

**ASIA POWER CORPORATION LTD**

**Full Year Financial Statement And Dividend Announcement**

Financial statements for the year ended 30 June 2002.  
These figures have not been audited.

	Group			Company		
	S\$'000		%	S\$'000		%
	Latest period	Previous corresponding period	Increase/(Decrease)	Latest period	Previous corresponding period	Increase/(Decrease)
1.(a) Turnover	95,758	108,562	(11.8)	3,948	3,936	0.3
1.(b) Cost of sales or classification as followed in the most recent audited annual financial statements	(78,880)	(81,593)	(3.3)	0	0	n.a.
1.(c) Gross profit	16,878	26,969	(37.4)	3,948	3,936	0.3
1.(d) Investment income	0	0	n.a.	0	0	n.a.
1.(e) Other income including interest income	925	1,694	(45.4)	154	245	(37.1)
2.(a) Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange (loss)/gain and exceptional items	13,585	20,411	(33.4)	2,446	2,870	(14.8)
2.(b)(i) Interest on borrowings	(868)	(1,013)	(14.3)	(9)	(4)	125.0
2.(b)(ii) Depreciation and amortisation	(4,158)	(4,050)	2.7	(85)	(93)	(8.6)
2.(b)(iii) Foreign exchange (loss)/gain	(41)	(128)	(68.0)	(167)	143	(216.8)
2.(c) Exceptional items (provide separate disclosure of items)	3,552	2,764	n.m.	0	2,998	n.m.

		Group			Company		
		S\$'000		%	S\$'000		%
		Latest period	Previous corresponding period	Increase/(Decrease)	Latest period	Previous corresponding period	Increase/(Decrease)
2.(d)	Operating profit before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	12,070	17,984	(32.9)	2,185	5,914	(63.1)
2.(e)	Income derived from associated companies (With separate disclosure of any items included therein which are exceptional because of size & incidence)	2,333	1,598	46.0	0	0	n.a.
2.(f)	Operating profit before income tax	14,403	19,582	(26.5)	2,185	5,914	(63.1)
2.(g)	Less income tax (Indicate basis of computation)	(2,004)	(3,716)	(46.1)	(23)	(399)	(94.2)
2.(g)(i)	Operating profit after tax before deducting minority interests	12,399	15,866	(21.9)	2,162	5,515	(60.8)
2.(g)(ii)	Less minority interests	(6,082)	(7,604)	(20.0)	0	0	n.a.
2.(h)	Operating profit after tax attributable to members of the company	6,317	8,262	(23.5)	2,162	5,515	(60.8)
2.(i)(i)	Extraordinary items (provide separate disclosure of items)	0	0	n.a.	0	0	n.a.
2.(i)(ii)	Less minority interests	0	0	n.a.	0	0	n.a.
2.(i)(iii)	Extraordinary items attributable to members of the company	0	0	n.a.	0	0	n.a.

		Group			Company		
		S\$'000		%	S\$'000		%
		Latest period	Previous corresponding period	Increase/(Decrease)	Latest period	Previous corresponding period	Increase/(Decrease)
2.(i)(iv)	Transfer to/from Exchange Reserve	0	0	n.a.	0	0	n.a.
2.(i)(v)	Transfer to Capital Reserve	0	0	n.a.	0	0	n.a.
2.(i)(vi)	Transfer to Reserve Fund	(695)	(100)	595.0	0	0	n.a.
2.(j)	Operating profit after tax and extraordinary items attributable to members of the company	6,317	8,262	(23.5)	2,162	5,515	(60.8)

Note to 2(c):

Group			Company		
S\$'000		%	S\$'000		%
Latest period	Previous corresponding period	Increase/(Decrease)	Latest period	Previous corresponding period	Increase/(Decrease)

**Exceptional items**

Gain on partial disposal of interests in an associate	-	2,764	n.m.	-	2,998	n.m.
Gain on partial disposal of interests in a subsidiary	3,552	-	n.m.	-	-	n.a.
	<u>3,552</u>	<u>2,764</u>	<u>n.m.</u>	<u>-</u>	<u>2,998</u>	<u>n.m.</u>

**Group Figures**

		Latest period	Previous corresponding period
3.(a)	Operating profit [2(g)(i) above] as a percentage of turnover [1(a) above]	12.95%	14.61%
3.(b)	Operating profit [2(h) above] as a percentage of issued capital and reserves at end of the period	11.25%	15.36%
3.(c)	Earnings per ordinary share for the period based on 2(h) above after deducting any provision for preference dividends:-		
	(i) Based on weighted average number of ordinary shares in issue	1.97 cents	2.58 cents
	(ii) On a fully diluted basis	1.97 cents	2.58 cents
	(To disclose the basis used in arriving at the weighted average number of shares for the purposes of (c)(i) above and to provide details of any adjustments made for the purpose of (c)(ii) above)		
3.(d)	Net tangible asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	15.60 cents	14.57 cents

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

Notes to 3(c)(i) and (ii):

Basic earnings per share is calculated on the Group profit for the financial year attributable to the shareholders of the Company divided by the weighted average number of ordinary shares of 320,000,000 (2001: 320,000,000).

Diluted earnings per share is calculated on the Group profit for the financial year attributable to the shareholders of the Company divided by the weighted average number of ordinary shares in issue adjusting the dilutive effect arising from the outstanding share options granted to employees where such shares would have been issued at a price lower than market value.

Group	S\$'000		%
	Latest period	Previous corresponding period	Increase / (Decrease)
Distribution costs	1,238	1,049	18.0
Administrative expenses	6,990	8,598	( 18.7)
Other operating expenses	189	2,783	( 93.2)
Finance costs	868	1,013	( 14.3)

Note: For the latest year, the results of Shenzhen NARI Technologies Co., Ltd ("Shenzhen NARI") from July 2001 to December 2001 were consolidated. With the 17% interest disposal in Shenzhen NARI by Asia Technologies Limited ("ATL") on 16 January 2002, Shenzhen NARI ceased to be a subsidiary and the results of Shenzhen NARI from January 2002 to June 2002 were equity accounted for and included in 2(e)'Income derived from associated companies'.

#### Distribution costs

Higher distribution costs were primarily contributed by increase in travelling trips and entertainment expenses incurred for new customers.

#### Administrative costs

Administrative costs reduced mainly due to the above-mentioned disposal of Shenzhen NARI and lower entertainment and transport expenses incurred by a subsidiary.

#### Other operating expenses

Lower other operating expenses were mainly due to lower allowance for doubtful receivables by S\$1.7million and a one-time payment for improvements to infrastructure for supply of heat and steam totalled S\$569,000 last year.

#### Finance costs

Lower finance costs by 14.3% resulted from repayment of bank loans by a subsidiary for the year under review.

Item 4 is not applicable to interim results		Group			Company		
		S\$'000		%	S\$'000		%
		Latest period	Previous corresponding period	Increase/(Decrease)	Latest period	Previous corresponding period	Increase/(Decrease)
4.(a)	Sales reported for first half year	48,290	48,744	(0.9)	1	1	n.a.
4.(b)	Operating profit [2(g)(i) above] reported for first half year	2,911	6,708	(56.6)	(595)	(445)	33.7
4.(c)	Sales reported for second half year	47,468	59,818	(20.6)	3,947	3,935	0.3
4.(d)	Operating profit [2(g)(i) above] reported for second half year	9,488	9,158	3.6	2,757	5,960	(53.7)

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

For the latest year, there are no adjustments for under or overprovision of tax in respect of prior years. In 2001, the tax charge for the Company and the Group contain adjustments of underprovision of S\$26,000 and S\$649,000 for prior years respectively.

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

There were no pre-acquisition profits for the latest year. In 2001, there was a pre-acquisition loss amounting to S\$1,569,000.

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

*Item 5c Table*

Sale of investments/properties	\$Profit/(Loss)
Sale of investments : 2002	\$3,552,000.00
Sale of investments : 2001	\$2,764,000.00
There were no sale of properties for the latest and previous years.	

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

The pre-acquisition loss for the previous year arose from the acquisition of Shenzhen NARI through ATL.

6. Segmental Results

<b>BUSINESS SEGMENTS (S\$'000)</b>	<b>Power plant operations</b>	<b>Power- related technology</b>	<b>Investment holding</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Revenue and expenses</b>					
<b>2002</b>					
Total revenue from external customers	82,660	13,097	3,948	(3,947)	95,758
Profit from operations before depreciation and amortisation of goodwill	12,442	4,655	5,479	(5,480)	17,096
Depreciation	(3,462)	(76)	(85)	-	(3,623)
Amortisation of goodwill	-	(535)	-	-	(535)
Profit from operations after depreciation and amortisation of goodwill	8,980	4,044	5,394	(5,480)	12,938
Finance costs					(868)
					12,070
Share of results of associates	1,766	567	-	-	2,333
Profit from ordinary activities before taxation					14,403
Taxation					(2,004)
Profit from ordinary activities after taxation					12,399
Minority interests					(6,082)
Net profit for the year attributable to shareholders of the Company					6,317
<b>2001</b>					
Total revenue from external customers	86,471	22,090	5,262	(5,261)	108,562
Profit from operations before depreciation and amortisation of goodwill	18,097	6,162	4,049	(5,261)	23,047
Depreciation	(3,273)	(132)	(93)	-	(3,498)
Amortisation of goodwill	-	(552)	-	-	(552)
Profit from operations after depreciation and amortisation of goodwill	14,824	5,478	3,956	(5,261)	18,997
Finance costs					(1,013)
					17,984
Share of results of an associate	1,598	-	-	-	1,598
Profit from ordinary activities before taxation					19,582
Taxation					(3,716)
Profit from ordinary activities after taxation					15,866
Minority interests					(7,604)
Net profit for the year attributable to shareholders of the Company					8,262
<b>Assets and Liabilities</b>					
<b>2002</b>					
Segment assets	90,147	-	44,463	(26,535)	108,075
Interests in associates	6,116	4,497	-	-	10,613
Total assets	96,263	4,497	44,463	(26,535)	118,688
Segment liabilities	28,962	-	856	(4,696)	25,122
Unallocated liabilities					12,071
Total liabilities					37,193
Capital expenditure	4,347	42	16	-	4,405
<b>2001</b>					
Segment assets	94,964	29,409	43,817	(36,550)	131,640
Interests in an associate	6,205	-	-	-	6,205
Total assets	101,169	29,409	43,817	(36,550)	137,845
Segment liabilities	26,370	11,333	601	(1,234)	37,070
Unallocated liabilities					17,157
Total liabilities					54,227
Capital expenditure	3,155	1,456	326	-	4,937

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

Group

Group turnover for the year ended 30 June 2002 achieved S\$95.8million, a decrease of 11.8% from the previous year of S\$108.6million. One of the main reasons for the decline in Group turnover was mainly due to the disposal of 17% (from 52% to 35%) interest in Shenzhen NARI by its immediate holding company, ATL with effect from January 2002. Hence our share of results in Shenzhen NARI was changed to equity accounting instead of consolidation in the group accounts and the amount included in the share of profit of associated companies for the current year was S\$0.6million. The gain on partial disposal of a subsidiary this year was classified as 'Exceptional items' in 2(c) amounting to S\$3.6million.

The other main reason for the decrease in Group turnover was attributable to lower demand for electricity and heat in Heilongjiang Asiapower Xinbao Heating & Power Co., Ltd ("Xinbao") amounting to S\$4.5million, in which it reported a fall of S\$3.0million in the first-half of the financial year (July 2001 to December 2001). Electricity and heat supply volume were declined by 42,000 MWH or 4.1% and 968,000 MKJ or 15.7% respectively when compared to the previous year.

Group operating profit before income tax decreased from S\$19.6million to S\$14.4million when compared to the previous year, was mainly attributed to reduced revenue contribution from Xinbao and 17% disposal of Shenzhen NARI, partially offset by the difference of S\$0.8million for exceptional items between this and last financial year. Exceptional item last year referred to the gain on disposal of 23% of the associated company, Changzhou Suyuan Electric Power Co., Limited ("Changzhou Suyuan").

As referred to note 4(b) and 4(d) above, operating profit reported for second half year was better than the first half year by S\$6.6million. This is mainly because of improved contribution by Xinbao and capital gain on 17% disposal in Shenzhen NARI recorded in second half year, partially offset by decreased contribution of S\$1.4million from Shenzhen NARI as it became an associated company with effect from January 2002. Xinbao generated higher revenue with increase in electricity volume by 90,030 MWH or 20.6% in the second-half year. This was in line with the comments in the Half Year Financial Statement for the six months ended 31 December 2001.

The income tax charge reduced by 46.1% to S\$2.0million when compared to last year mainly due to smaller amount charged on a lower profit of Xinbao and also write-back of deferred tax not required.

Company

Operating profit before tax of S\$2.2million was lower by 63.1% from the previous year of S\$5.9million attributed mainly to capital gain on partial disposal of the associated company, Changzhou Suyuan amounting to S\$3.0million last year and higher administrative costs incurred for the current year under review. Increased staff costs, recognition of exchange losses and the setting of Asia Power Shanghai representative office contributed to the increase in administrative costs.

7.(b) Where a forecast, or a prospect statement, has been previously disclosed to shareholders,

the issuer must explain any variance between the forecast or prospect statement and the actual results

Not applicable.

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

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

8. A commentary at the date of this announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period

The Board of Directors is of the view that the Group will continue to benefit from the operating environment in China, whose economy had achieved a growth of 7.3% in 2001 and is expected to grow by another 7% in 2002. Sustainable economic growth fuelled by the inflow of foreign investments should translate into increased demand for electric power as well as new investments in generation capacity, transmission and distribution networks in the future. Nevertheless, the current oversupply of generation capacity in certain provinces may outstrip demand in the short run.

The on-going deregulation and restructuring process of the power industry has created both opportunities and challenges. On the positive side, the separation of power generation from transmission and distribution and the planned segregation of State Power Company into a few national power generation and grid companies have provided an opportunity for the Group to identify and invest in profitable new power projects. Nevertheless, the gradual phase-in of a market-driven electricity pricing mechanism might intensify the competition over the power supply sector and result in a downward pressure on tariffs in the future, though the extent of which may not be significant to the Group as most of our power plants are relatively competitive in cost structure within their respective power distribution networks. As most of our power plants are about to fully utilize their respective preferential tax-treatment periods, overall expenses of the Group for corporate income taxes are expected to rise in the coming year.

With an increased concern about the environmental impact, efficiency and long-term profitability of power generation, we will be focusing more on the development and acquisition of hydropower plants, fossil fuel-fired combined heat-and-power plants with large capacity, and other forms of environmentally friendly power generation facilities in the future. We will also continue to review and streamline our businesses in China so as to enhance the operational efficiency and profitability of the Group.

Barring unforeseen circumstances, we expect the Group to stay profitable for the following year.

9. Dividend

(a) *Present Period*

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Rate	0.50 cents per ordinary share tax exempt
Par value of shares	US\$0.05
Tax Rate	

(b) *Previous Corresponding Period*

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Rate	0.75 cents per ordinary share tax exempt
Par value of shares	US\$0.05
Tax Rate	

(c) Total Annual Dividend (if applicable)

	Latest Year (S\$'000)	Previous Year (S\$'000)
Ordinary	1,600	2,400
Preference	0	0
Total	1,600	2,400

(d) Date payable

The proposed dividend, if approved at the 5th Annual General Meeting to be held on 18 November 2002 will be paid on 9 December 2002.

(e) Books closure date

Notice is hereby given that the transfer books and the register of members will be closed on 30 November 2002 for the preparation of dividend warrants. Duly completed transfers received by the Company's Registrar M & C Services Pte Ltd at 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 up to the close of business at 5.00pm on 29 November 2002 will be registered to determine shareholders' entitlement to the above dividend.

(f) Any other comments relating to Paragraph 9

NIL

## 10.(a) Balance sheet

(S\$'000) As At	Group		Company	
	30/06/2002	30/06/2001	30/06/2002	30/06/2001
<b>Non-current assets</b>				
Property, plant and equipment	45,253	46,932	233	304
Investments in subsidiaries	-	-	29,878	29,878
Interests in associates	10,613	6,205	5,293	5,293
Other financial assets	10	9	10	9
Goodwill on consolidation	6,223	7,174	-	-
	<u>62,099</u>	<u>60,320</u>	<u>35,414</u>	<u>35,484</u>
<b>Current assets</b>				
Inventories	5,103	7,996	-	-
Trade and notes receivables	29,737	50,725	-	-
Other receivables, deposits & prepayments	1,499	2,844	55	32
Amount due from related parties (non-trade)	8,006	780	3,963	104
Other financial assets	48	53	48	53
Cash and cash equivalents	12,196	15,127	2,809	6,657
	<u>56,589</u>	<u>77,525</u>	<u>6,875</u>	<u>6,846</u>
<b>Less: Current liabilities</b>				
Trade payables and accruals	19,326	30,185	352	282
Other payables	5,796	6,885	63	54
Amount due to subsidiary (non-trade)	-	-	287	93
Current portion of obligations under hire purchase creditor	33	31	33	31
Current portion of interest-bearing loans	1,535	7,805	-	-
Provision for taxation	876	1,173	37	82
	<u>27,566</u>	<u>46,079</u>	<u>772</u>	<u>542</u>
<b>Net current assets</b>	<u>29,023</u>	<u>31,446</u>	<u>6,103</u>	<u>6,304</u>
<b>Non-current liabilities</b>				
Obligations under hire purchase creditor	133	166	133	166
Interest-bearing loans	9,116	7,446	-	-
Deferred taxation	378	536	33	33
	<u>9,627</u>	<u>8,148</u>	<u>166</u>	<u>199</u>
<b>Minority interests</b>	<u>25,345</u>	<u>29,832</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>	<u>56,150</u>	<u>53,786</u>	<u>41,351</u>	<u>41,589</u>
<b>Share capital and reserves:</b>				
Share capital	26,602	26,602	26,602	26,602
<b>Reserves</b>				
Share premium	6,079	6,079	6,079	6,079
Statutory reserve	1,704	1,223	-	-
Enterprise development reserve	599	385	-	-
Capital reserve	2,014	2,014	-	-
Exchange translation account	1,197	2,750	-	-
Retained profits	17,955	14,733	8,670	8,908
	<u>29,548</u>	<u>27,184</u>	<u>14,749</u>	<u>14,967</u>
<b>Total share capital and reserves</b>	<u>56,150</u>	<u>53,786</u>	<u>41,351</u>	<u>41,589</u>

10.(b) Cash flow statement

(S\$'000)	Latest period	Previous corresponding period
Profit from operating activities before taxation	14,403	19,582
Adjustments for:		
Allowance for doubtful receivables	45	1,780
Amortisation of goodwill on consolidation	535	552
Depreciation of property, plant and equipment	3,623	3,498
Gain on partial disposal of a subsidiary	(3,552)	-
Gain on partial disposal of interests in an associate	-	(2,764)
Interest income	(211)	(547)
Interest expense	868	1,013
Loss on disposal of property, plant and equipment	3	3
Share of profit of associates	(2,333)	(1,598)
Write down of short-term quoted equity securities to market value	4	15
<b>Operating profit before working capital changes</b>	<b>13,385</b>	<b>21,534</b>
<b>Changes in working capital:</b>		
Inventories	471	(2,315)
Trade and notes receivables	2,146	(22,901)
Other receivables, deposits and prepayments	835	786
Trade payables and accruals	(4,560)	9,219
Other payables	1,158	936
<b>Cash generated from operations</b>	<b>13,435</b>	<b>7,259</b>
Tax paid	(1,518)	(2,595)
<b>Net cash inflow from operating activities</b>	<b>11,917</b>	<b>4,664</b>
<b>Cashflows from investing activities</b>		
Net cash inflow from partial disposal of subsidiary	4,686	-
Net cash outflow on acquisition of subsidiaries	-	(7,560)
Purchase of additional shares in an associate	-	(3,087)
Dividend received from an associate	-	1,399
Purchase of property, plant and equipment	(4,405)	(3,442)
Proceeds from disposal of property, plant and equipment	-	297
Proceeds from partial disposal of interests in an associate	-	5,018
Purchase of non-current financial assets	(1)	(9)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>280</b>	<b>(7,384)</b>
<b>Cashflows from financing activities</b>		
Interest received	211	547
Interest paid	(868)	(1,013)
Dividend paid to minority shareholders	(3,313)	(4,130)
Dividend paid to shareholders of the Company	(2,400)	(2,813)
Balances with related parties	(5,253)	3,844
Proceeds from bank loans	10,231	6,273
Repayment of bank loans	(13,229)	(8,083)
Payments to hire purchase creditor	(31)	(13)
<b>Net cash outflow from financing activities</b>	<b>(14,652)</b>	<b>(5,388)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,455)</b>	<b>(8,108)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>15,127</b>	<b>22,507</b>
Effect of exchange rate changes on balances held in foreign currency	(476)	728
<b>Cash and cash equivalents at end of year</b>	<b>12,196</b>	<b>15,127</b>

The attributable net assets of subsidiaries disposed/(acquired) during the year are as follows:

	Disposal	Acquisition
	Latest	Previous
	period	corresponding period
Property, plant and equipment	1,106	( 1,083)
Inventories	2,241	( 916)
Trade receivables	7,167	( 7,570)
Other receivables, deposits and prepayments	452	( 446)
Amount due from related parties	10,629	-
Cash and cash equivalents	1,679	( 2,073)
Trade payables and accruals	( 5,442)	3,717
Other payables	( 2,056)	352
Amount due to related parties	( 200)	-
Interest-bearing loan	( 1,115)	-
Provision for taxation	( 588)	33
Dividend payable	( 1,845)	-
	<u>12,028</u>	<u>( 7,986)</u>
Minority interests	( 5,795)	6,079
	6,233	( 1,907)
Goodwill on consolidation	-	( 7,726)
Equity interest retained as an associate	( 3,420)	-
Gain on disposal of subsidiary	3,552	-
Sale/(Purchase) consideration	6,365	( 9,633)
Net of cash and cash equivalents of subsidiaries (disposed)/ acquired	<u>( 1,679)</u>	<u>2,073</u>
Net cash inflow/(outflow) on disposal/(acquisition) of subsidiaries	<u>4,686</u>	<u>( 7,560)</u>

10.(c) Statement of changes in equity

(S\$'000) Group	Enterprise				Exchange			Total
	Share Capital	Share Premium	Statutory Reserve	Development Reserve	Capital Reserve	Translation Account	Retained Profits	
At 1 July 2000, as previously reported	26,602	6,079	1,600	455	2,014	878	6,594	44,222
Effect of adopting SAS 10	-	-	-	-	-	-	1,577	1,577
At 1 July 2000, as restated	26,602	6,079	1,600	455	2,014	878	8,171	45,799
Transfer from retained profits	-	-	-	100	-	-	(100)	-
Adjustment arising from partial disposal of an associate	-	-	(88)	(44)	-	(46)	-	(178)
Adjustment of reserves	-	-	-	-	-	-	-	-
- subsidiaries	-	-	(282)	(115)	-	-	-	(397)
- associate	-	-	(57)	(28)	-	11	-	(74)
Share of reserves of associate	-	-	50	17	-	-	-	67
Exchange differences on translation of financial statements of overseas	-	-	-	-	-	-	-	-
- subsidiaries	-	-	-	-	-	1,780	-	1,780
- associate	-	-	-	-	-	127	-	127
Profit for the year	-	-	-	-	-	-	8,262	8,262
Dividends	-	-	-	-	-	-	(1,600)	(1,600)
At 30 June 2001	26,602	6,079	1,223	385	2,014	2,750	14,733	53,786
At 1 July 2001, as previously reported	26,602	6,079	1,223	385	2,014	2,750	12,333	51,386
Effect of adopting SAS 10	-	-	-	-	-	-	2,400	2,400
At 1 July 2001, as restated	26,602	6,079	1,223	385	2,014	2,750	14,733	53,786
Transfer from retained profits	-	-	143	44	-	-	(187)	-
Adjustment arising from partial disposal of subsidiary	-	-	(130)	(74)	-	(267)	204	(267)
Share of reserves of associates	-	-	468	244	-	-	(712)	-
Exchange differences on translation of financial statements of overseas	-	-	-	-	-	-	-	-
- subsidiaries	-	-	-	-	-	(1,112)	-	(1,112)
- associates	-	-	-	-	-	(174)	-	(174)
Profit for the year	-	-	-	-	-	-	6,317	6,317
Dividends	-	-	-	-	-	-	(2,400)	(2,400)
At 30 June 2002	26,602	6,079	1,704	599	2,014	1,197	17,955	56,150

  

(S\$'000) Company	Enterprise				Exchange			Total
	Share Capital	Share Premium	Statutory Reserve	Development Reserve	Capital Reserve	Translation Account	Retained Profits	
At 1 July 2000, as previously reported	26,602	6,079	-	-	-	-	3,416	36,097
Effect of adopting SAS 10	-	-	-	-	-	-	1,577	1,577
At 1 July 2000, as restated	26,602	6,079	-	-	-	-	4,993	37,674
Profit for the year	-	-	-	-	-	-	5,515	5,515
Dividends	-	-	-	-	-	-	(1,600)	(1,600)
At 30 June 2001	26,602	6,079	-	-	-	-	8,908	41,589
At 1 July 2001, as previously reported	26,602	6,079	-	-	-	-	6,508	39,189
Effect of adopting SAS 10	-	-	-	-	-	-	2,400	2,400
At 1 July 2001, as restated	26,602	6,079	-	-	-	-	8,908	41,589
Profit for the year	-	-	-	-	-	-	2,162	2,162
Dividends	-	-	-	-	-	-	(2,400)	(2,400)
At 30 June 2002	26,602	6,079	-	-	-	-	8,670	41,351

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

Balance Sheet/Cash flow statement

Due to the disposal of 17% interest in Shenzhen NARI by ATL on 16 January 2002, the accounting treatment for the results of Shenzhen NARI was changed to equity accounting for an associated company instead of consolidation of a subsidiary in the balance sheet.

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

There was no change in the Company's issued share capital since the end of the previous half year.

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

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

As at 30/06/2002		As at 31/12/2001	
Secured	Unsecured	Secured	Unsecured
1,484,000	51,000	8,920,000	3,399,000

(b) Amount repayable after one year

As at 30/06/2002		As at 31/12/2001	
Secured	Unsecured	Secured	Unsecured
6,996,000	2,120,000	0	0

(c) Any other comments relating to Paragraph 12

The reduction in total borrowings as at 30 June 2002 was mainly resulted from the 17% disposal of shareholdings in Shenzhen NARI on 16 January 2002.

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

In 2002, the Company adopted nine new/revised standards in the manner elaborated below:-

**SAS 10 (revised 2000) – Events after the Balance Sheet Date**

The adoption of SAS 10 resulted in the Company reversing the liability for proposed final dividends. The new accounting policy is to recognise proposed final dividends only after they have been formally declared payable by shareholders. The change has been applied retrospectively by adjusting the opening balances of retained profits as at 1 July 2000 and 2001; comparatives have been restated.

**Other standards**

The adoption of SAS 12 (2001) – Income Taxes, SAS 17 (2000) – Employee Benefits, SAS 22 (revised 2000) Business Combinations, SAS 31 (2000) Provisions, Contingent Liabilities and Contingent Assets SAS 32 (2000) – Financial Instruments: Disclosure and Presentation, SAS 34 (2000) Intangible Assets, SAS 35 (2000) – Discontinuing Operations and SAS 36 (2000) Impairment of Asset, have not given rise to any adjustments to the opening balances of retained profits of the prior and current periods or to changes in comparatives.

**Effects of Changes in Accounting Policies**

The changes in accounting policies, to the extent that they are applied retrospectively, have the following impact:

	Group		Company	
	S\$'000		S\$'000	
	Latest period	Previous corresponding period	Latest period	Previous corresponding period
<b>Effect of changes in accounting policies on retained profits:</b>				
Opening retained profits, as previously reported	12,333	6,594	6,508	3,416
- SAS 10 (dividends proposed)	2,400	1,577	2,400	1,577
Opening retained profits, as restated	<u>14,733</u>	<u>8,171</u>	<u>8,908</u>	<u>4,993</u>

**BY ORDER OF THE BOARD**

PANG HIN LONG  
COMPANY SECRETARY  
11/09/2002