

NOTES TO THE ACCOUNTS

1 Principal accounting policies

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and with accounting standards issued by the Hong Kong Society of Accountants ("HKSA").

The accounts are prepared under the historical cost convention except that, as disclosed in the accounting policies below, certain investment properties and other investments are stated at fair value.

In the current year, the Group adopted revised Hong Kong Statements of Standard Accounting Practice ("SSAPs") issued by the HKSA which became effective for accounting periods commencing on or after 1st January 2002 and applicable to the Group:

SSAP 1 (revised) : Presentation of financial statements

SSAP 11 (revised) : Foreign currency translation

SSAP 15 (revised) : Cash flow statements

SSAP 34 (revised) : Employee benefits

The adoption of these revised SSAPs has no significant impact on these accounts except that certain presentational changes have been made upon the adoption of SSAP 1 (revised) "Presentation of financial statements" and SSAP 15 (revised) "Cash flow statements".

The principal accounting policies adopted in the preparation of these accounts are set out below:

(a) CONSOLIDATION

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st March and the Group's share of post-acquisition profits less losses, and reserves, of its associated companies and jointly controlled entities. The results of subsidiaries acquired during the year are included in the consolidated profit and loss account from the effective date of acquisition as appropriate.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

(b) REVENUE RECOGNITION

(i) Sales of goods

Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

(ii) Interest income

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

(iii) Gross earnings from investments in finance leases

Gross earnings from investments in finance leases are recognised on the basis as set out in note 1(n).

(iv) Rental income

Rental income is recognised on a straight-line basis over the period of the lease.

(v) Royalty income

Royalty income is recognised on an accrual basis.

1 Principal accounting policies (Cont'd)

(c) SUBSIDIARIES

Investments in subsidiaries are carried at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(d) JOINTLY CONTROLLED ENTITIES

A jointly controlled entity is an entity in which the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

The consolidated profit and loss account includes the Group's share of the results of jointly controlled entities for the year, and the consolidated balance sheet includes the Group's share of the net assets of the jointly controlled entities and goodwill / negative goodwill (net of accumulated amortisation) on acquisition.

In the Company's balance sheet, the investment in the jointly controlled entity is stated at cost less provision for impairment losses. The results of the jointly controlled entity is accounted for by the Company on the basis of dividends received and receivable.

(e) ASSOCIATED COMPANIES

An associated company is a company, not being a subsidiary, in which an equity interest is held for the long-term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group's share of the results of associated companies for the year, and the consolidated balance sheet includes the Group's share of the net assets of the associated companies and also goodwill / negative goodwill (net of accumulated amortisation) on acquisition.

(f) INTANGIBLES

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's net assets of subsidiary / associated company / jointly controlled entity at the date of acquisition.

In accordance with SSAP 30 "Business Combination", goodwill on acquisitions occurring on or after 1st January 2001 is included in intangible assets and is amortised using the straight-line method of not more than 20 years.

Goodwill on acquisitions that occurred prior to 1st January 2001 was written off against reserves. The Group has taken advantage of the transitional provision 1(a) in SSAP 30 and goodwill previously written off against reserves has not been restated. However, any impairment arising in such goodwill is accounted for in accordance with SSAP 31 "Impairment of Assets".

(ii) Negative goodwill

Negative goodwill represents the excess of the fair value of the Group's share of the net assets acquired over the cost of acquisition.

For acquisitions after 1st January 2001, negative goodwill is presented in the same balance sheet classification as goodwill. To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the Group's plan for the acquisition and can be measured reliably, but which do not represent identifiable liabilities at the date of acquisition, that portion of negative goodwill is recognised in the profit and loss account when the future losses and expenses are recognised. Any remaining negative goodwill, not exceeding the fair values of the non-monetary assets acquired, is recognised in the profit and

1 Principal accounting policies (Cont'd)

(f) INTANGIBLES (Cont'd)

loss account over the remaining weighted average useful life of those assets; negative goodwill in excess of the fair values of those non-monetary assets is recognised in the profit and loss account immediately.

(iii) Research and development costs

Research costs are expensed as incurred. Costs incurred on development projects relating to the design and testing of new or improved products are recognised as an intangible asset where the technical feasibility and intention of completing the product under development has been demonstrated and the resources are available to do so, costs are identifiable and there is an ability to sell or use the asset that will generate probable future economic benefits. Such development costs are recognised as an asset and amortised on a straight-line basis over its estimated useful lives, but not exceeding 20 years, to reflect the pattern in which the related economic benefits are recognised. Development costs that do not meet the above criteria are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(iv) Patents

Expenditure on acquired patents are capitalised and amortised using the straight-line method over their useful lives but not exceeding 20 years. Patents are not revalued as there is no active market for these assets.

(g) PROPERTIES, PLANT AND EQUIPMENT

Properties, plant and equipment other than investment properties (note 1(i)) are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not amortised. No depreciation is provided for assets under construction.

Depreciation of other properties, plant and equipment is calculated to write off the cost of assets less accumulated impairment losses on a straight-line basis over their estimated useful lives on the following bases:

Leasehold land and buildings	Over the unexpired term of lease
Buildings situated on freehold land outside Hong Kong and buildings situated on leasehold land in the New Territories, Hong Kong	Over 25 years
Motor vehicles	Over 5 years
Moulds	Over 7 years
Computers	Over 4 years
Plant and machinery, equipment, furniture and fixtures, and tools	Over 10 years

The initial costs of moulds and tools are capitalised as other assets. Subsequent replacements of moulds and tools are charged to the manufacturing account as production overheads.

Gains or losses arising from the retirement or disposal of properties, plant and equipments are determined as the difference between the net disposal proceeds and the carrying amounts of those assets are recognised as income or expense in the profit and loss account.

1 Principal accounting policies (*Cont'd*)

(h) INVESTMENTS IN SECURITIES

(i) Investment securities

Debt securities expected to be held until maturity and equity shares intended to be held for the long term are included under investment securities and are stated at cost less any provision for impairment losses.

(ii) Other investments

Other investments are carried at fair value. At each balance sheet date, the net unrealised gains or losses arising from the changes in fair value of other investments are recognised in the profit and loss account. Profits or losses on disposal of other investments representing the difference between the net sales proceeds and the carrying amounts, are recognised in the profit and loss account as they arise.

(i) INVESTMENT PROPERTIES

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential.

Investment properties held on leases with unexpired periods greater than 20 years are valued at intervals of not more than three years by independent valuers; in each of the intervening years valuations are undertaken by professionally qualified executives of the Group. The valuations are on an open market value basis related to individual properties and separate values are not attributed to land and buildings. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the investment properties revaluation reserve; decreases are first set off against increases on earlier valuations on a portfolio basis and thereafter are debited to operating profit. Any subsequent increase is credited to the profit and loss account up to the amount previously debited.

Investment properties held on leases with unexpired periods of 20 years or less are depreciated over the remaining portion of the leases.

Upon the disposal of an investment property, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the investment properties revaluation reserve to the profit and loss account.

(j) IMPAIRMENT OF ASSETS

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that the assets, including tangible and intangible assets, are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account.

(k) STOCKS AND WORK IN PROGRESS

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost, calculated on a weighted average basis, comprises materials, direct labour and an appropriate proportion of all production overhead expenditure. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

1 Principal accounting policies (Cont'd)

(l) FOREIGN EXCHANGE

The rates of exchange at which foreign currencies are translated for accounting purposes are as follows:

- (i) In respect of foreign currency denominated assets and liabilities and the balance sheets of subsidiaries, jointly controlled entities and associated companies, the rates ruling at the balance sheet date; whilst for profit and loss accounts, average rates during the year; and
- (ii) In respect of foreign currency transactions entered into during the year, the market rates ruling at the relevant transaction dates.

Exchange differences arising on the translation of foreign currencies into US Dollars are reflected in the profit and loss account except that unrealised differences on net investments in foreign subsidiaries (including intra-Group balances of an equity nature) are taken directly to reserves.

(m) DEFERRED TAXATION

Deferred taxation is accounted for at the current tax rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset is expected to be payable or recoverable in the foreseeable future.

(n) INVESTMENTS IN FINANCE LEASES

Leases that transfer substantially all the risks and rewards incident to ownership of the relevant assets, other than legal title, to the lessees are accounted for as investments in finance leases. Finance lease debtors are included in the balance sheet net of gross earnings allocated to future periods.

Gross earnings under finance leases are allocated to accounting periods to give a constant periodic rate of return on the net investment in the leases in each period.

(o) ASSETS UNDER LEASES

(i) Finance leases

Leases that substantially transfer to the Group all the rewards and risks of ownership of assets, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the fair value of the asset is recorded together with the obligation, excluding the interest element, to pay future rentals.

Each lease payment is allocated between the capital and finance charges so as to achieve a constant rate on the capital balances outstanding. The corresponding rental obligations, net of finance charges, are included in long-term liabilities. Finance charges are charged to the profit and loss account over the lease periods.

Assets held under finance leases are depreciated over the shorter of their estimated useful lives or lease periods.

(ii) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives from the leasing company are charged to the profit and loss account on a straight-line basis over the lease term.

1 Principal accounting policies (Cont'd)

(p) EMPLOYEE BENEFITS

(i) Defined contribution schemes

Contributions are expensed as incurred. Except for the Hong Kong Mandatory Provident Fund, contributions are reduced by amounts forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The assets of the schemes are held separately from those of the Group in an independently administered fund.

(ii) Other pension costs

Other pension costs represent employment service payments payable to certain employees outside Hong Kong upon termination of their services. The amount is provided in accordance with the existing legal requirements, national labour contract, individual company agreements and is determined with reference to a formula that takes into account years of service, compensation and inflation.

(iii) Profit sharing and bonus plan

Provisions for profit sharing and bonus plans due wholly within twelve months after balance sheet date are recognised when the Group has a legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(q) WARRANTY PROVISION

The Group recognises a provision for product repairs and replacement still under warranty at the balance sheet date, which is not covered by product liability insurance policies. The provision is calculated based on past history of the level of repair and replacements. The provision is reviewed annually and any excess or shortfall is recognised in the profit and loss account.

2 Turnover, revenues and segment information

The Group is principally engaged in the manufacture of micromotors. Revenues recognised during the year are as follows:

	2003 US\$'000	2002 US\$'000
Turnover		
Sales of goods - motors	955,339	773,660
Other revenues		
Scrap sales	6,483	4,292
Interest income	2,360	2,982
Gross earnings from investments in finance leases	414	591
Gross rental income from investment properties	1,437	1,429
Royalty income	312	76
	11,006	9,370
Total revenues	966,345	783,030

2 Turnover, revenues and segment information (Cont'd)

The Group's business operates in three geographical areas:

	Asia 2003 US\$'000	America 2003 US\$'000	Europe 2003 US\$'000	Group 2003 US\$'000
Turnover	579,695	132,534	243,110	955,339
Operating profit	143,551	4,804	27,450	175,805
Finance costs				(883)
Share of profits less losses of jointly controlled entities and associated companies	636	-	(1,356)	(720)
Profit before taxation				174,202
Taxation				(24,184)
Profit after taxation				150,018
Minority interests				(2)
Profit attributable to shareholders				150,016
Segment assets	581,795	98,365	181,694	861,854
Investments in jointly controlled entities	18,882	-	-	18,882
Investments in associated companies	-	-	40	40
Total assets				880,776
Segment liabilities	99,871	12,343	99,914	212,128
Total liabilities				212,128
Capital expenditure	41,633	3,280	19,212	64,125
Depreciation	24,788	3,687	8,784	37,259
Amortisation charge	2,511	440	274	3,225

2 Turnover, revenues and segment information (Cont'd)

	Asia 2002 US\$'000	America 2002 US\$'000	Europe 2002 US\$'000	Group 2002 US\$'000
Turnover	428,786	140,987	203,887	773,660
Operating profit	93,307	7,082	32,630	133,019
Finance costs				(365)
Share of profits less losses of jointly controlled entities and associated companies	(1,152)	(679)	(4,887)	(6,718)
Profit before taxation				125,936
Taxation				(15,102)
Profit after taxation				110,834
Minority interests				(2)
Profit attributable to shareholders				110,832
Segment assets	461,575	133,623	131,819	727,017
Investments in jointly controlled entities	18,439	-	-	18,439
Investments in associated companies	-	-	3,709	3,709
Total assets				749,165
Segment liabilities	91,132	30,798	71,067	192,997
Total liabilities				192,997
Capital expenditure	40,441	12,281	5,920	58,642
Depreciation	23,870	4,024	5,640	33,534
Amortisation charge	-	570	71	641

3 Selling and administrative expenses

	2003 US\$'000	2002 US\$'000
Selling expenses	46,989	29,102
Administrative expenses	98,910	90,784
	145,899	119,886

4 Operating profit

Operating profit is stated after crediting and charging the following:

	2003 US\$'000	2002 US\$'000
Crediting		
Amortisation of negative goodwill (note 12)	429	-
Interest income		
- listed investments	301	-
- unlisted investments	401	260
- deposits	1,658	2,722
Net exchange gain	771	-
Charging		
Depreciation on owned properties, plant and equipment	37,259	35,089
Depreciation on leased properties, plant and equipment	-	13
Less: amounts capitalised on machinery under construction	(1,114)	(1,568)
	36,145	33,534
Staff costs (including directors' remuneration)	145,454	125,395
Less: amounts capitalised on machinery under construction	(2,290)	(4,217)
	143,164	121,178
Retirement benefit costs		
- defined contribution schemes (note 10)	4,019	765
- other pension costs, net (note 24)	3,795	2,037
Auditors' remuneration	427	427
Amortisation of goodwill (note 12)	1,768	641
Amortisation of development costs and patents (note 12)	1,886	-
Loss on disposal of properties, plant and equipment	2,721	3,255
Net realised and unrealised loss on other investments and investment securities	1,513	1,364
Net exchange loss	-	2,349

5 Finance costs

	2003 US\$'000	2002 US\$'000
Interest on bank loans and overdrafts	756	213
Interest on other loans, not wholly repayable within five years	59	51
Other incidental borrowing costs	68	101
	883	365

6 Taxation

Hong Kong profits tax has been provided at the rate of 16% (2002: 16%) on the estimated assessable profit for the year. Overseas tax has been provided at the applicable rate on the estimated assessable profit for the year.

	2003 US\$'000	2002 US\$'000
Current taxation		
Hong Kong profits tax	(6,020)	(6,275)
Overseas taxation	(2,740)	(12,897)
	(8,760)	(19,172)
Deferred taxation (note 25)	(15,232)	4,201
	(23,992)	(14,971)
Share of taxation attributable to jointly controlled entities	(192)	(131)
	(24,184)	(15,102)

No provision for taxation has been made by the associated companies as they do not have any assessable profit for the year (2002: Nil).

There was no material unprovided deferred taxation for the year (2002: Nil).

7 Profit attributable to shareholders

Profit attributable to shareholders is dealt with in the accounts of the Company to the extent of US\$105,527,000 (2002: US\$32,293,000).

8 Dividends

	2003 US\$'000	2002 US\$'000
Interim, paid, of 0.51 US cents per share (2002: 0.38 US cents)	18,840	14,130
Final, proposed, of 1.15 US cents per share (2002: 0.94 US cents)	42,390	34,383
	61,230	48,513

At a meeting held on 5th June 2003 the directors declared a final dividend of 1.15 US cents per share. This proposed dividend is not reflected as a dividend payable in these accounts, but will be reflected as an appropriation of retained earnings for the year ending 31st March 2004.

9 Earnings per share

The calculation of basic and fully diluted earnings per share is based on the Group's profit attributable to shareholders of US\$150,016,000 (2002: US\$110,832,000).

The basic earnings per share is based on 3,673,788,920 (2002: 3,673,788,920) shares in issue during the year.

The fully diluted earnings per share is based on 3,674,598,821 ordinary shares which is the weighted average number of ordinary shares in issue during the year plus weighted average of 809,901 (2002: Nil) ordinary shares deemed to be issued at no consideration if all outstanding options had been exercised.

10 Defined contribution schemes

The Group operates two defined contribution schemes in Hong Kong which comply with all the respective requirements under the Occupational Retirement Schemes Ordinance ("ORSO") and the Mandatory Provident Fund ("MPF") Ordinance. All the assets under the schemes are held separately from the Group under independently administered funds. Contributions to the MPF Scheme follow the MPF Ordinance while contributions to the ORSO Scheme are based on 5% of the basic salary of the employees.

The Group also operates other defined contribution retirement schemes which are available to certain employees in the United States of America and Thailand.

Contributions are charged to profit and loss account as incurred and may be reduced by contributions forfeited from those employees who leave the ORSO scheme prior to vesting fully in the contributions. At 31st March 2003, the balance of the forfeited contributions was US\$603,000 (2002: US\$340,000). The Group did not utilise any of the forfeited contribution (2002: US\$1,000,000) during the year to offset the required contributions to the retirement scheme.

11 Directors' emoluments and senior management compensation

(a) DIRECTORS' EMOLUMENTS

	2003 US\$'000	2002 US\$'000
Fees	310	123
Salaries and allowances	2,682	1,762
Retirement scheme contributions	8	8
Bonuses	14	14
	3,014	1,907

The emoluments were paid to the directors as follows:

Emoluments band	Number of directors 2003	2002
US\$0 – US\$128,000 (HK\$0 – HK\$1,000,000)	7	7
US\$128,001 – US\$256,410 (HK\$1,000,001 – HK\$2,000,000)	1	-
US\$450,001 – US\$514,000 (HK\$3,500,001 – HK\$4,000,000)	-	1
US\$578,001 – US\$642,000 (HK\$4,500,001 – HK\$5,000,000)	-	1
US\$642,001 – US\$706,000 (HK\$5,000,001 – HK\$5,500,000)	1	1
US\$898,001 – US\$962,000 (HK\$7,000,001 – HK\$7,500,000)	1	-
US\$1,090,001 – US\$1,154,000 (HK\$8,500,001 – HK\$9,000,000)	1	-

Emoluments paid to independent non-executive directors amounted to US\$268,000 during the year (2002: US\$80,000).

During the year, no option (2002: Nil) was granted to the directors under the share option scheme approved by the shareholders on 29th July 2002.

11 Directors' emoluments and senior management compensation (Cont'd)**(b) SENIOR MANAGEMENT COMPENSATION**

The emoluments of the five highest paid individuals, including three directors (2002: three), were analysed as follows:

	2003	2002
	US\$'000	US\$'000
Salaries, allowances and other benefits	3,600	2,679
Retirement scheme contributions	48	48
Bonuses	78	111
	3,726	2,838

Emoluments band	Number of individuals	
	2003	2002
US\$385,001 – US\$450,000 (HK\$3,000,001 – HK\$3,500,000)	1	1
US\$450,001 – US\$514,000 (HK\$3,500,001 – HK\$4,000,000)	-	1
US\$578,001 – US\$642,000 (HK\$4,500,001 – HK\$5,000,000)	1	1
US\$642,001 – US\$706,000 (HK\$5,000,001 – HK\$5,500,000)	1	2
US\$898,001 – US\$962,000 (HK\$7,000,001 – HK\$7,500,000)	1	-
US\$1,090,001 – US\$1,154,000 (HK\$8,500,001 – HK\$9,000,000)	1	-

12 Intangibles

Group	Negative goodwill		Goodwill		Patents		Development costs		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At beginning of year	-	-	19,261	-	-	-	3,322	-	22,583	-
Exchange adjustments	-	-	560	-	(5)	-	-	-	555	-
Acquisition (note 30)	(2,145)	-	54	19,902	3,991	-	-	-	1,900	19,902
Development costs recognised as an asset	-	-	-	-	-	-	608	3,322	608	3,322
Amortisation (note 4)	429	-	(1,768)	(641)	(686)	-	(1,200)	-	(3,225)	(641)
At end of year	(1,716)	-	18,107	19,261	3,300	-	2,730	3,322	22,421	22,583
Cost	(2,145)	-	20,516	19,902	3,986	-	3,930	3,322	26,287	23,224
Accumulated amortisation	429	-	(2,409)	(641)	(686)	-	(1,200)	-	(3,866)	(641)
At end of year	(1,716)	-	18,107	19,261	3,300	-	2,730	3,322	22,421	22,583

13 Properties, plant and equipment

Group

	Investment properties US\$'000	Other properties US\$'000	Buildings under construction US\$'000	Plant and machinery US\$'000	Machinery under construction US\$'000	Other assets* US\$'000	Total US\$'000
Cost or valuation							
At 1st April 2002	12,286	88,092	98	364,717	16,896	102,577	584,666
Exchange adjustments	-	1,797	-	16,582	22	1,838	20,239
Acquisition through business combinations	-	82	-	6,157	11	9,942	16,192
Additions	-	9,197	-	21,959	13,197	8,975	53,328
Transfers	-	106	(70)	5,279	(19,495)	14,180	-
Disposals	(4,129)	(10,088)	-	(12,931)	(471)	(19,180)	(46,799)
Revaluation deficit (note 27)	(487)	-	-	-	-	-	(487)
At 31st March 2003	7,670	89,186	28	401,763	10,160	118,332	627,139
Accumulated depreciation							
At 1st April 2002	-	23,669	-	257,203	-	68,763	349,635
Exchange adjustments	-	637	-	13,957	-	1,052	15,646
Acquisition through business combinations	-	12	-	1,246	-	4,137	5,395
Charge for the year	-	2,853	-	23,397	-	11,009	37,259
Transfers	-	(25)	-	(1,933)	-	1,958	-
Written back on disposals	-	(2,962)	-	(7,747)	-	(18,588)	(29,297)
At 31st March 2003	-	24,184	-	286,123	-	68,331	378,638
Net book value							
At 31st March 2003	7,670	65,002	28	115,640	10,160	50,001	248,501
At 31st March 2002	12,286	64,423	98	107,514	16,896	33,814	235,031
The analysis of cost or valuation of the above assets is as follows:							
At cost	-	89,186	28	401,763	10,160	118,332	619,469
At professional valuation - 2003	7,670	-	-	-	-	-	7,670
At 31st March 2003	7,670	89,186	28	401,763	10,160	118,332	627,139

* Other assets comprise equipment, furniture and fixtures, motor vehicles, moulds and tools.

13 Properties, plant and equipment (Cont'd)

Investment properties and other properties are analysed as follows:

Group	2003		2002	
	Investment properties US\$'000	Other properties US\$'000	Investment properties US\$'000	Other properties US\$'000
In Hong Kong:				
On long-term lease (over 50 years)	5,590	-	5,872	-
On medium-term lease (between 10 to 50 years)	2,080	25,840	6,414	25,789
Outside Hong Kong:				
Freehold	-	26,861	-	26,801
On medium-term lease (between 10 to 50 years)	-	12,302	-	11,833
	7,670	65,003	12,286	64,423

The investment properties were revalued on an open market value basis as at 31st March 2003 by an independent valuer, DTZ Debenham Tie Leung Limited, Registered Professional Surveyors.

14 Subsidiaries

Company	2003 US\$'000	2002 US\$'000
Unlisted shares, at cost	472,397	472,558
Amounts due from subsidiaries	250,470	159,418
	722,867	631,976
Amounts due to subsidiaries	(141,547)	(104,787)
	581,320	527,189

Details of principal subsidiaries are shown in note 33.

15 Jointly controlled entities

Group	2003	2002
	US\$'000	US\$'000
Share of net assets	11,382	10,939
Loan	7,500	7,500
	18,882	18,439

Company	2003	2002
	US\$'000	US\$'000
Unlisted shares, at cost	5,712	5,712
Loan	7,500	7,500
	13,212	13,212

The Group's share of profits less losses of these jointly controlled entities during the year amounts to US\$ 636,000 (2002: share of losses US\$1,831,000).

The loan to a jointly controlled entity bears interest at 0.5% above 3-month LIBOR, and has no fixed terms of repayment.

Details of principal jointly controlled entities are shown in note 33.

16 Associated companies

Group	2003	2002
	US\$'000	US\$'000
Share of net assets	40	3,709

The Group's share of losses of these associated companies during the year amounts to US\$ 1,356,000 (2002: US\$4,887,000).

Details of principal associated companies are shown in note 33.

17 Investment securities

Group and company	2003	2002
	US\$'000	US\$'000
Unlisted equity securities	7,336	9,480

18 Investments in finance leases

Group	2003	2002
	US\$'000	US\$'000
Gross rental receivable	9,950	16,806
Less: gross earnings allocated to future period	(955)	(2,258)
	8,995	14,548
Less: amounts due within one year included in trade and other receivables	(457)	(704)
	8,538	13,844

The finance leases are receivable in the following years:

	Net investment		Gross earnings		Gross rental	
	2003	2002	2003	2002	2003	2002
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Within one year	458	704	438	710	896	1,414
In the second to fifth year	8,109	10,071	497	1,480	8,606	11,551
After the fifth year	428	3,773	20	68	448	3,841
	8,995	14,548	955	2,258	9,950	16,806

The Group has entered into agreements with its employees whereby certain leasehold property assets of the Group which are located in Hong Kong are leased to these employees. Under the terms of these agreements, substantially all the risks and rewards of ownership of the assets are transferred to the employees. Consequently, these transactions are accounted for as finance leases. The aggregate cost of assets acquired for the purpose of letting under finance leases as at 31st March 2003 is US\$12,035,000 (2002: US\$18,503,000).

19 Stocks and work in progress

Group	2003	2002
	US\$'000	US\$'000
Raw materials	61,970	30,237
Work in progress	9,355	16,933
Finished goods	59,216	41,311
	130,541	88,481

At 31st March 2003, an amount of US\$6,176,000 was reclassified from work in progress to raw materials.

At 31st March 2003, the carrying amount of stocks and work in progress that are pledged as security for long term bank loans amounted to US\$38,923,000 (2002: US\$20,509,000).

At 31st March 2003, the carrying amounts of all stocks and work in progress were stated at cost.

20 Trade and other receivables

(a) The Group allows an average credit period of 30 to 90 days to its trade customers.

The trade and other receivables included trade receivables balance of US\$178,170,000 (2002: US\$156,951,000). The ageing analysis of trade receivables was as follows:

Group	2003 US\$'000	2002 US\$'000
0-60 days	130,019	114,514
61-90 days	24,009	31,249
Over 90 days	24,142	11,188
Total	178,170	156,951

(b) Included in trade and other receivables was an advance to the company secretary and the details are as follows:

	31st March 2003 US\$'000	31st March 2002 US\$'000	Maximum outstanding during year US\$'000
Yip Chee Lan	63	80	80

The advance bears interest at 5% per annum and is repayable in fixed monthly instalments of US\$1,747 (HK\$13,600) commencing October 1991.

(c) At 31st March 2003, trade receivables of US\$25,960,000 (2002: US\$19,596,000) are pledged as security for long term bank loans.

21 Other investments

Group	2003 US\$'000	2002 US\$'000
Unlisted investments	57,312	15,855
Listed investments, outside Hong Kong	20,000	10,000
Total	77,312	25,855

Listed investments are stated at market value.

Other investments mainly comprise bonds and floating rate notes.

22 Trade and other payables

The trade and other payables included trade payables balance of US\$124,717,000 (2002: US\$109,682,000). The ageing analysis of trade payables was as follows:

Group	2003 US\$'000	2002 US\$'000
0-60 days	94,219	76,172
61-90 days	13,821	16,871
Over 90 days	16,677	16,639
Total	124,717	109,682

23 Long term loans

Group	2003 US\$'000	2002 US\$'000
Loans		
Secured	6,477	6,415
Unsecured	1,004	816
	7,481	7,231
Current portion of long term loans	(345)	(215)
	7,136	7,016

The analysis of the above is as follows:

Wholly repayable within five years		
Bank loans	5,000	5,000
	5,000	5,000
Not wholly repayable within five years		
Other loans	2,481	2,231
	7,481	7,231
Current portion of long term loans	(345)	(215)
	7,136	7,016

23 Long term loans (Cont'd)

At 31st March 2003, the Group's loans were repayable as follows:

	Bank loans		Other loans	
	2003	2002	2003	2002
	US\$'000	US\$'000	US\$'000	US\$'000
Within one year	-	-	345	215
In the second year	5,000	5,000	336	223
In the third to fifth year	-	-	1,325	1,033
After the fifth year	-	-	475	760
	5,000	5,000	2,481	2,231

Other loans not wholly repayable within five years are repayable by instalments starting from July 2000 to January 2011. Interest is charged on the outstanding balances at 1.5% to 3.7% per annum (2002: 1.5% to 3.75% per annum).

24 Other provisions

Group	Other pension costs US\$'000	Warranty provision US\$'000	Sundries US\$'000	Total US\$'000
At 1st April 2001	10,418	1,281	622	12,321
Exchange adjustments	(106)	(50)	(1)	(157)
Provisions	2,037	-	-	2,037
Utilised	(2,622)	(151)	(621)	(3,394)
At 1st April 2002	9,727	1,080	-	10,807
Exchange adjustments	1,975	-	9	1,984
Reclassification	(396)	-	396	-
Acquisition through business combinations	1,044	3,660	-	4,704
Provisions	3,795	1,141	601	5,537
Utilised	(3,780)	(933)	(18)	(4,731)
At 31st March 2003	12,365	4,948	988	18,301

Analysis of total provisions	2003 US\$'000	2002 US\$'000
Non-current	13,353	10,807
Current	4,948	-
	18,301	10,807

25 Deferred taxation

Group	2003	2002
	US\$'000	US\$'000
At beginning of year	(24,456)	(19,828)
Exchange adjustments	(1,051)	173
Acquisition through business combinations	(6,557)	(600)
Transfer to profit and loss account (note 6)	15,232	(4,201)
At end of year	(16,832)	(24,456)
Provided in accounts		
Accelerated depreciation allowances	10,568	16,777
Other timing differences	(27,400)	(41,233)
	(16,832)	(24,456)
Represented by		
Deferred tax assets	(32,031)	(34,960)
Deferred tax liabilities	15,199	10,504
	(16,832)	(24,456)

There are no significant potential deferred tax liabilities for which provision has not been made. Deferred tax has not been provided on the revaluation surplus for investment properties in Hong Kong as this does not constitute a timing difference for deferred taxation purposes.

26 Share capital

	2003	2002
	US\$'000	US\$'000
Authorised:		
7,040,000,000 ordinary shares of HK\$0.0125 each	11,355	11,355
Issued and fully paid:		
3,673,788,920 ordinary shares of HK\$0.0125 each	5,925	5,925

At an Extraordinary General Meeting of the Group held on 29th July 2002, a new share option scheme was approved and adopted. Share options granted under the new scheme to employee as at 31st March 2003 are as follows:

Exercised period	Subscription price per share	Number of options granted
1st August 2004 to 16th September 2012	7.90	100,000
1st August 2004 to 16th September 2012	8.02	750,000
1st August 2005 to 16th September 2012	7.90	100,000
1st August 2005 to 16th September 2012	8.02	750,000
		1,700,000

No share option was exercised and lapsed during the year.

27 Reserves

Group	Investment property		Capital reserve	(Goodwill)/ Reserve on Exchange		Contributed surplus	Retained earnings	Total
	Share premium	revaluation reserve		consolidation	reserve			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 31st March 2001	77,855	10,973	38,917	(233,885)	(25,247)	15,499	611,511	495,623
Exchange adjustments	-	-	-	-	(5,910)	-	-	(5,910)
Revaluation deficit	-	(806)	-	-	-	-	-	(806)
Revaluation surplus realised upon disposal	-	(983)	-	-	-	-	-	(983)
Profit for the year	-	-	-	-	-	-	110,832	110,832
00/01 Final dividend paid	-	-	-	-	-	-	(34,383)	(34,383)
01/02 Interim dividend paid	-	-	-	-	-	-	(14,130)	(14,130)
At 31st March 2002	77,855	9,184	38,917	(233,885)	(31,157)	15,499	673,830	550,243
Final dividend proposed	-	-	-	-	-	-	34,383	34,383
Other	77,855	9,184	38,917	(233,885)	(31,157)	15,499	639,447	515,860
At 31st March 2002	77,855	9,184	38,917	(233,885)	(31,157)	15,499	673,830	550,243
Company and subsidiaries	77,855	9,184	38,917	(233,885)	(31,157)	15,499	682,785	559,198
Jointly controlled entities	-	-	-	-	-	-	(2,186)	(2,186)
Associated companies	-	-	-	-	-	-	(6,769)	(6,769)
At 31st March 2002	77,855	9,184	38,917	(233,885)	(31,157)	15,499	673,830	550,243

27 Reserves (Cont'd)

Group	Investment property			(Goodwill)/ Reserve on consolidation	Exchange reserve	Contributed surplus	Retained earnings	Total
	Share premium	revaluation reserve	Capital reserve					
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 31st March 2002	77,855	9,184	38,917	(233,885)	(31,157)	15,499	673,830	550,243
Exchange adjustments	-	-	-	-	18,162	-	-	18,162
Revaluation deficit	-	(487)	-	-	-	-	-	(487)
Revaluation surplus realised upon disposal	-	(1,988)	-	-	-	-	-	(1,988)
Profit for the year	-	-	-	-	-	-	150,016	150,016
01/02 Final dividend paid	-	-	-	-	-	-	(34,383)	(34,383)
02/03 Interim dividend paid	-	-	-	-	-	-	(18,840)	(18,840)
At 31st March 2003	77,855	6,709	38,917	(233,885)	(12,995)	15,499	770,623	662,723
Final dividend proposed	-	-	-	-	-	-	42,390	42,390
Other	77,855	6,709	38,917	(233,885)	(12,995)	15,499	728,233	620,333
At 31st March 2003	77,855	6,709	38,917	(233,885)	(12,995)	15,499	770,623	662,723
Company and subsidiaries	77,855	6,709	38,917	(233,885)	(12,995)	15,499	772,365	664,465
Jointly controlled entities	-	-	-	-	-	-	(1,742)	(1,742)
Associated companies	-	-	-	-	-	-	-	-
At 31st March 2003	77,855	6,709	38,917	(233,885)	(12,995)	15,499	770,623	662,723

27 Reserves (Cont'd)

Company	Share premium US\$'000	Contributed surplus US\$'000	Retained earnings US\$'000	Total US\$'000
At 31st March 2001	77,855	95,273	390,080	563,208
Profit for the year	-	-	32,293	32,293
Dividends	-	-	(48,513)	(48,513)
At 31st March 2002	77,855	95,273	373,860	546,988
Profit for the year	-	-	105,527	105,527
Dividends	-	-	(53,223)	(53,223)
At 31st March 2003	77,855	95,273	426,164	599,292
Final dividend proposed	-	-	42,390	42,390
Other	77,855	95,273	383,774	556,902
At 31st March 2003	77,855	95,273	426,164	599,292
Final dividend proposed	-	-	34,383	34,383
Other	77,855	95,273	339,477	512,605
At 31st March 2002	77,855	95,273	373,860	546,988

Distributable reserves of the company at 31st March 2003 amounted to US\$521,437,000 (2002: US\$469,133,000).

28 Contingent liabilities

(a)	Group		Company	
	2003 US\$'000	2002 US\$'000	2003 US\$'000	2002 US\$'000
Bills discounted	1,554	1,972	-	-
Guarantee for credit facilities granted to				
- subsidiaries	-	-	23,103	19,256
- an associated company	-	4,844	-	-
	1,554	6,816	23,103	19,256

(b) The company has given guarantees for a subsidiary in respect of future payment of operating lease rentals amounting US\$2,291,000 (2002: US\$2,655,000).

(c) In August 2001, a claim for damages was made against a subsidiary and more than ten other third party defendants for personal injury and property damage in a lawsuit pertaining to environmental contamination involving the Group's automotive parts manufacturing facility in Columbus, Mississippi, USA. This facility was part of the acquisition of the former Electric Motor Systems business ("EMS"), a sub-division of UT Automotive, Inc. purchased by Lear Corporation from United Technologies Corporation in May 1999. The Group purchased EMS from Lear in June 1999 and closed down the said facility in November 2001. No amount of damages was specified in the complaint.

On or about 30th December, 2002, counsel representing the plaintiffs in the above-described lawsuit filed additional complaints in the Lowndes Country Circuit Court in Mississippi, U.S.A., on behalf of approximately 1,000 plaintiffs against the same subsidiary of the Group and the same co-defendants named in the above-described case. The new complaints raise allegations similar to the above-described complaint. These complaints, however, have not yet been served on the Group.

The Group is vigorously defending these actions and has asserted claims for indemnity against prior owners. Because this litigation is in its formative stages, however, the Group is unable at this time to predict with certainty the ultimate outcome of this litigation.

29 Commitments

(a) CAPITAL COMMITMENTS

Group	2003 US\$'000	2002 US\$'000
Capital commitments for properties, plant and equipment		
Authorised but not contracted for	3,847	5,617
Contracted but not provided for	8,248	7,945
	12,095	13,562

The Group's share of capital commitments of the jointly controlled entities themselves not included in the above are as follows:

Authorised but not contracted for	-	444
Contracted but not provided for	64	1,104
	64	1,548

(b) OPERATING LEASE COMMITMENTS

(i) At 31st March 2003, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	2003		2002	
	Land and buildings US\$'000	Others US\$'000	Land and buildings US\$'000	Others US\$'000
Not later than one year	2,176	8	1,281	32
Later than one year and not later than five years	5,223	18	3,540	16
Later than five years	2,222	-	2,481	-
	9,621	26	7,302	48

29 Commitments (Cont'd)

(ii) At 31st March 2003, the Group had future aggregate minimum lease rental receivable under non-cancellable operating leases on land and buildings as follows:

	2003	2002
	US\$'000	US\$'000
Not later than one year	914	729
Later than one year and not later than five years	841	565
Later than five years	-	1
	1,755	1,295

30 Consolidated cash flow statement**(a) RECONCILIATION OF PROFIT BEFORE TAXATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2003	2002
	US\$'000	US\$'000
Profit before taxation	174,202	125,936
Share of profits less losses of jointly controlled entities / associated companies	720	6,718
Depreciation charges	36,145	33,534
Amortisation of intangible assets	3,225	641
Loss on sale of properties, plant and equipment	2,721	3,255
Net interest income	(1,477)	(2,617)
Gross earnings from investments in finance leases	(414)	(591)
Net realised and unrealised loss on other investments and investment securities	1,513	1,364
Exchange translation differences	11,673	(889)
(Increase) / decrease in stocks and work in progress	(34,596)	3,600
Decrease / (increase) in trade and other receivables	2,209	(4,905)
Decrease in trade and other payables	(14,391)	(1,075)
Cash generated from operations	181,530	164,971
Interest paid	(883)	(365)
Tax paid	(14,733)	(18,034)
Net cash inflow from operating activities	165,914	146,572

30 Consolidated cash flow statement (Cont'd)**(b) ACQUISITION THROUGH BUSINESS COMBINATIONS**

	2003 US\$'000	2002 US\$'000
Net assets acquired		
Intangible assets	4,045	-
Properties, plant and equipment	10,797	14,536
Deferred tax assets	6,557	600
Stocks and work in progress	7,463	7,114
Trade and other receivables	21,684	7,152
(Bank loans and overdraft) / bank balances and cash	(13,349)	174
Trade and other payables	(31,079)	(13,590)
	6,118	15,986
Interest in jointly controlled entities previously accounted for	(3,111)	(3,108)
	3,007	12,878
(Negative goodwill) / goodwill	(2,145)	19,902
	862	32,780
Satisfied by		
Cash	862	30,680
Debt assignment	-	2,100
	862	32,780

**(c) ANALYSIS OF THE NET OUTFLOW IN RESPECT
OF THE ACQUISITION THROUGH BUSINESS COMBINATIONS**

	2003 US\$'000	2002 US\$'000
Cash consideration	862	30,680
Bank loans and overdraft / (bank balances and cash) acquired	13,349	(174)
Net cash outflow in respect of the acquisition through business combinations	14,211	30,506

31 Significant subsequent events

Johnson Electric Holdings Limited has entered into an agreement to acquire a 49 percent stake in Nihon Mini Motor from Mitsubishi Materials Corporation for approximately US\$12.3 million on 24th April, 2003.

32 Approval of accounts

The accounts were approved by the directors on 5th June 2003.

33 Principal subsidiaries, jointly controlled entities and associated companies

The following list contains particulars of subsidiaries, jointly controlled entities and associated companies of the Group which in the opinion of the directors, materially affect the results and assets of the Group:

Name	Principal activities	Place of incorporation and operation	Issued and paid up capital	Effective shareholding by company	Effective shareholding by subsidiary
SUBSIDIARIES					
Bloor Company Ltd.	Property holding	British Virgin Islands	50,000 shares of US\$ 1 each	-	100%
Brushless Technology Motor S.r.l.	Manufacturing	Italy	EUR 20,000,000	-	100%
Crown Trend Ltd.	Property holding	British Virgin Islands	1 share of US\$ 1 each	-	100%
Delta Success Electric Company Limited	Manufacturing	Malaysia	1 share of US\$ 1 each	-	100%
Deyang Lianzhou Electric Ltd.	Manufacturing	China	US\$ 80,000	-	100%
Easy Fortune (H.K.) Ltd.	Property holding	British Virgin Islands	50,000 shares of US\$ 1 each	-	100%
Gate do Brasil Ltda	Manufacturing	Brazil	BRL 383,166.66	-	100%
Gate Deutschland GmbH	Manufacturing	Germany	DM 100,000	-	100%
Gate Espana Automocion, S.A.	Manufacturing	Spain	PTS 25,000,000	-	100%
Gate France S.A.	Manufacturing	France	FFR 2,500,000	-	99.98%
Gate S.p.A.	Manufacturing	Italy	5,000,000 shares of ITL 1,000 each	-	100%
Gate U.K. Ltd.	Manufacturing	United Kingdom	GBP 50,000	-	100%
Gatebrook International Capital Management Hungary Limited Liability Company	Financing activities	Hungary	US\$ 91,000	-	100%
Gatebrook Ltd.	Investment holding	Cyprus	CYP 10,000	-	100%
Gether Success Ltd.	Investment holding	British Virgin Islands	30,000 shares of US\$ 1 each	100%	-
Guiyang Deguang Electric Co Ltd.	Manufacturing	China	US\$ 200,000	-	100%
Harbour Sky (BVI) Ltd.	Property holding	British Virgin Islands	50,000 shares of US\$ 1 each	-	100%
Hwa Sun Electric Company Ltd.	Subcontractor	Hong Kong	10,000 shares of HK\$ 1 each	-	100%
JE Automotive Holdings, Inc.	Investment holding	United States of America	100 shares of US\$ 0.01 each	-	100%
JEA Gate Holdings S.r.l.	Investment holding	Italy	ITL 63,400,000	-	100%
JEA Limited	Investment holding	British Virgin Islands	1 share of US\$ 1 each	100%	-
Johnson Electric Automotive de Mexico S.A. de C.V.	Manufacturing	Mexico	39,246,590 shares of 1 Peso each	-	100%

33 Principal subsidiaries, jointly controlled entities and associated companies (Cont'd)

Name	Principal activities	Place of incorporation and operation	Issued and paid up capital	Effective shareholding by company	Effective shareholding by subsidiary
SUBSIDIARIES					
Johnson Electric Automotive, Inc.	Manufacturing and investment holding	United States of America	100 shares of US\$ 0.01 each	-	100%
Johnson Electric Capital Ltd.	Investment holding	British Virgin Islands	1 share of US\$1 each	100%	-
Johnson Electric Engineering GmbH	Research and development and technical support	Germany	500 shares of DM100 each	100%	-
Johnson Electric Engineering Ltd.	Technical support	Hong Kong	100,000 shares of HK\$1 each	100%	-
Johnson Electric (France) SAS	Trading	France	1,910 shares of EUR20 each	-	100%
Johnson Electric Industrial Manufactory, Ltd.	Manufacturing	Hong Kong	308,000,000 shares of HK\$ 0.5 each	100%	-
Johnson Electric Industrial (Thailand) Ltd.	Manufacturing	Thailand	5,700,050 shares of BHT100 each	100%	-
Johnson Electric Intellectual Property Ltd.	Licensing	Bermuda	1,000,000 shares of HK\$ 0.1 each	100%	-
Johnson Electric (Italy) S.r.l.	Sales & marketing	Italy	EUR 10,000	-	100%
Johnson Electric (Nanjing) Co., Ltd.	Manufacturing	China	US\$ 1,500,000	-	100%
Johnson Electric North America, Inc.	Sales distributor	United States of America	12 shares with no par value issued at US\$ 120,000	-	100%
Johnson Electric S.A.	Research and development	Switzerland	500 shares of SFR1,000 each	-	100%
Johnson Electric (Shanghai) Ltd.	Sales & marketing	China	US\$ 200,000	-	100%
Johnson Electric (Shenzhen) Co. Ltd.	Manufacturing	China	HK\$ 30,000,000	100%	-
Johnson Electric (Suzhou) Ltd.	Manufacturing	China	US\$ 1,666,066.33	-	100%
Johnson Electric Trading Ltd.	Trading	Hong Kong	100,000 shares of HK\$ 1 each	100%	-
Johnson Electric World Trade Ltd.	Marketing, sales agent and distributor	Hong Kong	100,000 shares of HK\$ 1 each	100%	-
Johnson Properties Ltd.	Investment holding	British Virgin Islands	50,000 shares of US\$ 1 each	100%	-

33 Principal subsidiaries, jointly controlled entities and associated companies (Cont'd)

Name	Principal activities	Place of incorporation and operation	Issued and paid up capital	Effective shareholding by company	Effective shareholding by subsidiary
SUBSIDIARIES					
Main Country Ltd.	Property holding	British Virgin Islands	1 share of US\$1 each	-	100%
Manufactura de Motores Argentinos S.r.l.	Manufacturing	Argentina	Peso 3,880,000	-	100%
Nanjing Hop Keung Industrial Co. Ltd.	Manufacturing	China	US\$ 2,500,000	-	100%
Nison Trading Ltd.	Trading	Malaysia	1 share of US\$ 1 each	-	100%
Sun View Group (Denmark) ApS	Investment holding	Denmark	DKK 2,912,000 distributed on shares of DKK1,000 or multiples	-	100%
Teknik Development Inc.	Licensing	British Virgin Islands	15,000 shares of US\$1 each	100%	-
Triowell Ltd.	Property holding	British Virgin Islands	50,000 shares of US\$ 1 each	-	100%
Unicorn (France) SAS	Sales and marketing	France	1,910 shares of EUR 20 each	-	100%
JOINTLY CONTROLLED ENTITIES					
Nidec Johnson Electric (Hong Kong) Ltd.	Investment holding	Hong Kong	11,200,000 shares of US\$ 1 each	51%	-
Nidec Johnson Electric Corporation	Sales and marketing	Japan	2,000 shares of JPY50,000 each	-	49%
Nidec Johnson Electric (Malaysia) Ltd.	Manufacturing	Malaysia	1 share of US\$ 1 each	-	51%
Shanghai Ri Yong-JEA Gate Electric Co., Ltd.	Manufacturing	China	US\$ 17,000,000	-	50%
ASSOCIATED COMPANY					
FG Microdesign S.r.l.	Manufacturing	Italy	ITL 100,000,000	-	40%