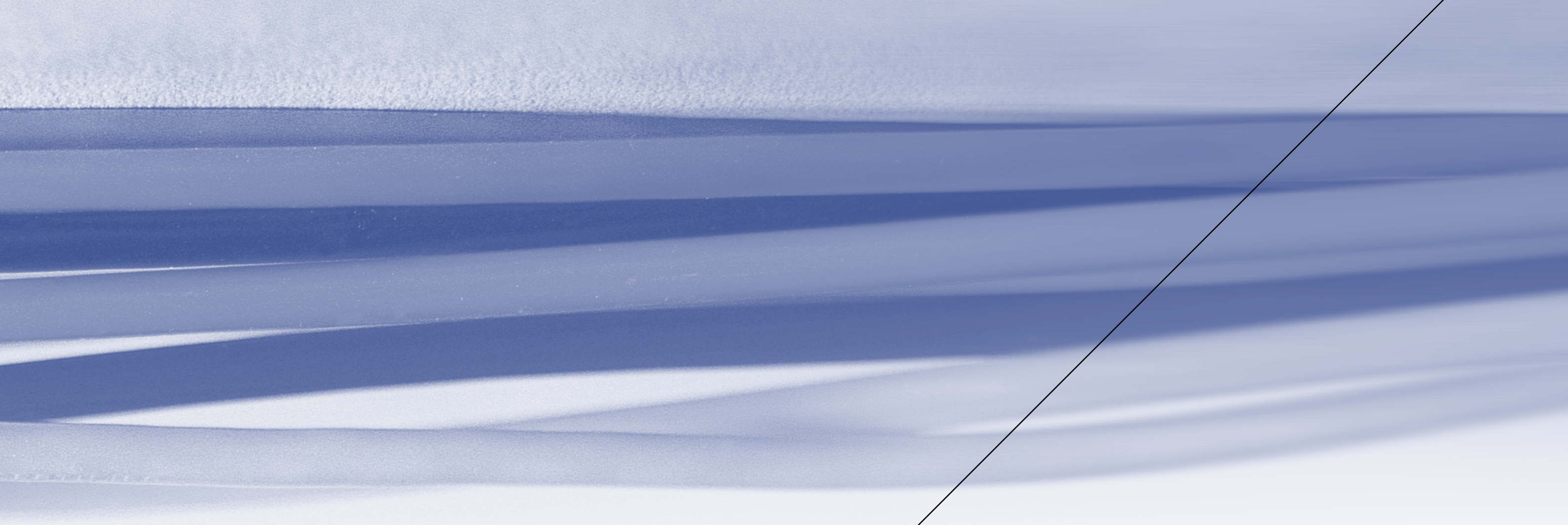
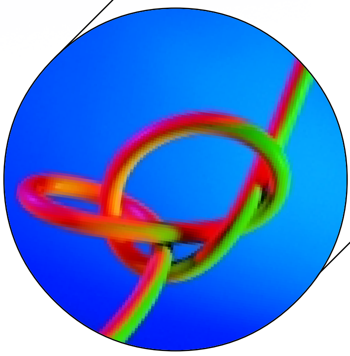




ANNUAL REPORT 2002

Tai Sin Electric Cables Manufacturer Limited

Tai Sin

Core Values

We aim to meet and exceed customers' expectations by:Accessibility, Dependability and Consistency through Quality.

We are accessible to our customers & suppliers at any point of time, dependable in meeting deadlines and deliveries and consistent in offering quality products and services.

AT TAI SIN,
WE ARE ALWAYS ON TIME,
ALL THE TIME

ANNUAL
REPORT
2002

Contents

It gives me great pleasure to present the Annual Report of the Company and the Group for the year ended 30 June 2002.

REVIEW OF RESULTS

The year under review was a challenging one for both the Company and Group. The slowdown in United States following the September 11 terrorist attack caused a major shake up in many countries. Despite the tough trading environment, the Company and Group achieved another year of profitability and growth.

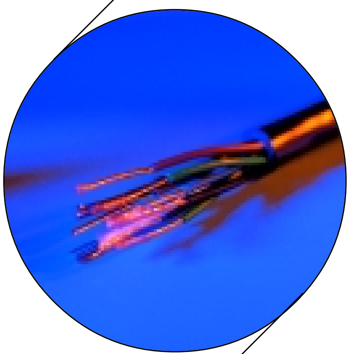
Group turnover rose 27% from $43.81 million in the previous year to $55.631 million. The turnover for the Company also increased by 16.4% to $37.396 million in the current year from $32.114 million. The Group's operating profit before taxation grew by a massive 412.6% from $0.412 million to $2.112 million in the current year. At Company level, pre-tax profit jumped to $3.715 million, 75.1% higher than the corresponding period of $2.122 million in 2001. The consolidated profit after taxation and minority interests stood at $1.562 million compared to $0.236 million loss in the previous year. Adopting the Singapore Statement of Accounting Standard No. 34 – *Intangible Assets* and Singapore Statement of Accounting Standard No. 10 (2000) – *Events After Balance Sheet Date*, the comparative figures have been restated to take into account the write-off of pre-operating expenses and restatement of proposed dividends as part of shareholders' equity.

The improved performance also resulted in a higher earnings per share at 0.83 cents compared to a loss of 0.13 cents per share in the previous financial year. Net tangible assets per share also strengthened to 17.63 cents from 16.98 cents.

The Group will continuously research, evaluate and develop new cables for other applications. In its quest to expand its market share in Singapore and Malaysia, the management needs to be vigilant and maintain a tight credit policy to protect its receivables.

Cable and wire division

This division contributed $47.875 million to the Group's turnover, an increase of $8.324 million from the previous year. This increase was attributed to a higher turnover recorded by the Company as a result of an expanded customer base and higher success rate in securing contracts. Tai Sin Electric Cables (Malaysia) Sdn Bhd also posted an improved set of results with higher turnover and profitability compared to the previous financial year.



Lamps and lighting division

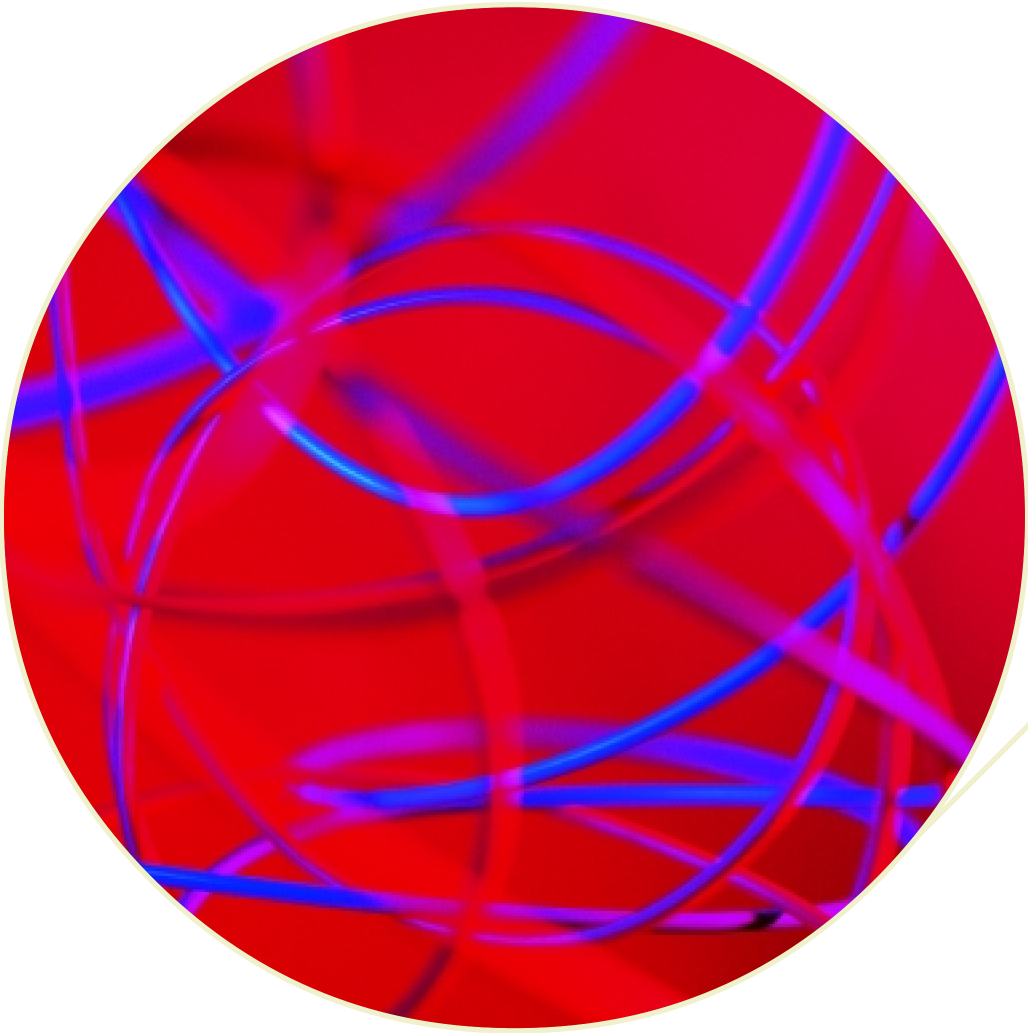
Due to the losses suffered by LKH Lamps Sdn Bhd and the cost of ceasing operations in Kota Bharu and relocating its operations to Kuantan, the division incurred a loss of $1.813 million in the current year as compared to $0.705 million in the previous year. The division is also facing intense competition from manufacturers in the ASEAN region, causing a substantial fall in selling prices.

Electrical components division

PKS Sdn Bhd returned a higher profit before taxation of $0.483 million on a lower turnover of $3.833 million in the current financial year. Pre-tax profit and turnover of PKS Sdn Bhd for the previous year were $0.257 million and $4.211million respectively. The business potential in Brunei is largely driven by government spending on infrastructure which slowed down considerably last year.

BUSINESS OUTLOOK

In October 2001, LKH Lamps Sdn Bhd ceased operations in Kota Bharu and merged its lamps manufacturing operations with Equalight Resources Sdn Bhd in Kuantan. The lamps division undertook further reorganisation when Equalight Resources Sdn Bhd transferred all its lamps manufacturing operations to LKH Lamps Sdn Bhd in June 2002. The restructuring was to streamline the operations to enhance overall efficiency and productivity. After the restructure, Equalight Resources Sdn Bhd changed its principal business to that of an investment holding company. The management is currently exploring various options to expand the lamps business overseas and grow its export markets. New lamps and lighting products will also be added to complement the existing range.



In February 2002, the 70% equity interest in PKS Sdn Bhd was transferred from the Company to Tai Sin Electric Cables (Malaysia) Sdn Bhd for $5.662 million. The transfer implemented an effective corporate and management structure, placing the Company as the ultimate holding company of PKS Sdn Bhd.

The Group will continuously research, evaluate and develop new cables for other applications. In its quest to expand its market share in Singapore and Malaysia, the management needs to be vigilant and maintain a tight credit policy to protect its receivables. The management will also continue to be more competitive by improving its productivity and managing its operating cost.

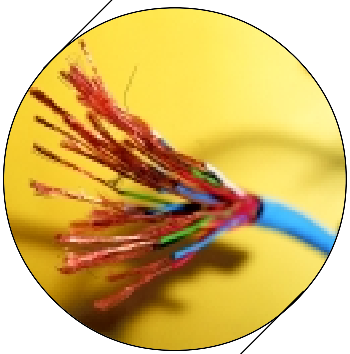
DIVIDENDS

The Directors are pleased to recommend a final dividend of 5% per share less income tax amounting to $733,200, subject to approval by members at the next Annual General Meeting.

ACKNOWLEDGEMENTS

On behalf of the Board, I wish to thank Mr Chen Shyh-Yi and Mr Lee Jui-Lung who resigned from the Board in August 2002 for their past contributions. I take this opportunity to welcome Professor Lee Chang Leng Brian who joined the Board in August 2002 as an independent non-executive director.

We are also grateful to our customers, suppliers, business associates, shareholders, bankers and the relevant statutory and governmental authorities for their continuous assistance and co-operation. We also wish to thank each and every one of the Group's employees who have contributed immensely to the Group's profitability over the years.



LEE LIEN-SHEN
Chairman

Corporate Information

BOARD OF DIRECTORS

LEE LIEN-SHEN
Non-Executive Chairman

LIM CHYE HUAT @ BOBBY LIM CHYE HUAT
Managing Director

LIN CHEN MOU
Executive Director

LIM BOON HOCK BERNARD
Executive Director

RICHARD WEE LIANG HUAT @ RICHARD WEE LIANG CHIAT
Non-Executive Director

SIM YEONG SOON
Non-Executive Director

CHANG CHAI WOON
Non-Executive Director

LEE CHANG LENG BRIAN
Non-Executive Director

AUDIT COMMITTEE

RICHARD WEE LIANG HUAT @ RICHARD WEE LIANG CHIAT
Chairman

SIM YEONG SOON
Member

LEE CHANG LENG BRIAN
Member

SECRETARIES

MRS LOW NEE TAN LENG FONG
TAN SHOU CHIEH

REGISTERED OFFICE

24 Gul Crescent Jurong Town
Singapore 629531
Tel: 6861 3401 Facsimile: 6861 4084
Email: mailbox1@taisin.com.sg

SHARE REGISTRARS & SHARE TRANSFER OFFICE

B.A.C.S. PRIVATE LIMITED
63 Cantonment Road Singapore 089758
Telephone: 6323 6200

AUDITORS

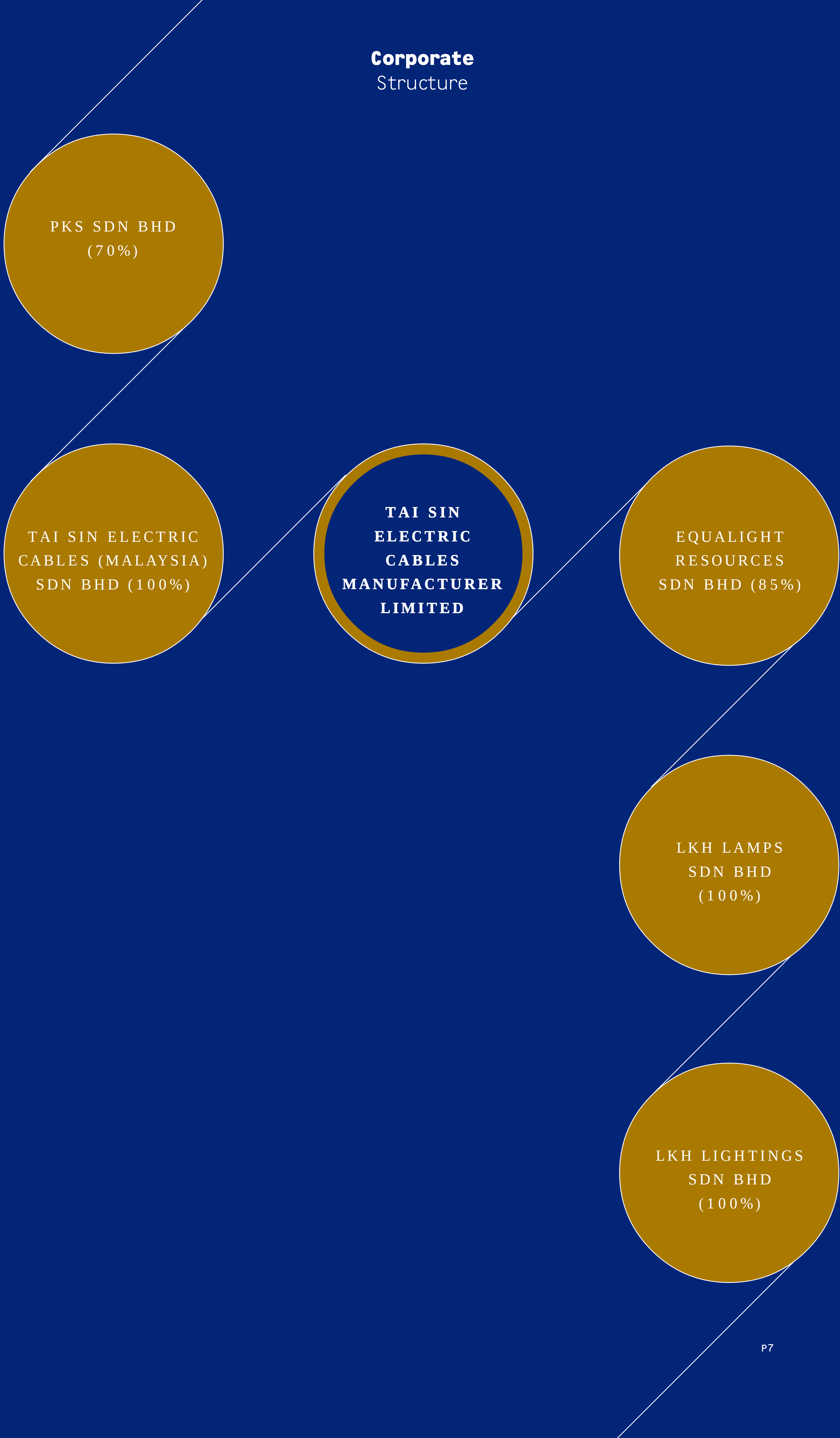
DELOITTE & TOUCHE
Certified Public Accountants
6 Shenton Way #32-00
DBS Building Tower Two
Singapore 068809

PARTNER-IN-CHARGE:
Ernest Kan Yaw Kiong
Date of Appointment: August 22, 1997

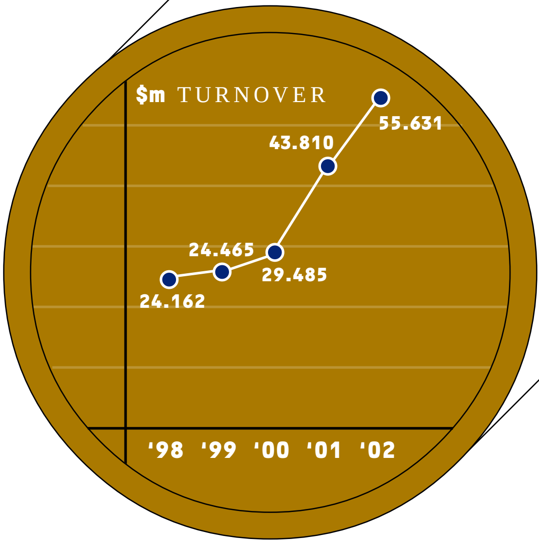
PRINCIPAL BANKERS

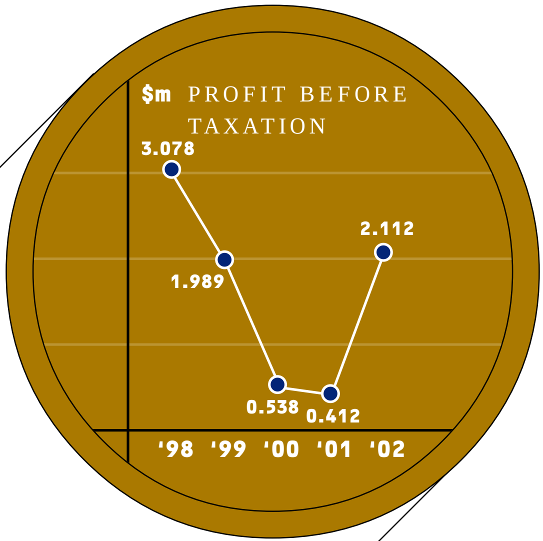
HONGKONG & SHANGHAI BANKING CORPORATION LTD
HUA NAN COMMERCIAL BANK LTD
UNITED OVERSEAS BANK LTD
MALAYAN BANKING BERHAD
SOUTHERN BANK BERHAD
OVERSEA-CHINESE BANKING CORPORATION LTD
THE BANK OF EAST ASIA LTD

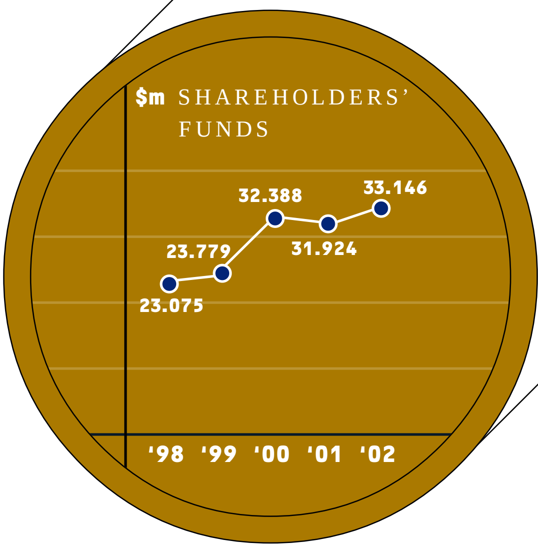
Corporate Structure



Financial
Highlights







FINANCIAL REVIEW

Report of
the Directors

The directors present their report together with the audited financial statements of the company and of the group for the financial year ended June 30, 2002.

1 DIRECTORS

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

Non-Executive Chairman
Lee Lien-Shen

Executive
Lim Chye Huat @ Bobby Lim Chye Huat (Managing Director)
Lin Chen Mou
Lim Boon Hock Bernard

Non-executive
Richard Wee Liang Huat @ Richard Wee Liang Chiat
Sim Yeong Soon
Chang Chai Woon
Lee Chang Leng Brian (Appointed on August 1, 2002)

In accordance with article 91 of the Articles of Association, Lim Boon Hock Bernard and Richard Wee Liang Huat @ Richard Wee Liang Chiat retire, and being eligible, offer themselves for re-election.

In accordance with article 97 of the Articles of Association, Professor Lee Chang Leng Brian retires, and being eligible, offers himself for re-election.

Pursuant to Section 153(6) of the Singapore Companies Act, Sim Yeong Soon and Lee Lien-Shen who are over 70 years of age, being eligible for re-appointment, offer themselves for re-election.

2 PRINCIPAL ACTIVITIES

The principal activities of the company are that of cable and wire manufacturers and dealers in such products and investment holding.

The principal activities of the subsidiaries are stated in Note 8 to the financial statements.

Except as disclosed in Note 8 to the financial statements, there have been no significant changes in the nature of these activities during the financial year.

3 ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the financial year, the following subsidiary was disposed:

Held by	Name of subsidiary	Consideration	Share of net assets disposed	Group's effective interest at disposal
LKH Lamps Sdn Bhd	LKH Lamps Marketing Sdn Bhd	RM9,727	RM9,727	85%

There were no acquisitions of subsidiaries during the financial year.

4 RESULTS FOR THE FINANCIAL YEAR

	Group $	Company $
Profit after income tax	1,378,928	2,970,618
Minority interests	183,005	–
Profit attributable to shareholders	1,561,933	2,970,618

5 MATERIAL TRANSFERS TO/FROM RESERVES AND PROVISIONS

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

6 ISSUE OF SHARES AND DEBENTURES

During the financial year, the company and its subsidiaries did not issue any shares or debentures.

7 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

8 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	Shareholdings registered in the names of directors or their Nominees			Other shareholdings in which directors are deemed to have an interest		
Name of directors and companies in which interest are held	At July 1, 2001	At June 30, 2002	At July 21, 2002	At July 1, 2001	At June 30, 2002	At July 21, 2002
Tai Sin Electric Cables Manufacturer Limited	Number of shares of $0.10 each					
Lee Lien-Shen	969,980	969,980	969,980	5,792,340	7,340	7,340
Lim Chye Huat @ Bobby Lim Chye Huat	31,880,580	31,880,580	31,880,580	2,500,000	2,500,000	2,500,000
Lin Chen Mou	120,300	120,300	120,300	–	–	–
Lim Boon Hock Bernard	25,500,000	25,500,000	25,500,000	350,000	350,000	350,000
Chen Shyh-Yi *	5,681,720	5,681,720	5,681,720	–	–	–
Lee Jui-Lung *	11,020,240	755,240	755,240	–	–	–
Richard Wee Liang Huat @ Richard Wee Liang Chiat	3,500,000	3,500,000	3,500,000	–	–	–
Chang Chai Woon	11,100,000	11,100,000	11,100,000	–	–	–
PKS Sdn Bhd	Number of shares of B$1 each					
Chang Chai Woon	232,568	232,568	232,568	–	–	–

Tai Sin Electric Cables Manufacturer Limited	Number of share options to subscribe for the company's ordinary shares of $0.10 each			
	At date of grant	At June 30, 2002	Exercise price	Exercise period
Lin Chen Mou	1,500,000	1,500,000	$0.125	May 8, 2003 to May 7, 2013

* Messrs Chen Shyh-Yi and Lee Jui-Lung resigned as directors of the company on August 1, 2002.

9 DIVIDENDS

Dividends paid or declared since the end of the company's last financial year were as follows:

a) A final dividend of $0.004 per ordinary share less tax of 24.5% on the ordinary shares of the company totalling $567,760 in respect of the previous financial year and included in the previous report of the directors.

b) The directors now recommend that a final dividend be paid at $0.005 per ordinary share less tax of 22% totalling $733,200 for the financial year just ended on the ordinary shares of the company.

10 DIRECTORS' ACTIONS RELATING TO BAD AND DOUBTFUL DEBTS

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

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

11 DIRECTORS' ACTIONS RELATING TO CURRENT ASSETS

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

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

12 CHARGES ON ASSETS AND EXISTENCE OF CONTINGENT LIABILITIES AFTER YEAR END DATE

At the date of this report:

a) there does not exist any charge on the assets of the company or any corporation in the group which has arisen since the end of the financial year which secures the liability of any other person; and

b) there does not exist any contingent liability of the company or any corporation in the group which has arisen since the end of the financial year.

13 ABILITY TO MEET OBLIGATIONS

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

14 OTHER CIRCUMSTANCES AFFECTING FINANCIAL STATEMENTS

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

15 UNUSUAL ITEMS

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

16 UNUSUAL ITEMS AFTER YEAR END DATE

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

17 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements.

18 SHARE OPTIONS

On August 1, 2001, the shareholders of the company approved the Tai Sin Share Option Scheme (the "Scheme"). The Scheme was administered by a committee whose members are:

- Richard Wee Liang Huat @ Richard Wee Liang Chiat
- Sim Yeong Soon
- Lim Chye Huat @ Bobby Lim Chye Huat

18 SHARE OPTIONS (CONT'D)

a) Share Options Granted

On April 8, 2002 ("Offering Date"), options were granted pursuant to the Scheme to 141 employees (collectively the "Participants") of the company to subscribe for 17,680,000 ordinary shares of $0.10 each in the company at the subscription price of $0.125 per ordinary share ("Offering Price") with no discount. 16,970,000 options have been accepted by the Participants.

The options granted to employees may be exercised during the period from May 8, 2003 to May 7, 2013, both dates inclusive, by notice in writing accompanied by a remittance for the full amount of the Offering Price (subject to adjustments under certain circumstances).

The Offering Price was equal to the average of the last dealt price for a share, with reference to the daily official list published by the Singapore Exchange Securities Trading Limited for the last 5 day consecutive market days immediately preceding the Offering Date.

The Participants may in addition to the Scheme participate in other share option schemes implemented by the company or any of its subsidiaries, subject to the prior approval in writing to the committee.

No other options to take up unissued shares of the company or any corporation in the group were granted during the year.

b) Share Options Exercised

During the financial year, there were no shares of the company or any corporation in the group issued by virtue of the exercise of an option to take up unissued shares.

c) Unissued Shares Under Option

At the end of the financial year, there were no unissued shares of the company or any corporation in the group under option except as follows:

Date of grant	Balance at date of grant	Exercised	Expired/ cancelled	Balance at end of year	Exercise price	Date of expiry
April 8, 2002	16,970,000	–	–	16,970,000	$0.125	May 7, 2013

18 SHARE OPTIONS (CONT'D)

d) The information on Participants who received 5% or more of the total number of options available under the Scheme is as follows:

Name of participants	Options granted during the financial year	Aggregate options granted since commencement of Scheme to end of the financial year	Aggregate options exercised since commencement of Scheme to end of the financial year	Aggregate options outstanding at the end of the financial year
Director of the company				
Lin Chen Mou	1,500,000	1,500,000	–	1,500,000
Employees				
Lim Ewe Lee	1,500,000	1,500,000	–	1,500,000
Jang Eng Lan	1,500,000	1,500,000	–	1,500,000
Lai Kon Seng	1,500,000	1,500,000	–	1,500,000
Choo Wei Loon	1,500,000	1,500,000	–	1,500,000
Ng Shu Goon Tony	1,500,000	1,500,000	–	1,500,000

No options under the Scheme were granted to controlling shareholders or their associates.

19 AUDIT COMMITTEE

The audit committee comprises three members, who are independent directors. The members of the audit committee are:

Richard Wee Liang Huat @ Richard Wee Liang Chiat (Chairman)
Sim Yeong Soon
Lee Chang Leng Brian (Appointed on August 1, 2002)
Lim Boon Hock Bernard (Resigned on August 1, 2002)

During the financial year the committee held meetings with management and the external auditors to review the audit plans and scope of examination of the audit, financial and operating results, internal controls, accounting policies, related party transactions and other significant matters. The committee has reviewed the financial statements for the financial year ended June 30, 2002 and the report of the external auditors thereon.

The committee recommends to the Board of Directors the re-appointment of the company's external auditors, Deloitte & Touche, at the forthcoming annual general meeting of the company.

20 AUDITORS

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

ON BEHALF OF THE DIRECTORS

LIM CHYE HUAT @ BOBBY LIM CHYE HUAT

LIN CHEN MOU

September 20, 2002

Report on Corporate Governance

Year ended June 30, 2002

Tai Sin Electric Cables Manufacturer Limited is committed to raising the standard of corporate governance and strives to safeguard the interests of its shareholders.

BOARD OF DIRECTORS

The board comprises eight directors, three of whom hold executive positions:

Non-Executive Chairman
Lee Lien-Shen

Executive
Lim Chye Huat @ Bobby Lim Chye Huat (Managing Director)
Lin Chen Mou
Lim Boon Hock Bernard

Non-executive
Richard Wee Liang Huat @ Richard Wee Liang Chiat
Sim Yeong Soon
Chang Chai Woon
Lee Chang Leng Brian (Appointed on August 1, 2002)

The Board oversees the business affairs of the Group, review and evaluate the financial performance, approve the Group's strategic plans, major investments and funding decisions, and determine the remuneration, terms and conditions of senior management personnel. The executive directors meet on a more regular basis and hold continual discussions with other members of the management team to ensure that the Group's business objectives are achieved.

The Board has also formed an Audit Committee to carry out its functions more effectively.

AUDIT COMMITTEE

The Audit Committee comprises three members; the majority whom, including its chairman, are independent of management as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

Richard Wee Liang Huat @ Richard Wee Liang Chiat (Chairman)	
Sim Yeong Soon	
Lee Chang Leng Brian	(Appointed on August 1, 2002)
Lim Boon Hock Bernard	(Resigned on August 1, 2002)

The Audit Committee meets periodically and performs the following functions:

i) reviews with the external auditors, the audit plan, evaluate the internal controls in the accounting system, audit report and any matters which are brought to the attention of the Committee;

ii) reviews the half-yearly and annual financial statements of the Company and of the Group, including announcements to shareholders and the SGX-ST;

iii) makes recommendations to the Board on the appointment of the external auditors and the audit fee; and

iV) reviews the assistance given by the Company's officers to the external auditors.

SECURITIES

The Group has adopted a Code of Best Practice on Securities Transactions, which establishes guidelines and controls in monitoring dealings in the Group's securities by Directors and key officers of the Group.

Key officers are required to confirm annually that they have complied with the Code of Best Practice. Directors are required to comply with the Code of Best Practice and adhere to the provisions of the Companies Act with regard to their securities transactions.

Auditors' Report

To the Members of Tai Sin Electric Cables Manufacturer Limited

We have audited the financial statements of Tai Sin Electric Cables Manufacturer Limited and the consolidated financial statements of the group for the financial year ended June 30, 2002 as set out on pages 21 to 53. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

a) the financial statements of the company and consolidated financial statements of the group are properly drawn up in accordance with the provisions of the Singapore Companies Act ("Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:

   i) the state of affairs of the company and of the group as at June 30, 2002, and of the results and changes in equity of the company and of the group, and cash flows of the group for the financial year then ended; and

   ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements of the company and consolidated financial statements of the group;

b) the accounting and other records, and the registers required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of the subsidiaries of which we have not acted as auditors, being financial statements included in the consolidated financial statements. The names of these subsidiaries are disclosed in Note 8 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that are consolidated with the financial statements of the company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification.

DELOITTE & TOUCHE
Certified Public Accountants

PARTNER
Ernest Kan Yaw Kiong

Singapore
September 20, 2002

Balance
Sheets

June 30, 2002

	Notes	Group		Company	
		2002	2001 (restated)	**2002**	2001 (restated)
		$	$	**$**	$
ASSETS					
Current assets:					
Cash		**2,104,283**	2,829,891	**880,921**	761,177
Trade receivables	5	**21,954,316**	18,942,784	**14,242,933**	10,996,799
Other receivables and prepayments	6	**409,319**	324,072	**14,751,778**	6,526,186
Inventories	7	**12,203,354**	14,404,863	**6,898,753**	7,545,781
Total current assets		**36,671,272**	36,501,610	**36,774,385**	25,829,943
Non-current assets:					
Subsidiaries	8	**-**	–	**4,224,646**	9,886,599
Property, plant and equipment	9	**24,538,953**	27,549,665	**12,133,481**	13,871,389
Intangible assets	10	**160,056**	214,604	**-**	–
Other investments	11	**84,023**	47,452	**-**	–
Total non-current assets		**24,783,032**	27,811,721	**16,358,127**	23,757,988
Total assets		**61,454,304**	64,313,331	**53,132,512**	49,587,931
LIABILITIES AND EQUITY					
Current liabilities:					
Bank overdrafts and other bank borrowings	12	**12,435,754**	14,672,714	**7,917,174**	8,989,683
Trade payables	13	**5,893,129**	7,016,746	**2,800,967**	1,630,205
Other payables	14	**1,447,448**	1,870,214	**1,268,877**	595,070
Income tax payable		**1,356,663**	358,462	**1,356,663**	346,000
Current portion of hire purchase obligations	15	**51,536**	63,945	**-**	–
Current portion of long-term borrowings	16	**676,474**	530,888	**276,000**	276,000
Total current liabilities		**21,861,004**	24,512,969	**13,619,681**	11,836,958

Balance Sheets

June 30, 2002

	Notes	Group 2002	Group 2001 (restated)	Company 2002	Company 2001 (restated)
		$	$	$	$
Non-current liabilities:					
Deferred tax liabilities	17	**1,322,000**	1,687,000	**1,322,000**	1,687,000
Non-current portion of hire purchase obligations	15	**57,835**	93,321	**–**	–
Long-term borrowings	16	**2,893,523**	3,580,838	**621,000**	897,000
Total non-current liabilities		**4,273,358**	5,361,159	**1,943,000**	2,584,000
Minority interests		**2,174,077**	2,515,040	**–**	–
Capital and reserves:					
Issued capital	18	**18,800,000**	18,800,000	**18,800,000**	18,800,000
Reserves		**14,345,865**	13,124,163	**18,769,831**	16,366,973
Total equity		**33,145,865**	31,924,163	**37,569,831**	35,166,973
Total liabilities and equity		**61,454,304**	64,313,331	**53,132,512**	49,587,931

See accompanying notes to financial statements.

Profit and Loss
Statements

Year ended June 30, 2002

	Notes	Group 2002 $	Group 2001 (restated) $	Company 2002 $	Company 2001 (restated) $
Revenue		**55,631,335**	43,810,033	**37,395,777**	32,114,458
Other operating income		**381,492**	740,704	**42,129**	907,009
Changes in inventories of finished goods and work in progress		**(917,190)**	(4,644,954)	**657,824**	(1,622,824)
Raw materials and consumables used		**(36,562,489)**	(25,790,488)	**(24,156,719)**	(20,121,697)
Staff costs	19	**(6,765,036)**	(5,437,504)	**(4,471,177)**	(4,110,802)
Depreciation and amortisation expense		**(3,201,411)**	(2,631,468)	**(1,896,173)**	(1,890,977)
Other operating expenses		**(5,488,494)**	(5,026,103)	**(3,453,879)**	(2,794,845)
Profit from operations		**3,078,207**	1,020,220	**4,117,782**	2,480,322
Finance costs		**(966,568)**	(607,999)	**(402,622)**	(357,909)
Profit before income tax	20	**2,111,639**	412,221	**3,715,160**	2,122,413
Income tax expense	21	**(732,711)**	(649,017)	**(744,542)**	(649,017)
Profit (Loss) after income tax before minority interests		**1,378,928**	(236,796)	**2,970,618**	1,473,396
Minority interests		**183,005**	1,181		
Profit (Loss) attributable to shareholders		**1,561,933**	(235,615)		
Basic and diluted earnings (loss) per share in cents	22	**0.83**	(0.13)		

See accompanying notes to financial statements.

Statements of Changes in Equity

Year ended June 30, 2002

	Issued capital $	Share premium $	Revaluation reserve $	Foreign currency translation reserve $	Dividend reserve $	Accumulated profits $	Total $
The Group							
Balance at June 30, 2000							
As previously reported	18,800,000	7,699,210	1,439,431	(96)	–	4,787,019	32,725,564
Changes in accounting policies (Note 30)	–	–	–	(4,750)	560,240	(333,456)	222,034
As restated	18,800,000	7,699,210	1,439,431	(4,846)	560,240	4,453,563	32,947,598
Currency translation differences	–	–	–	81,603	–	–	81,603
Net loss for the year	–	–	–	–	–	(235,615)	(235,615)
Goodwill on acquisition	–	–	–	–	–	(309,183)	(309,183)
Dividend paid	–	–	–	–	(560,240)	–	(560,240)
Proposed dividend	–	–	–	–	567,760	(567,760)	–
Balance at June 30, 2001 (restated)	18,800,000	7,699,210	1,439,431	76,757	567,760	3,341,005	31,924,163
Currency translation differences	–	–	–	227,529	–	–	227,529
Net profit for the year	–	–	–	–	–	1,561,933	1,561,933
Dividend paid	–	–	–	–	(567,760)	–	(567,760)
Proposed dividend	–	–	–	–	733,200	(733,200)	–
Balance at June 30, 2002	18,800,000	7,699,210	1,439,431	304,286	733,200	4,169,738	33,145,865

See accompanying notes to financial statements.

Statements of Changes in Equity

Year ended June 30, 2002

	Issued capital $	Share premium $	Revaluation reserve $	Dividend reserve $	Accumulated profits $	Total $
The Company						
Balance at June 30, 2000						
As previously reported	18,800,000	7,699,210	1,439,431	–	5,754,936	33,693,577
Changes in accounting policiy (Note 30)						
- Proposed dividend	–	–	–	560,240	–	560,240
As restated	18,800,000	7,699,210	1,439,431	560,240	5,754,936	34,253,817
Net profit for the year	–	–	–	–	1,473,396	1,473,396
Dividend paid	–	–	–	(560,240)	–	(560,240)
Proposed dividend	–	–	–	567,760	(567,760)	–
Balance at June 30, 2001 (restated)	18,800,000	7,699,210	1,439,431	567,760	6,660,572	35,166,973
Net profit for the year	–	–	–	–	2,970,618	2,970,618
Dividend paid	–	–	–	(567,760)	–	(567,760)
Proposed dividend	–	–	–	733,200	(733,200)	–
Balance at June 30, 2002	18,800,000	7,699,210	1,439,431	733,200	8,897,990	37,569,831

See accompanying notes to financial statements.

Consolidated
Cash Flow Statement

Year ended June 30, 2002

	2002	2001 (restated)
	$	$
Cash flows from operating activities:		
Profit before income tax	**2,111,639**	412,221
Adjustments for:		
Depreciation expense	**3,152,690**	2,612,116
Amortisation of intangible assets	**48,721**	19,352
Interest income	**(7,532)**	(303)
Interest expense	**966,568**	607,999
(Gain) Loss on disposal of plant and equipment	**(3,287)**	298
Plant and equipment written off	**7,973**	–
Reversal of allowance for impairment loss in other investments	**(5,331)**	–
Operating profit before working capital changes	**6,271,441**	3,651,683
Trade receivables	**(3,011,532)**	(1,141,569)
Other receivables and prepayments	**(85,247)**	303,529
Inventories	**2,201,509**	(4,962,854)
Trade payables	**(1,123,617)**	1,551,227
Other payables	**(422,766)**	(3,402,324)
Cash generated from (used in) operations	**3,829,788**	(4,000,308)
Interest paid	**(966,568)**	(607,999)
Interest received	**7,532**	303
Income tax paid	**(99,510)**	(161,017)
Dividends paid	**(567,760)**	(560,240)
Net cash from (used in) operating activities	**2,203,482**	(5,329,261)
Cash flows used in investing activities:		
Purchase of property, plant and equipment (see Note A)	**(428,850)**	(2,617,193)
Proceeds from sale of property, plant and equipment	**8,300**	146,313
Acquisition of subsidiaries (see Note B)	**-**	(2,637,872)
Additions to intangible assets	**-**	(232,202)
Additions to other investments	**(32,919)**	–
Net cash used in investing activities	**(453,469)**	(5,340,954)
Cash flows from financing activities:		
(Repayment of) proceeds from short-term bank borrowings	**(2,156,036)**	7,108,851
Repayment of hire purchase obligations	**(121,544)**	(38,399)
(Repayment of) proceeds from long-term borrowings	**(541,729)**	3,357,505
Net cash (used in) from financing activities	**(2,819,309)**	10,427,957

Consolidated
Cash Flow Statement

Year ended June 30, 2002

	2002	2001 (restated)
	$	$
Net effect of exchange rate changes in consolidating subsidiaries	**424,612**	(299,916)
Net decrease in cash	**(644,684)**	(542,174)
Cash at beginning of year	**1,000,887**	1,543,061
Cash at end of year (Note 23)	**356,203**	1,000,887

Note A

PROPERTY, PLANT AND EQUIPMENT

During the financial year, the group acquired property, plant and equipment with an aggregate cost of $502,499 (2001 : $2,691,485) of which $73,649 (2001 : $74,292) was acquired by means of hire purchase agreements. Cash payments of $428,850 (2001 : $2,617,193) were made to purchase property, plant and equipment.

Note B

SUMMARY OF THE EFFECTS OF THE ACQUISITION OF SUBSIDIARIES

	2001
	$
Cash	22,095
Trade receivables	1,054,758
Inventories	2,219,141
Intangible assets	10,904
Other investments	47,452
Property, plant and equipment	3,540,510
Trade payables	(2,209,230)
Other payables	(2,322,384)
Bank overdrafts	(964,254)
Tax liabilities	(12,462)
Net assets acquired	1,386,530
Positive goodwill on consolidation	309,183
Consideration, professional fees and stamp duty paid in cash	1,695,713
Less: Cash of subsidiary acquired	(22,095)
Add : Bank overdrafts	964,254
Cash flow on acquisition, net of cash	2,637,872

The effect of disposal of LKH Lamps Marketing Sdn Bhd during the financial year is not material.

See accompanying notes to financial statements.

1 GENERAL

The company is incorporated in the Republic of Singapore with its registered office and principal place of business at 24 Gul Crescent, Jurong Town, Singapore 629531. The financial statements are expressed in Singapore dollars.

The principal activities of the company are that of cable and wire manufacturers and dealers in such products and investment holding.

The principal activities of the subsidiaries are stated in Note 8 to the financial statements.

The financial statements of the company and of the group for the year ended June 30, 2002 were authorised for issue by the Board of Directors on September 20, 2002.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The company and group have adopted all the applicable new/revised SAS which became effective during the year. The effects of the adoption of certain SAS, which are changes in accounting policies, are disclosed in Note 30 to the financial statements.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the company and enterprises controlled by the company (its subsidiaries) made up to June 30 each year. Control is achieved where the company has the power to govern the financial and operating policies of an investee enterprise 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 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. All significant intercompany transactions and balances between group enterprises are eliminated on consolidation.

In the company's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value.

FINANCIAL ASSETS – Financial assets include cash and bank balances, trade and other receivables and other investments. Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. The accounting policy for other investments is stated below.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FINANCIAL LIABILITIES AND EQUITY – Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities include trade and other payables, bank loans and overdrafts. Trade and other payables are stated at their nominal value. Bank loans and overdrafts are recorded at the proceeds received, net of transaction costs. Finance costs are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Equity instruments are recorded at the proceeds received, net of direct issue costs. Dividends on ordinary shares are recognised in shareholders' equity in the period in which they are declared.

INVENTORIES - Inventories are measured at the lower of cost (first-in-first-out and weighted-average method) and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT – Property, plant and equipment are carried at cost or valuation, less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Any revaluation surplus arising on the revaluation of property is credited to the 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 property is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

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

Leasehold land and buildings	– Over terms of lease which are from 2% to 10.4%
Office equipment and furniture	– 10% to 100%
Plant and machinery	– 10% to 20%
Motor vehicles	– 15% to 20%

Depreciation is not provided on freehold land.

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

INTANGIBLE ASSETS - Intangible assets comprise trademarks and technical fees which are amortised using the straight-line method over their useful lives of 10 years and 5 years respectively. Intangible assets are stated at costs less amortisation. Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount.

Prior to July 1, 2001 pre-operating expenses were carried forward and amortised over a period of 5 years in equal instalments on commencement of commercial operations. With effect from July 1, 2001 the new SAS 34 – *Intangible Assets* was adopted, and pre-operating expenses are charged to profit and loss statement in the period which they are incurred. The effect of the change in accounting policy is adjusted retrospectively against accumulated profits brought forward as further disclosed in Note 30 to the financial statements.

GOODWILL - Goodwill represents the excess of the cost of an acquisition over the fair value of the share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Prior to July 1, 2001, goodwill arising from acquisition of subsidiaries, was directly adjusted against shareholders' equity. With effect from July 1, 2001, the group has adopted SAS 22 – *Business Combination* (revised) and now amortise goodwill over periods which is generally not expected to exceed 20 years. Goodwill on acquisition arising prior to July 1, 2001 has been charged in full to the accumulated profits brought forward; such goodwill has not been retrospectively capitalised and amortised, as allowed under revised SAS 22 – *Business Combination*. The gain or loss on disposal of an entity includes the unamortised balance of goodwill relating to the entity disposed of, or for acquisitions prior to July 1, 2001 the goodwill charged to shareholders' equity.

OTHER INVESTMENTS - Investments held for long-term purposes are stated at the lower of cost or market value.

IMPAIRMENT OF ASSETS - At each balance sheet date, the company and group review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company and group estimate the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are 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 (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so 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 (cash-generating unit) 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)

PROVISIONS - Provisions are recognised when the company and group have 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.

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 value at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the profit and loss statement over the term of the relevant lease using the effective interest rate method.

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

MINORITY INTEREST - Minority interest is stated at the appropriate proportion of the post-acquisition fair values of the net identifiable assets of the subsidiaries.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - Transactions in foreign currencies are recorded 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 realised and unrealised exchange adjustment gains and losses are dealt with in the profit and loss statement.

For inclusion in the consolidated financial statements, assets and liabilities of the foreign subsidiaries 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 statement as part of the profit or loss on disposal.

REVENUE RECOGNITION – Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer and the amount of revenue and the costs of the transaction (including future costs) can be measured reliably.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

INCOME TAX - Tax expense is determined on the basis of tax effect accounting, using the liability method, and it is applied to all significant temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit.

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

SHARE OPTIONS – Share options are recorded when exercised and the exercise price is allocated between issued capital and share premium accordingly.

CASH - Cash for the cash flow statement includes cash and cash equivalents less bank overdrafts.

3 FINANCIAL RISKS AND MANAGEMENT

i) Credit risk

The company and group have no significant concentration of credit risk to certain customers. The company and group have policies in place to ensure that sales of products are made to customers with an appropriate credit history.

The group has a credit review process which manages the credit risks exposure to customers.

ii) Interest rate risk

The group's exposure to the risk of changes in interest rates relates mainly to bank borrowings which are mainly on floating rate terms. The group actively reviews its debt portfolio to achieve the most favourable interest rates available.

iii) Foreign currency exchange risk

The group operates regionally, giving rise to significant exposure to market risk from changes in foreign exchange rates. Management enters into short-term forward foreign currency exchange contracts with not more than 1 month maturity to manage the foreign currency exchange rate risk.

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

iv) Liquidity risk

The group's ability to fund its existing and prospective debt requirements is managed by maintaining the availability of adequate committed funding lines from high quality financial institutions.

v) Fair value of financial instruments

The carrying amounts of the financial assets and financial liabilities of the company and the group on the balance sheet approximate their fair values.

4 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decision.

Some of the company's transactions and arrangements are with a related party and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, without fixed repayment terms and interest.

Significant related party transactions:

	Group		Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Sales	**(1,657,465)**	(1,505,005)	**(635,407)**	(1,045,320)
Purchases of raw materials	**136,779**	57,608	**136,779**	15,893
Proceed from disposal of a subsidiary	**(5,437)**	–	**–**	–

5 TRADE RECEIVABLES

	Group		Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Outside parties	**21,944,522**	18,940,260	**15,198,470**	11,283,713
Less: Bad trade receivables written off	**(446,499)**	(275,291)	**(410,444)**	(275,291)
Less: Allowance for doubtful debts	**(1,099,848)**	(916,439)	**(720,623)**	(277,837)
	20,398,175	17,748,530	**14,067,403**	10,730,585
Related parties (Note 4)	**1,556,141**	1,194,254	**150,082**	115,462
Subsidiary	**–**	–	**25,448**	150,752
	21,954,316	18,942,784	**14,242,933**	10,996,799

Movements in allowance:

	Group 2002	Group 2001	Company 2002	Company 2001
Balance at beginning of year	**916,439**	745,229	**277,837**	636,944
Currency realignment	**(8,420)**	–	**–**	–
Subsidiaries acquired	**–**	478,128	**–**	–
Charge to profit and loss	**301,665**	339,736	**442,786**	277,837
Utilised	**(109,836)**	(646,654)	**–**	(636,944)
Balance at end of year	**1,099,848**	916,439	**720,623**	277,837

6 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Subsidiary (Note 8)	**–**	–	**14,490,652**	6,277,649
Advances to staff	**115,222**	157,600	**115,222**	157,600
Prepayments	**91,151**	62,122	**21,675**	23,650
Deposits	**122,298**	43,698	**79,993**	6,630
Others	**80,648**	60,652	**44,236**	60,657
	409,319	324,072	**14,751,778**	6,526,186

7 INVENTORIES

	Group		Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Raw materials, at cost	**1,165,898**	3,805,176	**1,165,898**	1,155,102
Raw materials, at net realisable value	**2,823,483**	–	**–**	–
Work in progress, at cost	**1,898,213**	1,803,144	**1,236,329**	1,060,991
Finished goods, at cost	**5,973,832**	8,796,543	**4,496,526**	5,329,688
Finished goods, at net realisable value	**341,928**	–	**–**	–
	12,203,354	14,404,863	**6,898,753**	7,545,781
Movement in allowance:				
Balance at beginning of year	**435,117**	54,628	**–**	–
Currency realignment	**(12,644)**	12,404	**–**	–
(Reversal) Charge to profit and loss	**(20,698)**	368,085	**–**	–
Balance at end of year	**401,775**	435,117	**–**	–

8 SUBSIDIARIES

	Company	
	2002	2001
	$	$
Unquoted equity shares, at cost	**4,224,646**	9,886,599

8 SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of company	Cost in books of company 2002 $	2001 $	Effective percentage of equity 2002 %	2001 %	Country of incorporation and place of business	Principal activities
Tai Sin Electric Cables (Malaysia) Sdn. Bhd. (c)	**2,282,564**	2,282,564	**100**	100	Malaysia	Cable and wire manufacturer and dealer in such products.
Equalight Resources Sdn. Bhd. (c)	**1,942,082**	1,942,082	**85**	85	Malaysia	Investment holding formerly florescent lamps manufacturer.
LKH Lamps Sdn Bhd (subsidiary of Equalight Resources Sdn. Bhd.) (a)	**-**	-	**85**	85	Malaysia	Manufacture and sale of lights and lighting components.
LKH Lamps Marketing Sdn Bhd (subsidiary of LKH Lamps Sdn. Bhd.) (d)	**-**	-	**-**	85	Malaysia	Temporarily ceased operations.
LKH Lightings Sdn Bhd (subsidiary of LKH Lamps Sdn Bhd.) (a)	**-**	-	**85**	85	Malaysia	Trading of lights and lighting components.
PKS Sdn Bhd (subsidiary of Tai Sin Electric Cables (Malaysia) Sdn. Bhd.) (b)	**-**	5,661,953	**70**	70	Brunei	Electrical switch-boards, feeder pillars and components manufacturer and dealer in such products.
	4,224,646	9,886,599				

(a) Audited by member firms of Andersen.

(b) Disposed to a subsidiary, Tai Sin Electric Cables (Malaysia) Sdn Bhd during the financial year and audited by member firm of Deloitte Touche Tohmatsu.

(c) Audited by member firms of Andersen in 2002. Audited by member firms of Deloitte Touche Tohmatsu in 2001.

(d) Disposed to a related party during the financial year.

8 SUBSIDIARIES (CONT'D)

Significant transactions with the subsidiaries are as follows:

	2002	2001
	$	$
Sales	**(173,885)**	(292,050)
Purchases	**116,409**	114,616
Sale of property, plant and equipment	**–**	(160,764)
Purchase of property, plant and equipment	**–**	15,419

9 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Leasehold land and buildings	Office equipment and furniture	Plant and machinery	Motor vehicles	Total
	$	$	$	$	$	$
Group						
Cost or valuation:						
At beginning of year	994,012	16,210,268	2,177,054	19,505,956	1,095,158	39,982,448
Currency realignment	(32,456)	(186,217)	(26,761)	(252,565)	(8,379)	(506,378)
Additions	–	2,624	135,478	304,004	60,393	502,499
Disposals	–	–	(15,701)	(67,459)	(11,689)	(94,849)
At end of year	961,556	16,026,675	2,270,070	19,489,936	1,135,483	39,883,720
Representing:						
Independent valuation	–	8,120,000	–	–	–	8,120,000
Cost	961,556	7,906,675	2,270,070	19,489,936	1,135,483	31,763,720
	961,556	16,026,675	2,270,070	19,489,936	1,135,483	39,883,720
Accumulated depreciation:						
At beginning of year	–	3,050,709	1,097,202	7,633,747	651,125	12,432,783
Currency realignment	–	(20,961)	(13,988)	(118,026)	(5,868)	(158,843)
Depreciation for the year	–	906,907	304,146	1,776,049	165,588	3,152,690
Disposals	–	–	(10,688)	(59,486)	(11,689)	(81,863)
At end of year	–	3,936,655	1,376,672	9,232,284	799,156	15,344,767
Depreciation for last year	–	839,629	257,238	1,353,504	161,745	2,612,116
Net book value:						
At beginning of year	994,012	13,159,559	1,079,852	11,872,209	444,033	27,549,665
At end of year	961,556	12,090,020	893,398	10,257,652	336,327	24,538,953

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold land and buildings $	Office equipment and furniture $	Plant and machinery $	Motor vehicles $	Total $
Company					
Cost or valuation:					
At beginning of year	8,476,267	1,242,810	10,670,641	526,319	20,916,037
Additions	–	46,933	111,744	–	158,677
Disposals	–	(3,350)	(50,695)	–	(54,045)
At end of year	8,476,267	1,286,393	10,731,690	526,319	21,020,669
Representing:					
Independent valuation	8,120,000	–	–	–	8,120,000
Cost	356,267	1,286,393	10,731,690	526,319	12,900,669
At end of year	8,476,267	1,286,393	10,731,690	526,319	21,020,669
Accumulated depreciation:					
At beginning of year	1,884,327	782,811	4,133,799	243,711	7,044,648
Depreciation for the year	693,368	143,107	967,222	92,476	1,896,173
Disposals	–	(2,938)	(50,695)	–	(53,633)
At end of year	2,577,695	922,980	5,050,326	336,187	8,887,188
Depreciation for last year	669,444	147,728	981,329	92,476	1,890,977
Net book value:					
At beginning of year	6,591,940	459,999	6,536,842	282,608	13,871,389
At end of year	5,898,572	363,413	5,681,364	190,132	12,133,481

The group's freehold land, leasehold land and buildings comprise the following:

Location	Title	Description
24 Gul Crescent Jurong Town Singapore 629531	Leasehold (30 years from August 1, 1980)	Factory building
11 Gul Lane Jurong Town Singapore 629410	Leasehold (30 years from July 16, 1981)	Factory building

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Location	Title	Description
PTD 37433 & 37434 Off Jalan Perindustrian Senai 3 Kawasan Perindustrian Senai Fasa 2 81400 Senai,Johor Bahru Johor Darul Takzim Malaysia	Freehold	Factory building
Lot 67A Jalan Gebeng 1/6 Gebeng Industrial Estate 26080 Gebeng, Kuantan Pahang Darul Makmur Malaysia	Leasehold (66 years from June 1, 1998)	Factory building
Lot PT 622 Kawasan Perindustrian Pengkalan Chepa II Jalan Padang Tembak 16100 Kota Bahru, Kelantan Malaysia	Leasehold (66 years from July 25, 1982)	Factory building
Lot B Kawasan Perindustrian Beribi 1 Jalan Gadong Bandar Seri Begawan BE1118 Negara Brunei Darussalam	Leasehold (20 years from July 1, 1992)	Factory building

The property at 24 Gul Crescent was subject to an independent professional valuation carried out by a firm of professional valuers, Richard Ellis (Pte) Ltd, on April 6, 1998 on an open market value basis. Leasehold properties are subject to revaluation as and when required.

The carrying amount of leasehold land and buildings at end of year that would have been included in the financial statements had they been carried at cost less depreciation is $2,292,267 (2001 : $2,550,308) for the company. The leasehold land and buildings of the subsidiaries are carried at cost.

Motor vehicles with a net book value of $168,822 (2001 : $221,254) for the group are under hire purchase agreements. The company has no obligations under hire purchase agreements.

10 INTANGIBLE ASSETS

	Group $	Company $
Cost:		
At beginning of year	251,766	–
Currency realignment	(8,221)	–
Additions	–	–
Subsidiary acquired	–	–
At end of year	243,545	–
Accumulated amortisation:		
At beginning of year	37,162	–
Currency realignment	(2,394)	–
Amortisation for the year	48,721	–
Subsidiary acquired	–	–
At end of year	83,489	–
Amortisation for last year	34,833	–
Net book value:		
At beginning of year	214,604	–
At end of year	160,056	–

Technical fees of S$232,202 (RM500,000) included in intangible assets were paid to two of the directors of a subsidiary in 2001.

In 2001, $15,481 which was capitalised as pre-operating expenses was written off to the profit and loss statement (Note 30).

11 OTHER INVESTMENTS

	Group		Company	
	2002 $	2001 $	**2002 $**	2001 $
At cost:				
Quoted equity shares	**61,202**	63,268	**–**	–
Allowance for impairment loss	**(10,098)**	(15,816)	**–**	–
	51,104	47,452	**–**	–
Unquoted investments	**32,919**	–	**–**	–
	84,023	47,452	**–**	–
Market value of quoted equity shares	**51,104**	47,452	**–**	–

11 OTHER INVESTMENTS (CONT'D)

	Group		Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Movement in above allowance:				
Balance at beginning of year	**15,816**	–	**–**	–
Currency realignment	**(387)**	–	**–**	–
Reversal during the year	**(5,331)**	–	**–**	–
Subsidiary acquired	**–**	15,816	**–**	–
Balance at end of year	**10,098**	15,816	**–**	–

12 BANK OVERDRAFTS AND OTHER BANK BORROWINGS

	Group		Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Bank loan - unsecured	**3,300,000**	5,222,215	**3,300,000**	4,000,000
Bank loan - secured	**346,690**	1,476,759	**–**	–
Bank overdrafts	**1,748,080**	1,829,004	**–**	114,133
Trust receipts and bills payable to banks	**7,040,984**	6,144,736	**4,617,174**	4,875,550
	12,435,754	14,672,714	**7,917,174**	8,989,683

For 2002, the bank overdrafts and other bank borrowings of the subsidiaries are secured by the following:

i) fixed charge over the leasehold and factory building, fixed and floating charge over all assets of the subsidiaries; and

ii) corporate guarantees of RM25.9 million (S$11,637,615) and B$1.12 million by the company (Note 26). The corporate guarantees also cover the long-term borrowings in Note 16; and

For 2001, the bank overdrafts and other bank borrowings of the subsidiaries were secured by the following:

i) fixed charge over the leasehold land and building, fixed and floating charge over all assets of the subsidiaries; and

ii) corporate guarantees of RM21.9 million (S$10,496,670) and B$1.12 million by the company (Note 26). The corporate guarantees also cover the long-term borrowings in Note 16; and

The bank overdrafts and other bank borrowings bear interest at rates ranging from 4.85% to 8.3% (2001 : 4.85% to 11.55%) per annum.

13 TRADE PAYABLES

	Group		Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Outside parties	**5,891,227**	6,994,544	**2,719,729**	1,627,112
Related parties (Note 4)	**1,902**	22,202	**1,902**	3,093
Subsidiaries (Note 8)	**-**	–	**79,336**	–
	5,893,129	7,016,746	**2,800,967**	1,630,205

14 OTHER PAYABLES

	Group		Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Loan from a subsidiary (Note 8)	**-**	–	**500,000**	–
Accruals for bonus, CPF and staff welfare	**809,278**	541,396	**458,550**	173,419
Provision for directors' fees and remuneration	**65,000**	65,000	**65,000**	65,000
Payables for purchase of property, plant and equipment	**-**	249,236	**-**	–
Advances from outside party	**-**	177,641	**-**	–
Customer's deposit	**115,000**	228,457	**115,000**	228,457
Others	**453,408**	608,484	**130,327**	128,194
Related parties (Note 4)	**4,762**	–	**-**	–
	1,447,448	1,870,214	**1,268,877**	595,070

Loan from a subsidiary and advances from outside party are interest-free and unsecured.

15 HIRE PURCHASE OBLIGATIONS

	Group			
	Minimum payments		Present value of minimum payments	
	2002	2001	**2002**	2001
	$	$	**$**	$
Amounts payable under hire purchase obligations:				
Within one year	**62,537**	77,920	**51,536**	63,945
In the second to fifth years inclusive	**71,108**	116,324	**57,835**	93,321
After five years	**-**	-	**-**	-
	133,645	194,244	**109,371**	157,266
Less: Future finance charges	**(24,274)**	(36,978)		
Present value of obligations	**109,371**	157,266		
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(51,536)**	(63,945)		
Amount due for settlement after 12 months	**57,835**	93,321		

The average lease term is 4 years (2001 : 4 years). The rates of interest for the hire purchase obligations range from 5.5% to 8.35% (2001 : 5.5% to 8.35%) per annum.

The hire purchase obligations of a subsidiary are secured by a corporate guarantee of RM167,492 (S$77,658) [2001 : RM91,104 (S$43,666)] by the company (Note 26).

16 LONG-TERM BORROWINGS

	Group		Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Long-term loans	3,569,997	4,111,726	897,000	1,173,000
Less: Portion due within one year	(676,474)	(530,888)	(276,000)	(276,000)
Non-current portion	2,893,523	3,580,838	621,000	897,000

The long-term loans bear interests at rates ranging from 7.9% to 8.55% (2001 : 6.75 to 8.55%) per annum and are repayable ranging from 60 to 120 equal monthly instalments and 20 quarterly instalments (2001 : 60 to 120 equal monthly instalments and 20 quarterly instalments).

16 LONG-TERM BORROWINGS (CONT'D)

The loans are secured by the following:

i) fixed and floating charge over all the assets of certain subsidiaries;

ii) fixed charge over the leasehold land and building of a subsidiary;

iii) corporate guarantees by the company (see Notes 12 and 26); and

iv) fixed charge over a certain piece of machinery of the company.

17 DEFERRED TAX LIABILITIES

	Group and Company	
	2002	2001
	$	$
Deferred tax liabilities	**1,454,000**	1,714,000
Deferred tax assets	**(132,000)**	(27,000)
Net position	**1,322,000**	1,687,000
The movement for the year in deferred tax position is as follows:		
At beginning of year	**1,687,000**	1,424,000
(Reversal) Charge to profit and loss	**(365,000)**	263,000
At end of year	**1,322,000**	1,687,000

17 DEFERRED TAX LIABILITIES (CONT'D)

The following are the major deferred tax liabilities and assets recognised by the company and group and movement thereon during the year:

Group and Company

	2002	2001
	$	$
Deferred tax liabilities		
- Accelerated tax depreciation		
At beginning of year	**1,714,000**	1,585,000
(Reversal) Charge to profit and loss	**(85,000)**	191,000
Effect of change in tax rate	**(175,000)**	(62,000)
At end of year	**1,454,000**	1,714,000
Deferred tax assets		
- Provisions		
At beginning of year	**27,000**	161,000
Reversal (Charge) to profit and loss	**108,000**	(129,000)
Effect of change in tax rate	**(3,000)**	(5,000)
At end of year	**132,000**	27,000

Potential tax saving relating to tax loss carryforward, unutilised investment allowance and capital allowance are not recorded as an asset as there is no reasonable expectation of realisation in the foreseeable future.

18 ISSUED CAPITAL

	Group		Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Authorised:				
300,000,000 ordinary shares of $0.10 each	**30,000,000**	30,000,000	**30,000,000**	30,000,000
Issued and fully paid:				
188,000,000 ordinary shares of $0.10 each	**18,800,000**	18,800,000	**18,800,000**	18,800,000

As at end of the financial year, there are options granted to employees of the group to take up unissued shares totalling 16,970,000 (2001 : Nil) ordinary shares of $0.10 each as described in paragraph 18 of the Directors' report.

During the financial year, no options were lapsed/cancelled or exercised.

19 STAFF COSTS

	Group		Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Staff costs	**6,765,036**	5,437,504	**4,471,177**	4,110,802
Costs of defined contribution plans included in staff costs	**571,901**	450,742	**432,858**	377,994
Retrenchment costs included in staff costs	**59,726**	–	**–**	–

	2002	2001	**2002**	2001
Number of employees at end of year	**276**	409	**88**	83

20 PROFIT BEFORE INCOME TAX

This item includes the following charges (credits):

	Group		Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
		(restated)		
Depreciation expense	**3,152,690**	2,612,116	**1,896,173**	1,890,977
Directors' remuneration:				
Directors of company:				
Current year	**632,666**	641,264	**632,666**	641,264
Directors of subsidiary	**254,853**	231,908	**-**	–
Directors' fees:				
Director of company:				
Current year	**65,000**	65,000	**65,000**	65,000
Overprovision in prior year	**(2,000)**	–	**(2,000)**	–
Directors of subsidiary	**-**	14,400	**-**	–
Auditors' remuneration:				
Auditors of the company:				
Current year	**35,000**	30,000	**35,000**	30,000
Underprovision in prior year	**2,000**	1,000	**2,000**	1,000
Other auditors	**23,836**	14,824	**-**	–
Fees for non-audit services rendered by auditors of the company	**16,900**	9,200	**16,900**	9,200
Amortisation of intangible assets	**48,721**	19,352	**-**	–
Interest expense to non-related parties	**966,568**	607,999	**402,622**	357,909
Dividend income from subsidiary				
- unquoted	**-**	–	**-**	(700,000)
Pre-operating expenses written off	**-**	631,446	**-**	–
Allowance for doubtful trade debts (net)	**301,665**	339,736	**442,786**	277,837
Bad trade receivables written off	**446,499**	275,291	**410,444**	275,291
(Reversal of) Allowance for inventories	**(20,698)**	368,085	**-**	–
Foreign exchange adjustment (gain) loss	**(7,409)**	(203,592)	**64,239**	27,452
Interest income from non-related parties	**(7,532)**	(303)	**(73)**	(99)
(Gain) Loss on disposal of plant and equipment	**(3,287)**	298	**(2,788)**	(18,057)
Plant and equipment written off	**7,973**	–	**-**	–
Reversal of allowance for impairment loss in other investments	**(5,331)**	–	**-**	–
Bad trade receivables recovered	**(21,952)**	(36,140)	**(11,165)**	(3,800)

21 INCOME TAX EXPENSE

	Group		Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Current income tax	**1,166,900**	346,000	**1,166,900**	346,000
(Over) Under provision in prior years	**(69,189)**	40,017	**(57,358)**	40,017
	1,097,711	386,017	**1,109,542**	386,017
Deferred income tax	**(365,000)**	263,000	**(365,000)**	263,000
Underprovision in prior year	**-**	–	**-**	–
	(365,000)	263,000	**(365,000)**	263,000
Total income tax expense	**732,711**	649,017	**744,542**	649,017

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax of 22% (2001 : 24.5%) to profit before income tax as a result of the following differences:

	Group		Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Income tax expense at statutory rate	**465,000**	101,000	**817,300**	520,000
Non-allowable items	**164,000**	311,000	**168,150**	158,800
Effect on deferred taxation arising from changes in tax rates	**(172,000)**	(57,000)	**(172,000)**	(57,000)
Tax losses of subsidiaries	**472,000**	328,000	**-**	–
Prior years tax loss carryforwards utilised	**(134,000)**	–	**-**	–
(Over) Under provision of taxation	**(69,817)**	40,017	**(57,358)**	40,017
Tax rebates	**(11,550)**	(75,800)	**(11,550)**	(12,800)
Others	**19,078**	1,800	**-**	–
Total income tax expense	**732,711**	649,017	**744,542**	649,017

21 INCOME TAX EXPENSE (CONT'D)

The subsidiaries have tax loss carryforwards, unutilised investment allowance and timing differences from capital allowance available for offsetting against future taxable income as follows:

	Group	
	2002	2001
	$	$
Tax loss carryforwards		
Amount at beginning of year	**1,971,000**	828,000
Current realignment	**(53,000)**	93,000
Amount in current year	**-**	1,050,000
Amount utilised in current year	**(460,000)**	–
Amount at end of year	**1,458,000**	1,971,000
Unutilised investment allowance		
Amount at beginning of year	**1,672,000**	–
Current realignment	**(56,000)**	52,000
Amount in current year	**56,000**	1,620,000
Amount at end of year	**1,672,000**	1,672,000
Unutilised capital allowance		
Amount at beginning of year	**1,640,000**	279,000
Current realignment	**(63,000)**	62,000
Amount in current year	**379,000**	1,299,000
Amount at end of year	**1,956,000**	1,640,000
Total	**5,086,000**	5,283,000
Deferred tax benefits on above unrecorded	**1,635,000**	1,311,000

Deferred tax benefits vary from the Singapore statutory tax rate as it relates to deferred tax on overseas operation.

22 EARNINGS PER SHARE

The group's earnings per share is calculated based on the profit after income tax attributable to shareholders of $1,561,933 (2001 : loss after income tax of $235,615) and the weighted average number of 188,000,000 (2001 : 188,000,000) ordinary shares issued.

The diluted earnings per share is shown as the same amount as the basic earnings per share, based on the profit after income tax attributable to shareholders, because the options are considered anti-dilutive and ignored in the computation of diluted earnings per share.

23 CASH IN THE CASH FLOW STATEMENT

	2002	2001
	$	$
Cash and bank balances	**2,104,283**	2,829,891
Bank overdrafts	**(1,748,080)**	(1,829,004)
	356,203	1,000,887

24 DIRECTORS' REMUNERATION

Number of directors in remuneration bands are as follows:

	2002	2001
$500,000 and above	–	–
$250,000 to $499,999	–	1
Below $250,000	9	8
	9	9

25 DIVIDENDS

With effect from July 1, 2001, the company and group adopted SAS 10 (2000) *Events After the Balance Sheet Date*. SAS 10 (2000) states that proposed dividends that are subject to approval by shareholders at the annual general meeting are not liabilities; they should be recognised in shareholders' equity. Accordingly, proposed dividends for the financial years ended June 30, 2001 and June 30, 2002 which were shown as liabilities have been reclassified to shareholders' equity in the period of which they were declared.

During the financial year ended June 30, 2002, the company declared and paid a final dividend of $0.004 per ordinary share less tax on the ordinary shares of the company totalling $560,760 in respect of the financial year ended June 30, 2001.

Subsequent to June 30, 2002, the directors of the company recommended that a final dividend be paid at $0.005 per ordinary share less tax on the ordinary shares of the company for the financial year just ended.

26 CONTINGENT LIABILITIES (UNSECURED)

	Group		Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Corporate guarantee in relation to credit facilities granted to subsidiary (Note 12 and Note 16)	**–**	–	**12,835,273**	11,660,336
Performance guarantees	**70,688**	139,474	**66,690**	139,474
Total	**70,688**	139,474	**12,901,963**	11,799,810

27 COMMITMENTS

	Group		Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Capital expenditure:				
Estimated amounts committed for future capital expenditure but not provided for in the financial statements	**210,259**	–	**210,259**	–

28 OPERATING LEASE COMMITMENTS

	Group		Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Minimum lease payments paid under operating leases	**168,787**	181,366	**161,575**	181,366

At the balance sheet date the commitments in respect of operating leases with a term of more than one year were as follows:

	Group		Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Within 1 year	**224,484**	215,405	**224,484**	204,828
Within 2 to 5 years	**897,936**	787,422	**897,936**	768,912
After 5 years	**808,712**	889,846	**808,712**	889,846

29 SEGMENT INFORMATION

2002

Business segments

	Cable and wire $	Electrical equipment and apparatus $	Lamps and lighting products $	Total $
REVENUE				
External sales	47,875,045	3,833,363	3,922,927	55,631,335
RESULT				
Segment result	4,400,530	483,181	(1,813,036)	3,070,675
Interest expense	(225,942)	–	(57,656)	(283,598)
Unallocated interest expense				(682,970)
Interest income	73	7,459	–	7,532
Income tax expense				(732,711)
Minority interests				183,005
Net profit				1,561,933
OTHER INFORMATION				
Segment assets	43,997,982	8,303,346	9,152,976	61,454,304
Segment liabilities	12,767,235	1,054,278	560,048	14,381,561
Unallocated segment liabilities				11,752,801
Consolidated total liabilities				26,134,362
Capital expenditure	303,630	78,726	120,143	502,499
Depreciation and amortisation	2,233,631	245,551	722,229	3,201,411
Non-cash expenses other than depreciation	–	–	–	–

Geographical segments

	Revenue $	Segment assets $	Total capital expenditure $
Singapore	37,221,892	34,236,902	158,677
Malaysia	14,576,080	18,914,056	265,096
Brunei	3,833,363	8,303,346	78,726
	55,631,335	61,454,304	502,499

29 SEGMENT INFORMATION (CONT'D)

2001

Business segments

	Cable and wire $ (restated)	Electrical equipment and apparatus $	Lamps and lighting products $ (restated)	Total $
REVENUE				
External sales	39,550,820	4,210,736	48,477	43,810,033
RESULT				
Segment result	1,468,019	256,711	(704,813)	1,019,917
Interest expense	(248,332)	(1,123)	–	(249,455)
Unallocated interest expense				(358,544)
Interest income	99	204	–	303
Income tax expense				(649,017)
Minority interests				1,181
Net loss				(235,615)
OTHER INFORMATION				
Segment assets	44,200,336	8,445,813	11,667,182	64,313,331
Segment liabilities	13,104,346	687,706	1,239,644	15,031,696
Unallocated segment liabilities				14,842,432
Consolidated total liabilities				29,874,128
Capital expenditure	2,160,375	45,188	718,124	2,923,687
Depreciation and amortisation	2,219,356	273,705	138,407	2,631,468
Non-cash expenses other than depreciation	–	–	–	–

Geographical segments

	Revenue $	Segment assets $ (restated)	Total capital expenditure $ (restated)
Singapore	31,655,140	33,054,401	950,134
Malaysia	7,944,157	22,813,117	1,928,365
Brunei	4,210,736	8,445,813	45,188
	43,810,033	64,313,331	2,923,687

30 CHANGES IN ACCOUNTING POLICIES AND COMPARATIVE FIGURES

a) Prior to July 1, 2001, pre-operating expenses that have future benefits to the group were carried forward and amortised over a period of five years in equal instalments on commencement of commercial operations. With effect from July 1, 2001, the group adopted the new SAS 34 – *Intangible Assets,* which is effective for financial statements beginning on or after October 1, 2000 and requires pre-operating expenses to be expensed when incurred. The effect of this change in accounting policy is adjusted retrospectively against accumulated profits brought forward from the previous financial year.

b) With effect from July 1, 2001, the company and group adopted SAS 10 (2000) – *Events After the Balance Sheet Date*. SAS 10 (2000) states that proposed dividends that are subject to approval by shareholders at the annual general meeting are not liabilities; they are part of shareholders' equity. Accordingly, proposed dividends for the financial years ended June 30, 2000 and June 30, 2001 which were shown as liabilities in those years, have been reclassified to shareholders' equity for presentation in the current year and prior year financial statements.

The effects of the above mentioned changes on the group's financial statements are as follows:

	Previously reported $	Prior year adjustment $	Restated $
Pre-operating expenses:			
Cost	1,066,826	(1,066,826)	–
Accumulated amortisation	(185,677)	185,677	–
	881,149	(881,149)	–
Accumulated profits:			
Balance at June 30, 2000	4,787,019	(333,456)	4,453,563
Profit for the year	272,458	(508,073)	(235,615)
Proposed dividends	(567,760)	–	(567,760)
Goodwill on acquisition	(309,183)	–	(309,183)
Balance at June 30, 2001	4,182,534	(841,529)	3,341,005
Foreign currency translation reserve:			
Balance at June 30, 2000	(96)	(4,750)	(4,846)
Currency translation differences	116,473	(34,870)	81,603
Balance at June 30, 2001	116,377	(39,620)	76,757

Statement of Directors

In the opinion of the directors, the financial statements set out on pages 21 to 53 are drawn up so as to give a true and fair view of the state of affairs of the company and of the group as at June 30, 2002 and of the results and changes in equity of the company and of the group and cash flows of the group for the financial year then ended and at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

ON BEHALF OF THE DIRECTORS

LIM CHYE HUAT @ BOBBY LIM CHYE HUAT

LIN CHEN MOU

September 20, 2002

INTERESTED PERSON TRANSACTIONS

In compliance with Rule 907 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is disclosed that the aggregate value of all interested person transactions (excluding any transactions which is less than $100,000) during the financial year ended June 30, 2002 were as follows:-

Name of Interested Person	Transactions conducted under shareholders' mandate	Transactions other than those conducted under shareholders' mandate
Lim Kim Hai Electric Co. (S) Pte Ltd	$111,369	–
HSE Engineering Sdn Bhd	–	$686,565

MATERIAL CONTRACTS

There were no material contracts (including loans) of the Company or its subsidiaries involving the interests of the chief executive officer or any director or controlling shareholder subsisting at June 30, 2002 or entered into since the financial year ended June 30, 2002.

Analysis of Shareholdings

as at 7 October 2002

AUTHORISED SHARE CAPITAL	: $30,000,000
ISSUED AND FULLY PAID-UP CAPITAL	: $18,800,000
CLASS OF SHARES	: ORDINARY SHARES OF $0.10 EACH
VOTING RIGHTS	: 1 VOTE PER SHARE

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 999	1	0.03	380	0.00
1,000 – 10,000	2,333	72.50	13,029,340	6.93
10,001 – 1,000,000	861	26.76	43,890,520	23.35
1,000,001 & ABOVE	23	0.71	131,079,760	69.72
TOTAL	3,218	100.00	188,000,000	100.00

TOP TWENTY SHAREHOLDERS

Name	NO. OF SHARES	%
LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	31,880,580	16.96
LIM BOON HOCK BERNARD	25,250,000	13.43
CHEN CHANG, CHUN-FEI	8,115,000	4.32
CHANG CHAI WOON	6,600,000	3.51
CHEN SHYH YI	5,681,720	3.02
HL BANK NOMINEES (S) PTE LTD	5,100,000	2.71
TEH TIONG	5,000,000	2.66
HSBC REPUBLIC BANK (SUISSE) SA	4,750,000	2.53
WONG TIM KAI	4,400,000	2.34
HONG LEONG FINANCE NOMINEES PTE LTD	4,280,000	2.28
HONG TAI ELECTRIC INDUSTRIAL CO LTD	3,964,520	2.11
OVERSEAS UNION BANK NOMINEES PTE LTD	3,600,000	1.91
YEN TSUNG HUA	3,414,760	1.82
LIM CHAI LAI @ LOUIS LIM CHAI LAI	2,900,000	1.54
GOH SOO LUAN	2,500,000	1.33
UNITED OVERSEAS BANK NOMINEES PTE LTD	2,385,000	1.27
LIM HIANG LAN	2,266,000	1.21
LIN YU-YEN	2,183,000	1.16
NG POH GUAT @ NG POH GUAN	1,826,000	0.97
CHANG MING-HUA	1,381,180	0.73
	127,477,760	67.81

SUBSTANTIAL SHAREHOLDERS

Name	No. of Shares Shareholdings registered in the name of Substantial Shareholders or their Nominees	Shareholdings in which Substantial Shareholders are deemed to have an interest
Lim Chye Huat @ Bobby Lim Chye Huat [(1)]	31,880,580	2,500,000
Lim Boon Hock Bernard [(2)]	25,500,000	350,000
Chang Chai Woon	11,100,000	NIL

Notes:-

(1) Mr. Lim Chye Huat @ Bobby Lim Chye Huat is deemed to have an interest in the 2,500,000 shares held by his wife, Mdm. Goh Soo Luan.

(2) Mr. Lim Boon Hock Bernard is deemed to have an interest in the 350,000 shares held by his wife, Mdm. Pang Yoke Chun.

FREE FLOAT OF EQUITY SECURITIES

On the basis of the information available to the Company, approximately 56% of the equity securities of the Company (excluding preference shares and convertible securities) are held in the hands of the public. This is in compliance with Rule 723 of the Listing Manual of the SGX-ST, which requires at least 10% of a listed issuer's equity securities to be held by the public.

Notice of
Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Tai Sin Electric Cables Manufacturer Limited will be held at 24 Gul Crescent, Jurong Town, Singapore 629531 on Tuesday, November 12, 2002 at 10.00 a.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Accounts for the year ended June 30, 2002 together with the Auditors' Report thereon.

2. To declare a final dividend of 5% less tax at 22% for the year ended June 30, 2002.

3. To approve the payment of $65,000 as Directors' Fees for the year ended June 30, 2002. (2001 : $63,000)

4. To re-elect the following Directors retiring pursuant to the Articles of Association of the Company:-

    (a) Mr. Lim Boon Hock Bernard;
    (b) Mr. Richard Wee Liang Huat @ Richard Wee Liang Chiat; and
    (c) Prof. Lee Chang Leng Brian.

5. To consider and, if thought fit, to pass the following resolutions pursuant to Section 153(6) of the Companies Act, Cap. 50:-

    (a) "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr. Sim Yeong Soon who is over 70 years of age, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

    (b) "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr. Lee Lien-Shen who is over 70 years of age, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

6. To re-appoint Deloitte & Touche as Auditors and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

7. "That pursuant to Section 161 of the Companies Act, Cap. 50, approval be and is hereby given to the Directors to issue shares in the Company at any time, to such persons, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this Resolution shall not exceed fifty (50) per cent. of the maximum potential share capital of the Company at the time this Resolution is passed, calculated based on the existing issued share capital plus all shares that may be issued upon the conversion or exercise of any convertible securities and share options that had been issued pursuant to any previous shareholder approval which remain outstanding, adjusted for any subsequent consolidation or subdivision of shares ("the maximum potential share capital"), of which the aggregate number of shares to be issued other than on a pro rata basis to existing Members shall not exceed twenty (20) per cent. of the maximum potential share capital and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting is required by law to be held, whichever is the earlier."

8. To transact any other business of an Annual General Meeting.

BY ORDER OF THE BOARD

MRS LOW NEE TAN LENG FONG
TAN SHOU CHIEH
Secretaries

Singapore, October 24, 2002

Notes:

(1) A member of the Company entitled to attend and vote at the above Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 24 Gul Crescent, Jurong Town, Singapore 629531 not less than 48 hours before the time for holding the Meeting.

(2) Mr. Richard Wee Liang Huat @ Richard Wee Liang Chiat, is considered to be an independent director by the Board of Directors, and if re-elected under item 4(b) above, will remain as Chairman of the Audit Committee.

(3) Prof. Lee Chang Leng Brian is considered to be an independent director by the Board of Directors, and if re-elected under item 4(c) above, will remain as an Audit Committee Member.

(4) Mr. Sim Yeong Soon is considered to be an independent director by the Board of Directors, and if re-appointed under item 5(a) above, will remain as an Audit Committee Member.

(5) The ordinary resolution proposed in item 7 above, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue further shares in the Company subject to the limits imposed by the Resolution, for such purposes as they consider would be in the interests of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

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Proxy
Form

Tai Sin Electric Cables Manufacturer Limited
(Incorporated in the Republic of Singapore)

IMPORTANT
1. For investors who have used their CPF monies to buy shares of Tai Sin Electric Cables Manufacturer Limited, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We ______________________________ (Name)

of ______________________________ (Address)

being a member/members of Tai Sin Electric Cables Manufacturer Limited hereby appoint:

Name	**Address**	**NRIC/ Passport Number**	**Proportion of shareholdings represented**

and / or (delete as appropriate)

as my/our proxy/proxies to vote for me/us on my/our behalf, at the Annual General Meeting of the Company, to be held on November 12, 2002 and at any adjournment thereof. I/We direct my/our proxy/ proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated with an "X" hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	**Resolutions relating to:**	**For**	**Against**
1.	Adoption of Accounts and Reports		
2.	Declaration of Final Dividend		
3.	Approval of Directors' Fees		
4.	(a) Re-election of Mr. Lim Boon Hock Bernard as a Director		
	(b) Re-election of Mr. Richard Wee Liang Huat @ Richard Wee Liang Chiat as a Director		
	(c) Re-election of Prof. Lee Chang Leng Brian as a Director		
5.	(a) Re-appointment of Mr. Sim Yeong Soon as a Director		
	(b) Re-appointment of Mr. Lee Lien-Shen as a Director		
6.	Re-appointment of Auditors and fixing their remuneration		
7.	As special business - approving the Mandate for the Directors to issue new shares in the Company		

Dated this ____________ day of ____________ 2002.

Total Number of Shares Held

____
Signature(s) of Member(s)/Common Seal

IMPORTANT:
PLEASE READ NOTES OVERLEAF

NOTES:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf.

2. Where a member appoints two proxies, he shall specify the proportion of his shares to be represented by each proxy and if no proportion is specified, the first named proxy shall be deemed to represent all of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

3. A proxy need not be a member of the Company.

4. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and also in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies will be deemed to relate to all the shares held by you.

5. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at 24 Gul Crescent, Jurong Town, Singapore 629531 not less than 48 hours before the time set for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

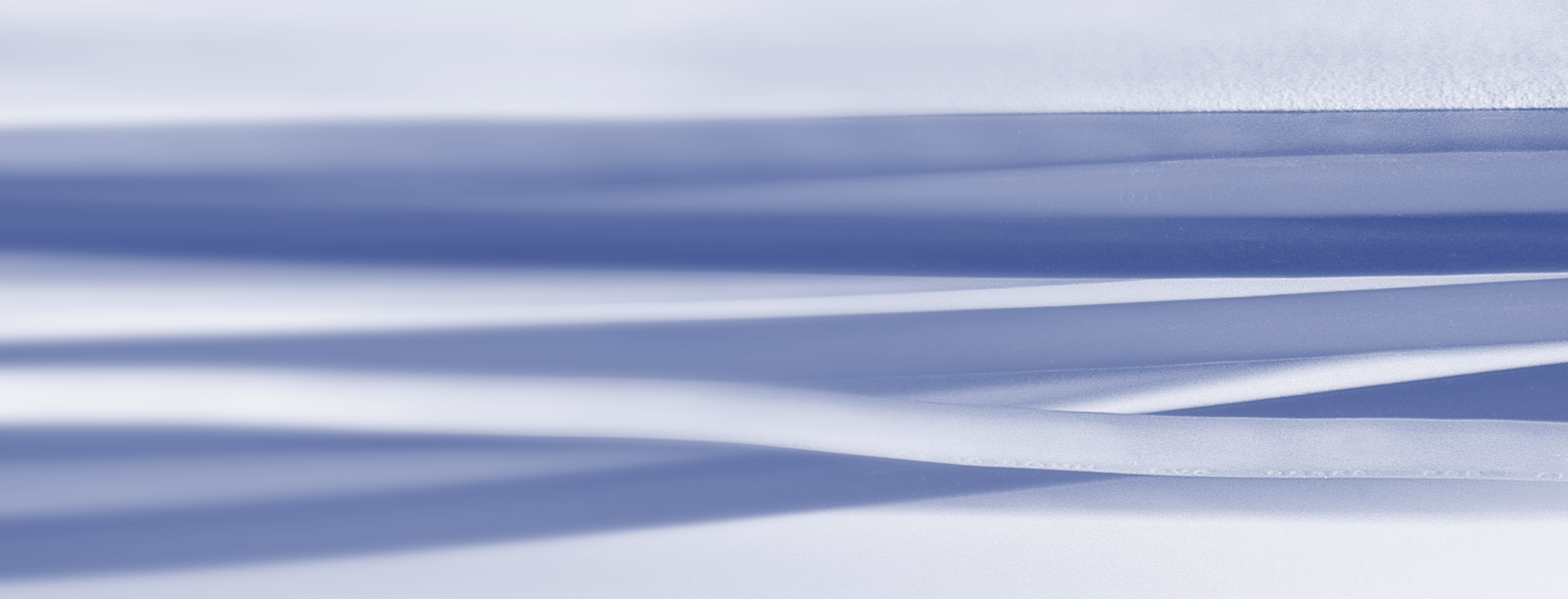
8. The Company shall be entitled to reject any instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

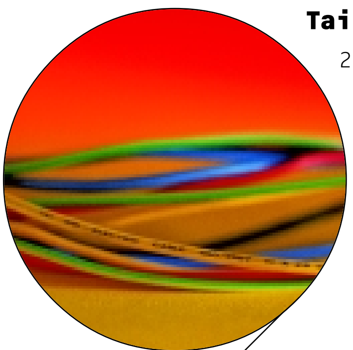
TAI SIN ELECTRIC CABLES (MALAYSIA) SDN BHD
PTD 37433 & 37434
Off Jalan Perindustrian Senai 3
Kawasan Perindustrian Senai Fasa 2
81400 Senai, Johor Bahru
Johor Darul Takzim
Tel: (60) 7-599 8888
Fax: (60) 7-599 8898
Email: taisin1@taisin1.po.my

PKS SDN BHD
Lot B, Kawasan Perindustrian Beribi 1
Jalan Gadong
Bandar Seri Begawan BE1118
Negara Brunei Darussalam
Tel: (673) 2-421348/421349
Fax: (673) 2-421347
Email: pks@brunet.bn

EQUALIGHT RESOURCES SDN BHD
LKH LAMPS SDN BHD
Lot 67A, Jalan Gebeng 1/6
Gebeng Industrial Estate
26080 Kuantan
Pahang Darul Makmur
Tel: (60) 9-583 4832
Fax: (60) 9-583 4825
Email: elight@tm.net.my/jang@po.jaring.my

DESIGNED BY ... ZUCCHINI





Tai Sin Electric Cables Manufacturer Limited

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