

# CONSOLIDATED PROFIT AND LOSS STATEMENT

Year ended 31 March 2004

	Notes	The Group	
		2004 S\$'000	2003 S\$'000
<b>Revenue</b>	4	<b>827,158</b>	660,737
Cost of sales		<b>(606,341)</b>	(488,047)
Gross profit		<b>220,817</b>	172,690
Other operating income	5	<b>1,893</b>	1,878
Distribution expenses		<b>(61,320)</b>	(50,941)
Administrative expenses		<b>(97,824)</b>	(79,771)
Other operating expenses		<b>(4,268)</b>	(4,645)
<b>Profit from operations</b>		<b>59,298</b>	39,211
Finance costs	6	<b>(9,717)</b>	(9,826)
<b>Profit before share of results of associates</b>		<b>49,581</b>	29,385
Share of results of associates		<b>8,751</b>	7,797
<b>Profit before income tax</b>	7	<b>58,332</b>	37,182
Income tax	9	<b>(9,239)</b>	(5,561)
<b>Profit after income tax</b>		<b>49,093</b>	31,621
Minority interests		<b>(3,851)</b>	963
<b>Profit attributable to shareholders</b>		<b>45,242</b>	32,584
<b>Earnings per share (cents)</b>			
- Basic	11	<b>42.93</b>	31.48
- Diluted	11	<b>41.92</b>	31.32

See accompanying notes to financial statements.

# BALANCE SHEETS

At 31 March 2004

	Notes	The Group		The Company	
		2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
<b>Non-current assets:</b>					
Property, plant and equipment	12	296,897	298,602	7,426	7,806
Interest in subsidiaries	13	-	-	506,224	505,376
Interest in associates	14	30,453	27,564	11,453	11,453
Other investments	15	23,595	24,068	-	-
Deferred expenditure	16	36,699	43,319	2,036	2,350
Goodwill on consolidation	17	14,084	15,663	-	-
Total non-current assets		401,728	409,216	527,139	526,985
<b>Current assets:</b>					
Stocks	18	191,038	148,426	4,612	4,066
Debtors	19	208,024	190,257	9,662	7,366
Short-term investments		-	52	-	-
Deposits and prepayments		16,420	16,332	957	622
Bank balances, deposits and cash	20	53,229	33,618	9,055	1,669
Total current assets		468,711	388,685	24,286	13,723
<b>Current liabilities:</b>					
Creditors and accrued charges	21	151,392	142,503	15,813	28,015
Obligations under finance leases	22	3,299	65	22	22
Income tax payable		2,533	2,864	986	806
Bank loans and overdrafts	23	134,609	86,414	26,503	12,994
Notes	24	-	105,882	-	105,882
Total current liabilities		291,833	337,728	43,324	147,719
<b>Net current assets (liabilities)</b>		<b>176,878</b>	<b>50,957</b>	<b>(19,038)</b>	<b>(133,996)</b>
<b>Non-current liabilities:</b>					
Bank loans	25	34,872	57,034	16,785	26,471
Obligations under finance leases	22	6,727	133	24	48
Notes	24	155,355	50,000	155,355	50,000
Deferred tax liabilities	26	4,895	3,455	625	475
Total non-current liabilities		201,849	110,622	172,789	76,994
		<b>376,757</b>	<b>349,551</b>	<b>335,312</b>	<b>315,995</b>
<b>Represented by:</b>					
Share capital	27	85,436	82,832	85,436	82,832
Reserves		249,112	223,286	249,876	233,163
Shareholders' funds		334,548	306,118	335,312	315,995
Minority interests		42,209	43,433	-	-
		<b>376,757</b>	<b>349,551</b>	<b>335,312</b>	<b>315,995</b>

See accompanying notes to financial statements.

# STATEMENTS OF CHANGES IN EQUITY

Year ended 31 March 2004

	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 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	-	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
Issue of shares	2,604	-	-	-	-	-	-	2,604
Premium arising from issue of shares	-	3,714	-	-	-	-	-	3,714
Translation loss	-	-	-	(8,642)	-	-	-	(8,642)
Transfer to (from) reserves	-	-	402	-	-	-	(402)	-
Profit attributable to shareholders	-	-	-	-	-	-	45,242	45,242
Dividends								
- paid [Note 10(a)]	-	-	-	-	-	(8,307)	(6,181)	(14,488)
- proposed [Note 10(b)]	-	-	-	-	-	11,019	(11,019)	-
Balance at 31 March 2004	<b>85,436</b>	<b>139,388</b>	<b>(28,637)</b>	<b>(36,689)</b>	<b>2,093</b>	<b>11,019</b>	<b>161,938</b>	<b>334,548</b>

# Comprises mainly goodwill arising from acquisition of subsidiaries and associates prior to 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 2002	82,801	135,647	(7,862)	4,140	83,062	297,788
Issue of shares	31	-	-	-	-	31
Premium arising from issue of shares	-	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
Issue of shares	2,604	-	-	-	-	2,604
Premium arising from issue of shares	-	3,714	-	-	-	3,714
Translation loss	-	-	(8,078)	-	-	(8,078)
Profit attributable to shareholders	-	-	-	-	35,565	35,565
Dividends						
- paid [Note 10(a)]	-	-	-	(8,307)	(6,181)	(14,488)
- proposed [Note 10(b)]	-	-	-	11,019	(11,019)	-
Balance at 31 March 2004	<b>85,436</b>	<b>139,388</b>	<b>(22,931)</b>	<b>11,019</b>	<b>122,400</b>	<b>335,312</b>

See accompanying notes to financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2004

	2004 S\$'000	2003 S\$'000
<b>Cash flows from operating activities:</b>		
Profit before income tax and share of results of associates	49,581	29,385
Adjustments for:		
Amortisation of goodwill on consolidation	1,579	416
Amortisation of product development expenditure	5,170	5,262
Amortisation of technical knowhow	251	340
Depreciation of property, plant and equipment	37,702	37,042
Dilution loss	-	113
Goodwill written off	696	621
Interest expense	9,717	9,826
Interest income	(337)	(478)
Impairment loss on short-term investments	-	293
Impairment loss on property, plant and equipment (write back) charged	(275)	2,460
Loss on disposal of property, plant and equipment	1,538	914
Operating profit before working capital changes	105,622	86,194
Stocks	(42,222)	(25,568)
Debtors	(17,299)	(8,620)
Deposits and prepayments	(789)	(1,502)
Creditors and accrued charges	6,384	25,484
Cash generated from operations	51,696	75,988
Interest received	324	509
Interest paid	(8,500)	(9,203)
Income tax paid	(6,248)	(4,690)
Net cash from operating activities	37,272	62,604
<b>Cash flows from investing activities:</b>		
Acquisition of a subsidiary, net of cash acquired (Note A)	369	(30,196)
Dividends received from associates	3,843	6,541
Increase in other investments	(1,273)	-
Proceeds from disposal of short-term investments	57	-
Proceeds from return of other investments	602	-
Proceeds from disposal of property, plant and equipment	2,624	1,924
Purchase of additional investment in subsidiaries	(555)	(11,402)
Purchase of property, plant and equipment (Note B)	(39,834)	(47,600)
Net cash used in investing activities	(34,167)	(80,733)
<b>Cash flows from financing activities:</b>		
Repayment of Notes	(104,325)	-
Bank loans obtained (repaid)	30,803	(4,541)
Dividends paid	(14,488)	(8,487)
Issue of Notes	106,248	50,000
Issue of shares	6,318	59
Dividends paid to minority shareholders	(2,834)	(425)
Proceeds from obligations under finance leases	5,701	-
Obligations under finance leases	(3,619)	(49)
Net cash from financing activities	23,804	36,557

# CONSOLIDATED CASH FLOW STATEMENT (cont'd)

Year ended 31 March 2004

	2004 S\$'000	2003 S\$'000
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	<b>(5,613)</b>	(2,149)
Net increase in cash and cash equivalents	<b>21,296</b>	16,279
Cash and cash equivalents at 1 April	<b>31,638</b>	15,359
<b>Cash and cash equivalents at 31 March (Note C)</b>	<b>52,934</b>	31,638

## A. Acquisition of subsidiaries

The assets and liabilities of a subsidiary acquired during the year were as follows:

	2004 S\$'000	2003 S\$'000
Property, plant and equipment	<b>113</b>	33,383
Deferred expenditure	-	880
Bank balances, deposits and cash	<b>387</b>	8,448
Debtors	<b>803</b>	33,865
Stocks	<b>389</b>	7,278
Creditors and accrued charges	<b>(1,608)</b>	(21,733)
Bank loans	-	(10,835)
Minority interests	<b>(33)</b>	(12,979)
Net assets acquired	<b>51</b>	38,307
Goodwill on consolidation	-	9,953
Transfer from interest in associates	<b>(33)</b>	-
Consideration of the acquisition	<b>18</b>	48,260
Balance of consideration payable	-	(9,616)
Less bank balances, deposits and cash acquired	<b>(387)</b>	(8,448)
Cash flow on acquisition, net of cash acquired	<b>(369)</b>	30,196

## B. Property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S\$47,576,000 (2003 : S\$47,755,000) of which S\$7,742,000 (2003 : S\$155,000) was acquired under finance leases.

## C. Cash and cash equivalents at 31 March comprise:

	2004 S\$'000	2003 S\$'000
Bank balances, deposits and cash (Note 20)	<b>53,229</b>	33,618
Bank overdrafts (Note 23)	<b>(295)</b>	(1,980)
	<b>52,934</b>	31,638

See accompanying notes to financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2004

## 1. General

The Company is incorporated in the Republic of Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited with its registered office and principal place of business at 97 Pioneer Road, Singapore 639579. The financial statements are expressed in Singapore dollars.

The principal activities of the Company are those of manufacturing of batteries, 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 2004 were authorised for issue by the Board of Directors on 18 June 2004.

## 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 Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS").

The Group and Company have adopted all the applicable new/revised FRS and INT FRS which become effective during the current financial year. The adoption of the new/revised FRS and INT FRS 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.

The losses applicable to the minority in a consolidated subsidiary may exceed the minority interest in the equity of the subsidiary. The excess, and any further losses applicable to the minority, are taken to the profit and loss statement except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, all such profits are taken to the profit and loss statement until the minority's share of losses previously absorbed has been recovered.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

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

### **Goodwill**

Goodwill arising on consolidation represents the excess of the cost of an acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or associate at the date of acquisition. Goodwill is recognised as an asset and amortised on a straight-line basis over its estimated useful life of 10 years with effect from dates of acquisition.

Goodwill arising from acquisition of an associate is included within the carrying amount of the associate. Goodwill arising on acquisition of subsidiaries is presented separately in the balance sheet.

On disposal of a subsidiary or associate, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.

### **Interest 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.

### **Interest 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 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.

### **Investments**

Other investments held on a long-term basis are stated at cost and an allowance for diminution is made where, in the opinion of the directors, there is a decline other than temporary in the value of such investments. Such a decline, if any, is charged as an expense in the period in which the decline is identified.

Short-term investments are carried at the lower of cost and market value. Impairment losses are taken to the profit and loss statement.

At 31 March 2004

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

### **Revenue recognition**

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.

### **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.

Allowance for obsolete, slow-moving or defective stocks is made where necessary.

### **Property, plant and equipment**

Freehold land are carried at historical cost 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 cost, 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 cost or at their revalued amounts, 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% per annum
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 50 years or more are not depreciated.



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 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% per annum
Motor vehicles	-	10% to 25% per annum
Furniture, fixtures and equipment	-	10% to 25% per annum

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 carrying amounts of the tangible and intangible assets are reviewed to determine whether there is any indication that these 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.

**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.

***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 between the carrying amount of assets and liabilities in the 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, unrecognised deferred tax assets and carrying amount of deferred tax assets are reviewed. A previously unrecognised deferred tax asset is recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The carrying amount of a deferred tax asset is conversely reduced 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.

***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.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

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

### **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 cost. 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.

## 3. 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.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 3. Financial instruments and risk management policies (cont'd)

### b) 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 25 to the financial statements.

### c) Foreign currency risk

The Group and Company transact business in various foreign currencies, including Hong Kong dollar, United States dollar and therefore are exposed to foreign exchange risk. These risks are managed through natural hedges arising from offsetting financial assets and financial liabilities that are denominated in foreign currencies.

The Company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk.

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

### f) 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 fair value of financial instruments not recognised in the balance sheet as at 31 March are:

	The Group			
	2004		2003	
	Notional amount S\$'000	Fair value receivable S\$'000	Notional amount S\$'000	Fair value receivable S\$'000
Forward foreign currency contracts	5,036	183	2,888	32

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 4. Revenue

	The Group	
	2004 S\$'000	2003 S\$'000
Sales of products	<b>827,158</b>	660,737

## 5. Other operating income

	The Group	
	2004 S\$'000	2003 S\$'000
Dividend income from investment in:		
Quoted securities	<b>198</b>	121
Unquoted securities	<b>162</b>	687
Foreign exchange gain	<b>498</b>	-
Interest income	<b>337</b>	478
Management fee income	<b>178</b>	207
Rental income	<b>520</b>	385
	<b>1,893</b>	1,878

## 6. Finance costs

	The Group	
	2004 S\$'000	2003 S\$'000
Interest expense on:		
Bank loans and overdrafts	<b>5,378</b>	4,801
Fixed rate notes	<b>1,835</b>	1,578
Floating rate notes	<b>2,177</b>	3,426
Finance leases	<b>327</b>	21
	<b>9,717</b>	9,826

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 7. Profit before income tax

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

	The Group	
	2004 S\$'000	2003 S\$'000
Allowance for stock obsolescence	3,387	4,903
Amortisation:		
Goodwill on consolidation	1,579	416
Product development expenditure	5,170	5,262
Technical knowhow	251	340
Auditors' remuneration:		
Audit services	765	806
Non-audit services	72	134
Depreciation expense	37,702	37,042
Dilution loss	-	113
Foreign exchange loss	2,471	410
Goodwill written off	696	621
Impairment loss on short-term investment	-	293
Impairment loss on property, plant and equipment (write back) charged	(275)	2,460
Loss on disposal of property, plant and equipment	1,538	914
Operating lease expense	3,001	3,056

## 8. Staff costs and number of employees

	The Group	
	2004 S\$'000	2003 S\$'000
Directors' remuneration:		
Fees	120	120
Emoluments	3,077	2,641
Salaries and wages	117,009	101,543
Defined contribution plans	4,853	4,411
	<b>125,059</b>	<b>108,715</b>
	<b>2004</b>	<b>2003</b>
Number of employees at 31 March	<b>11,000</b>	<b>9,500</b>

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 9. Income tax

	The Group	
	2004 S\$'000	2003 S\$'000
Current income tax:		
Singapore	180	164
Foreign	6,133	5,640
Overprovision in prior year	(101)	(341)
	<b>6,212</b>	5,463
Changes in deferred income tax	1,379	(1,225)
Share of income tax of associates (foreign)	1,648	1,323
	<b>9,239</b>	5,561

The Company was awarded International Headquarters ("IHQ", formerly known as Operational Headquarters) status by the Economic Development Board for a period of 6 years with effect from 1 July 1990. It was subsequently granted extensions of the IHQ status for a further period of 6 years from 1 July 1996 and recently the Minister for Trade and Industry has approved the Company's application for a further extension of the IHQ status until 2007. 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 income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 20% (2003 : 22%) to profit before income tax as a result of the following differences:

	The Group	
	2004 S\$'000	2003 S\$'000
Income tax at statutory rate	11,666	8,180
<i>Add/(Less):</i>		
Effect of different tax rates of overseas operations	(1,540)	(1,438)
Income not subject to tax	(3,090)	(2,985)
Utilisation of tax losses	(2,404)	(837)
Overprovision in prior year	(101)	(341)
Non-allowable items	1,333	1,051
Unrecognised deferred tax benefits	3,375	1,931
	<b>9,239</b>	5,561

A loss transfer system of group relief (group relief system) for companies was introduced in Singapore with effect from year of assessment 2003. Under the group relief system, a Singapore incorporated company belonging to a group may transfer its current year unabsorbed capital allowances, trade losses and donations (loss items) to another company belonging to the same group, to be deducted against the assessable income of the latter company.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 9. Income tax (cont'd)

A subsidiary intends to transfer unabsorbed capital allowances of approximately S\$2,114,000 (2003 : S\$1,916,000) to the Company and S\$nil (2003 : S\$133,000) to a subsidiary under the group relief system, subject to compliance with the relevant rules and procedures and agreement of Inland Revenue Authority of Singapore.

## 10. Dividends

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

	<b>The Group and the Company</b>	
	<b>2004 S\$'000</b>	<b>2003 S\$'000</b>
2003 proposed final tax-exempt dividend of 8.0 Singapore cents per share	<b>8,307</b>	-
2004 interim tax-exempt dividend of 5.7 Singapore cents per share	<b>6,181</b>	-
2002 proposed final tax-exempt dividend of 4.0 Singapore cents per share	-	4,140
2003 interim tax-exempt dividend of 4.2 Singapore cents per share	-	4,347
	<b>14,488</b>	8,487

b) Proposed dividends at 31 March are as follows:

	<b>The Group and the Company</b>	
	<b>2004 S\$'000</b>	<b>2003 S\$'000</b>
2004 proposed final tax-exempt dividend of 10.3 Singapore cents per share	<b>11,019</b>	-
2003 proposed final tax-exempt dividend of 8.0 Singapore cents per share	-	8,307



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 11. Earnings per share

Basic earnings per share is arrived at by dividing the net profit attributable to shareholders of S\$45,242,000 (2003 : S\$32,584,000) by the weighted average number of ordinary shares of 105,391,965 (2003 : 103,507,198) in issue during the financial year.

The fully diluted earnings per share is calculated based on the Group's profit attributable to shareholders of S\$45,242,000 (2003 : S\$32,584,000) divided by the weighted average number of 107,915,577 (2003 : 104,026,356) ordinary shares of S\$0.80 each that would be issued if all the holders of options exercised their rights to subscribe for shares of the Company.

	The Group			
	2004		2003	
	Basic S\$'000	Diluted S\$'000	Basic S\$'000	Diluted S\$'000
Net profit attributable to shareholders	45,242	45,242	32,584	32,584
<b>Number of shares</b>				
Weighted average number of ordinary shares in issue during the financial year	105,391,965	105,391,965	103,507,198	103,507,198
Adjustment for potentially dilutive ordinary shares	-	2,523,792	-	519,158
Weighted average number of ordinary shares as adjusted for potential dilutive effect	105,391,965	107,915,757	103,507,198	104,026,356
Earnings per share (cents)	42.93	41.92	31.48	31.32

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 12. Property, plant and equipment

	Freehold land and buildings S\$'000	Leasehold land, 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 2003	33,856	56,908	388,466	9,909	46,762	535,901
Currency realignment	(547)	(2,208)	(10,880)	(197)	(1,725)	(15,557)
Attributable to acquisition of a subsidiary	-	-	12	-	142	154
Additions	996	1,507	40,082	789	4,202	47,576
Disposals	-	(739)	(7,646)	(280)	(2,226)	(10,891)
At 31 March 2004	<b>34,305</b>	<b>55,468</b>	<b>410,034</b>	<b>10,221</b>	<b>47,155</b>	<b>557,183</b>
Represented by:						
Cost	29,902	55,468	410,034	10,221	47,155	552,780
Valuation	4,403	-	-	-	-	4,403
Total	<b>34,305</b>	<b>55,468</b>	<b>410,034</b>	<b>10,221</b>	<b>47,155</b>	<b>557,183</b>
Accumulated depreciation:						
At 1 April 2003	4,990	15,772	185,610	-	28,467	234,839
Currency realignment	(3)	(687)	(5,711)	-	(1,125)	(7,526)
Attributable to acquisition of a subsidiary	-	-	2	-	39	41
Depreciation for the year	679	2,662	30,019	-	4,342	37,702
Disposals	-	(91)	(4,819)	-	(1,923)	(6,833)
At 31 March 2004	<b>5,666</b>	<b>17,656</b>	<b>205,101</b>	<b>-</b>	<b>29,800</b>	<b>258,223</b>
Impairment loss:						
At 1 April 2003	-	2,179	-	281	-	2,460
Currency realignment	-	(116)	-	(6)	-	(122)
Write back for the year	-	-	-	(275)	-	(275)
At 31 March 2004	<b>-</b>	<b>2,063</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,063</b>
Depreciation for last year	732	2,234	30,192	-	3,884	37,042
Net book value:						
At 31 March 2004	<b>28,639</b>	<b>35,749</b>	<b>204,933</b>	<b>10,221</b>	<b>17,355</b>	<b>296,897</b>
At 31 March 2003	28,866	38,957	202,856	9,628	18,295	298,602

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

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

	Freehold land and building S\$'000	Leasehold land, building and leasehold improvements S\$'000	Machinery, moulds and equipment S\$'000	Furniture, fixtures, equipment and motor vehicle S\$'000	Total S\$'000
<b>The Company</b>					
Cost:					
At 1 April 2003	1,103	4,511	5,677	1,343	12,634
Additions	-	2	334	72	408
Disposals	-	-	(257)	(11)	(268)
At 31 March 2004	<b>1,103</b>	<b>4,513</b>	<b>5,754</b>	<b>1,404</b>	<b>12,774</b>
Accumulated depreciation:					
At 1 April 2003	45	892	2,932	959	4,828
Depreciation for the year	11	111	438	103	663
Disposals	-	-	(134)	(9)	(143)
At 31 March 2004	<b>56</b>	<b>1,003</b>	<b>3,236</b>	<b>1,053</b>	<b>5,348</b>
Depreciation for last year	11	110	469	119	709
Net book value:					
At 31 March 2004	<b>1,047</b>	<b>3,510</b>	<b>2,518</b>	<b>351</b>	<b>7,426</b>
At 31 March 2003	1,058	3,619	2,745	384	7,806

The net book value of fixed assets includes an amount of S\$11,520,000 (2003 : S\$408,000) for the Group and S\$77,000 (2003 : S\$102,000) for the Company in respect of certain machinery, moulds, equipment and motor vehicles held under finance leases.

Land and buildings with a total net book value of S\$3,922,000 (2003 : S\$4,123,000) 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 (2003 : S\$2,093,000) for the Group. If the cost method had been used, the net book values of the freehold land and buildings of the Group would have been S\$27,096,000 (2003 : S\$27,241,000).

There was a write back of impairment loss of S\$275,000 in the current financial year whereas an impairment loss of S\$2,460,000 was recognised in 2003 mainly resulting from the reduction in estimated value of a property held by the Group.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

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

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	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
<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

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

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

Location	Description	Tenure
<b>Malaysia (cont'd)</b>		
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
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

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

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

Location	Description	Tenure
<b>China (cont'd)</b>		
Lou Fang Yuan, Xin Xiu Cun Lou Fang Lu Huang Bei Ling, Lou Wu Shenzhen, China	A 4,002-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 1998
	A 6,162-square metre plot of land for industrial use	50 years from 1998
	A 2,461-square metre plot of land with a 2-storey factory building with built-up area of 1,700 square metres	50 years from 2003
	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

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

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

Location	Description	Tenure
<b>China (cont'd)</b>		
99 Dahetou Road Duantang, Ningbo, China	Four factory buildings and office buildings with built-up area of 33,266 square metres	50 years from 1998
<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 2004

## 13. Interest in subsidiaries

	The Company	
	2004 S\$'000	2003 S\$'000
Unquoted equity shares, at cost	154,622	154,622
Amounts due from subsidiaries - non-trade	364,758	354,303
Amounts due to subsidiaries - non-trade	(13,156)	(3,549)
	<b>506,224</b>	<b>505,376</b>

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 not expected to be repaid within the next 12 months.

## 14. Interest in associates

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Unquoted equity shares, at cost	33,516	33,530	11,453	11,453
Goodwill on acquisition	(18,512)	(18,512)	-	-
Share of post-acquisition profits	15,885	12,635	-	-
Share of post-acquisition translation differences	(436)	(89)	-	-
	<b>30,453</b>	<b>27,564</b>	<b>11,453</b>	<b>11,453</b>

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

## 15. Other investments

	The Group	
	2004 S\$'000	2003 S\$'000
Quoted equity securities, at cost	21,326	11,978
Unquoted equity securities, at cost	2,269	12,090
	<b>23,595</b>	<b>24,068</b>
Quoted equity securities, at market value	<b>77,935</b>	<b>4,109</b>



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 16. Deferred expenditure

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
<b>Product development expenditure</b>				
Cost:				
At 1 April	<b>57,556</b>	63,569	<b>3,133</b>	3,133
Currency realignment	<b>(1,974)</b>	(2,602)	-	-
Attributable to acquisition of a subsidiary	-	574	-	-
Transfer to property, plant and equipment	-	(3,985)	-	-
At 31 March	<b>55,582</b>	57,556	<b>3,133</b>	3,133
Accumulated amortisation:				
At 1 April	<b>14,641</b>	9,775	<b>783</b>	470
Currency realignment	<b>(802)</b>	(396)	-	-
Amortisation for the year	<b>5,170</b>	5,262	<b>314</b>	313
At 31 March	<b>19,009</b>	14,641	<b>1,097</b>	783
Net	<b>36,573</b>	42,915	<b>2,036</b>	2,350
<b>Technical knowhow</b>				
Cost:				
At 1 April	<b>9,517</b>	9,597	-	-
Currency realignment	<b>(469)</b>	(386)	-	-
Attributable to acquisition of a subsidiary	-	306	-	-
At 31 March	<b>9,048</b>	9,517	-	-
Accumulated amortisation:				
At 1 April	<b>9,113</b>	9,145	-	-
Currency realignment	<b>(442)</b>	(372)	-	-
Amortisation for the year	<b>251</b>	340	-	-
At 31 March	<b>8,922</b>	9,113	-	-
Net	<b>126</b>	404	-	-
Total deferred expenditure at 31 March	<b>36,699</b>	43,319	<b>2,036</b>	2,350

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 17. Goodwill on consolidation

	The Group	
	2004 S\$'000	2003 S\$'000
Cost:		
At 1 April	<b>16,079</b>	-
Attributable to acquisition of subsidiaries	-	9,953
Attributable to acquisition of additional interests in subsidiaries	-	6,126
At 31 March	<b>16,079</b>	16,079
Accumulated amortisation:		
At 1 April	<b>416</b>	-
Amortisation for the year	<b>1,579</b>	416
At 31 March	<b>1,995</b>	416
Net	<b>14,084</b>	15,663

## 18. Stocks

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Raw materials, at cost	<b>74,152</b>	61,273	<b>1,327</b>	1,053
Work in progress, at cost	<b>34,474</b>	23,655	<b>3,142</b>	2,307
Finished goods:				
At cost	<b>79,085</b>	61,464	<b>49</b>	512
At net realisable value after allowances	<b>3,327</b>	2,034	<b>94</b>	194
	<b>191,038</b>	148,426	<b>4,612</b>	4,066

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 19. Debtors

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
<b>Trade</b>				
Outside parties	<b>166,738</b>	167,612	-	-
Less: Allowances for doubtful debts	<b>(9,594)</b>	(9,713)	-	-
	<b>157,144</b>	157,899	-	-
Amounts due from:				
Associates (Note 31)	<b>4,606</b>	6,839	<b>76</b>	-
Related parties (Note 32)	<b>149</b>	282	-	-
	<b>161,899</b>	165,020	<b>76</b>	-
<b>Non-trade</b>				
Outside parties	<b>37,990</b>	16,295	<b>3,878</b>	1,244
Amounts due from:				
Associates (Note 31)	<b>6,061</b>	7,101	<b>5,383</b>	5,770
Related parties (Note 32)	<b>2,074</b>	1,841	<b>325</b>	352
	<b>46,125</b>	25,237	<b>9,586</b>	7,366
	<b>208,024</b>	190,257	<b>9,662</b>	7,366

The amounts due from associates and related parties are unsecured, non-interest bearing and repayable on demand.

## 20. Bank balances, deposits and cash

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Fixed deposits	<b>4,802</b>	423	<b>2,460</b>	288
Bank balances and cash	<b>48,427</b>	33,195	<b>6,595</b>	1,381
	<b>53,229</b>	33,618	<b>9,055</b>	1,669

Fixed deposits bear interest at 0.1% to 1.2% (2003 : 1.2% to 1.6%) per annum and mature within 3 months from end of the financial year.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 21. Creditors and accrued charges

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
<b>Trade</b>				
Outside parties	<b>102,840</b>	94,782	<b>9,498</b>	13,057
Amounts due to:				
Subsidiaries (Note 30)	-	-	<b>3,454</b>	3,013
Associates (Note 31)	<b>18,351</b>	16,914	<b>353</b>	710
Related parties (Note 32)	<b>1,419</b>	903	-	-
Interest payable	<b>1,896</b>	1,045	<b>1,830</b>	930
Accrued charges	<b>24,826</b>	18,667	<b>662</b>	641
	<b>149,332</b>	132,311	<b>15,797</b>	18,351
<b>Non-trade</b>				
Outside parties	-	9,616	-	9,616
Amounts due to:				
Associates (Note 31)	<b>31</b>	-	-	-
Related parties (Note 32)	<b>2,029</b>	576	<b>16</b>	48
	<b>2,060</b>	10,192	<b>16</b>	9,664
	<b>151,392</b>	142,503	<b>15,813</b>	28,015

The amounts due to associates and related parties are unsecured, non-interest bearing and repayable on demand.

## 22. Obligations under finance leases

Future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	Total minimum lease payments		Present value of payments	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
<b>The Group</b>				
Within 1 year	<b>3,740</b>	68	<b>3,299</b>	65
Within 2 to 5 years	<b>7,280</b>	139	<b>6,727</b>	133
	<b>11,020</b>	207	<b>10,026</b>	198
Less: Future finance charges	<b>(994)</b>	(9)	-	-
Present value of lease obligations	<b>10,026</b>	198	<b>10,026</b>	198
Less: Amounts due within 1 year			<b>(3,299)</b>	(65)
Amounts due within 2 to 5 years			<b>6,727</b>	133
<b>The Company</b>				
Within 1 year	<b>25</b>	25	<b>22</b>	22
Within 2 to 5 years	<b>27</b>	54	<b>24</b>	48
	<b>52</b>	79	<b>46</b>	70
Less: Future finance charges	<b>(6)</b>	(9)	-	-
Present value of lease obligations	<b>46</b>	70	<b>46</b>	70
Less: Amounts due within 1 year			<b>(22)</b>	(22)
Amounts due within 2 to 5 years			<b>24</b>	48

Interest rate on finance leases range from 2.6% to 7.3% (2003 : 3.0%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 23. Bank loans and overdrafts

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Current portion of long-term bank loans (Note 25)	33,649	703	25,177	-
Short-term bank loans - unsecured	65,423	61,878	901	11,805
Bank overdrafts - unsecured	295	1,980	109	1,189
Import loans - unsecured	35,242	21,853	316	-
	<b>134,609</b>	86,414	<b>26,503</b>	12,994

Interest rates on short-term bank loans, bank overdrafts and import loans range from 0.9% to 6.5% (2003 : 0.7% to 3.4%) per annum. The short-term bank loans and import loans mature within 12 months from the end of the financial year.

## 24. Notes

	Date of issue	Date of redemption	Interest rates		The Group and the Company	
			2004 %	2003 %	2004 S\$'000	2003 S\$'000
a) Unsecured notes issued under S\$500 million Multi-Currency Debt Issuance Programme						
Series 1 Fixed rate note #	22 May 2002	22 May 2005	3.7	3.7	50,000	50,000
Series 2 Floating rate note	16 October 2003	16 October 2006	2.1	-	50,355	-
Series 3 Floating rate note	16 October 2003	16 October 2006	1.8	-	55,000	-
					<b>155,355</b>	50,000
b) Unsecured floating rate note	19 September 2000	19 September 2003	2.4	2.4	-	105,882
					<b>155,355</b>	155,882
Amounts due within 1 year					-	105,882
Amounts due within 2 to 5 years					<b>155,355</b>	50,000
					<b>155,355</b>	155,882

# Listed on the Singapore Exchange Securities Trading Limited on 23 May 2002.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 25. Bank loans

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Long-term bank loans:				
Secured	735	1,477	-	-
Unsecured	67,786	56,260	41,962	26,471
	<b>68,521</b>	57,737	<b>41,962</b>	26,471
Less:				
Amounts due within 1 year:				
Secured	(725)	(703)	-	-
Unsecured	(32,924)	-	(25,177)	-
Current portion of long-term bank loans (Note 23)	<b>(33,649)</b>	(703)	<b>(25,177)</b>	-
Long-term portion of bank loans	<b>34,872</b>	57,034	<b>16,785</b>	26,471

The above bank loans comprise the following:

- Bank loan amounting to S\$735,000 (2003 : S\$1,477,000) secured by a mortgage over two storeys of office building of a subsidiary which bears interests at 7.4% (2003 : 7.8%) per annum.
- Unsecured bank loans that bear interests ranging from 1.4% to 2.6% (2003 : 2.2% to 2.5%) per annum.

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

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
More than 1 year but not exceeding 2 years	11	27,230	-	26,471
More than 2 years but not exceeding 5 years	34,861	29,804	16,785	-
	<b>34,872</b>	57,034	<b>16,785</b>	26,471

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 26. Deferred tax liabilities

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Deferred tax liabilities	<b>19,487</b>	19,181	<b>625</b>	475
Deferred tax assets	<b>(14,592)</b>	(15,726)	-	-
Net deferred tax liabilities	<b>4,895</b>	3,455	<b>625</b>	475

Movements in the deferred tax liabilities and assets recognised by the Group are as follows:

### Deferred tax liabilities

	Deferred expenditure S\$'000	Capital allowances S\$'000	Others S\$'000	Total S\$'000
At 1 April 2003	2,575	16,560	46	19,181
Currency realignment	(15)	(44)	5	(54)
Charge to profit and loss	(445)	918	(113)	360
At 31 March 2004	<b>2,115</b>	<b>17,434</b>	<b>(62)</b>	<b>19,487</b>

### Deferred tax assets

	Tax losses S\$'000	Others S\$'000	Total S\$'000
At 1 April 2003	(12,587)	(3,139)	(15,726)
Currency realignment	105	10	115
Charge to profit and loss	1,087	(68)	1,019
At 31 March 2004	<b>(11,395)</b>	<b>(3,197)</b>	<b>(14,592)</b>
Net deferred tax liabilities			<b>4,895</b>

The deferred tax liabilities of the Company of S\$625,000 (2003 : S\$475,000) are due to temporary differences arising mainly from capital allowances.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 26. Deferred tax liabilities (cont'd)

No deferred tax assets has been recognised on the following temporary differences due to uncertainty of its recoverability:

	The Group	
	2004 S\$'000	2003 S\$'000
Unutilised tax losses	16,614	20,859
Capital allowances	(1,133)	(1,322)
Others	418	13
	<b>15,899</b>	<b>19,550</b>

The use of these temporary differences is subject to the agreement of the relevant tax authorities and compliance with certain provisions of the tax legislation.

## 27. Share capital

	The Group and the Company	
	2004 S\$'000	2003 S\$'000
Authorised:		
156,250,000 ordinary shares of S\$0.80 each	125,000	125,000
Issued and fully paid:		
106,795,168 (2003 : 103,540,168) ordinary shares of S\$0.80 each	85,436	82,832

Details of share options exercised during the financial year to subscribe for ordinary shares of S\$0.80 each of the Company are as follows:

	Exercise price	Number exercised		Cash consideration received	
		2004 '000	2003 '000	2004 S\$'000	2003 S\$'000
<i>1992 Scheme</i>					
No. 7	S\$3.08	896	-	2,759	-
<i>1999 Scheme</i>					
No. 1	S\$1.41	1,136	21	1,602	30
No. 2	S\$1.60	1,223	18	1,957	28
		<b>3,255</b>	39	<b>6,318</b>	58

The proceeds were used as working capital for the Company.

Details of outstanding share options of the Company are set out in paragraph 6 of the Directors' Report.



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 28. Commitments

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

### a) Operating lease commitments

	The Group		The Company	
	2004	2003	2004	2003
	S\$'000	S\$'000	S\$'000	S\$'000
Within 1 year	<b>3,648</b>	4,189	<b>52</b>	65
After 1 year and within 5 years	<b>3,997</b>	5,246	<b>210</b>	259
After 5 years	<b>9,960</b>	6,425	<b>2,232</b>	2,819
	<b>17,605</b>	15,860	<b>2,494</b>	3,143

### b) Capital expenditure commitments

	The Group	
	2004	2003
	S\$'000	S\$'000
Capital expenditure contracted but not provided for	<b>5,877</b>	5,042
Capital expenditure authorised but not contracted for	<b>7,355</b>	7,904
	<b>13,232</b>	12,946

## 29. Contingent liabilities - unsecured

	The Group		The Company	
	2004	2003	2004	2003
	S\$'000	S\$'000	S\$'000	S\$'000
Guarantees given in respect of banking and other facilities granted to:				
Subsidiaries (Note 30)	-	-	<b>295,916</b>	269,538
Associates (Note 31)	<b>696</b>	566	<b>538</b>	566
Export bills discounted with recourse	<b>3,582</b>	4,467	-	-
	<b>4,278</b>	5,033	<b>296,454</b>	270,104

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 30. Subsidiaries

Particulars of the subsidiaries 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	
		2004 %	2003 %		2004 S\$'000	2003 S\$'000
AB Ejendomsaktieselskabet Thisted <sup>(3) #</sup>	Denmark	100	100	Property investment	-	-
Advanced Battery Technology Limited <sup>(3) #</sup>	British Virgin Islands	80	80	Intellectual property	-	-
Alkaline Batteries A/S <sup>(3) #</sup>	Denmark	100	100	Manufacturing of batteries	-	-
Alkaline Batteries Limited <sup>(2) #</sup>	British Virgin Islands	100	100	Marketing and trading in batteries	-	-
Alkaline Batteries (L) Bhd <sup>(2) #</sup>	Malaysia	100	100	Marketing and trading in batteries	-	-
Allied Brilliant Trading Ltd <sup>(3) #</sup>	Taiwan	80	80	Marketing and trading in batteries	-	-
Bestasi Sdn Bhd <sup>(3) #</sup>	Malaysia	100	100	Property investment	-	-
Bolder Technologies Pte Ltd <sup>(1)</sup>	Singapore	100	100	Manufacturing of batteries	100	100
Champion World Limited <sup>(6) #</sup>	British Virgin Islands	100	100	Investment holding	-	-
Danish Polish Batteries Sp. z.o.o <sup>(3) #</sup>	Poland	100	100	Manufacturing of batteries	-	-
Dongguan Chao Ba Batteries Co Ltd <sup>(4) #</sup>	PRC	100	100	Manufacturing of batteries	-	-
Dongguan Yinfea Battery Products Co Ltd <sup>(4) #</sup>	PRC	100	100	Manufacturing of batteries	-	-
Douza Investments Ltd <sup>(6) #</sup>	British Virgin Islands	100	100	Investment holding	-	-
Energy Pack Netherlands Holdings B.V. <sup>(6)</sup>	Netherlands	100	100	Investment holding and provision of logistic support	185	185
EVB Technology Limited <sup>(6)</sup>	Bermuda	100	100	Investment holding	180	180
EVB Technology (HK) Limited <sup>(3) #</sup>	Hong Kong	100	100	Manufacturing of batteries	-	-
EVB Technology Pte Ltd <sup>(1)</sup>	Singapore	100	100	Manufacturing of batteries	*	*
Geewin Industrial Limited <sup>(5) #</sup>	Hong Kong	100	100	Provision of logistic support	-	-

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 30. Subsidiaries (cont'd)

Particulars of the subsidiaries 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	
		2004 %	2003 %		2004 S\$'000	2003 S\$'000
Geewin Industrial (S) Pte Ltd <sup>(1)</sup>	Singapore	100	100	Investment holding	100	100
Gold Peak Industries (North America) Inc <sup>(3) #</sup>	United States of America	80	80	Marketing and trading in batteries	-	-
Gold Peak Industries (Taiwan) Limited <sup>(3) (f)</sup>	Taiwan	80	80	Manufacturing of batteries	95,105	95,105
Gold Won Electrochemical Company Limited <sup>(5) #</sup>	Hong Kong	100	100	Investment holding and provision of logistic support	-	-
Golden State Financial Group Inc. <sup>(6) # (g)</sup>	United States of America	-	100	Provision of logistic support	-	-
GP Batteries (China) Limited <sup>(4) #</sup>	PRC	85	85	Manufacturing of batteries	-	-
GP Batteries (Dongguan) Co Ltd <sup>(6) # (a)</sup>	PRC	100	-	Manufacturing of batteries	-	-
GP Batteries (Malaysia) Sdn Bhd <sup>(3)</sup>	Malaysia	100	100	Manufacturing of batteries	5,799	5,799
GP Batteries (U.K.) Limited <sup>(5) #</sup>	United Kingdom	51	51	Marketing and trading in batteries	-	-
GP Batteries (USA) Inc <sup>(6) #</sup>	United States of America	100	100	Manufacturing and marketing of batteries	-	-
GP Battery Marketing (Europe) S.A. <sup>(3) # (d)</sup>	France	100	75	Marketing and trading in batteries	-	-
GP Battery Marketing (H.K.) Limited <sup>(3) #</sup>	Hong Kong	100	100	Marketing and trading in batteries	-	-
GP Battery Marketing (Malaysia) Sdn Bhd <sup>(3) # (b)</sup>	Malaysia	70	-	Marketing and trading in batteries	-	-
GP Battery Marketing Inc <sup>(3) # (e)</sup>	Canada	75	75	Marketing and trading in batteries	-	-
GP Battery Marketing (BC) Inc. <sup>(6) # (e)</sup>	Canada	-	75	Marketing and trading in batteries	-	-
GP Battery Marketing (China) Ltd <sup>(5) #</sup>	Hong Kong	100	100	Investment holding	-	-
GP Battery Marketing (Latin America) Inc. <sup>(5) #</sup>	United States of America	100	100	Marketing and trading in batteries	-	-
GP Battery Marketing (Singapore) Pte Ltd <sup>(1)</sup>	Singapore	100	100	Marketing and trading in batteries	800	800

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 30. Subsidiaries (cont'd)

Particulars of the subsidiaries 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	
		2004 %	2003 %		2004 S\$'000	2003 S\$'000
GP Battery Marketing (Taiwan) Limited <sup>(3) # (f)</sup>	Taiwan	-	80	Marketing and trading in batteries	-	-
GP Battery (Poland) Sp. z.o.o. <sup>(3) #</sup>	Poland	100	100	Marketing and trading in batteries	-	-
GP Battery Specialist Inc. <sup>(6) # (e)</sup>	Canada	-	75	Marketing and trading in batteries	-	-
GP Battery Technology (HK) Limited <sup>(3)</sup>	Hong Kong	100	100	Investment holding	*	*
GPI International Limited <sup>(3) #</sup>	Hong Kong	100	100	Marketing and trading in batteries	-	-
GP Lithium Batteries Limited <sup>(6) #</sup>	British Virgin Islands	100	100	Dormant	-	-
GP Lithium Batteries LLC <sup>(6) #</sup>	United States of America	100	100	Dormant	-	-
GP Lithium Batteries (Asia) Limited <sup>(3) #</sup>	Hong Kong	80	80	Marketing and trading in batteries	-	-
GP Lithium Batteries (S) Pte Ltd <sup>(1) #</sup>	Singapore	100	100	Investment holding and provision of logistic support	-	-
Hayle Limited <sup>(2) #</sup>	British Virgin Islands	100	100	Trading in batteries and battery materials	-	-
Huizhou Advance Battery Technology Company Limited <sup>(4) #</sup>	PRC	100	100	Manufacturing of batteries	-	-
Huizhou Chao Ba Batteries Co Ltd <sup>(4) #</sup>	PRC	90	90	Marketing and trading in batteries	-	-
Huizhou Gold Won Electrochemical Company Limited <sup>(5) #</sup>	PRC	85	85	Manufacturing of battery parts	-	-
Huizhou Modern Battery Limited <sup>(4) # (c)</sup>	PRC	100	85	Manufacturing of batteries	-	-
Huizhou Power Pack Co Ltd <sup>(4) #</sup>	PRC	100	100	Manufacturing of batteries	-	-
Lehman Overseas Limited <sup>(2) #</sup>	British Virgin Islands	100	100	Trading in batteries and and battery materials	-	-
Lucky Concept Ltd <sup>(6) #</sup>	British Virgin Islands	100	100	Investment holding	-	-

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 30. Subsidiaries (cont'd)

Particulars of the subsidiaries 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	
		2004 %	2003 %		2004 S\$'000	2003 S\$'000
Ningbo Pairdeer Economy and Trade Co Ltd <sup>(4) #</sup>	PRC	68	68	Trading in batteries and and battery materials	-	-
North America Land Holdings Inc <sup>(6) # (9)</sup>	United States of America	100	100	Property investment	-	-
Power Era Limited <sup>(5) #</sup>	Hong Kong	100	100	Investment holding	-	-
Powerbank Limited <sup>(5) #</sup>	Hong Kong	100	100	Manufacturing of batteries	-	-
Praisewell International Limited <sup>(5) #</sup>	Hong Kong	100	100	Investment holding	-	-
Shanghai Bi Ba Batteries Co Ltd <sup>(4) #</sup>	PRC	100	100	Manufacturing of batteries	-	-
Shenzhen Sylva Electrochemical Ltd <sup>(4) #</sup>	PRC	100	100	Manufacturing of batteries	-	-
Shenzhen JetPower Batteries Limited <sup>(4) #</sup>	PRC	100	100	Manufacturing of batteries	-	-
Surplus Enterprise Limited <sup>(5) #</sup>	Hong Kong	100	100	Investment holding	-	-
Sylva Development Limited <sup>(6) #</sup>	British Virgin Islands	100	100	Property investment	-	-
Sylva Industries (China) Limited <sup>(3) #</sup>	Hong Kong	100	100	Investment holding	-	-
Sylva Industries Limited <sup>(3)</sup>	Hong Kong	100	100	Manufacturing of batteries	4,093	4,093
Whitehill Electrochemical Company Limited <sup>(3) #</sup>	Hong Kong	100	100	Investment holding and provision of logistic support	-	-
Zhongyin (Ningbo) Battery Co. Ltd <sup>(4)</sup>	PRC	75	75	Manufacturing of batteries	48,260	48,260
					<b>154,622</b>	154,622

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

# Held by subsidiaries of the Company

<sup>(1)</sup> Audited by Deloitte & Touche, Singapore

<sup>(2)</sup> Audited by Deloitte & Touche, Singapore for consolidation purposes

<sup>(3)</sup> Audited by overseas practices of Deloitte Touche Tohmatsu

<sup>(4)</sup> Audited by overseas practices of Deloitte Touche Tohmatsu for consolidation purposes

<sup>(5)</sup> Audited by other accounting firms as these subsidiaries are not significant

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

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 30. Subsidiaries (cont'd)

During the financial year:

- (a) the Group incorporated a wholly-owned subsidiary, GP Batteries (Dongguan) Co Ltd, in PRC with a capital contribution of HK\$5,400,000;
- (b) the Group acquired an additional 40% interest in GP Battery Marketing (Malaysia) Sdn Bhd for a consideration of RM40,000, resulting in the company becoming a 70%-owned subsidiary of the Group;
- (c) the Group acquired an additional 15% interest in Huizhou Modern Battery Limited for a consideration of RMB2,520,000, resulting in the company becoming a wholly-owned subsidiary of the Group;
- (d) the Group acquired an additional 25% interest in GP Batteries Marketing (Europe) S.A. for a consideration of Eur10,000, resulting in the company becoming a wholly-owned subsidiary of the Group;
- (e) GP Battery Marketing (BC) Inc and GP Battery Specialist Inc merged into GP Battery Marketing Inc.;
- (f) GP Battery Marketing (Taiwan) Limited merged into Gold Peak Industries (Taiwan) Limited; and
- (g) Golden State Financial Group Inc merged into North America Land Holdings Inc.

There is no material financial impact on the net profit of the Group arising from the above transactions.

## 31. Associates

Particulars of the associates 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			
		2004 %	2003 %		The Group		The Company	
					2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Advance Technology Co Ltd <sup>(4)</sup> #	Taiwan	50	50	Manufacturing of battery parts	11,161	11,161	-	-
Gold Yi Industries Co Ltd <sup>(2)</sup> #	Hong Kong	45	45	Investment holding and provision of logistic support	6,481	6,481	-	-
GP Battery Marketing (Germany) GmbH <sup>(2)</sup> #	Germany	35	35	Marketing and trading in batteries	59	59	-	-
GP Battery Marketing Italy S.r.l. <sup>(4)</sup> #	Italy	40	40	Marketing and trading in batteries	66	66	-	-
GP Battery Marketing (Korea) Limited <sup>(1)</sup> #	South Korea	50	50	Marketing and trading in batteries	194	194	-	-
GP Battery Marketing (Malaysia) Sdn Bhd <sup>(1)</sup> # [Note 30(b)]	Malaysia	-	30	Marketing and trading in batteries	-	14	-	-

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 31. Associates (cont'd)

Particulars of the associates 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			
		2004 %	2003 %		The Group		The Company	
					2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
GP Battery Marketing (Thailand) Co Ltd <sup>(1) #</sup>	Thailand	49	49	Marketing and trading in batteries	89	89	-	-
Huizhou Gold Yi Industries Co Ltd <sup>(3) @</sup>	PRC	38.3	38.3	Manufacturing of battery parts	-	-	-	-
Huizhou Long Tek Plastic Limited <sup>(3) @</sup>	PRC	42.5	42.5	Manufacturing of battery parts	-	-	-	-
Long Tek Industries Co Ltd <sup>(2) #</sup>	Hong Kong	50	50	Investment holding and provision of logistic support	3,611	3,611	-	-
Shanghai Jin Jiang Battery Co Ltd <sup>(4) #</sup>	PRC	35	35	Manufacturing of batteries	402	402	-	-
T. G. Battery Co (China) Ltd <sup>(3) @</sup>	PRC	42.5	42.5	Manufacturing of batteries	-	-	-	-
T.G. Battery Co (Hong Kong) Limited <sup>(1)</sup>	Hong Kong	50	50	Investment holding and provision of logistic support	11,453	11,453	11,453	11,453
					<b>33,516</b>	33,530	<b>11,453</b>	11,453

# Held by subsidiaries of the Company

@ These are subsidiaries of other associates of the Company

<sup>(1)</sup> Audited by overseas practices of Deloitte Touche Tohmatsu

<sup>(2)</sup> Audited by other accounting firms as these associates are not significant

<sup>(3)</sup> The result of these associates which are included in the audited consolidated financial statements of their respective holding companies are not separately audited as they are not significant

<sup>(4)</sup> Not audited as associates do not have statutory reporting requirements in their respective countries of incorporation and are not significant

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 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 listed on the Singapore Exchange Securities Trading Limited.

The amounts due from or to related parties are unsecured, non-interest bearing and repayable on demand. The Group has transactions with related parties on normal commercial terms as agreed between the parties as follows:

	The Group	
	2004 S\$'000	2003 S\$'000
Sales to related parties	475	102
Purchases from related parties	13,427	5,431
Rental and other services received from related parties	302	386
Rental and other services paid to related parties	1,345	1,285
Purchase of factory building from a related party	-	2,400
Sales to associates	22,931	24,996
Purchases from associates	70,038	64,921
Dividends received from associates	3,843	6,541

## 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)

At 31 March 2004

## 33. Segment information (cont'd)

### *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>2004</b>					
<b>Revenue</b>					
External sales	723,174	43,536	60,448	-	827,158
Inter-segment sales	65,914	-	12,569	(78,483)	-
Total revenue	789,088	43,536	73,017	(78,483)	827,158
<b>Results</b>					
Segment results	51,101	3,140	4,720		58,961
Interest income					337
Finance costs					(9,717)
Profit before share of results of associates					49,581
Share of results of associates	7,448	-	1,303		8,751
Profit before income tax					58,332
Income tax					(9,239)
Profit after income tax					49,093
Minority interests					(3,851)
Profit attributable to shareholders					45,242

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 33. Segment information (cont'd)

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

	Asia S\$'000	North and South America S\$'000	Europe and Others S\$'000	Consolidated S\$'000
<b>2004</b>				
<b>Balance sheet</b>				
Segments assets	698,122	88,094	49,465	835,681
Interest in associates	29,120	-	1,333	30,453
	727,242	88,094	50,798	866,134
Unallocated assets				4,305
Consolidated total assets				870,439
Segments liabilities	138,632	2,105	10,655	151,392
Unallocated liabilities				342,290
Consolidated total liabilities				493,682
<b>Other information</b>				
Addition of property, plant and equipment	40,838	362	6,376	47,576
Non-cash expenses (write back):				
Amortisation	7,000	-	-	7,000
Depreciation	34,457	1,012	2,233	37,702
Goodwill written off	659	-	37	696
Impairment loss of property, plant and equipment write back	-	-	(275)	(275)
Loss on disposal of property, plant and equipment	1,094	-	444	1,538

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 33. Segment information (cont'd)

### *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	32,335	2,123	4,275		38,733
Interest income					478
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					(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 2004

## 33. Segment information (cont'd)

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

	Asia S\$'000	North and South America S\$'000	Europe and Others S\$'000	Consolidated S\$'000
<b>2003</b>				
<b>Balance sheet</b>				
Segments assets	655,633	74,272	40,349	770,254
Interest in associates	27,034	-	530	27,564
	682,667	74,272	40,879	797,818
Unallocated assets				83
Consolidated total assets				797,901
Segments liabilities	131,444	2,617	8,442	142,503
Unallocated liabilities				305,847
Consolidated total liabilities				448,350
<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
Dilution loss	113	-	-	113
Goodwill written off	621	-	-	621
Impairment loss of property, plant and equipment	2,179	293	281	2,753
Loss (Gain) on disposal of property, plant and equipment	923	(5)	(4)	914

### *Revenue from external customers by geographical customers*

	The Group	
	2004 S\$'000	2003 S\$'000
Asia	489,858	392,474
North and South America	143,412	117,131
Europe and others	193,888	151,132
	827,158	660,737

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2004

## 34. Subsequent events

In April 2004, the Company entered into an agreement (the "Agreement") with Danionics A/S to set up a joint venture company "Danionics Asia Limited" ("JV") in Hong Kong to produce lithium polymer batteries in China. Under the Agreement, the Company will contribute US\$10,000,000 in the form of cash and Danionics A/S will inject net assets, including IP-rights, technology, machinery and equipment to JV.

In May 2004, one of the Company's subsidiaries entered into an agreement to acquire a 50% interest in Aim High Group Ltd at a cash consideration of US\$3,600,000 to enhance the Group's presence in Eastern Europe and Russia.

## 35. Reclassifications and comparative figures

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with current year's financial statements. The effects of the reclassifications are as follows:

	<b>As previously reported S\$'000</b>	<b>Reclassification S\$'000</b>	<b>As restated S\$'000</b>
<b>The Company</b>			
Balance sheet as at 31 March 2003:			
Interest in subsidiaries	454,655	50,721	505,376
Debtors	58,087	(50,721)	7,366

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