

## PROFIT AND LOSS STATEMENTS

Year ended 31 March 2003

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

See accompanying notes to financial statements.

## BALANCE SHEETS

At 31 March 2003

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

See accompanying notes to financial statements.

## STATEMENTS OF CHANGES IN EQUITY

Year ended 31 March 2003

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

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

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

See accompanying notes to financial statements.

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2003

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

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

	2003 S\$'000	2002 S\$'000
<b>Cash flows from financing activities</b>		
Repayment of bank loans	(4,541)	(33,946)
Dividends paid	(8,487)	(9,419)
Issue of fixed rate notes	50,000	-
Issue of shares, net of expenses	59	52
Dividends paid to minority shareholders	(425)	(527)
Obligations under finance leases	106	92
Net cash from (used in) financing activities	<b>36,712</b>	(43,748)
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	<b>(2,149)</b>	(1,495)
Net increase (decrease) in cash and cash equivalents	<b>16,279</b>	(15,266)
Cash and cash equivalents at 1 April	<b>15,359</b>	30,625
Cash and cash equivalents at 31 March (Note B)	<b>31,638</b>	15,359
<b>A. Acquisition of subsidiaries</b>		
The assets and liabilities of the subsidiaries acquired during the year are as follows:		
Property, plant and equipment	<b>33,383</b>	-
Deferred expenditure	<b>880</b>	-
Bank balances, deposits and cash	<b>8,448</b>	-
Debtors	<b>33,865</b>	-
Stocks	<b>7,278</b>	-
Creditors and accrued charges	<b>(21,733)</b>	-
Bank loans	<b>(10,835)</b>	-
Minority interests	<b>(12,979)</b>	-
Net assets acquired	<b>38,307</b>	-
Goodwill on consolidation	<b>9,953</b>	-
Consideration of the acquisition	<b>48,260</b>	-
Balance of consideration payable	<b>(9,616)</b>	-
Less: bank balances, deposits and cash acquired	<b>(8,448)</b>	-
Cash flow on acquisition, net of cash acquired	<b>30,196</b>	-
<b>B. Cash and cash equivalents at 31 March comprise</b>		
Bank balances, deposits and cash (Note 20)	<b>33,618</b>	16,159
Bank overdrafts (Note 23)	<b>(1,980)</b>	(800)
	<b>31,638</b>	15,359

See accompanying notes to financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2003

## 1 General

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

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

The principal activities of its subsidiaries are as disclosed in Note 31 to the financial statements.

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

## 2 Summary of significant accounting policies

### Basis of accounting

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

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

### Basis of consolidation

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

## **NOTES TO THE FINANCIAL STATEMENTS** (cont'd)

At 31 March 2003

### **2 Summary of significant accounting policies** (cont'd)

#### **Goodwill**

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

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

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

#### **Investments in subsidiaries**

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

#### **Investments in associates**

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

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

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

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

#### **Other investments**

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

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

## 2 Summary of significant accounting policies (cont'd)

### Revenue recognition

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

### Stocks

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

### Property, plant and equipment

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

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

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

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

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

## 2 Summary of significant accounting policies (cont'd)

### Property, plant and equipment (cont'd)

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

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

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

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

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

### Deferred expenditure

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

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

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

### Impairment of assets

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

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

## **NOTES TO THE FINANCIAL STATEMENTS** (cont'd)

At 31 March 2003

### **2 Summary of significant accounting policies** (cont'd)

#### **Foreign currency transactions**

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

#### **Translation of foreign currency financial statements**

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

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

#### **Income tax**

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

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

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

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

## **NOTES TO THE FINANCIAL STATEMENTS** (cont'd)

At 31 March 2003

### **2 Summary of significant accounting policies** (cont'd)

#### **Provisions**

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

#### **Retirement benefit costs**

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

#### **Leases**

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

Assets held under finance leases are recognised as assets of the Group at their fair values at the date of the acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the profit and loss statements over the term of the relevant lease.

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

#### **Financial assets**

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

#### **Financial liabilities and equity**

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 3 Financial instruments and risk management policies

#### Credit risk

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

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

#### Interest rate risk

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

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

#### Foreign currency risk

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

#### Liquidity risk

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

#### Fair value of financial assets and financial liabilities

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

#### Unrecognised financial instruments

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 4 Revenue

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

### 5 Other operating income

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

### 6 Finance costs

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 7 Profit before income tax

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

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

### 8 Staff costs and number of employees

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 9 Income tax expense

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

The Company has been awarded Operational Headquarters ("OHQ") status by the Economic Development Board ("EDB") for a period of 6 years with effect from 1 July 1990. It has since been granted extension of the OHQ status for a further period of 6 years commencing 1 July 1996. Under this scheme, dividend income received from approved qualifying corporations within the Group is exempted from Singapore tax and certain types of income received from approved qualifying corporations are taxed at a concessionary rate of 10%. The Company's OHQ status had expired since 30 June 2002. The Company has applied for the extension of OHQ status from the EDB and had received in-principle support for OHQ renewal from the EDB, subject to final approval by the Minister for Trade and Industry.

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

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 10 Dividends

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

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

b) Proposed dividends at 31 March are as follows:

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

### 11 Earnings per share

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

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



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

## 11 Earnings per share (cont'd)

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

## 12 Property, plant and equipment

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

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

**12 Property, plant and equipment** (cont'd)

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 12 Property, plant and equipment (cont'd)

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

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

The freehold land and buildings stated at valuation were revalued by an independent professional valuer, Vigers (JB) Sdn Bhd, in March 1994 based on the open market value on a willing buyer and willing seller basis for existing use. The resulting revaluation surpluses have been credited to the property revaluation reserve and the balance as at year end amounted to S\$2,093,000 (2002 : S\$2,093,000) for the Group. If the cost method had been used, the net book values of the freehold land and buildings and leasehold improvements of the Group would have been S\$8,554,000 (2002 : S\$8,820,000) and S\$54,008,000 (2002 : S\$50,502,000) respectively.

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

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

Location	Description	Tenure
<b>Singapore</b>		
No. 50, Gul Crescent, Singapore	A 2-storey factory building with built-up area of 2,615 square metres	60 years from 1992
Symphony Heights 37 Hume Avenue, #06-04 Singapore	One unit of residential condominium of approximately 155 square metres	Freehold
97 Pioneer Road, Singapore 628459	A 2-storey factory building with built-up area of 6,407 square metres	56 years from 1994
<b>Taiwan</b>		
No. 211 Chung Cheng Road, Section 2 Hukow, Hsin-chu 30302, Taiwan	A 2-storey factory building with built-up area of 6,654 square metres and a warehouse with built-up area of 169 square metres	Freehold
Room 1011 and 1200, International Trade Building, No. 205 Tun Hua South Section 1, Taipei 10647, Taiwan	Office space of 500 square metres	Freehold
Lots 98-86 to 98-96 and Lot 98-182 Chung Pei Shih, Sub-Section Shan Pei Shih Section, Hukow Hsiang, Hsin-chu County, Taiwan	A 2,108-square metre plot of land	Freehold
207, 208 & 209, Mei Chih Cheng Hukow Hsiang, Hsin-chu County, Taiwan	Three 2-storey residential buildings of approximately 255 square metres	Freehold

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 12 Property, plant and equipment (cont'd)

Location	Description	Tenure
<b>Malaysia</b>		
No. 5, Jalan Tampoi Tujuh, Kawasan Perindustrian Tampoi, 81200 Johor Bahru, Johor, Malaysia	A 19,652-square metre plot of land with a 3-storey factory building with built-up area of 6,000 square metres	Freehold
	A 18,110-square metre plot of land with a warehouse with built-up area of 1,200 square metres	Freehold
Units No. A3-03, A3-04, TF-03 & TF-04 Putri Indah, Jalan Indra Putra, Johor Bahru, Johor, Malaysia	Four units of residential condominium of approximately 516 square metres	Freehold
Lot 6975, Mukim of Senai-Kulai, Johor, Malaysia	A 39,885-square metre plot of land for factory building	Freehold
#18-00 and #19-00 Pacific Mall, Johor Bahru, Johor, Malaysia	Two storeys of office buildings of approximately 2,582 square metres	Freehold
<b>China</b>		
Land Lot No. 9 Development District Upper Lung Fung Terrace Huizhou City Guangdong, China	A 2,892-square metre plot of land with a 7-storey staff quarters with built-up area of 6,239 square metres	20 years from 1988
No. 1-2, First Hong Ye Dong Road Hong Ye Industrial Area Tang Xia, Dongguan, Guangdong, China	A 3-storey factory building with built-up area of 4,119 square metres	50 years from 1993
Road 12, Hong Ye Road Hong Ye Industrial Area (138) Tang Xia, Dongguan, Guangdong, China	A 30,821-square metre plot of land with a 3-storey factory building and 7-storey staff quarters with built-up area of 9,840 square metres and 13,269 square metres respectively	50 years from 1995
3-603, 66, Yu Jian Lou Tang Xin Jie, Tang Xia, Dongguan, Guangdong, China	A 73-square metre staff quarters	50 years from 1994
Block No 43 Wen Hua Xin Cun Tang Xia, Dongguan, Guangdong, China	A 1,988-square metre staff quarters	50 years from 1995

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 12 Property, plant and equipment (cont'd)

Location	Description	Tenure
<b>China</b> (cont'd)		
Block No 41 Hong Ye Da Dao Hong Ye Industrial Area Tang Xia, Dongguan, Guangdong, China	A 1,465-square metre staff quarters	50 years from 1993
Lou Fang Yuan, Xin Xiu Cun Lou Fang Lu Huang Bei Ling, Lou Wu Shenzhen, China	A 4,179-square metre staff quarters	70 years from 1991
No. 1, 5 Long and No. 2, 193 Long Yong Ye Road Zhang Qiao Zhen Pu Dong Area Shanghai, China	A 2,362-square metre staff quarters	70 years from 1995
Room 1, 25/F, Block F, Peace Garden, Yang Pu District, 2200 Kong Jiang Lu Shanghai, China	One unit of residential flat with built-up area of 64 square metres	65 years from 1997
Gu Tang Au Industrial Development District, Huizhou City, Guangdong, China	A 13,034-square metre plot of land with a 3-storey factory building and staff quarters with built-up area of 11,149 square metres	50 years from 1997
	A 2,008-square metre plot of land with a 7-storey staff quarters with built-up area of 4,484 square metres	50 years from 1997
	A 6,162-square metre plot of land for industrial use	50 years from 1997
	A 14,024-square metre plot of land with a 2-storey factory building and a 3-storey staff quarters with built-up area of 4,581 square metres	50 years from 1997
Lot No. 22 and No. 48 Peng Nam Industrial District Huizhou City Guangdong China	A 8,752-square metre plot of land with a 3-storey factory building and 5-storey staff quarters with built up area of 3,078 square metres and 1,224 square metres respectively	48 years from 2000
99 Dahetou Road Duantang, Ningbo, China	4 factory buildings and office buildings with built-up area of 33,266 square metres	50 years from 1998

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 12 Property, plant and equipment (cont'd)

Location	Description	Tenure
<b>Canada</b> Suite 7, 7780 Woodbine Avenue Markham, Ontario L3R 2N7, Canada	A 500-square metre office and warehouse	Freehold
<b>USA</b> 11225, 11235 and 11245 West Bernardo Court San Diego, CA 92127-1638, USA	Three industrial buildings	Freehold
<b>Denmark</b> 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
<b>Poland</b> ul. Zielona 22 PL 83-200 Starogard Gd.	A 19,736-square metre plot of land with a factory building and warehouse with built up area of 3,060 square metres	78 years from 1997
	A plot of land of 5,911 square metres for industrial use	Freehold

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 13 Interest in subsidiaries

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

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

### 14 Interest in associates

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

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

### 15 Other investments

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

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

## 16 Deferred expenditure

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



**NOTES TO THE FINANCIAL STATEMENTS** (cont'd)

At 31 March 2003

**17 Goodwill on consolidation**

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

**18 Stocks**

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

Movements in allowances for stock obsolescence:

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

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

## 19 Debtors

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

Movements in allowances for doubtful debts:

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 20 Bank balances, deposits and cash

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

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

### 21 Creditors and accrued charges

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 22 Obligations under finance leases

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

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

### 23 Bank loans and overdrafts

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

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

### 24 Floating rate notes

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 25 Bank loans

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

The above bank loans comprise the following:

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

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

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

### 26 Fixed rate notes

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 27 Deferred tax liabilities

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

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

#### The Group

##### Deferred tax liabilities

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

##### Deferred tax assets

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

#### The Company

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

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

**28 Share capital**

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

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

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

**29 Commitments**

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

a) Operating lease commitments

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

b) Capital expenditure commitments

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 30 Contingent liabilities – unsecured

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

### 31 Subsidiaries

Subsidiaries of the Company are as follows:

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment	
		2003 %	2002 %		2003 S\$'000	2002 S\$'000
AB Ejendomsaktieselskabet Thisted (3) #	Denmark	<b>100</b>	100	Property investment	-	-
Advance Battery Technology International Limited (6) #	Hong Kong	-	100	Trading in batteries and battery materials (de-registered)	-	-
Advanced Battery Technology Limited (3) #	British Virgin Islands	<b>80</b>	75	Intellectual property	-	-
Alkaline Batteries A/S (3) #	Denmark	<b>100</b>	100	Manufacturing of batteries	-	-
Alkaline Batteries Limited (2) #	British Virgin Islands	<b>100</b>	100	Marketing and trading in batteries	-	-
Alkaline Batteries (L) Bhd (2) #	Malaysia	<b>100</b>	100	Marketing and trading in batteries	-	-
Allied Brilliant Trading Ltd (3) #	Taiwan	<b>80</b>	75	Marketing and trading in batteries	-	-
Bestasi Sdn Bhd (3) #	Malaysia	<b>100</b>	100	Property investment	-	-



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 31 Subsidiaries (cont'd)

Subsidiaries of the Company are as follows:

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment	
		2003	2002		2003	2002
		%	%		S\$'000	S\$'000
Bolder Technologies Pte Ltd (1)	Singapore	100	100	Manufacturing of batteries	100	100
Champion World Limited (6) #	British Virgin Islands	100	100	Investment holding	-	-
Danish Polish Batteries Sp. z.o.o (3) #	Poland	100	100	Manufacturing of batteries	-	-
Dongguan Yinfea Battery Products Co Ltd (4) #	PRC	100	100	Manufacturing of batteries	-	-
Dongguan Chao Ba Batteries Co Ltd (4) #	PRC	100	100	Manufacturing of batteries	-	-
Douza Investments Ltd (6) #	British Virgin Islands	100	100	Investment holding	-	-
Energy Pack Netherlands Holdings B.V. (6)	Netherlands	100	100	Investment holding and provision of logistic support	185	185
EVB Technology Limited (6)	Bermuda	100	100	Investment holding	180	180
EVB Technology (HK) Limited (3) #	Hong Kong	100	100	Manufacturing of batteries	-	-
EVB Technology Pte Ltd (1)	Singapore	100	100	Manufacturing of batteries	*	*
Geewin Industrial (S) Pte Ltd (1)	Singapore	100	80	Investment holding	100	80
Geewin Industrial Limited (5) #	Hong Kong	100	80	Provision of logistic support	-	-
Gold Peak Industries (Taiwan) Limited (3)	Taiwan	80	75	Manufacturing of batteries	95,105	95,105

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 31 Subsidiaries (cont'd)

Subsidiaries of the Company are as follows:

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 31 Subsidiaries (cont'd)

Subsidiaries of the Company are as follows:

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 31 Subsidiaries (cont'd)

Subsidiaries of the Company are as follows:

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 31 Subsidiaries (cont'd)

Subsidiaries of the Company are as follows:

Name of subsidiaries	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment	
		2003	2002		2003	2002
		%	%		S\$'000	S\$'000
Shenzhen JetPower Batteries Limited (4) #	PRC	100	100	Manufacturing of batteries	-	-
Surplus Enterprise Limited (5) #	Hong Kong	100	100	Investment holding	-	-
Sylva Development Limited (6) #	British Virgin Islands	100	100	Property investment	-	-
Sylva Industries (China) Limited (3) #	Hong Kong	100	100	Investment holding	-	-
Sylva Industries Limited (3)	Hong Kong	100	100	Manufacturing of batteries	4,093	4,093
Whitehill Electrochemical Company Limited (3) #	Hong Kong	100	100	Investment holding and provision of logistic support	-	-
Zhongyin (Ningbo) Battery Co. Ltd (5)	PRC	75	-	Manufacturing of batteries	48,260	-
					<b>154,622</b>	<b>106,342</b>

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

# Held by subsidiaries of the Company

(1) Audited by Deloitte & Touche, Singapore

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

(3) Audited by member firms of Deloitte Touche Tohmatsu

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 32 Associates

Associates of the Group are as follows:

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 32 Associates (cont'd)

Associates of the Group are as follows:

Name of associates	Country of incorporation and operation	Percentage of paid-up capital beneficially owned by the Group		Principal activities	Cost of investment			
		2003 %	2002 %		The Group		The Company	
		2003 %	2002 %		2003 S\$'000	2002 S\$'000	2003 S\$'000	2002 S\$'000
T.G. Battery Co (Hong Kong) Limited (1)	Hong Kong	50	50	Investment holding and provision of logistic support	11,453	11,453	11,453	11,453
T. G. Battery Co (China) Ltd (3) @	PRC	42.5	42.5	Manufacturing of batteries	-	-	-	-
					<b>33,530</b>	33,530	<b>11,453</b>	11,453

# Held by subsidiaries of the Company

@ These are subsidiaries of other associates of the Company

(1) Audited by member firms of Deloitte Touche Tohmatsu

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

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

(4) Not audited as associates are not significant

### 33 Related party transactions

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 34 Segment information

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

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

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

#### Geographical segments by location of production facilities and assets

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



**NOTES TO THE FINANCIAL STATEMENTS** (cont'd)

At 31 March 2003

**34 Segment information** (cont'd)

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

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

## 34 Segment information (cont'd)

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2003

### 34 Segment information (cont'd)

#### Revenue from external customers by geographical customers

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

### 35 Reclassifications and comparative figures

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

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