>Aggregate options granted since commencement of the 1999 Scheme to 31 March 2002</b>	<b>Aggregate options exercised since commencement of the 1999 Scheme to 31 March 2002</b>	<b>Aggregate options lapsed since commencement of the 1999 Scheme to 31 March 2002</b>	<b>Aggregate options outstanding as at 31 March 2002</b>
Andrew Ng Sung On	400,000	-	-	400,000
Richard Ku Yuk Hing	360,000	-	-	360,000
Hui Wing Sun	320,000	-	-	320,000
Lu Tse Wan	320,000	-	-	320,000
Tsang Kwan Lung	250,000	-	-	250,000
Raymond Wong Wai Kan	250,000	-	-	250,000
Cheng Wai Keung	30,000	-	-	30,000
Phua Bah Lee	40,000	-	-	40,000
Harald E Kading	30,000	-	-	30,000

All options granted under the 1999 Scheme are for the subscription of unissued ordinary shares of S\$0.80 each of the Company.

- iv) The Committee (the "Committee") administering both the 1992 and 1999 schemes comprises Cheng Wai Keung, Phua Bah Lee and Harald E Kading.
- v) The persons to whom the options have been granted under the 1992 Scheme do not have the rights to participate by virtue of the options in any share issue of any other corporation in the Group.
- vi) The persons to whom the options have been granted under the 1999 Scheme may, with prior approval of the Committee, participate by virtue of the options in any share issue of any other corporation in the Group.
- vii) No option has been granted to controlling shareholders or their associates, or parent group employees and no employee has received 5% or more of the total options available under the schemes.



## REPORT OF THE DIRECTORS (cont'd)

### 20 Unissued shares under option

At the end of the financial year, unissued ordinary shares of S\$0.80 each of the Company under option were as follows:

	Date of issue	Expiry date	Exercise price per share	Number of share options granted	Number of share options outstanding
<i>1992 Scheme</i>					
No. 6	29 July 1997	28 July 2002	S\$4.448	935,000	935,000
No. 7	6 August 1999	5 August 2004	S\$3.08	2,730,000	2,730,000
				3,665,000	3,665,000
<i>1999 Scheme</i>					
No. 1	17 March 2000	16 March 2010	S\$1.41	1,771,000	1,734,000
No. 2	11 October 2000	10 October 2010	S\$1.60	2,000,000	2,000,000
				3,771,000	3,734,000
				7,436,000	7,399,000

There were no unissued shares of subsidiaries under option at the end of the financial year.

### 21 Corporate governance

#### a) Board of Directors

The Company places great importance in selecting members with appropriate experience to its Board of Directors ("the Board"). This is achieved by appointing to its Board, individuals who have good track record in the public and/or corporate sectors. The diversity of our directors' skills, expertise and knowledge is highly beneficial to the future development of the Company.

The Board has always been mindful of the need to maintain a standard of corporate governance that protects the interest of its shareholders. It has in place a corporate governance system that best suits the Company's needs.

At present, the Board has nine members, including six executive and three non-executive directors. It meets at least three times a year in addition to ad-hoc meetings. Apart from its statutory responsibilities, the Board sets the overall strategy of the Group, approves major investments and funding decisions and reviews financial performance of the Group and system of internal control.

The Company has adopted the guidelines outlined in the Best Practices Guide on corporate governance as recommended by the Singapore Exchange Securities Trading Limited.

## REPORT OF THE DIRECTORS (cont'd)

### 21 Corporate governance (cont'd)

#### b) *Audit Committee*

The Audit Committee comprises three members, two of whom are independent directors. The Audit Committee performs the following functions:

- i) reviews the audit plan of the Company's external auditors;
- ii) reviews the results of the external auditors' examination and their evaluation of the Group's internal control system;
- iii) recommends to the Board, subject to shareholders' approval, the re-appointment of the Company's external auditors;
- iv) reviews the plan and results of internal audit and management's response to the internal auditors' recommendations;
- v) reviews the announcement of the Group's interim and final results before submission to the Board; and
- vi) reviews interested person transactions.

The Audit Committee has full access to and co-operation of the management. The auditors have unrestricted access to the Committee.

The Audit Committee has recommended Deloitte & Touche as auditors of the Company to be approved and appointed by the Company at the forthcoming annual general meeting.

#### c) *Securities Transactions*

The Company endorses the recommendations of the Best Practices Guide introduced by the Singapore Exchange Securities Trading Limited and has adopted a Code of Conduct on Transactions in the Company's shares.

Share trading guidelines have been issued to all officers. These guidelines:

- i) define window period during which trading in the Company's shares by officers may occur and prohibit trading outside the "closed" window period;
- ii) discourage officers from dealing in the Company's shares on short-term consideration and remind officers to be mindful of the law on insider trading; and
- iii) request that officers confirm annually that they have complied with and are not in breach of the provisions of this code.

## REPORT OF THE DIRECTORS (cont'd)

### 22 Auditors

The auditors, Deloitte & Touche, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS



**Andrew Ng Sung On**  
Chairman and Chief Executive

Singapore  
19 July 2002



**Richard Ku Yuk Hing**  
Vice Chairman