

PROFIT AND LOSS STATEMENTS

Year ended 31 March 2002

	Notes	The Group		The Company	
		2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
Revenue	3	554,039	594,172	67,772	45,834
Cost of sales		(431,098)	(459,379)	(7,693)	(7,466)
Gross profit		122,941	134,793	60,079	38,368
Other operating income	4	5,116	6,604	2,716	132
Distribution expenses		(33,713)	(30,919)	(512)	(375)
Administrative expenses		(69,006)	(67,710)	(8,737)	(7,474)
Other operating expenses		(996)	(998)	-	(6)
Profit from operations		24,342	41,770	53,546	30,645
Finance costs	5	(13,841)	(21,289)	(10,722)	(16,307)
Profit before exceptional items	6	10,501	20,481	42,824	14,338
Exceptional items	8	-	71	-	-
Profit before share of results of associates		10,501	20,552	42,824	14,338
Share of results of associates		8,681	8,329	-	-
Profit before income tax		19,182	28,881	42,824	14,338
Income tax expense	9	(2,623)	(3,620)	(80)	(100)
Profit after income tax		16,559	25,261	42,744	14,238
Minority interests		640	(633)	-	-
Profit attributable to shareholders		17,199	24,628	42,744	14,238
Earnings per share (cents)					
- Basic	11	16.62	23.80		
- Diluted	11	16.57	23.68		

See accompanying notes to financial statements.

BALANCE SHEETS

As at 31 March 2002

	Notes	The Group		The Company	
		2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
Non-current assets:					
Property, plant and equipment	12	267,143	251,875	8,313	8,589
Interest in subsidiaries	13	-	-	409,863	403,283
Interest in associates	14	27,766	29,655	11,453	11,453
Other investments	15	25,132	13,954	-	-
Deferred expenditure	16	54,246	54,661	2,663	2,976
Total non-current assets		374,287	350,145	432,292	426,301
Current assets:					
Stocks	17	115,580	158,665	3,965	4,029
Debtors	18	143,337	131,279	57,077	72,052
Short-term investments, at market value		360	409	-	-
Deposits and prepayments		14,129	17,040	880	1,321
Bank balances, deposits and cash	19	16,159	31,201	1,145	2,049
Total current assets		289,565	338,594	63,067	79,451
Current liabilities:					
Creditors and accrued charges	20	79,918	77,641	7,673	13,318
Obligations under finance leases	21	22	-	22	-
Income tax payable		2,034	1,513	656	576
Bank loans and overdrafts	22	107,952	152,677	50,708	109,186
Total current liabilities		189,926	231,831	59,059	123,080
Net current assets (liabilities)		99,639	106,763	4,008	(43,629)
Non-current liabilities:					
Bank loans	23	29,174	17,809	27,633	11,114
Obligations under finance leases	21	70	-	70	-
Floating rate notes	24	110,534	108,333	110,534	108,333
Deferred tax liabilities	25	4,542	6,529	275	275
Total non-current liabilities		144,320	132,671	138,512	119,722
		329,606	324,237	297,788	262,950
Represented by:					
Share capital	26	82,801	82,771	82,801	82,771
Reserves		209,271	202,345	214,987	180,179
Shareholders' funds		292,072	285,116	297,788	262,950
Minority interests		37,534	39,121	-	-
		329,606	324,237	297,788	262,950

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 March 2002

The Group	Share capital S\$'000	Share premium S\$'000	Capital reserve S\$'000	Legal surplus S\$'000	Translation reserve S\$'000	Property revaluation reserve S\$'000	Dividend reserve S\$'000	Retained profits S\$'000	Total S\$'000
Balance at 1 April 2000									
- As previously reported	82,769	135,617	(21,261)	936	(15,224)	2,093	-	93,613	278,543
- Prior year adjustments (Note 34)	-	-	-	-	(766)	-	6,725	(1,850)	4,109
- As restated	82,769	135,617	(21,261)	936	(15,990)	2,093	6,725	91,763	282,652
Issue of shares	2	-	-	-	-	-	-	-	2
Premium arising from issue of shares, net of expenses	-	8	-	-	-	-	-	-	8
Goodwill arising from acquisition of associates	-	-	(9,848)	-	-	-	-	-	(9,848)
Arising from:									
- revaluation of long-term foreign currency monetary balances	-	-	-	-	(254)	-	-	-	(254)
- translation of foreign currency financial statements, restated (Note 34)	-	-	-	-	(1,105)	-	-	-	(1,105)
Transfer to (from) reserves	-	-	359	(273)	-	-	-	(86)	-
Profit attributable to shareholders, restated (Note 34)	-	-	-	-	-	-	-	24,628	24,628
Dividends									
- paid (Note 10)	-	-	-	-	-	-	(6,725)	(4,242)	(10,967)
- proposed (Note 10)	-	-	-	-	-	-	6,208	(6,208)	-
Balance at 31 March 2001, as restated	82,771	135,625	(30,750)	663	(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
Arising from:									
- revaluation of long-term foreign currency monetary balances	-	-	-	-	1,331	-	-	-	1,331
- translation of foreign currency financial statements	-	-	-	-	(2,207)	-	-	-	(2,207)
Transfer to (from) reserves	-	-	(3)	475	5	-	-	(477)	-
Profit attributable to shareholders	-	-	-	-	-	-	-	17,199	17,199
Dividends									
- paid (Note 10)	-	-	-	-	-	-	(6,208)	(3,211)	(9,419)
- proposed (Note 10)	-	-	-	-	-	-	4,140	(4,140)	-
Balance at 31 March 2002	82,801	135,647	(30,753)	1,138	(18,220)	2,093	4,140	115,226	292,072

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY (cont'd)
Year ended 31 March 2002

	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 2000						
- As previously reported	82,769	135,617	(9,417)	-	54,234	263,203
- Prior year adjustments (Note 34)	-	-	-	6,725	(10,353)	(3,628)
- As restated	82,769	135,617	(9,417)	6,725	43,881	259,575
Issue of shares	2	-	-	-	-	2
Premium arising from issue of shares, net of expenses	-	8	-	-	-	8
Arising from revaluation of long-term foreign currency monetary balances	-	-	94	-	-	94
Profit attributable to shareholders, restated (Note 34)	-	-	-	-	14,238	14,238
Dividends						
- paid (Note 10)	-	-	-	(6,725)	(4,242)	(10,967)
- proposed (Note 10)	-	-	-	6,208	(6,208)	-
Balance at 31 March 2001, as restated	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
Arising from revaluation of long-term foreign currency monetary balances	-	-	1,461	-	-	1,461
Profit attributable to shareholders	-	-	-	-	42,744	42,744
Dividends						
- paid (Note 10)	-	-	-	(6,208)	(3,211)	(9,419)
- proposed (Note 10)	-	-	-	4,140	(4,140)	-
Balance at 31 March 2002	82,801	135,647	(7,862)	4,140	83,062	297,788

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2002

	2002 S\$'000	2001 S\$'000
Cash flows from operating activities:		
Profit before income tax and share of results of associates	10,501	20,552
Adjustments for:		
Amortisation of bond premium	-	(210)
Amortisation of product development expenditure	2,648	1,252
Amortisation of technical knowhow	162	292
Depreciation of property, plant and equipment	25,914	26,035
Interest expense	13,841	21,289
Interest income	(605)	(2,472)
Impairment loss of short-term investments	67	388
(Gain) Loss on disposal of property, plant and equipment	(80)	503
Write off of product development expenditure	-	5,814
Operating profit before working capital changes	52,448	73,443
Stocks	43,085	(18,607)
Debtors	(12,339)	18,224
Deposits and prepayments	2,911	(8,473)
Creditors and accrued charges	2,277	(11,934)
Cash generated from operations	88,382	52,653
Interest received	605	2,472
Interest paid	(13,841)	(21,289)
Income tax paid	(2,242)	(4,183)
Net cash from operating activities	72,904	29,653
Cash flows from investing activities:		
Dividends received from associates	9,042	3,424
Increase in other investments	(10,980)	(1,652)
Investment in associates	-	(10,092)
Payments for product development expenditure	(971)	(383)
Payments for technical knowhow	(340)	(93)
Proceeds from disposal of property, plant and equipment	1,027	2,107
Purchase of property, plant and equipment	(40,710)	(37,042)
Net cash used in investing activities	(42,932)	(43,731)

CONSOLIDATED CASH FLOW STATEMENT (cont'd)
Year ended 31 March 2002

	2002 S\$'000	2001 S\$'000
Cash flows from financing activities:		
Repayment of bank loans	(33,946)	(21,240)
Dividends paid	(9,419)	(10,967)
Issue of floating rate notes	-	108,333
Issue of shares, net of expenses	52	10
Minority interests contribution less dividend paid	(527)	15,425
Obligations under finance leases	92	(52)
Repayment of bonds	-	(59,892)
Net cash (used in) from financing activities	(43,748)	31,617
Net effect of exchange rate changes in consolidating subsidiaries	(1,490)	(11,375)
Net (decrease) increase in cash and cash equivalents	(15,266)	6,164
Cash and cash equivalents at 1 April	30,625	24,461
Cash and cash equivalents at 31 March	15,359	30,625
Cash and cash equivalents at 31 March comprise:		
Bank balances, deposits and cash (Note 19)	16,159	31,201
Bank overdrafts (Note 22)	(800)	(576)
	15,359	30,625

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2002

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 30 to the financial statements.

The financial statements of the Company and of the Group for the year ended 31 March 2002 were authorised for issue by the Board of Directors at their meeting held on 19 July 2002.

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 affect the results of current or prior periods except for the adoption of SAS10 (Revised 2000) - Events After the Balance Sheet Date and SAS12 (Revised 2001) - Income Taxes which resulted in changes in the accounting policy. The effects of the changes in accounting policies are disclosed in Note 34 to the financial statements.

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 subsidiary 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)

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.

Prior to 1 April 2001, goodwill arising from acquisition of subsidiaries and associates were directly adjusted against shareholders' equity.

With effect from 1 April 2001, the Group has adopted SAS 22 (Revised 2000) – Business Combinations to amortise goodwill over 10 years. 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 30.

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 31.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2 Summary of significant accounting policies (cont'd)

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.

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, less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount, or at their revalued amounts, less subsequent accumulated depreciation.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2 Summary of significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

Depreciation is calculated to write off the cost or valuation of the properties over their estimated useful lives, using the straight-lined 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.

Machinery, moulds and equipment, motor vehicles and furniture, fixtures and equipment are carried at historical cost, less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount. 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2 Summary of significant accounting policies (cont'd)

Deferred expenditure (cont'd)

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.

Foreign currency transactions

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

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 sheets date. The profit and loss statements are translated at the year end rates of exchange, 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2 Summary of significant accounting policies (cont'd)

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 differences arising from the recognition of income and expenditure for taxation purposes in periods different from those for accounting purposes.

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 statement, 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.

Prior to 1 April 2001, the Group and Company do not record deferred tax liabilities arising on timing differences that are not expected to reverse in the foreseeable future. Deferred tax assets were not recognised.

With effect from 1 April 2001, the Group and Company make full provision of all their deferred tax liabilities and deferred tax assets are recognised when it is probable that taxable profits will be available against which the deferred tax assets can be utilised. The new accounting treatment is in accordance with SAS 12 (Revised 2001) which became effective during the current financial year for which the Group and Company adopted.

Accordingly, the change has been applied retrospectively by adjusting the opening retained profits as at 1 April 2000 and the comparative figures for year 2001 have been restated to take into the account the cumulative effects of the adoption of the above SAS as disclosed in Note 34.

Provisions

Provisions are recognised when the Company 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2 Summary of significant accounting policies (cont'd)

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 statement over the term of the relevant lease.

Rentals payable under operating leases are charged to profit and loss 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 and overdrafts and floating rate notes.

Trade and other payables are stated at their nominal values. Bank loans and overdrafts and floating rate notes are recorded at the proceeds received. 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)

3 Revenue

	The Group		The Company	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
Sales of products	554,039	594,172	12,698	10,434
Management fee income from subsidiaries (Note 30)	-	-	11,962	14,931
Gross dividend income from:				
Subsidiaries	-	-	36,438	17,608
Associates	-	-	6,674	2,861
	554,039	594,172	67,772	45,834

4 Other operating income

	The Group		The Company	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
Dividend income from investment in quoted securities	186	534	-	-
Foreign exchange adjustment gain	2,885	3,076	2,577	-
Gain on disposal of property, plant and equipment	80	23	64	-
Interest income	605	2,472	36	91
Licence fee income	709	-	-	-
Management fee income	173	-	-	-
Rental income	326	376	39	41
Sub-contracting income	-	123	-	-
Sundry income	152	-	-	-
	5,116	6,604	2,716	132

5 Finance costs

	The Group		The Company	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
Interest expense on:				
Bank loans and overdrafts	8,192	16,157	5,073	11,179
Bonds	-	736	-	736
Floating rate notes	5,647	4,391	5,647	4,391
Finance leases	2	5	2	1
	13,841	21,289	10,722	16,307

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

6 Profit before exceptional items

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

	The Group		The Company	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
After charging:				
Allowances for doubtful debts on trade receivables	800	463	-	-
Allowances for stock obsolescence	1,090	731	61	-
Amortisation:				
product development expenditure	2,648	1,252	313	157
technical knowhow	162	292	-	-
Auditors' remuneration:				
Payable to auditors of the Company:				
Audit services				
- Current year	70	70	58	55
- Underprovision in prior year	11	-	-	-
Non-audit services	28	21	14	19
Payable to other auditors				
Audit services				
- Current year	629	558	-	-
- Underprovision in prior year	30	17	-	-
Non-audit services	80	143	-	-
Bad trade receivables written off	1,000	530	-	-
Depreciation expense	25,914	26,035	771	698
Foreign exchange adjustment loss	-	-	-	62
Impairment loss of short-term investments	67	388	-	-
Loss on disposal of property, plant and equipment	-	526	-	136
Minimum lease payment paid under operating leases	2,544	4,826	57	61
Pre-operating expenditure written off	92	599	-	-
And after crediting:				
Amortisation of bond premium	-	210	-	210

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7 Staff costs and number of employees

	The Group		The Company	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
Directors' remuneration:				
- Fees	120	120	120	120
- Emoluments	2,216	2,789	462	453
Salaries and wages	88,788	90,898	4,693	4,460
Defined contribution plans	3,685	2,144	518	384
	94,809	95,951	5,793	5,417
	2002	2001	2002	2001
Number of employees at 31 March	7,200	7,000	156	145

8 Exceptional items

In 2001, this represents gain on dilution of interest in a subsidiary amounting to S\$5,885,000 and the writing off of certain development expenditure amounting to S\$5,814,000 (Note 16).

9 Income tax expense

	The Group		The Company	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
Current income tax:				
Singapore	85	116	80	100
Foreign	3,391	2,245	-	-
(Over) Under provision in prior year	(441)	139	-	-
	3,035	2,500	80	100
Changes in deferred income tax	(2,115)	(88)	-	-
Share of income tax of associates (foreign)	1,703	1,208	-	-
	2,623	3,620	80	100

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 has expired on 30 June 2002. The Company has applied for the extension of its 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

9 Income tax expense (cont'd)

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 24.5% (2001: 24.5%) to profit before income tax as a result of the following differences:

	The Group		The Company	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
Income tax expense at statutory rate	4,700	7,076	10,492	3,513
Add(Less):				
Effect of different tax rates of overseas operations	(468)	(2,268)	-	-
Exempt income from subsidiaries and associates	-	-	(10,562)	(5,015)
Income not subject to tax	(902)	(1,780)	-	-
Non-allowable items	136	656	993	1,666
Unrecognised deferred tax benefits	(843)	(64)	(843)	(64)
Total income tax expense at effective tax rates	2,623	3,620	80	100
Effective tax rates	13.7%	12.5%	0.2%	0.7%

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

10 Dividends

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

	The Group and the Company	
	2002 S\$'000	2001 S\$'000
2001 proposed final tax-exempt dividend of 6.0 Singapore cents per ordinary share of S\$0.80	6,211	-
2002 interim tax-exempt dividend of 3.1 Singapore cents per ordinary share of S\$0.80	3,208	-
2000 proposed final tax-exempt dividend of 6.5 Singapore cents per ordinary share of S\$0.80	-	6,725
2001 interim tax-exempt dividend of 4.1 Singapore cents per ordinary share of S\$0.80	-	4,242
	9,419	10,967

b) Proposed dividends at 31 March are as follows:

	The Group and the Company	
	2002 S\$'000	2001 S\$'000
2002 proposed final tax-exempt dividend of 4.0 Singapore cents per ordinary share of S\$0.80	4,140	-
2001 proposed final tax-exempt dividend of 6.0 Singapore cents per ordinary share of S\$0.80	-	6,208
	4,140	6,208

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11 Earnings per share

Basic earnings per share is arrived at by dividing the net profit attributable to shareholders of S\$17,199,000 (2001 : S\$24,628,000) by the weighted average number of ordinary shares of 103,491,023 (2001 : 103,462,331) in issue during the financial year.

Fully diluted earnings per ordinary share is calculated based on 103,824,457 (2001 : 104,022,542) ordinary shares assuming the full exercise of share options outstanding during the year (paragraph 20 of Directors' Report) and adjusting the weighted average number of ordinary shares to reflect the effect of all potentially dilutive ordinary shares.

	The Group			
	2002		2001	
	Basic S\$'000	Diluted S\$'000	Basic S\$'000	Diluted S\$'000
Net profit attributable to shareholders	17,199	17,199	24,628	24,628
	Number of shares	Number of shares	Number of shares	Number of shares
Weighted average number of ordinary shares in issue during the financial year	103,491,023	103,491,023	103,462,331	103,462,331
Adjustment for potentially dilutive ordinary shares	-	333,434	-	560,211
Weighted average number of ordinary shares as adjusted for potential dilutive effect	103,491,023	103,824,457	103,462,331	104,022,542
Earnings per share (cents)	16.62	16.57	23.80	23.68

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12 Property, plant and equipment

The Group	Freehold land S\$'000	Leasehold land S\$'000	Buildings S\$'000	Leasehold improvement S\$'000	Machinery, moulds and equipment S\$'000	Machinery under construction S\$'000	Motor vehicles S\$'000	Furniture, fixtures and equipment S\$'000	Total S\$'000
Cost/Valuation:									
At 1 April 2001	10,293	5,611	50,705	6,061	291,895	6,391	4,678	35,193	410,827
Currency realignment	85	81	778	121	1,800	133	57	782	3,837
Additions	-	-	8,031	752	26,496	2,847	578	2,006	40,710
Disposals	-	-	(267)	(70)	(987)	(128)	(704)	(321)	(2,477)
At 31 March 2002	10,378	5,692	59,247	6,864	319,204	9,243	4,609	37,660	452,897
Represented by:									
Cost	5,545	5,692	54,870	6,864	319,204	9,243	4,609	37,660	443,687
Valuation	4,833	-	4,377	-	-	-	-	-	9,210
Total	10,378	5,692	59,247	6,864	319,204	9,243	4,609	37,660	452,897
Accumulated depreciation:									
At 1 April 2001	-	1,320	9,945	2,699	123,262	-	2,753	18,973	158,952
Currency realignment	-	20	115	55	1,795	-	30	403	2,418
Depreciation for the year	-	304	1,970	726	19,136	-	563	3,215	25,914
Disposals	-	-	(1)	(42)	(688)	-	(564)	(235)	(1,530)
At 31 March 2002	-	1,644	12,029	3,438	143,505	-	2,782	22,356	185,754
Depreciation for last year	-	304	1,691	568	21,110	-	505	2,900	27,078
Net book value:									
At 31 March 2002	10,378	4,048	47,218	3,426	175,699	9,243	1,827	15,304	267,143
At 31 March 2001	10,293	4,291	40,760	3,362	168,633	6,391	1,925	16,220	251,875

The Company	Freehold land S\$'000	Leasehold land S\$'000	Buildings S\$'000	Leasehold improvement S\$'000	Machinery and equipment S\$'000	Motor vehicles S\$'000	Furniture, fixtures and equipment S\$'000	Total S\$'000
Cost:								
At 1 April 2001	536	1,466	3,312	267	5,326	369	1,119	12,395
Additions	-	-	-	22	264	176	75	537
Disposals	-	-	-	-	-	(369)	(38)	(407)
At 31 March 2002	536	1,466	3,312	289	5,590	176	1,156	12,525
Accumulated depreciation:								
At 1 April 2001	-	223	384	88	2,014	330	767	3,806
Depreciation for the year	-	26	67	28	509	43	98	771
Disposals	-	-	-	-	-	(332)	(33)	(365)
At 31 March 2002	-	249	451	116	2,523	41	832	4,212
Depreciation for last year	-	26	66	27	482	13	84	698
Net book value:								
At 31 March 2002	536	1,217	2,861	173	3,067	135	324	8,313
At 31 March 2001	536	1,243	2,928	179	3,312	39	352	8,589

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12 Property, plant and equipment (cont'd)

The net book value of fixed assets includes an amount of S\$135,000 (2001 : S\$ Nil) for the Group and the Company in respect of assets held under finance leases.

Land and buildings with a total net book value of S\$6,569,000 (2001 : S\$6,438,000) for the Group has been pledged to banks as securities for banking facilities granted (Note 23).

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 (2001 : S\$2,093,000) for the Group. If the cost method had been used, the net book value of the freehold land and leasehold land and buildings would have been S\$63,369,000 (2001: S\$57,036,000).

Of the total depreciation charge for the year, an amount of S\$ Nil (2001 : S\$1,043,000) for the Group has been capitalised as product development expenditure.

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

Location	Description	Tenure
Singapore		
No. 50, Gul Crescent, Singapore	A 2-storey factory building with built-up area of 2,615 square metres	60 years from 1992
Symphony Heights, 37 Hume Avenue, #06-04 Singapore	One unit of residential condominium of approximately 155 square metres	Freehold
Taiwan		
No. 211 Chung Cheng Road, Section 2 Hukow, Hsin-chu 30302, Taiwan	A 2-storey factory building with built-up area of 6,654 square metres and a warehouse with built-up area of 169 square metres	Freehold
Room 1011 and 1200, International Trade Building, No. 205 Tun Hua South Section 1, Taipei 10647, Taiwan	Office space of 500 square metres	Freehold
Lots 98-86 to 98-96 and Lot 98-182 Chung Pei Shih, Sub-Section Shan Pei Shih Section, Hukow Hsiang, Hsin-chu County, Taiwan	A 2,108-square metre plot of land	Freehold

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12 Property, plant and equipment (cont'd)

Location	Description	Tenure
Taiwan		
207, 208 & 209, Mei Chih Cheng Hukow Hsiang, Hsin-chu County, Taiwan	Three 2-storey residential buildings of approximately 255 square metres	Freehold
Malaysia		
No. 5, Jalan Tampoi Tujuh Kawasan Perindustrian Tampoi 81200 Johor Bahru, Johor, Malaysia	A 19,652-square metre plot of land with a 3-storey factory building with a built-up area of 6,000 square metres	Freehold
	A 18,110-square metre plot of land with a warehouse with built-up area of 1,200 square metres	Freehold
Units No. A3-03, A3-04, TF-03 & TF-04 Putri Indah, Jalan Indra Putra Johor Bahru, Johor, Malaysia	Four units of residential condominium of approximately 516 square metres	Freehold
Lot 6975, Mukim of Senai-Kulai, Johor, Malaysia	A 39,885-square metre plot of land for factory building	Freehold
#18-00 and #19-00 Pacific Mall, Johor Bahru, Johor Malaysia	Two storeys of office buildings of approximately 2,582 square metres	Freehold
China		
Land Lot No. 9 Development District Upper Lung Fung Terrace Huizhou City Guangdong, China	A 2,892-square metre plot of land with a 7-storey staff quarters with a built-up area of 6,239 square metres	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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12 Property, plant and equipment (cont'd)

Location	Description	Tenure
China		
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
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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12 Property, plant and equipment (cont'd)

Location	Description	Tenure
China		
Lot No. 22 and No. 48 Peng Nam Industrial District Huizhou City Guangdong, China	A 8,752-square metre plot of land with a 3-storey factory building and 5-storey staff quarters with built up area of 3,078 square metres and 1,224 square metres respectively	48 years from 2000
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	77.5 years from 1997
	A plot of land of 5,911 square metres for industrial use	Freehold

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

13 Interest in subsidiaries

	The Company	
	2002 S\$'000	2001 S\$'000
Unquoted equity shares, at cost	106,342	106,242
Amounts due from subsidiaries - non-trade	314,741	301,081
Amounts due to subsidiaries - non-trade	(11,220)	(4,040)
	409,863	403,283

Particulars of the subsidiaries are set out in Note 30 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	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 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	12,702	14,766	-	-
Share of post-acquisition translation difference	46	(129)	-	-
	27,766	29,655	11,453	11,453

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

15 Other investments

	The Group	
	2002 S\$'000	2001 S\$'000
Quoted equity securities, at cost	12,504	12,256
Unquoted equity securities, at cost	12,628	1,698
	25,132	13,954
Quoted equity securities, at market value	3,880	5,157

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

16 Deferred expenditure

	The Group		The Company	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
<i>Product development expenditure</i>				
Cost:				
At 1 April	61,453	57,552	3,133	3,133
Currency realignment	1,145	2,475	-	-
Additions	971	1,426	-	-
At 31 March (i)	63,569	61,453	3,133	3,133
Accumulated amortisation:				
At 1 April	7,066	-	157	-
Currency realignment	61	-	-	-
Amortisation for the year (ii)	2,648	7,066	313	157
At 31 March	9,775	7,066	470	157
Net	53,794	54,387	2,663	2,976
<i>Technical knowhow</i>				
Cost:				
At 1 April	9,088	8,559	-	-
Currency realignment	169	436	-	-
Additions	340	93	-	-
At 31 March	9,597	9,088	-	-
Accumulated amortisation:				
At 1 April	8,814	8,091	-	-
Currency realignment	169	431	-	-
Amortisation for the year	162	292	-	-
At 31 March	9,145	8,814	-	-
Net	452	274	-	-
Total deferred expenditure At 31 March	54,246	54,661	2,663	2,976

(i) This includes depreciation on property, plant and equipment amounting to S\$2,740,000 (2001 : S\$2,740,000) for the Group and S\$290,000 (2001 : S\$290,000) for the Company.

(ii) In 2001, the amortisation expense for the Group includes exceptional items amounting to S\$5,814,000 (Note 8).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

17 Stocks

	The Group		The Company	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
Raw materials, at cost	42,642	68,348	1,479	2,006
Work in progress, at cost	19,451	14,993	2,231	1,416
Finished goods				
- at cost	44,946	75,324	46	607
- at net realisable value after allowances	8,541	-	209	-
	115,580	158,665	3,965	4,029

Movement in allowances for stock obsolescence:

At 1 April	3,031	2,616	-	-
Currency realignment	57	108	-	-
Charge to profit and loss	1,090	731	61	-
Amount utilised	(848)	(424)	-	-
At 31 March	3,330	3,031	61	-

18 Debtors

	The Group		The Company	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
<i>Trade</i>				
Outside parties	116,553	102,883	-	-
Less: allowances for doubtful debts	(2,918)	(2,485)	-	-
	113,635	100,398	-	-
Amount due from:				
Subsidiaries (Note 30)	-	-	43,341	65,880
Related parties (Note 32)	1,165	2,710	280	288
	114,800	103,108	43,621	66,168
<i>Non-trade</i>				
Outside parties	21,013	21,118	8,030	409
Amount due from:				
Associates (Note 31)	7,445	7,001	5,426	5,475
Related parties (Note 32)	79	52	-	-
	28,537	28,171	13,456	5,884
	143,337	131,279	57,077	72,052

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

18 Debtors (cont'd)

Movement in allowances for doubtful debts:

	The Group	
	2002 S\$'000	2001 S\$'000
At 1 April	2,485	2,153
Currency realignment	40	86
Charge to profit and loss	800	463
Amount utilised	(407)	(217)
At 31 March	2,918	2,485

19 Bank balances, deposits and cash

	The Group		The Company	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
Fixed deposits	624	13,403	234	110
Bank balances and cash	15,535	17,798	911	1,939
	16,159	31,201	1,145	2,049

20 Creditors and accrued charges

	The Group		The Company	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
<i>Trade</i>				
Outside parties	52,311	46,920	6,852	11,789
Amount due to associates (Note 31)	8,920	11,595	-	-
Accrued charges	16,652	18,679	812	1,448
	77,883	77,194	7,664	13,237
<i>Non-trade</i>				
Amount due to related parties (Note 32)	2,035	447	9	81
	79,918	77,641	7,673	13,318

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

21 Obligations under finance leases

	The Group and the Company	
	2002 S\$'000	2001 S\$'000
Payments	104	-
Interest	(12)	-
Principal	92	-
Amounts payable:		
Within 1 year	22	-
Within 2 to 5 years	70	-
	92	-

Interest rate on finance leases is 2.6% (2001 : 3.6% to 5.5%) per annum.

22 Bank loans and overdrafts

	The Group		The Company	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
Current portion of bank loans (Note 23)	16,625	45,352	11,339	38,968
Short-term bank loans – unsecured	67,636	96,347	39,369	69,216
Bank overdrafts – unsecured	800	576	-	5
Import loans – unsecured	22,891	10,402	-	997
	107,952	152,677	50,708	109,186

Interest rates on short-term loans range from 0.7% to 6.4% (2001 : 1.0% to 9.0%) per annum.

23 Bank loans

	The Group		The Company	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
Bank loans:				
Secured	2,221	2,787	-	-
Unsecured	43,578	60,374	38,972	50,082
	45,799	63,161	38,972	50,082
Less:				
Amounts due within one year:				
Secured	(680)	(606)	-	-
Unsecured	(15,945)	(44,746)	(11,339)	(38,968)
Current portion of bank loans (Note 22)	(16,625)	(45,352)	(11,339)	(38,968)
Long-term portion of bank loans	29,174	17,809	27,633	11,114

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

23 Bank loans (cont'd)

The above bank loans comprise the following:

- a) Bank loan amounting to S\$2,221,000 (2001 : S\$2,787,000) secured by mortgage over two storeys of office building of a subsidiary which bears interests at 8.2% (2001 :8.2%) per annum.
- b) The other bank loans bear interests at between 2.8% to 3.5% (2001 :5.7% to 8.2%) per annum.

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

	The Group		The Company	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
More than 1 year but not exceeding 2 years	734	16,286	-	11,114
More than 2 years but not exceeding 5 years	28,440	1,523	27,633	-
	29,174	17,809	27,633	11,114

24 Floating rate notes

This represents US\$60,000,000 (S\$110,534,000) [2001:US\$60,000,000 (S\$108,333,000)] unsecured Floating Rate Notes ("FRN") due September 2003 issued by the Company in 2001. The FRN is unsecured and bears interest at a fixed rate of 1.1875% over Singapore Inter-bank US Dollar Offered Rates.

25 Deferred tax liabilities

	The Group		The Company	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
Deferred tax liabilities	10,985	11,984	275	275
Deferred tax assets	(6,443)	(5,455)	-	-
Net position	4,542	6,529	275	275

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

25 Deferred tax liabilities (cont'd)

The following are the deferred tax liabilities and assets recognised by the Group and Company and movements there on 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 2001	3,464	8,520	-	11,984
Currency realignment	70	169	-	239
Charge to profit and loss	-	(1,249)	11	(1,238)
At 31 March 2002	3,534	7,440	11	10,985

Deferred tax assets

	Provisions	Tax losses	Total
	S\$'000	S\$'000	S\$'000
At 1 April 2001	230	5,225	5,455
Currency realignment	5	106	111
Charge to profit and loss	(166)	1,043	877
At 31 March 2002	69	6,374	6,443

Net deferred tax liabilities

4,542

The Company

The deferred tax liabilities of the Company as at 1 April 2001 and 31 March 2002 of S\$ 275,000 is due to timing differences arising from accumulated tax depreciation.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

26 Share capital

	The Group and the Company	
	2002	2001
	S\$'000	S\$'000
Authorised:		
156,250,000 ordinary shares of S\$0.80 each	125,000	125,000
Issued and fully paid:		
103,501,168 (2001 : 103,464,168) ordinary shares of S\$0.80 each	82,801	82,771

During the financial year, 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.

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

27 Directors' remuneration

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

	Number of Directors	
	2002	2001
S\$500,000 and above	3	3
S\$250,000 to S\$499,999	1	2
Below S\$250,000	5	4
	9	9

28 Commitments

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

a) *Operating lease commitments*

	The Group		The Company	
	2002	2001	2002	2001
	S\$'000	S\$'000	S\$'000	S\$'000
Within 1 year	3,633	4,224	65	65
After 1 year and within 5 years	5,946	4,275	259	259
After 5 years	3,464	3,285	2,884	2,949
	13,043	11,784	3,208	3,273

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

28 Commitments (cont'd)

b) Capital expenditure commitments

	The Group	
	2002 S\$'000	2001 S\$'000
Capital expenditure contracted for but not provided for	3,257	2,817
Capital expenditure authorised but not contracted for	4,058	3,645
	7,315	6,462

- c) As at 31 March 2001, the Company had outstanding interest rate agreements from floating rates into fixed of 5.85% to 5.95% for notional principal amount of US\$11,400,000. Such agreements were entered into as part of the Company's interest rate risk management measure. There are no interest rate agreements outstanding as at 31 March 2002.

29 Contingent liabilities - unsecured

	The Group		The Company	
	2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
Guarantees given in respect of banking and other facilities granted to:				
Subsidiaries (Note 30)	-	-	198,024	164,385
Associates (Note 31)	13,124	13,442	13,124	13,442
Export bills discounted with recourse	7,617	10,075	-	-
	20,741	23,517	211,148	177,827

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 Subsidiaries

Subsidiaries of the Company as at 31 March 2002 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	
		2002	2001		2002	2001
		%	%		S\$'000	S\$'000
AB Ejendomsaktieselskabet Thisted (ii) #	Denmark	100	100	Property investment	-	-
Advance Battery Technology International Limited (iv) #	Hong Kong	100	100	Trading in batteries and battery materials	-	-
Advanced Battery Technology Limited (i) #	British Virgin Islands	75	75	Intellectual property	-	-
Alkaline Batteries A/S (ii) #	Denmark	100	100	Manufacturing of batteries	-	-
Alkaline Batteries Limited (iv) #	British Virgin Islands	100	100	Marketing and trading in batteries	-	-
Alkaline Batteries (L) Bhd (i) #	Malaysia	100	100	Marketing and trading in batteries	-	-
Allied Brilliant Trading Ltd (ii) #	Taiwan	75	75	Marketing and trading in batteries	-	-
Bestasi Sdn Bhd (ii) #	Malaysia	100	100	Property investment	-	-
Bolder Technologies Pte Ltd (i)	Singapore	100	-	Manufacturing of batteries	100	-
Champion World Limited (iv) #	British Virgin Islands	100	100	Investment holding	-	-
Danish Polish Batteries Sp. z.o.o (ii) #	Poland	100	100	Manufacturing of batteries	-	-
Dongguan Yinfea Battery Batteries Co Ltd (ii) #	PRC	100	100	Manufacturing of batteries	-	-
Dongguan Chao Ba Batteries Co Ltd (ii) #	PRC	100	100	Manufacturing of batteries	-	-
Douza Investments Ltd (iv) #	British Virgin Islands	100	100	Investment holding	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 Subsidiaries (cont'd)

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment	
		2002	2001		2002	2001
		%	%		S\$'000	S\$'000
Energy Pack Netherlands Holdings B.V. (iv)	Netherlands	100	100	Investment holding and provision of logistic support	185	185
EVB Technology Limited (iv)	Bermuda	100	100	Investment holding	180	180
EVB Technology (HK) Limited (iii) #	Hong Kong	100	100	Manufacturing of batteries	-	-
EVB Technology Pte Ltd (i)	Singapore	100	100	Manufacturing of batteries	*	*
Geewin Industrial (S) Pte Ltd (i)	Singapore	80	80	Investment holding	80	80
Geewin Industrial Limited (iii) #	Hong Kong	80	80	Provision of logistic support	-	-
Gold Peak Industries (Taiwan) Limited (ii)	Taiwan	75	75	Manufacturing of batteries	95,105	95,105
Gold Peak Industries (North America) Inc (ii) # [merged with GP Battery Technologies LLC during the current financial year]	United States of America	75	75	Marketing and trading in batteries	-	-
Gold Won Electrochemical Company Limited (iii) #	Hong Kong	100	100	Investment holding and provision of logistic support	-	-
Golden State Financial Group Inc (iii) #	United States of America	100	100	Provision of logistic support	-	-
GP Batteries (China) Limited (ii) #	PRC	85	85	Manufacturing of batteries	-	-
GP Batteries (Malaysia) Sdn Bhd (ii)	Malaysia	100	100	Manufacturing of batteries	5,799	5,799
GP Batteries (U.K.) Limited (iii) #	United Kingdom	51	51	Marketing and trading in batteries	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 Subsidiaries (cont'd)

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment	
		2002	2001		2002	2001
		%	%		S\$'000	S\$'000
GP Batteries (USA) Inc (iii) #	United States of America	100	100	Manufacturing and marketing of batteries	-	-
GP Battery Marketing (Europe) S.A. (ii) #	France	75	80	Marketing and trading in batteries	-	-
GP Battery Marketing (H.K.) Limited (ii) #	Hong Kong	100	100	Marketing and trading in batteries	-	-
GP Battery Marketing Inc. (iii) #	Canada	75	75	Marketing and trading in batteries	-	-
GP Battery Marketing (BC) Inc (iv) #	Canada	75	75	Marketing and trading in batteries	-	-
GP Battery Marketing (China) Ltd (iii) #	Hong Kong	100	100	Investment holding	-	-
GPI Advertising Co Limited ** #	Hong Kong	-	100	Provision of advertising agency services	-	-
GP Battery Marketing (Latin America) Inc. (iii) #	United States of America	51	51	Marketing and trading in batteries	-	-
GP Battery Marketing (Singapore) Pte Ltd (i)	Singapore	100	100	Marketing and trading in batteries	800	800
GP Battery Marketing (Taiwan) Limited (iii) #	Taiwan	80	80	Marketing and trading in batteries	-	-
GP Battery (Poland) Sp. z.o.o. (ii) #	Poland	100	100	Marketing and trading in batteries	-	-
GP Battery Specialist Inc. (iv) #	Canada	75	75	Marketing and trading in batteries	-	-
GP Battery Technology (HK) Limited (ii)	Hong Kong	100	100	Investment holding	*	*
GPI International Limited (ii) #	Hong Kong	100	100	Marketing and trading in batteries	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 Subsidiaries (cont'd)

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment	
		2002	2001		2002	2001
		%	%		S\$'000	S\$'000
GP Lithium Batteries Limited (iv) #	British Virgin Islands	100	100	Dormant	-	-
GP Lithium Batteries LLC (iv) #	United States of America	100	100	Dormant	-	-
GP Lithium Batteries (S) Pte Ltd (i) #	Singapore	100	100	Investment holding and provision of logistic support	-	-
Hayle Limited (i) #	British Virgin Islands	100	100	Trading in batteries and battery materials	-	-
Huizhou Chao Ba Batteries Co Ltd (ii) #	PRC	90	90	Marketing and trading in batteries	-	-
Huizhou Gold Won Electrochemical Company Limited (iii) #	PRC	85	85	Manufacturing of battery parts	-	-
Huizhou Modern Battery Limited (ii) #	PRC	68	68	Manufacturing of batteries	-	-
Huizhou Power Pack Co Ltd (ii) #	PRC	100	100	Manufacturing of batteries	-	-
Lehman Overseas Limited (i) #	British Virgin Islands	100	100	Trading in batteries and battery materials	-	-
Lucky Concept Ltd (iv) #	British Virgin Islands	100	-	Investment holding	-	-
North America Land Holdings Inc (iii) #	United States of America	100	100	Property investment	-	-
Power Era Limited (iii) #	Hong Kong	100	100	Investment holding	-	-
Powerbank Limited (iv) #	Hong Kong	100	100	Manufacturing of batteries	-	-
Praisewell International Limited (iii) #	Hong Kong	100	100	Investment holding	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30 Subsidiaries (cont'd)

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment	
		2002	2001		2002	2001
		%	%		S\$'000	S\$'000
Shanghai Bi Ba Batteries Co Ltd (ii) #	PRC	100	100	Manufacturing of batteries	-	-
Shenzhen Sylva Electrochemical Ltd (ii) #	PRC	100	100	Manufacturing of batteries	-	-
Shenzhen Jetpower Batteries Limited (ii) #	PRC	100	100	Manufacturing of batteries	-	-
Surplus Enterprise Limited (iii) #	Hong Kong	100	100	Investment holding	-	-
Sylva Development Limited (iv) #	British Virgin Islands	100	100	Property investment	-	-
Sylva Industries (China) Limited (ii) #	Hong Kong	100	100	Investment holding	-	-
Sylva Industries Limited (ii)	Hong Kong	100	100	Manufacturing of batteries	4,093	4,093
Whitehill Electrochemical Company Limited (ii) #	Hong Kong	100	100	Investment holding and provision of logistic support	-	-
					106,342	106,242

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

** Deregistered during the current financial year

Held by subsidiaries of the Company

(i) Audited by Deloitte & Touche, Singapore

(ii) Audited by member firms of Deloitte Touche Tohmatsu

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 Associates

Associates of the Group as at 31 March 2002 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 The Group		Cost of investment The Company	
		2002 %	2001 %		2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
Advance Technology Co Ltd (iv) #	Taiwan	50	50	Manufacturing of battery parts	11,161	11,161	-	-
GP Battery Marketing (Korea) Limited (formerly known as Asia Pacific Hitec Company Limited) (i) #	South Korea	50	50	Marketing and trading in batteries	194	194	-	-
Gold Yi Industries Co Ltd (ii) #	Hong Kong	45	45	Investment holding and provision of logistic support	6,481	6,481	-	-
GP Battery Marketing (Germany) GmbH (ii) #	Germany	35	35	Marketing and trading in batteries	59	59	-	-
GP Battery Marketing Italy S.r.l (ii) #	Italy	40	40	Marketing and trading in batteries	66	66	-	-
GP Battery Marketing (Malaysia) Sdn Bhd (i) #	Malaysia	30	30	Marketing and trading in batteries	14	14	-	-
GP Battery Marketing (Thailand) Co Ltd (ii) #	Thailand	49	49	Marketing and trading in batteries	89	89	-	-
Huizhou Gold Yi Industries Co Ltd (iii) @	PRC	38.3	38.3	Manufacturing of battery parts	-	-	-	-
Huizhou Long Tek Industries Co Ltd (iii) @	PRC	42.5	42.5	Manufacturing of battery parts	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 Associates (cont'd)

Name of associates	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment The Group		Cost of investment The Company	
		2002 %	2001 %		2002 S\$'000	2001 S\$'000	2002 S\$'000	2001 S\$'000
Long Tek Industries Co Ltd (ii) #	Hong Kong	50	50	Investment holding and provision of logistic support	3,611	3,611	-	-
Shanghai Jin Jiang Battery Co Ltd (iv) #	PRC	35	35	Manufacturing of batteries	402	402	-	-
T.G. Battery Co (Hong Kong) Limited (i)	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 (iii) @	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

(i) Audited by member firms of Deloitte Touche Tohmatsu

(ii) Audited by other accounting firms

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

(iv) Not audited as associates are not significant

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

	The Group	
	2002 S\$'000	2001 S\$'000
Sales to related parties	1,235	2,578
Purchases from related parties	1,862	-
Rental paid to related parties	1,048	2,224

33 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

33 Segment information (cont'd)

Geographical segments by location of production facilities and assets

2002	Asia S\$'000	North and South America S\$'000	Europe and Others S\$'000	Elimination S\$'000	Consolidated S\$'000
Revenue					
External sales	469,976	31,751	52,312	-	554,039
Inter-segment sales	734,592	137,373	17,182	(889,147)	-
Total revenue	<u>1,204,568</u>	<u>169,124</u>	<u>69,494</u>	<u>(889,147)</u>	<u>554,039</u>
Results					
Segment results	<u>21,120</u>	<u>1,369</u>	<u>1,853</u>		24,342
Finance costs					(13,841)
Profit before share of results of associates					10,501
Share of results of associates	<u>7,977</u>	<u>-</u>	<u>704</u>		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					<u>17,199</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

33 Segment information (cont'd)

	Asia S\$'000	North and South America S\$'000	Europe and Others S\$'000	Consolidated S\$'000
2002				
Balance sheet				
Segment assets	521,255	78,527	36,154	635,936
Interest in associates	27,478	-	288	27,766
	548,733	78,527	36,442	663,702
Unallocated assets				150
Consolidated total assets				663,852
Segment liabilities	67,683	3,560	8,677	79,920
Unallocated liabilities				254,326
Consolidated total liabilities				334,246
Other information				
Addition of:				
Property, plant and equipment	37,302	334	3,074	40,710
Deferred expenditure	1,308	3	-	1,311
Non cash expenses:				
Depreciation	23,091	1,168	1,655	25,914
Amortisation	2,808	2	-	2,810

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

33 Segment information (cont'd)

2001	Asia S\$'000	North and South America S\$'000	Europe and Others S\$'000	Elimination S\$'000	Consolidated S\$'000
Revenue					
External sales	520,840	26,622	46,710	-	594,172
Inter-segment sales	946,533	42,419	17,972	(1,006,924)	-
Total revenue	<u>1,467,373</u>	<u>69,041</u>	<u>64,682</u>	<u>(1,006,924)</u>	<u>594,172</u>
Results					
Segment results	<u>40,216</u>	<u>509</u>	<u>1,045</u>		41,770
Finance costs					(21,289)
Profit before exceptional items					20,481
Exceptional items					71
Profit before share of results of associates					20,552
Share of results of associates	<u>7,851</u>	<u>-</u>	<u>478</u>		8,329
Profit before income tax					28,881
Income tax expense					(3,620)
Profit after income tax					25,261
Minority interests					(633)
Profit attributable to shareholders					<u>24,628</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

33 Segment information (cont'd)

	Asia S\$'000	North and South America S\$'000	Europe and Others S\$'000	Consolidated S\$'000
2001				
Balance sheet				
Segment assets	538,370	79,783	40,500	658,653
Interest in associates	29,452	-	203	29,655
	<u>567,822</u>	<u>79,783</u>	<u>40,703</u>	<u>688,308</u>
Unallocated assets				431
Consolidated total assets				<u>688,739</u>
Segment liabilities	64,287	3,635	9,719	77,641
Unallocated liabilities				286,861
Consolidated total liabilities				<u>364,502</u>
Other information				
Addition of:				
Property, plant and equipment	32,062	642	4,338	37,042
Deferred expenditure	895	624	-	1,519
Non cash expenses:				
Depreciation	23,815	643	1,577	26,035
Amortisation	1,575	5,783	-	7,358

Revenue from external customers by geographical customers

	The Group	
	2002 S\$'000	2001 S\$'000
Asia	327,808	341,451
North and South America	102,663	106,307
Europe and others	123,568	146,414
	<u>554,039</u>	<u>594,172</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

34 Prior year adjustments

- a) Prior to 1 April 2001, the Company and its subsidiaries record dividends that are proposed or declared after the balance sheet date, but before approval of the financial statements by the shareholders as dividend payable.

With effect from 1 April 2001, dividends that are proposed or declared after the balance sheet date, but before approval by the shareholders of the financial statements, are shown as a component of shareholders' equity, and not as a liability in the financial statements in accordance with SAS 10 (Revised 2000) – Events After the Balance Sheet Date.

With the adoption of SAS 10 (Revised 2000) with effect from 1 April 2001, the Company has reclassified proposed dividends to a separate component of shareholders' equity from current liability as shown in prior years' financial statements. This resulted in an increase in shareholders' equity amounting to S\$6,725,000 and S\$6,208,000 as at 1 April 2000 and 1 April 2001 respectively for the Group and Company.

Further, during the financial year, the Company derecognised dividend income receivable from its subsidiaries amounting to S\$10,353,000 by charging S\$10,353,000 against retained profits as at 1 April 2000.

The change in accounting policy resulted in a decrease in profit before income tax of S\$4,370,000 for the Company in 2001.

- b) As disclosed in Note 2 to the financial statements, the Group has adopted SAS 12 (Revised 2001) – Income Taxes with effect from 1 April 2001.

As a result, during the current financial year, the Group recognised net deferred tax liabilities amounting to S\$2,616,000 of which S\$1,850,000 has been charged against the opening retained profits and S\$766,000 has been charged against translation reserve as at 1 April 2000.

The change in accounting policy resulted in a decrease in profit after income tax of S\$410,000 for the Group in 2001.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

34 Prior year adjustments (cont'd)

Accordingly, the 2001 comparative figures have been restated to take into account the effect of the new accounting policies as shown below:

	← Adjustments on →			
	As previously reported S\$'000	Deferred tax liabilities - net S\$'000	Proposed dividends S\$'000	As restated S\$'000
The Group				
Balance Sheet				
Deferred tax liabilities - net	(3,364)	(3,165)	-	(6,529)
Proposed dividends (liability)	(6,208)	-	6,208	-
Shareholders' Equity				
Dividend reserve	-	-	6,208	6,208
Retained profits:				
- At 1 April 2000	93,613	(1,850)	-	91,763
- At 31 March 2001	108,115	(2,260)	-	105,855
Translation reserve:				
- Currency translation differences arising from translation of foreign currency financial statements	(966)	(139)	-	(1,105)
- At 31 March 2001	(16,444)	(905)	-	(17,349)
Profit and Loss				
Income tax expense	(3,210)	(410)	-	(3,620)
Profit attributable to shareholders	25,038	(410)	-	24,628
Earnings per share (cents)				
- Basic	24.20	(0.40)	-	23.80
- Diluted	24.07	(0.39)	-	23.68

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

34 Prior year adjustments (cont'd)

	← Adjustments on →			
	As previously reported S\$'000	Dividend income S\$'000	Proposed dividends S\$'000	As restated S\$'000
The Company				
Balance Sheet				
Interest in subsidiaries	418,006	(14,723)	-	403,283
Proposed dividends (liability)	(6,208)	-	6,208	-
Shareholders' Equity				
Dividend reserve	-	-	6,208	6,208
Retained profits:				
- At 1 April 2000	54,234	(10,353)	-	43,881
- At 31 March 2001	62,392	(14,723)	-	47,669
Profit and Loss				
Revenue	50,204	(4,370)	-	45,834
Profit attributable to shareholders	18,608	(4,370)	-	14,238

35 Financial instruments and risk management policies

a) 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 companies perform 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.

b) Interest rate risk

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

The interest rates and repayment terms of short-term and long-term debts are disclosed in Notes 22 to 24 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

35 Financial instruments and risk management policies (cont'd)

c) Foreign currency risk

The Group's foreign currency exposures arose mainly from the exchange rate movements of the United States dollar and Hong Kong dollar against the Singapore dollar, the Company's reporting currency.

Those exposures are managed by using natural hedges that arise from offsetting financial assets and financial liabilities that are denominated in foreign currencies.

d) 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.

e) 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.

36 Subsequent events

In May 2002, the Company signed an agreement with the Development Bank of Singapore Ltd 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.

37 Reclassifications and comparative figures

Certain reclassifications have been made to the prior year's financial statements due to the adoption of the requirements in accordance with the following SAS:-

SAS 8 (Revised 2000) - Net Profit and Loss for the Period, Fundamental Errors and Changes in Accounting Policies

SAS 10 (Revised 2000) - Events After the Balance Sheet Date

SAS 12 (Revised 2001) - Income Taxes

As a result, certain line items have been amended on the face of the balance sheets, profit and loss statements and statements of changes in equity and the related notes to the financial statements.

STATISTICS OF SHAREHOLDINGS

As at 12 July 2002

Authorised Capital	:	S\$125,000,000
Issued and Fully Paid-Up Capital	:	S\$82,801,734.40
Class of Shares	:	Ordinary Shares of S\$0.80 each
Voting Rights	:	One vote per share

Distribution of shareholdings

Size of shareholdings	No. of Shareholders		No. of shares	
		%		%
1 - 999	331	12.38	87,018	0.08
1,000 - 10,000	2,013	75.25	6,477,704	6.26
10,001 - 1,000,000	321	12.00	14,171,802	13.69
1,000,001 and above	10	0.37	82,765,644	79.97
Total	2,675	100.00	103,502,168	100.00

Substantial shareholdings

(as shown in the Register of substantial shareholders)

Name of substantial shareholders	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
GP Industries Limited	6,016,000	5.81	43,540,096	42.07
Gold Peak Industries (Holdings) Limited	—	—	49,556,096	47.88
Deutsche Bank AG	—	—	5,367,000	5.18

STATISTICS OF SHAREHOLDINGS (cont'd)

As at 12 July 2002

Twenty largest shareholders

Name	No. of shares	%
1 DBS Nominees Pte Ltd	48,021,802	46.40
2 Raffles Nominees Pte Ltd	8,724,447	8.43
3 GP Industries Limited	6,016,000	5.81
4 United Overseas Bank Nominees Pte Ltd	5,781,651	5.59
5 DB Nominees (S) Pte Ltd	5,368,332	5.19
6 HSBC (Singapore) Nominees Pte Ltd	3,460,394	3.34
7 Kim Eng Ong Asia Securities Pte Ltd	1,590,132	1.54
8 Oversea-Chinese Bank Nominees Pte Ltd	1,477,620	1.43
9 OCBC Securities Private Ltd	1,290,764	1.25
10 DBS Vickers Securities (S) Pte Ltd	1,034,502	1.00
11 Citibank Nominees Singapore Pte Ltd	578,832	0.56
12 Capital Intelligence Limited	569,000	0.55
13 Friedrich Reimar Roland Tassilo	556,000	0.54
14 G K Goh Stockbrokers Pte Ltd	497,028	0.48
15 Lim & Tan Securities Pte Ltd	460,000	0.44
16 Singtel Investments Private Limited	350,000	0.34
17 Yong Kheng Leong	250,000	0.24
18 Ng Shek Yam	230,000	0.22
19 Wang Toon Luan	220,000	0.21
20 KI Investments (HK) Limited	210,000	0.20
Total	86,686,504	83.76