GP Batteries International Limited
Annual Report 2014 – 2015



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FINANCIAL CALENDAR

ANNOUNCEMENT OF FIRST QUARTER RESULTS	12 AUGUST 2014
ANNOUNCEMENT OF SECOND QUARTER RESULTS	12 NOVEMBER 2014
ANNOUNCEMENT OF THIRD QUARTER RESULTS	11 FEBRUARY 2015
ANNOUNCEMENT OF FULL YEAR RESULTS	27 MAY 2015
DESPATCH OF ANNUAL REPORT TO SHAREHOLDERS	15 JULY 2015
ANNUAL GENERAL MEETING	30 JULY 2015
DIVIDENDS	INTERIM PAID ON 6 JANUARY 2015
	FINAL PAYABLE ON 2 SEPTEMBER 2015

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive

Victor LO Chung Wing
Chairman and Chief Executive Officer

Richard KU Yuk Hing
Vice Chairman

Henry LEUNG Kwong Hang
Chief Operating Officer and Chief Risk Officer

LEUNG Pak Chuen

HUI Wing Sun

Brian WONG Tze Hang

Independent Non-Executive

LIM Jiew Keng
Lead Independent Director

Allan CHOY Kam Wing

GOH Boon Seong

AUDIT AND RISK COMMITTEE

LIM Jiew Keng
Chairman

Allan CHOY Kam Wing

GOH Boon Seong

NOMINATING COMMITTEE

Allan CHOY Kam Wing
Chairman

LIM Jiew Keng

GOH Boon Seong

Victor LO Chung Wing

Henry LEUNG Kwong Hang

REMUNERATION COMMITTEE

GOH Boon Seong
Chairman

LIM Jiew Keng

Allan CHOY Kam Wing

REGISTERED OFFICE

3 Fusionopolis Link
#06-10 Nexus @one-north
Singapore 138543
Tel: (65) 6559 9800
Fax: (65) 6559 9801
Email: gpbi@gpbatteries.com.sg
Website: www.gpbatteries.com.sg

COMPANY SECRETARIES

Lynn WAN Tiew Leng

KIAR Lee Noi (appointed on 28 May 2015)

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Tel: (65) 6536 5355
Fax: (65) 6536 1360

AUDITORS

Deloitte & Touche LLP
6 Shenton Way OUE Downtown 2 #33-00
Singapore 068809

Audit Partner-in-charge
CHUA How Kiat (appointed on 30 July 2010)

PRINCIPAL BANKERS

DBS Bank Ltd
Oversea-Chinese Banking Corporation Limited
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Bank of China Limited

SOLICITORS

Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

GROUP PROFILE

GP Batteries International Limited has been listed on the Mainboard of the Singapore Exchange Securities Trading Limited since 1991. The Group is principally engaged in the development, manufacture and marketing of batteries and battery-related products.

Since its establishment under the Gold Peak Group in Hong Kong, GP Batteries has rapidly expanded to become one of the world's major suppliers of primary and rechargeable batteries. It is one of the largest consumer battery manufacturers in China. It supplies an extensive range of battery products to original equipment manufacturers, leading battery companies as well as consumer retail markets under its own **GP** brand name.

GP Batteries' production facilities are located in Singapore, Hong Kong, China, Taiwan, and Malaysia, supported by marketing and trading offices spanning across Asia, Europe and North America. The Group currently employs about 5,900 people worldwide and occupies a total floor area of approximately 262,000 square metres.



FUNCTIONAL STRUCTURE



GP BATTERIES INTERNATIONAL LIMITED
SINGAPORE

MANUFACTURING

PRIMARY SPECIALTY

- GP Batteries (Malaysia) Sdn Bhd — Malaysia 100%
- GP Batteries (China) Limited — China 100%
- Shanghai Bi Ba Batteries Co. Ltd — China 100%

PRIMARY CYLINDRICAL

- Ningbo GP Energy Co., Ltd — China 90%
- Zhongyin (Ningbo) Battery Co., Ltd — China 70%
- Ningbo Fubang Battery Co Ltd — China 72%
- T.G. Battery Co. (China) Limited — China 42.5%
- Hanoi Battery Joint Stock Company — Vietnam 30%

RECHARGEABLE & OTHERS

- Dongguan Chao Ba Batteries Co Ltd — China 100%
- GP Batteries (Shenzhen) Co., Ltd — China 100%
- Huizhou Modern Battery Limited — China 100%
- Gold Peak Industries (Taiwan) Limited — Taiwan 80%

MARKETING & TRADING

ASIA & MIDDLE EAST

- GPI International Limited — Hong Kong 100%
- GP Battery Marketing (H.K.) Limited — Hong Kong 100%
- GP Battery Marketing (Malaysia) Sdn Bhd — Malaysia 100%
- GP Battery Marketing (Singapore) Pte Ltd — Singapore 100%
- GP Battery Marketing (Korea) Limited — South Korea 90%
- Huizhou Chao Ba Batteries Co Ltd — China 90%
- GP Battery Marketing (Middle East) Limited (FZC) — UAE 50%
- GP Battery Marketing (Thailand) Co Ltd — Thailand 49%

EUROPE

- GP Batteries Europe B.V. — Netherlands 100%
- GP Battery (Poland) Sp.z.o.o. — Poland 100%
- GP Batteries (U.K.) Limited — UK 100%
- GP Battery Marketing (Germany) GmbH — Germany 50%
- AZ Limited — Russia 40%
- GPBM Nordic AB — Sweden 25.8%
- GP Battery Marketing Italy S.r.l — Italy 24.5%
- GP Battery Marketing France SA — France 24.5%

AMERICAS

- GP Batteries (Americas) Inc.* — US 100%

* Previously known as GP Battery Marketing (Latin America) Inc.

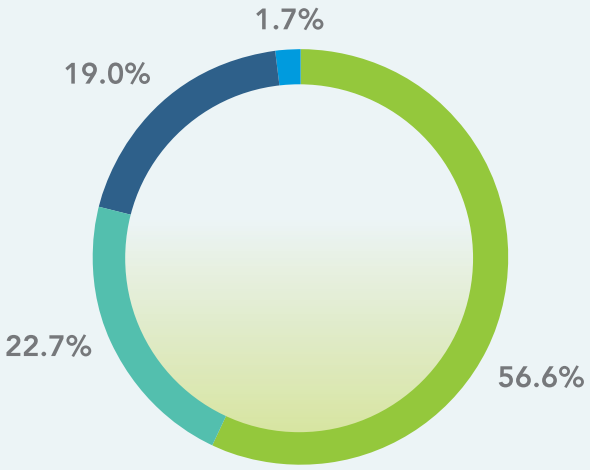
FINANCIAL HIGHLIGHTS

	2015	2014
Consolidated Results		
Year ended 31 March (S$ million)		
Revenue	**719.3**	695.4
Profit (Loss) before income tax	**41.6**	(37.3)
Profit (Loss) attributable to equity holders of the Company	**13.0**	(52.0)
Basic earnings (loss) per share (cents)	**7.88**	(42.97)
Tax-exempt dividend (cents per share)	**3.75**	1.0
Financial Position		
At 31 March (S$ million)		
Shareholders' funds	**265.4**	248.2
Total assets	**609.1**	615.7
Capital expenditure	**15.6**	26.3
Ratios		
Current assets : Current liabilities (ratio)	**1.2**	1.1
Inventory turnover period (months)	**1.6**	1.7
Net borrowings : Equity (ratio)	**0.2**	0.2
Other Information		
Subsidiaries		
– Number of employees	**5,900**	6,000
– Total floor area (sq.m.)	**262,000**	282,000

Certain comparative figures have been restated

Revenue by Products

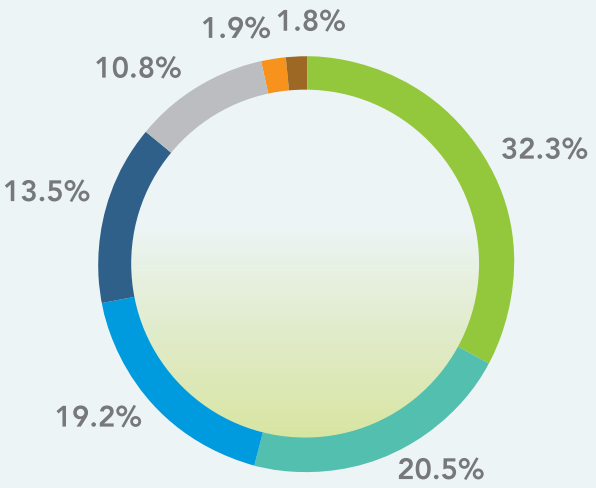
Year ended 31 March 2015



- Primary Cylindrical
- Primary Specialty
- Rechargeable
- Others

Revenue by Locations of Customers

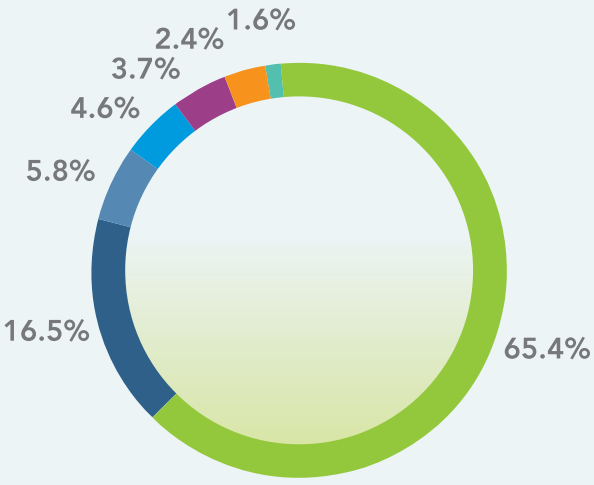
Year ended 31 March 2015



- China
- N & S America
- Europe
- Hong Kong
- Rest of Asia
- Others
- ASEAN

Total Assets by Geographical Areas

At 31 March 2015



- China
- Hong Kong
- Taiwan
- Europe
- Singapore & Malaysia
- Others
- N & S America

FIVE-YEAR FINANCIAL SUMMARY

Consolidated Results Year ended 31 March	2015 S$'000	2014 S$'000	2013 S$'000	2012 S$'000	2011 S$'000
Revenue	**719,335**	695,407	721,071	774,524	831,670
Profit (Loss) for the year	**25,234**	(47,957)	(7,073)	11,274	23,575
Non-controlling interests	**(12,253)**	(4,000)	(9,109)	(4,762)	(4,377)
Profit (Loss) attributable to equity holders of the Company	**12,981**	(51,957)	(16,182)	6,512	19,198

Financial Position At 31 March	2015 S$'000	2014 S$'000	2013 S$'000	2012 S$'000	2011 S$'000
Investment property	**1,747**	1,601	1,123	1,135	1,133
Property, plant and equipment	**211,553**	215,240	228,543	241,452	243,904
Interest in associates	**46,606**	52,066	60,410	72,391	69,926
Available-for-sale investments	**5,699**	4,722	3,664	4,244	4,673
Deferred tax assets	**3,661**	5,713	4,635	3,785	3,537
Intangible assets	**0**	0	80	407	2,042
Goodwill on consolidation	**14,709**	13,485	16,773	16,944	18,055
Non-current deposits	**705**	156	445	656	0
Current assets	**324,379**	322,684	335,868	382,918	351,188
Total assets	**609,059**	615,667	651,541	723,932	694,458
Non-current liabilities	**3,437**	6,020	35,673	49,374	32,487
Current liabilities	**263,093**	299,599	293,526	336,485	330,551
Total liabilities	**266,530**	305,619	329,199	385,859	363,038
Net assets	**342,529**	310,048	322,342	338,073	331,420
Shareholders' funds	**265,357**	248,246	268,890	291,146	286,933
Non-controlling interests	**77,172**	61,802	53,542	46,927	44,487
	342,529	310,048	322,432	338,073	331,420

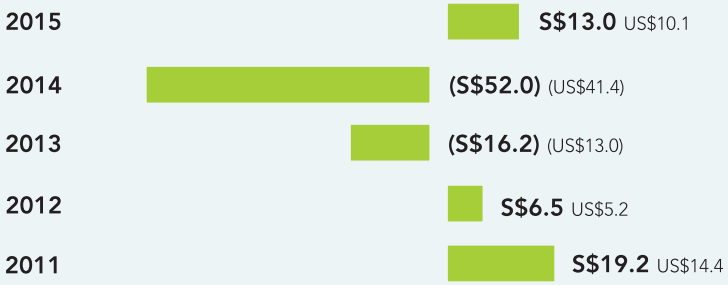
Revenue

Year ended 31 March (million)



Profit (Loss) Attributable to Equity Holders of the Company

Year ended 31 March (million)



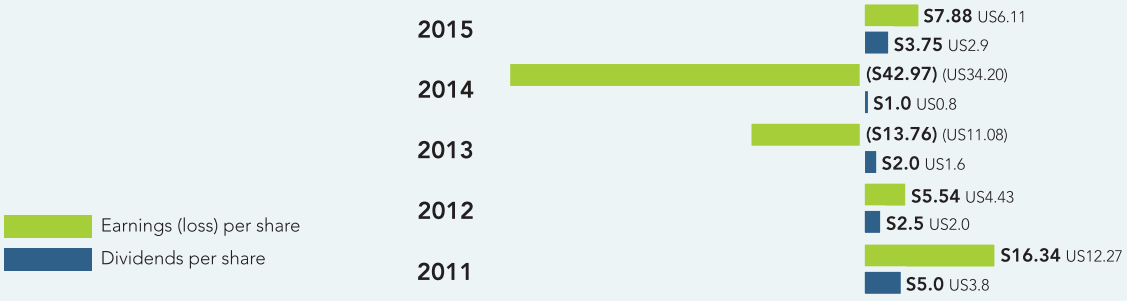
Total Assets

At 31 March (million)



Earnings (Loss) Per Share & Dividends Per Share

Year ended 31 March (cents)



The Group has managed to overcome the challenges and returned to profitability for this financial year under review. Enhancing market share growth of **GP** brand products and expanding the distribution networks will be our main focus for the coming year.

The Group has returned to growth in both sales and profitability during the financial year 2014-2015 after two consecutive years of losses. Demand from North America continued to be strong while those in Asia grew moderately. Europe and Latin America continued to be sluggish and a weak Russian Ruble particularly affected GP Batteries which has a relatively significant presence in Russia. Margins are still under pressure as a result of wage rise in China. However, with automation and rationalization of the manufacturing operations in place, these unfavourable factors are partly offset.

The Group's financial position remains healthy with record low gearing ratio. A gain of S$9.2 million in this financial year arose from the disposal of the factory building in Singapore. The Group will continue to explore opportunities to dispose of other non-core or idle assets to support the core business development.

Revenue for the year increased by 3.4% to S$719.3 million. Gross profit margin improved by 0.6% to 23.1% on account of cost and productivity improvements attained during the year. Profit before income tax was S$41.6 million as compared to a loss of S$37.3 million last year. Earnings per share were 7.88 Singapore cents compared to loss per share of 42.97 Singapore cents last year.

The Board of Directors recommended a final tax-exempt dividend of 2.5 Singapore cents per share. Together with the interim tax-exempt dividend paid, the total tax-exempt dividend per share for the year amounted to 3.75 Singapore cents.

Looking ahead, the Group will continue to invest in brand building. This is important for the Group in the medium and long term. In spite of the expected



challenge of volatile currencies, we are optimistic in growing our market share in some emerging markets. With the continuous efforts on improving the core battery business, the Group is poised to further strengthen its competitiveness in the market.

We will continue to strengthen our distribution network globally. E-commerce will be one of the potential growth channels and rechargeable products will also be a growth driver.

On the manufacturing side, we will expand the automation programs to cover more product categories so as to improve quality, reliability and productivity, and to maintain price competitiveness. We will continue to streamline and rationalize our operations to better utilize our resources and facilities to counter the escalating production costs in China.

On behalf of the Board of Directors, I would like to express our gratitude to our shareholders, business partners and customers for their continual support. Special thanks are extended to our committed employees for their commitment and relentless hard work during the year.

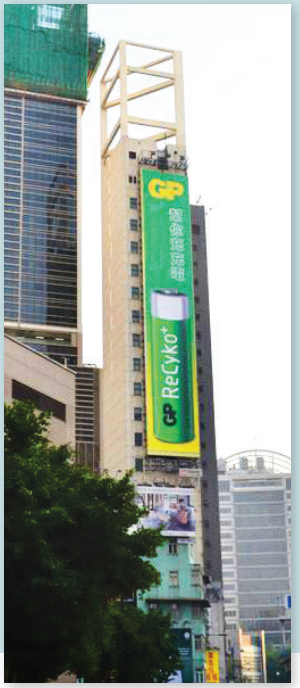
Victor C. W. Lo
Chairman and Chief Executive Officer

16 June 2015

Global Presence



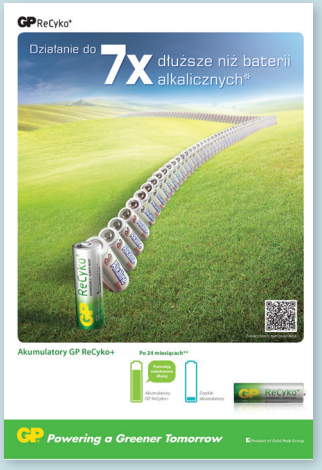









GP DISCOVERY
Latarki GP
- niezawodne
działanie
w każdych
warunkach
LOE309AU
LOE404AU
GP Powering a Greener Tomorrow
Product of Gold Peak Group


GP ReCyko+
Działanie do 7x dłuższe niż baterii alkalicznych*
Akumulatory GP ReCyko+
Po 24 miesiącach**
GP Powering a Greener Tomorrow
Product of Gold Peak Group


Godrej GP Ultra Alkaline Battery
Experience the Excellence
Long-lasting Power
Godrej GP Ultra Alkaline Battery delivers superb lasting power
whenever you need it. Use Godrej GP Ultra Alkaline Battery Now.
Great Performance Your Price Saver
City distributor enquires solicited
Imported, Marketed & Distributed by Godrej & Boyce Mfg. Co. Ltd., Plant 14P, 1st Flr., Pirojshanagar, Vikhroli,
Mumbai - 400 079. India Contact : Mr. Sudip Parab : 9820877373. Email : battery@godrej.com
www.godrejbatteries.com


GP 超霸储电宝
电量源源不绝
精彩球赛看不停
移动电源
8400mAh
原价¥179
限量疯抢价
¥79
GP 超霸为您充电


Rozszerzamy ofertę,
by działać dłużej
Baterie alkaliczne GP
Zobacz film
o tym produkcie
GP Powering a Greener Tomorrow
Product of Gold Peak Group


GP PowerBank
Doświadcz
mocy
dzielenia się.
GP Powering a Greener Tomorrow
Product of Gold Peak Group


small cells
big power
15%* more powerful for innovative gadgets
GP custom-made energy solution
recharge with GP



Battery Experts

Elevating efficiency with system automation in management and production

Increasing competitiveness with efficient distribution channels

Satisfying customers with safe and quality products

Opening marketing opportunities with product innovation and technology

Expanding market share with extended global presence

REVIEW OF OPERATIONS



The Group's revenue for the year ended 31 March 2015 was S$719.3 million, an increase of 3.4% over last year. Sales of primary batteries increased by 7.0% while sales of rechargeable batteries decreased by 8.4%. Sales in Americas and Asia grew by 20.1% and 5.2% respectively while sales in Europe dropped by 9.9%. Gross profit margin improved by 0.6% to 23.1% due to decrease in material prices and factory overhead.

Distribution expenses increased by 13.6% to S$58.0 million over last year due to additional expenditure in advertising and promotion globally for brand building. Administrative expenses were S$76.8 million, a decrease of 2.3% over last year.

Finance costs were S$5.4 million, a decrease of 26.1% over last year, which was mainly attributable to reduced gross borrowings from S$151.9 million as at 31 March 2014 to S$124.9 million as at 31 March 2015.

Net other operating income of S$14.7 million was mainly due to (i) an exchange gain of S$6.6 million arising from the translation of US dollar denominated monetary assets into local currencies, which had weakened against US dollar; and (ii) a gain of S$9.2 million arising from the disposal of the factory building in Singapore.

Share of results of associates was S$0.7 million as compared to a loss of S$4.7 million last year. The improvement for this year was mainly due to the cessation of loss-making operations of the Vectrix Group.

Profit before income tax was S$41.6 million as compared to a loss of S$37.3 million last year. Gearing ratio of the Group was at a record low of 17% as at 31 March 2015.







REVIEW BY PRODUCTS



Primary Batteries

Sales of primary batteries increased by 7% over last year. Sales of alkaline batteries reported significant growth over last year. The Group is well poised to capture sales opportunities from other battery companies as they arise.

To cope with international regulations, the button cell plant in Shanghai has ceased the production of cells containing mercury. Sales of carbon zinc batteries remained stable while primary lithium batteries grew steadily.

Rechargeable Batteries

Sales of rechargeable batteries decreased by 8.4% over last year. The nickel metal hydride business was still facing challenges especially in the consumer market. The Group will continue to focus on automation and technology development to drive cost and quality competitiveness.

Rechargeable lithium batteries business was undergoing the period of consolidation. With the continuous efforts to rationalize the rechargeable lithium factories, it is expected that business will return to a growing pattern. The Group will focus on major application segments with its miniature batteries.

The Group has renewed a sub-contracting manufacturing agreement with Boston-Power Inc of the US to provide lithium-ion batteries for electric vehicle applications.

Sales of the Portable PowerBank reported a steady growth over last year, especially in the European regions. The Group will focus to grow the business by expanding the distribution channels and developing new product ranges.

REVIEW BY MARKET SEGMENTS

Consumer Market

Consumer market segment sales declined over last year. Weakening of certain currencies against US dollar affected the businesses especially in the European regions. According to the Nielsen's Report, GP alkaline and rechargeable battery were ranked No. 1 in sales volume in Hong Kong for eleven consecutive years (2004-2014). The Group will continue to invest in building the GP brand and explore opportunities both offline and online.

Industrial Market

Overall sales in industrial market segment dropped over last year due to slowdown and overstock in some of the Group's customers. The Group will continue to focus on key customers in target market segments.



A co-brand GP PowerBank with world renowned fashion brand VIVIENNE TAM



BUSINESS PROCESS RE-ENGINEERING

The Group will continue its efforts to streamline and rationalize the operations for both manufacturing and sales offices. The SAP system has been implemented in most of the operations and is expected to complete in the coming financial year.

ENVIRONMENT, HEALTH & SAFETY

The Group's Environment, Health and Safety Joint Committee conducted several environmental protection seminars and cleaning campaigns in Mainland China to advocate the importance of environmental friendliness. During the year, the Group also received numerous awards in recognition of the environmental protection efforts.

The Group received "Hong Kong - Guangdong Cleaner Partner (Supply Chain)" award from the Economic & Information Commission of Guangdong Province and the Government of the Hong Kong Special Administrative Region.

Four of the factories in Guangdong province received "Hong Kong - Guangdong Cleaner Partner (Manufacturing)" awards.

Five factories continued to receive the "Green Medal" of Hang Seng Pearl River Delta Environmental Awards 2013/14 by Federation of Hong Kong Industries to recognize their achievement in environmental and economic efficiency. Among them, three were named "5 Years+ entrants" to recognize their participation in the Awards for five consecutive years.

COMMUNITY INVOLVEMENT

The Group has organized and participated in various social caring events such as blood donation, charity fundraising, tree planting and visits to elderly community centers. The Group has also sponsored the Hong Kong Society for Quality to hold student project competitions for local university undergraduates.

As a social responsible organization, the Group has sustained the standard of ISO26000 and continued to receive the CSR Advocate Mark from Hong Kong Quality Assurance Agency (HKQAA) as a recognition for its strong commitment in practising good corporate citizenship.

EXECUTIVE DIRECTORS

Victor LO Chung Wing

Aged 65, appointed as Chairman and Chief Executive Officer and a member of the Nominating Committee since 25 April 2014. He is also the chairman and chief executive of Gold Peak Industries (Holdings) Limited and chairman of GP Industries Limited.

Mr Lo is chairman of the board of directors of Hong Kong Design Centre and chairman of CreateSmart Initiative Vetting Committee of Hong Kong SAR Government. He is a non-official member of the Advisory Committee on Innovation and Technology as well as the Economic Development Commission and the convenor of its Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries. He is also a member of the board of the West Kowloon Cultural District Authority in Hong Kong, and chairman of its Museum Committee. He is a director of PMQ Management Company Ltd, a non-profit-making organization for the promotion of creative industries in Hong Kong. In addition, he is the chairman of board of directors of The Hotel ICON Limited, which is the teaching and research hotel under The Hong Kong Polytechnic University.

Mr Lo graduated from the Institute of Design of Illinois Institute of Technology, US with a Bachelor of Science degree in Product Design. He also holds an Honorary Doctorate in Design from The Hong Kong Polytechnic University.

Richard KU Yuk Hing

Aged 67, appointed as Vice Chairman since 1993. He is also a board member of Gold Peak Industries (Holdings) Limited and chairman of GPI International Limited.

Mr Ku has over 35 years' experience in international marketing in the battery industry. He graduated from the Sophia University, Japan with a Bachelor of Science degree in Economics.

Henry LEUNG Kwong Hang

Aged 63, appointed as an Executive Director since 2008. He is the Chief Operating Officer and Chief Risk Officer of the Company.

Mr Leung has more than 35 years' global business experience in the US, Singapore and Hong Kong, and has held senior positions in a number of multinational electronic corporations. He is also a member of the board of directors of Nano and Advanced Materials Institute Limited. Mr Leung graduated from the University of Essex, UK with a Bachelor's degree in Telecommunication Engineering. He is a Chartered Engineer and a member of The Institution of Engineering and Technology, UK as well as a fellow member of The Hong Kong Institution of Engineers.

LEUNG Pak Chuen

Aged 65, appointed as an Executive Director since May 2014. He is also the deputy chief executive of Gold Peak Industries (Holdings) Limited and the executive vice chairman of GP Industries Limited.

Mr Leung has been in the electronics manufacturing industry for over 35 years and has played an important role in setting up the Gold Peak Group's major joint ventures in China in mid 1980s. He is a member of The Chartered Institute of Marketing, UK and The International Institute of Management. He graduated from Chu Hai College, Hong Kong with a Bachelor's degree in Business Administration.

HUI Wing Sun

Aged 69, appointed as an Executive Director since 1991. He is a member of The Hong Kong Institution of Engineers. Mr Hui holds a Higher Diploma in Mechanical Engineering from The Hong Kong Polytechnic University (formerly The Hong Kong Polytechnic) and a Master of Science degree in Applied Mechanics from the Institute of Science and Technology, University of Manchester, UK.



Brian WONG Tze Hang Henry LEUNG Kwong Hang HUI Wing Sun GOH Boon Seong Allan CHOY Kam Wing LEUNG Pak Chuen
LIM Jiew Keng Victor LO Chung Wing Richard KU Yuk Hing

Brian WONG Tze Hang

Aged 52, appointed as an Executive Director since 2009. He is the Head of Finance of the Company.

Mr Wong has over 25 years' experience in the accounting field and is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants of the UK. He holds a Bachelor of Laws degree from the University of London, UK.

INDEPENDENT NON-EXECUTIVE DIRECTORS

LIM Jiew Keng

Aged 75, appointed as a Non-Executive and Independent Director since 2009 and Lead Independent Director in May 2014. He has been the Chairman of the Audit Committee, which was subsequently renamed as Audit and Risk Committee on 27 May 2015, and a member of both the Nominating and Remuneration Committees since 2011.

Mr Lim has had extensive experience in the financial and banking industry, having worked during the 1970s and 1980s in senior management positions in Chase Manhattan Bank, Singapore, Chase Investment Bank (S) Pte Ltd and Banque Paribas Singapore. He was an advisor to Vickers Ballas Holdings Ltd for 5 years in the mid-1990s. Mr Lim is currently a senior banking and financial consultant and director of BSL Consultants Pte Ltd.

Mr Lim holds a Bachelor of Social Science (Honours) degree in Economics from the National University of Singapore (formerly University of Singapore), a Certificate in Education from the National Institute of Education (formerly Teachers' Training College), Singapore and completed an Advanced Management Programme at the Fuqua Business School of the Duke University, US. Mr Lim has been a member of the Singapore Institute of Directors since 2002.

Allan CHOY Kam Wing

Aged 71, appointed as a Non-Executive and Independent Director since 2011. He was appointed Chairman of the Nominating Committee and a member of both the Audit Committee, which was subsequently renamed as Audit and Risk Committee on 27 May 2015, and Remuneration Committee in the same year.

Mr Choy is currently an independent director of GP Industries Limited. He has more than 40 years' experience in the electronics and battery industries and had held senior management positions in multinational corporations including the Varta Group and BCcomponents. He was an executive director of GP Industries Limited from 1997 to 1998, and Chief Operating Officer of the Company from 2005 to 2007.

Mr Choy holds a Diploma in Management Studies from the University of Hong Kong and an MBA degree from the University of Macau.

GOH Boon Seong

Aged 61, appointed as a Non-Executive and Independent Director since 2012. He was appointed Chairman of the Remuneration Committee and a member of both the Audit Committee, which was subsequently renamed as Audit and Risk Committee on 27 May 2015, and Nominating Committee in the same year.

Mr Goh has over 30 years of management experience in the private sector and is currently the president and chief executive officer of WhiteRock Medical Company Pte Ltd, a medical device group focusing on wearable, portable and wireless technology applications in chronic care. Prior to this, Mr Goh held various senior positions within the Singapore Technologies Group in the areas of corporate development, investment and finance. He also served Morgan Grenfell, PrimeEast Group and Merrill Lynch holding senior management positions.

Mr Goh graduated from the National University of Singapore (formerly University of Singapore) with a Bachelor of Business Administration degree.

SENIOR MANAGEMENT

Percy CHAN Chi Wai

Joined the Company in 2007 and is currently Quality Director and Acting Global Supply Chain Director of the Company. He has over 20 years' working experience in the field of quality assurance. He is a fellow of Professional Business and Technical Management, UK; a senior member of American Society for Quality; a full member of Hong Kong Quality Management Association and a member of The Chartered Quality Institute (formerly The Institute of Quality Assurance), UK. He graduated from City University of Hong Kong (formerly City Polytechnic of Hong Kong) with a Bachelor's degree in Applied Physics and a Master's degree in Materials Technology. He also holds a Master of Science degree in Quality Management and a Doctoral degree in Engineering from The Polytechnic University.

Herbert HO Chung Kai

Joined the Group in 1984 and is currently Director, Private Label Sales of GPI International Ltd. He has accumulated 30 years' experience in marketing and sales of battery products, with 10 years stationed in Canada. He holds a Bachelor of Commerce degree majoring in Marketing from University of Calgary, Canada.

Parklin HO Pak Nin

Joined the Group in 1979 and is currently Director, Consumer Division of GPI International Limited and is also Senior Director - Global Distribution Strategies of Gold Peak Industries (Holdings) Limited. He has over 30 years' experience in the electrical and battery industries in Hong Kong. He holds a Bachelor's degree in Social Sciences from The University of Hong Kong.

Peter IP Chau Sing

Joined the Group in 1985 and is currently Head of Business Unit, Carbon Zinc of the Company. He has accumulated over 35 years' working experience in marketing batteries. He holds a Diploma in Management Studies jointly from The Polytechnic University (formerly Hong Kong Polytechnic) and Hong Kong Management Association.

Edward LAM Wai Man

Joined the Group in 2009 and is currently Head of Corporate Operations & Industrial Sales. He has a collection of 20 years of senior executive positions in various corporations with experience in engineering, business management, sales and marketing and corporate functions. He holds a Bachelor's degree in Electronic and Structural Materials Engineering from University of Oxford, UK.

Allen MOK Chi Fai

Joined the Group in 2007 and is currently Director, Consumer Sales of GPI International Ltd. He has more than 35 years' experience in consumer sales and marketing functions as well as advertising industry. Prior to joining the Group, he had held senior management positions in multinational FMCG companies with Greater China and worldwide responsibilities. He holds a Bachelor's degree with Honours in Business Administration from University of Western Ontario, Canada.

Jenny QUEK Guet Ngoh

Joined the Group in 1998, and is currently Director, Technical Centre & Business Development of the Company. She has more than 30 years' technical experience in R&D and product development in battery industry. She holds a Diploma in Chemical Process Technology from Singapore Polytechnic and a Bachelor's degree in Engineering Management from the University of Western Sydney, Australia.

Daniel TONG Shun Yuen

Joined the Group in 2011 and is currently General Manager, Nickel Metal Hydride Strategic Business Unit of the Company. He has more than 20 years' manufacturing and commercial experience in the multinational chemical industry. He holds a Bachelor of Science degree in Chemical Engineering from University of Alberta, Canada and an MBA degree from University of Southern Queensland, Australia.

William WANG Jian Hao

He is currently General Manager of Zhongyin (Ningbo) Battery Co., Ltd. which he joined in 1983. He holds an Associate degree in Mechanics from Zhejiang Radio and Television University, China and a Bachelor's degree in Law from China University of Geosciences, Wuhan, China.

WANG Mingde

Joined the Company in 2013 and is currently Head of Strategic Business Unit, Lithium. He has over 15 years' working experience with the last five years holding senior management positions in energy technology companies. He received his Bachelor's and Master's degrees, both in Engineering, from Zhejiang University, China and holds a PhD from University of Pennsylvania, US.

Richard YEW Cheng Teik

Joined the Group in 2015 and is currently Head of Strategic Operations and Development of the Company. He has more than 20 years' experience holding management positions in industrial companies in Asia. He holds a Bachelor of Science degree in Electrical Engineering from University of Arkansas, US and an MBA degree from Janus University (formerly known as Newport University), US.

David ZHENG Wei Gong

Joined the Group in 2011 and is currently Head of Technical Operations of the Company. He has been in the energy and battery material field for more than 10 years holding senior positions. He graduated from Peking University, China with a Bachelor's degree in Chemistry. He also holds a Master's degree in Chemistry from Fujian Institute of Research on the Structure of Matter which is under the Chinese Academy of Science as well as a Doctor's degree in Chemistry from the University of Pennsylvania, US.

CORPORATE CALENDAR OF EVENTS AND AWARDS

EVENTS

2014	Jul	The Company's subsidiary, Bolder Technologies Pte Ltd, completed the disposal of the property at 97 Pioneer Road, Singapore 639579 for S$11.18 million.
	Oct	The Company's subsidiary, North America Land Holdings Inc, completed the disposal of the property in San Diego for US$6 million.

AWARDS

2014	Jul	Dongguan Chao Ba Batteries Co., Ltd. received the "Work Safety Standardization Certificate" from Dongguan Safety Production Administration Association.
	Nov	Huizhou Modern Battery Limited was awarded the "Work Safety Standardization Certificate" from Huizhou Safety Production Administration Association.
2015	Jan	Nielsen's Report ranked GP as the No.1 brand in sales volume in the alkaline battery segment as well as the rechargeable battery segment in Hong Kong for the eleventh consecutive year.
	Feb	The Company was awarded "Hong Kong - Guangzhou Cleaner Production Partner (Supply Chain)" and four factories in China were awarded "Hong Kong - Guangzhou Cleaner Production Partner (Manufacturing)" by the Environment Bureau of Hong Kong and the Economic and Information Commission of Guangdong Province, China.
	Apr	Five factories in China were named "Green Medalists / Green Participant" of the Hang Seng Pearl River Delta Environmental Awards 2013/2014 by Federation of Hong Kong Industries to recognize their achievement in environmental and economic efficiency. The Company won the Gold Award of Best Practice in Quality Improvement with Six Sigma in the Asia Quality Best Practice Award 2015 organized by the International Six Sigma Council.

The directors present their report together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2015.

1 DIRECTORS

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

Executive:

Victor Lo Chung Wing	(Chairman and Chief Executive Officer)
Richard Ku Yuk Hing	(Vice Chairman)
Henry Leung Kwong Hang	(Chief Operating Officer and Chief Risk Officer)
Leung Pak Chuen	
Hui Wing Sun	
Brian Wong Tze Hang	

Independent Non-executive:

Lim Jiew Keng	(Lead Independent Director)
Allan Choy Kam Wing	
Goh Boon Seong	

2 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 of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the Company's share option schemes as disclosed in paragraph 5 of this report.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company, the Company's ultimate holding company, Gold Peak Industries (Holdings) Limited ("Gold Peak") and the Company's immediate holding company, GP Industries Limited ("GPI") 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 name of directors			Shareholdings in which directors are deemed to have an interest		
	At 1 April 2014 or date of appointment, if later	At 31 March 2015	At 21 April 2015	At 1 April 2014 or date of appointment, if later	At 31 March 2015	At 21 April 2015
Interest in the Company's ordinary shares						
Victor Lo Chung Wing	300,000	300,000	300,000	87,708,144	100,813,244	102,274,444
Richard Ku Yuk Hing	151,500	151,500	151,000	–	–	–
Hui Wing Sun	695,028	695,028	695,028	–	–	–
Ordinary shares of NT$10 each of Gold Peak Industries (Taiwan) Limited, a subsidiary of the Company						
Richard Ku Yuk Hing	200,000	200,000	200,000	–	–	–
Hui Wing Sun	200,000	200,000	200,000	–	–	–

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (cont'd)

	Shareholdings registered in the name of directors			Shareholdings in which directors are deemed to have an interest		
	At 1 April 2014 or date of appointment, if later	At 31 March 2015	At 21 April 2015	At 1 April 2014 or date of appointment, if later	At 31 March 2015	At 21 April 2015
Interest in Gold Peak's ordinary shares						
Victor Lo Chung Wing	6,141,945	6,141,945	6,141,945	226,747,823	226,747,823	226,747,823
Richard Ku Yuk Hing	2,629,684	2,629,684	2,629,684	–	–	–
Henry Leung Kwong Hang	500,000	500,000	500,000	–	–	–
Leung Pak Chuen	4,575,114	4,575,114	4,575,114	–	–	–
Hui Wing Sun	1,047,956	1,047,956	1,047,956	–	–	–
Options to subscribe for Gold Peak's ordinary shares						
Victor Lo Chung Wing	750,000	750,000	750,000	–	–	–
Richard Ku Yuk Hing	700,000	700,000	700,000	–	–	–
Leung Pak Chuen	700,000	700,000	700,000	–	–	–
Interest in GPI's ordinary shares						
Victor Lo Chung Wing	300,000	300,000	300,000	414,098,443	414,098,443	414,098,443
Richard Ku Yuk Hing	340,000	340,000	340,000	–	–	–
Leung Pak Chuen	1,608,000	1,608,000	1,608,000	–	–	–
Hui Wing Sun	77,430	77,430	77,430	–	–	–
Options to subscribe for GPI's ordinary shares						
Victor Lo Chung Wing	400,000	–	–	–	–	–
Leung Pak Chuen	380,000	–	–	–	–	–

By virtue of Section 7 of the Singapore Companies Act, Mr Victor Lo Chung Wing is deemed to have an interest in all the related corporations of the Company.

4 DIRECTORS' RECEIPT OF 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 for salaries, bonuses and other benefits as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

5 SHARE OPTIONS

During the financial year,

(i) no option to take up unissued shares of the Company or any corporation in the Group was granted; and

(ii) 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.

6 UNISSUED SHARES UNDER OPTION

There were no unissued shares of the Company and subsidiaries under option at the end of the financial year.

7 AUDIT COMMITTEE

The Audit Committee of the Company is chaired by Mr Lim Jiew Keng, the Lead Independent Director, and includes Mr Allan Choy Kam Wing and Mr Goh Boon Seong, who are all independent directors. The Audit Committee has met four times since the last Directors' report and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

(a) the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

(b) the Group's financial and operating results and accounting policies;

(c) the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditors' report on those financial statements;

(d) the quarterly, half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;

(e) the co-operation and assistance given by the management to the Group's external auditors; and

(f) the re-appointment of the external auditors of the Group.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

The Audit Committee was renamed as Audit and Risk Committee on 27 May 2015.

8 AUDITORS

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

ON BEHALF OF THE DIRECTORS

Victor Lo Chung Wing
Chairman and Chief Executive Officer

Richard Ku Yuk Hing
Vice Chairman

Singapore
16 June 2015

STATEMENT OF DIRECTORS

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 26 to 85 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company 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 when they fall due.

ON BEHALF OF THE DIRECTORS

Victor Lo Chung Wing
Chairman and Chief Executive Officer

Richard Ku Yuk Hing
Vice Chairman

Singapore
16 June 2015

INDEPENDENT AUDITORS' REPORT

To the Members of GP Batteries International Limited

Report on the Financial Statements

We have audited the accompanying financial statements of GP Batteries International Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2015, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 26 to 85.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

Chua How Kiat
Partner
Appointed since 30 July 2010

16 June 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2015

	Note	The Group 2015 S$'000	2014 S$'000
Revenue	4	**719,335**	695,407
Cost of sales		**(552,963)**	(539,175)
Gross profit		**166,372**	156,232
Other operating income	5a	**21,131**	6,002
Distribution expenses		**(57,961)**	(51,027)
Administrative expenses		**(76,832)**	(78,662)
Other operating expenses	5b	**(6,410)**	(57,811)
Finance costs	6	**(5,438)**	(7,362)
Profit (Loss) before share of results of associates		**40,862**	(32,628)
Share of results of associates		**741**	(4,681)
Profit (Loss) before income tax	7	**41,603**	(37,309)
Income tax	9	**(16,369)**	(10,648)
Profit (Loss) for the year		**25,234**	(47,957)
Profit (Loss) attributable to:			
Equity holders of the Company		**12,981**	(51,957)
Non-controlling interests	30	**12,253**	4,000
		25,234	(47,957)
Earnings (Loss) per share (cents):			
- Basic	11	**7.88**	(42.97)
- Diluted	11	**7.88**	(42.97)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2015

	The Group	
	2015	2014
	S$'000	S$'000
Profit (Loss) for the year	**25,234**	(47,957)
Other comprehensive income:		
Items that may be subsequently reclassified to Profit or Loss:		
Translation differences arising from consolidation of foreign operations	**14,349**	4,537
Available-for-sale financial assets		
- Fair value (loss) gain arising during the year	**(176)**	1,382
Other comprehensive income for the year, net of tax	**14,173**	5,919
Total comprehensive income (loss) for the year	**39,407**	(42,038)
Total comprehensive income (loss) attributable to:		
Equity holders of the Company	**20,819**	(46,727)
Non-controlling interests	**18,588**	4,689
	39,407	(42,038)

See accompanying notes to financial statements.

STATEMENTS OF FINANCIAL POSITION

31 March 2015

	Note	The Group		The Company	
		2015	2014	2015	2014
		S$'000	S$'000	S$'000	S$'000
Non-current assets					
Investment property	12	**1,747**	1,601	**–**	–
Property, plant and equipment	13	**211,553**	215,240	**787**	772
Interest in subsidiaries	14	**–**	–	**332,877**	332,354
Interest in associates	15	**46,606**	52,066	**16,382**	16,382
Available-for-sale investments	16	**5,699**	4,722	**–**	–
Deferred tax assets	26	**3,661**	5,713	**–**	–
Intangible assets	17	**–**	–	**–**	–
Goodwill on consolidation	18	**14,709**	13,485	**–**	–
Deposits and prepayments	22	**705**	156	**–**	16
Total non-current assets		**284,680**	292,983	**350,046**	349,524
Current assets					
Stocks	19	**101,123**	95,396	**–**	–
Debtors	20	**128,782**	122,570	**105,275**	117,583
Tax recoverable		**3,615**	896	**–**	–
Deposits and prepayments	22	**9,747**	7,996	**1,086**	564
Bank balances and cash		**81,042**	93,979	**6,987**	10,661
		324,309	320,837	**113,348**	128,808
Assets held for sale	35	**70**	1,847	**–**	–
Total current assets		**324,379**	322,684	**113,348**	128,808
Current liabilities					
Creditors and accrued charges	23	**135,922**	146,314	**139,930**	121,032
Derivative financial instruments	21	**195**	679	**–**	–
Obligations under finance leases	24	**196**	291	**–**	64
Income tax payable		**1,854**	2,502	**269**	257
Bank loans and overdrafts	25	**124,926**	149,813	**60,855**	79,152
Total current liabilities		**263,093**	299,599	**201,054**	200,505
Net current assets (liabilities)		**61,286**	23,085	**(87,706)**	(71,697)
Non-current liabilities					
Bank loans	25	**–**	2,103	**–**	42
Obligations under finance leases	24	**120**	108	**–**	–
Deferred tax liabilities	26	**3,317**	3,809	**–**	–
Total non-current liabilities		**3,437**	6,020	**–**	42
Net assets		**342,529**	310,048	**262,340**	277,785
Represented by					
Share capital	27	**257,400**	257,400	**257,400**	257,400
Reserves		**7,957**	(9,154)	**4,940**	20,385
Attributable to equity holders of the Company		**265,357**	248,246	**262,340**	277,785
Non-controlling interests	30	**77,172**	61,802	**–**	–
		342,529	310,048	**262,340**	277,785

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 March 2015

	Note	Share capital	Capital reserve#	Legal reserve	Translation reserve	Property/ asset revaluation reserve	Retained profits	Share option reserve	Fair value reserve	Attributable to equity holders of the Company	Non-controlling interests	Total
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
The Group												
Balance at 1 April 2013		231,257	(34,002)	21,407	(135,009)	3,358	180,746	1,133	–	268,890	53,452	322,342
Total comprehensive (loss) income for the year:												
(Loss) Profit for the year		–	–	–	–	–	(51,957)	–	–	(51,957)	4,000	(47,957)
Other comprehensive income for the year		–	–	–	3,848	–	–	–	1,382	5,230	689	5,919
Total		–	–	–	3,848	–	(51,957)	–	1,382	(46,727)	4,689	(42,038)
Transactions with owners, recognised directly in equity:												
Issue of shares, net of expenses	27	26,143	–	–	–	–	–	–	–	26,143	–	26,143
Dividends paid	10(a)	–	–	–	–	–	(1,099)	–	–	(1,099)	–	(1,099)
Dividends paid to non-controlling interests in subsidiaries		–	–	–	–	–	–	–	–	–	(5,009)	(5,009)
Effects of changes in shareholdings on non-controlling interests		–	1,039	–	–	–	–	–	–	1,039	8,670	9,709
Total		26,143	1,039	–	–	–	(1,099)	–	–	26,083	3,661	29,744
Transfer to (from) reserves		–	–	371	–	–	762	(1,133)	–	–	–	–
Balance at 31 March 2014		257,400	(32,963)	21,778	(131,161)	3,358	128,452	–	1,382	248,246	61,802	310,048
Balance at 1 April 2014		257,400	(32,963)	21,778	(131,161)	3,358	128,452	–	1,382	248,246	61,802	310,048
Total comprehensive income (loss) for the year:												
Profit for the year		–	–	–	–	–	12,981	–	–	12,981	12,253	25,234
Other comprehensive income (loss) for the year		–	–	–	8,014	–	–	–	(176)	7,838	6,335	14,173
Total		–	–	–	8,014	–	12,981	–	(176)	20,819	18,588	39,407
Transactions with owners, recognised directly in equity:												
Capital contributions by non-controlling interests		–	–	–	–	–	–	–	–	–	71	71
Dividends paid	10(a)	–	–	–	–	–	(3,708)	–	–	(3,708)	–	(3,708)
Dividends paid to non-controlling interests in subsidiaries		–	–	–	–	–	–	–	–	–	(3,119)	(3,119)
Effects of changes in shareholdings on non-controlling interests		–	–	–	–	–	–	–	–	–	(170)	(170)
Total		–	–	–	–	–	(3,708)	–	–	(3,708)	(3,218)	(6,926)
Transfer to (from) reserves		–	–	223	–	–	(223)	–	–	–	–	–
Balance at 31 March 2015		**257,400**	**(32,963)**	**22,001**	**(123,147)**	**3,358**	**137,502**	**–**	**1,206**	**265,357**	**77,172**	**342,529**

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

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Year ended 31 March 2015

	Note	Share capital S$'000	Retained profits S$'000	Share option reserve S$'000	Translation reserve S$'000	Total S$'000
The Company						
Balance at 1 April 2013		231,257	64,564	1,133	213	297,167
Total comprehensive loss for the year:						
Loss for the year		–	(44,193)	–	–	(44,193)
Other comprehensive loss for the year		–	–	–	(233)	(233)
Total		–	(44,193)	–	(233)	(44,426)
Transactions with owners, recognised directly in equity:						
Dividends paid	10(a)	–	(1,099)	–	–	(1,099)
Issue of shares, net of expenses	27	26,143	–	–	–	26,143
Total		26,143	(1,099)	–	–	25,044
Transfer to retained earnings		–	1,133	(1,133)	–	–
Balance at 31 March 2014		257,400	20,405	–	(20)	277,785
Balance at 1 April 2014		257,400	20,405	–	(20)	277,785
Total comprehensive loss for the year:						
Loss for the year		–	(7,325)	–	–	(7,325)
Other comprehensive loss for the year		–	–	–	(4,412)	(4,412)
Total		–	(7,325)	–	(4,412)	(11,737)
Transactions with owners, recognised directly in equity:						
Dividends paid	10(a)	–	(3,708)	–	–	(3,708)
Balance at 31 March 2015		257,400	9,372	–	(4,432)	262,340

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group	
	2015	2014
	S$'000	S$'000
Operating activities		
Profit (Loss) before income tax	**41,603**	(37,309)
Adjustments for:		
Allowance for doubtful debts (trade), net	**1,980**	1,162
Allowance for stock, net	**1,829**	4,875
Amortisation of customer relationship	**–**	80
Compensation expense accrued	**–**	5,243
Depreciation of property, plant and equipment	**19,044**	21,625
Fair value gain on investment property	**–**	(460)
Finance costs, net	**5,438**	7,362
Gain on dilution of interest	**(10)**	–
Gain on disposal of property, plant and equipment, net	**(10,182)**	(497)
Impairment loss on goodwill	**–**	3,512
Impairment loss on property, plant and equipment	**2,494**	16,787
Impairment loss on receivables due from an associate		
Trade	**–**	3,588
Non trade	**(14)**	22,294
Interest income	**(1,008)**	(715)
Loss on disposal of available-for-sale investments	**–**	5
Property, plant and equipment written off	**2,574**	529
Provision for impairment loss on interest in associates	**524**	1,688
Realised gain on derivative financial instruments	**(180)**	(1,158)
Share of results of associates	**(741)**	4,681
Stocks write-down	**–**	2,833
Unrealised fair value loss on derivative financial instruments	**195**	679
Unrealised foreign exchange gain	**(1,813)**	(1,695)
Operating profit before working capital changes	**61,733**	55,109
Stocks	**746**	(990)
Debtors	**1,591**	11,801
Deposits and prepayments	**(977)**	1,245
Creditors and accrued charges	**(23,185)**	7,000
Cash generated from operations	**39,908**	74,165
Income tax paid	**(16,464)**	(9,894)
Net cash from operating activities	**23,444**	64,271
Investing activities		
Consideration received on dilution of interest in a subsidiary	**–**	9,709
Deposits received for asset held for sale	**754**	–
Deposits paid for purchase of property, plant and equipment	**(673)**	(140)
Divestment of a subsidiary, net of cash disposed	**(286)**	–
Dividends received from associates	**2,355**	2,179
Interest received	**1,011**	720
Investment in associates	**(304)**	(963)
Proceeds on disposal of property, plant and equipment	**19,757**	1,034
Proceeds on disposal of available-for-sale investments	**–**	371
Purchase of available-for-sale investments	**(680)**	–
Purchase of property, plant and equipment (Note A)	**(15,292)**	(19,090)
Net cash generated from (used in) investing activities	**6,642**	(6,180)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

Year ended 31 March 2015

	The Group	
	2015	2014
	S$'000	S$'000
Financing activities		
Repayment of term loans	**(25,111)**	(29,082)
Other short term bank loans repaid	**(7,703)**	(9,144)
Capital contributions from non-controlling shareholders	**71**	–
Dividends paid	**(3,708)**	(1,099)
Dividends paid to non-controlling interests	**(3,119)**	(5,009)
Repayment of obligations under finance leases	**(283)**	(376)
Non trade balances due from associates, net	**642**	(3,236)
Interest paid	**(5,286)**	(7,286)
Issue of shares	**–**	26,143
Net cash used in financing activities	**(44,497)**	(29,089)
Net (decrease) increase in cash and cash equivalents	**(14,411)**	29,002
Cash and cash equivalents at 1 April	**93,979**	63,463
Effect of exchange rate changes on the balance of cash held in foreign currencies	**1,474**	1,514
Cash and cash equivalents at 31 March	**81,042**	93,979

A. Property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S$15,626,000 (2014 : S$26,306,000) of which:

- S$210,000 (2014 : S$429,000) were acquired under finance leases;
- S$124,000 (2014 : S$Nil) were transferred from deposits paid for property, plant and equipment;
- S$Nil (2014 : S$6,787,000) were transferred from other debtors which relate to the consideration of compensation income earned in 2013; and
- S$15,292,000 (2014 : S$19,090,000) were acquired with cash.

1 GENERAL

The Company (Registration No. 199002111N) is incorporated in the Republic of Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited with its registered office and principal place of business at 3 Fusionopolis Link, #06-10 Nexus @one-north Singapore 138543. The financial statements are expressed in Singapore dollars ("S$").

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

The principal activities of its key subsidiaries are as disclosed in Note 30 to the financial statements.

The financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 March 2015 were authorised for issue by the Board of Directors on 16 June 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS"). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 Share-based Payment, leasing transactions that are within the scope of FRS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 Inventories or value in use in FRS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ADOPTION OF NEW AND REVISED STANDARDS

The Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2014. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- FRS 109 *Financial Instruments*[4]
- FRS 115 *Revenue from Contracts with Customers*[3]
- Amendments to FRS 19 (2011) *Defined Benefit Plans: Employee Contributions*[1]
- Improvements to Financial Reporting Standards (January 2014)[1]
- Improvements to Financial Reporting Standards (February 2014)[1]
- Improvements to Financial Reporting Standards (November 2014)[2]

(1) Applies to annual periods beginning on or after July 1, 2014, with early application permitted

(2) Applies to annual periods beginning on or after January 1, 2016, with early application permitted

(3) Applies to annual periods beginning on or after January 1, 2017, with early application permitted

(4) Applies to annual periods beginning on or after January 1, 2018, with early application permitted

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption except for the following:

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 Financial Instruments: Recognition and Measurement and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) derecognition (iii) general hedge accounting (iv) impairment requirements for financial assets.

Key requirements for FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ADOPTION OF NEW AND REVISED STANDARDS (cont'd)

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under FRS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL is presented in profit or loss.

- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Management is assessing the effect and impact of FRS 109 on amounts reported in respect of the Group's financial assets and financial liabilities. It is not practical to provide a reasonable estimate of the effect of FRS 109 until the Group undertakes a detailed review.

FRS 115 *Revenue from Contracts with Customers*

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 Revenue, FRS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer

- Step 2: Identify the performance obligations in the contract

- Step 3: Determine the transaction price

- Step 4: Allocate the transaction price to the performance obligations in the contract

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

Management is currently assessing the effect and impact of FRS 115 on revenue recognition.

Year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year. Subsidiaries are entities controlled by the Company. Control is achieved when the Company:

– has power over the investee;

– is exposed, or has rights, to variable returns from its involvement with the investee; and

– has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company's voting rights in an investee are sufficient to give it power, including:

– the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

– potential voting rights held by the Company, other vote holders or other parties;

– rights arising from other contractual arrangements; and

– any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made,including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group.

All significant inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BASIS OF CONSOLIDATION (cont'd)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

In the Company's financial statements, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with FRS102 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instrument: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BUSINESS COMBINATIONS (cont'd)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

ASSOCIATES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Where necessary, adjustments are made to the financial statements of associates to bring the accounting policies used in line with those used by other members of the Group.

GOODWILL

Goodwill arising from a business combination is recognised as an asset (except for those arising prior to adoption of FRS 103 *Business Combinations*, which were adjusted to equity) at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

GOODWILL (cont'd)

On disposal of a subsidiary or the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

INVESTMENT PROPERTY

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

PROPERTY, PLANT AND EQUIPMENT

Freehold land is carried at historical cost or at its revalued amount, being the fair value on the basis of its existing use at the date of revaluation. In accordance with FRS 16 Property, plant and equipment, where one-off revaluation had been performed between 1 January 1984 and 31 December 1996 (both dates inclusive), the Group need not revalue these properties with sufficient regularities.

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

Machinery, moulds and equipment, furniture, fixtures and equipment and motor vehicles are carried at historical cost, less accumulated depreciation and any accumulated impairment loss.

Any revaluation surplus arising from the revaluation of freehold land and buildings is recognised in other comprehensive income and accumulated in property/asset 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 profit or loss to the extent of the deficit previously charged. A decrease in carrying amount arising from the revaluation of land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the property/asset revaluation reserve relating to a previous revaluation of that asset.

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognisedinprofit or loss. Upon retirement or subsequent sale of a revalued asset, the attributable revaluation surplus included in property/asset revaluation reserve is transferred directly to retained earnings. No transfer is made from the property/asset revaluation reserve to retained earnings except when an asset is derecognised.

Depreciation is charged so as to write off the cost/revalued amount of the properties over their estimated useful lives, using the straight-line method, on the following bases:

Buildings	-	2% to 5% per annum
Leasehold improvements	-	3 to 10 years depending on lease terms
Leasehold land	-	over the respective lease periods

Freehold land is not depreciated.

Depreciation is charged using the straight line or reducing balance method to write off the cost of the plant and equipment over their estimated useful lives, on the following bases:

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

Assets under construction are carried at cost, less any recognised impairment loss and are not depreciated until they are ready for their intended use.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

PROPERTY, PLANT AND EQUIPMENT (cont'd)

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

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

INTANGIBLE ASSETS

Internally-generated intangible assets - product development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. The cost is amortised, using the straight-line method, over its estimated commercial life, not exceeding a period of ten years, commencing in the year when the product is put into commercial use.

Intangible assets acquired - technical knowhow

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

The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Such assets are tested for impairment in accordance with the policy below.

Intangible assets acquired in a business combination - customer relationship

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date and amortised using the straight-line method, over a period of five years.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL

At the end of each reporting period, the Group reviews 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried 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 immediately in profit or loss, 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.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

Year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FINANCIAL INSTRUMENTS (cont'd)

Financial assets (cont'd)

A financial asset is classified as held for trading if:

– it has been acquired principally for the purpose of selling in the near future; or

– it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

– it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

– such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

– the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

– it forms part of a contract containing one or more embedded derivatives, and FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 3.

Available-for-sale financial assets

Certain shares and debt securities held by the Group are classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described in Note 3. Gains and losses arising from changes in fair value are recognised directly in the other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognisedin other comprehensive income and accumulated in the fair value reserve is reclassified to profit or loss for the period. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

The investment in unquoted equity instruments whereby the fair value cannot be measured reliably is carried at cost less any accumulated impairment loss. Impairment loss is not reversed. Gain or loss on disposal is included in profit or loss.

Loans and receivables

Trade debtors and other debtors that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term debtors when the effect of discounting is immaterial.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FINANCIAL INSTRUMENTS (cont'd)

Financial assets (cont'd)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade debtors, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the assets carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of debtors where the carrying amount is reduced through the use of an allowance account. When a debtor is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income.

Year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FINANCIAL INSTRUMENTS (cont'd)

Financial assets (cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other creditors are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Financial guarantee contract liabilities are measured initially at their fair values and subsequently at the higher of the amount recognised as a provision in accordance with FRS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation in accordance with FRS 18 Revenue.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to fluctuations in interest rates, foreign exchange rates and raw material prices.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group does not designate any derivative for hedging purposes.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

STOCKS

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

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

SHARE-BASED PAYMENTS

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value of the equity instruments (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferrability, exercise restrictions and behavioural considerations.

LEGAL RESERVE

Legal reserve represents the amount transferred from profit after taxation of the subsidiaries incorporated in the People's Republic of China (excluding Hong Kong) (the "PRC") in accordance with the PRC legal requirement. The legal reserve cannot be reduced except where approval is obtained from the relevant PRC authority to apply the amount either in setting off the accumulated losses or increasing capital.

REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Revenue from rendering of services is recognised when the services are completed.

Income from providing financial guarantee is recognised in profit or loss over the guarantee period on a straight-line basis.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

RETIREMENT BENEFIT COSTS

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of each reporting period.

GOVERNMENT GRANTS

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

INCOME TAX

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of each reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Year ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

INCOME TAX (cont'd)

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising from the settlement of monetary items, and from retranslation of monetary items are included in profit or loss for the period. Exchange differences arising from the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of each reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component in equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION (cont'd)

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in translation reserve.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation (except for those arising prior to adoption of FRS 103 Business Combinations) are treated as assets and liabilities of the foreign operation and translated at the closing rate.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand and demand deposits and bank overdrafts that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

3 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of each reporting period:

	The Group		The Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Financial assets				
Fair value through profit or loss (FVTPL):				
Loans and receivables (including cash and cash equivalents)	**212,189**	218,073	**112,928**	128,393
Available-for-sale financial assets	**5,699**	4,722	**–**	–

3 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(a) Categories of financial instruments (cont'd)

The following table sets out the financial instruments as at the end of each reporting period:

	The Group		The Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Financial liabilities				
Fair value through profit or loss (FVTPL):				
Derivative financial instruments	**195**	679	**–**	–
Amortised cost	**261,164**	298,629	**200,785**	200,290

(b) Financial risk management policies and objectives

The management monitors and manages the financial risks relating to the operations of the Group through analysing exposures by degree and magnitude of risks. These risks include market risk (including foreign exchange risk, interest rate risk and equity price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group's major financial instruments include trade and other receivables, trade and other payables, bank balances and bank loans. Details of these financial instruments are disclosed in the respective notes. The Group enters into a variety of derivative financial instruments to manage its exposure to fluctuations in interest rates, foreign exchange rates and raw material prices, including:

- non-deliverable commodity contracts of raw nickel to manage the risk arising from the fluctuations of nickel prices;
- forward exchange contracts to hedge the exchange rate risks arising from trade receivables and trade payables, and firm commitments to buy or sell goods; and
- interest rate swaps to mitigate the risk of rising interest rates.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. In managing the Group's exposure to fluctuations in foreign exchange rate, and raw material prices, the Group will use forward contracts to hedge up to a maximum period of 12 months.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The Group transacts business in various foreign currencies, including the United States dollars, Hong Kong dollars, Chinese Renminbi, Japanese Yen and Euro and therefore is exposed to foreign exchange risk.

3 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(i) Foreign exchange risk management (cont'd)

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	The Group				The Company			
	Liabilities		Assets		Liabilities		Assets	
	2015	2014	2015	2014	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
United States dollars	**60,057**	53,091	**22,354**	21,196	**55,182**	53,823	**36,192**	32,664
Chinese Renminbi	**9,188**	7,501	**10,048**	15,491	**–**	–	**7,772**	7,141
Hong Kong dollars	**43,629**	39,885	**41,639**	40,780	**44,961**	37,418	**47,010**	48,146
Japanese Yen	**582**	1,073	**55**	42	**–**	–	**–**	–
Euro	**1,821**	7,224	**272**	390	**33**	5,243	**–**	–

Certain companies in the Group use forward contracts to hedge their exposure to foreign currency risk in the local reporting currency.

The Company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

Further details on the forward exchange derivative instruments are found in Note 21 to the financial statements.

Foreign currency sensitivity

The following table details the sensitivity to a 5% increase and decrease in the functional currency of each group entity against the relevant foreign currencies. 5% is the sensitivity rate used. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

If the functional currency of each group entity strengthens by 5% against the relevant foreign currency, impact on the profit or loss will be:

	The Group [(I)]		The Company [(II)]	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Gain (Loss):				
United States dollars impact	**1,885**	1,595	**949**	1,058
Chinese Renminbi impact	**(43)**	(399)	**(389)**	(357)
Hong Kong dollars impact	**100**	(45)	**(102)**	(536)
Japanese Yen impact	**26**	52	**–**	–
Euro impact	**77**	342	**2**	262

A 5% weakening of the functional currency of each group entity would have the equal but opposite effect of the above amount on the basis that all other variables remain constant.

(I) This is mainly attributable to the exposure on outstanding receivables, payables, bank loans and inter-company receivables and payables at year end in the Group.

(II) This is mainly attributable to the exposure on outstanding inter-company receivables, payables and bank loans at the year end.

Year ended 31 March 2015

3 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(ii) Interest rate risk management

Summary quantitative data of the Group's interest-bearing financial instruments can be found in Section (v) of this Note. The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short-term borrowings. The Group enters into interest rate swap to minimise its interest rate risk. The duration of such interest rate swaps does not exceed the tenure of the underlying debts. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of each reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used.

If interest rates had been 50 basis points higher or lower and all other variables were held constant:

- the Group's profit for the year ended 31 March 2015 would decrease/increase by S$625,000 (loss for the year ended 2014 would increase/decrease by S$760,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings; and

- the Company's loss for the year ended 31 March 2015 would increase/decrease by S$304,000 (2014 : S$396,000). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

(iii) Equity price risk management

The Group is exposed to equity risks arising from equity investments classified as available-for-sale. Available-for-sale equity investments are held for strategic rather than trading purposes. The Group does not actively trade available-for-sale investments.

Further details of these equity investments can be found in Note 16 to the financial statements.

Equity price sensitivity

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

In respect of available-for-sale equity investments, if the equity price or valuation had been 5% higher/lower while all other variables were held constant, the Group's fair value reserves would increase/decrease by S$137,000 (2014 : increase/decrease by S$142,000).

(iv) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed regularly.

Trade debtors consist of a large number of customers spreading across diverse industries and geographical areas. Ongoing credit evaluation is performed and, where appropriate, credit guarantee insurance cover is purchased.

3 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Credit risk management (cont'd)

The Group does not have significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are reputable financial institutions.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, and financial guarantee that the Group may be called upon, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Further details of credit risks on trade and other debtors are disclosed in Note 20 to the financial statements.

The credit risk for trade debtors based on the information provided to key management is as follows:

	The Group		The Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
By geographical areas				
Asia	**73,192**	59,368	**50,258**	45,141
North and South America	**10,543**	10,750	**–**	–
Europe and others	**30,294**	33,034	**–**	–
	114,029	103,152	**50,258**	45,141

(v) Liquidity risk management

The Group maintains sufficient cash and cash equivalents, borrowings with different tenures and internally generated cash flows to finance their activities. The Group minimises liquidity risk by keeping committed credit lines available.

As at 31 March 2015, the Company's current liabilities exceeded its current assets by S$87,706,000 (2014 : S$71,697,000). The financial statements of the Company have been prepared on a going concern basis as the management is of the view that its major shareholder will continue to provide financial support to enable the Company to meet its financial obligations as and when they fall due. Its major shareholder has undertaken to provide the Company with sufficient liquidity to enable the Company to meet its funding needs.

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

Year ended 31 March 2015

3 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(v) Liquidity risk management (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	% p.a.	S$'000	S$'000	S$'000	S$'000	S$'000
The Group						
2015						
Non-interest bearing	–	135,922	–	–	–	135,922
Finance lease liability (fixed rate)	4.66	277	159	–	(120)	316
Variable interest rate instruments	3.85	129,711	–	–	(4,785)	124,926
		265,910	159	–	(4,905)	261,164
2014						
Non-interest bearing	–	146,314	–	–	–	146,314
Finance lease liability (fixed rate)	3.72	445	115	–	(161)	399
Variable interest rate instruments	3.83	155,379	2,145	170	(5,778)	151,916
		302,138	2,260	170	(5,939)	298,629
The Company						
2015						
Non-interest bearing	–	139,930	–	–	–	139,930
Variable interest rate instruments	3.77	63,135	–	–	(2,280)	60,855
Financial guarantees	–	232,013	–	–	(232,013)	–
		435,078	–	–	(234,293)	200,785
2014						
Non-interest bearing	–	121,032	–	–	–	121,032
Finance lease liability (fixed rate)	4.34	65	–	–	(1)	64
Variable interest rate instruments	3.53	81,696	42	–	(2,544)	79,194
Financial guarantees	–	211,520	–	–	(211,520)	–
		414,313	42	–	(214,065)	200,290

Derivative financial instruments

The liquidity analysis for derivative financial instruments is disclosed in Note 21 to the financial statements.

3 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current debtors and creditors approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Financial instruments measured at fair value

	Total	Level 1	Level 2	Level 3
	S$'000	S$'000	S$'000	S$'000
The Group				
2015				
Financial assets				
Available-for-sale investments	2,914	2,914	–	–
Financial liabilities				
Derivative financial instruments	195	–	195	–
2014				
Financial assets				
Available-for-sale investments	2,844	2,844	–	–
Financial liabilities				
Derivative financial instruments	679	–	679	–

The Company had no financial assets and liabilities carried at fair value.

Year ended 31 March 2015

3 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Notes 24 and 25 and equity attributable to equity holders of the Company, comprising issued capital as disclosed in Note 27, reserves and retained profits.

The Group's overall strategy remains unchanged from 2014. The Group and the Company are in compliance with externally imposed capital requirements which include PRC legal requirement to set aside a legal reserve and financial covenants to maintain certain financial ratios required by the financial institutions for the facilities granted as at 31 March of 2015 and 2014.

4 REVENUE

	The Group	
	2015	2014
	S$'000	S$'000
Sales of products	**719,335**	695,407

5a OTHER OPERATING INCOME

		The Group	
	Note	2015	2014
		S$'000	S$'000
Allowance for doubtful debts write back (non-trade)	20	**53**	–
Fair value gain on investment property	12	**–**	460
Gain on disposal of property, plant and equipment, net		**10,182**	497
Gain on foreign exchange		**6,631**	–
Government grant		**1,350**	1,390
Interest income		**1,008**	715
Realised gain on derivative financial instruments		**180**	1,158
Rental income		**805**	1,077
Technical fee income		**129**	103
Others		**793**	602
		21,131	6,002

5b OTHER OPERATING EXPENSES

	Note	The Group 2015 S$'000	2014 S$'000
Compensation expense	i	**–**	5,243
Impairment loss on receivables due from associates			
Trade	ii	**–**	3,588
Non trade	ii	**39**	22,294
Provision for impairment loss on interest in associates	ii	**524**	1,688
Impairment loss on goodwill	iii	**–**	3,512
Impairment loss on property, plant and equipment	iii	**2,494**	16,787
Stocks write-down	iii	**–**	2,833
Property, plant and equipment written off		**2,574**	529
Others		**779**	1,337
		6,410	57,811

i) During the year ended 31 March 2014, a provision for compensation of S$5,243,000 regarding an unfinished project caused by the winding down of the operations of the Vectrix Group of companies which comprises Vectrix Holdings Limited, Vectrix International Limited, Vectrix LLC and Vectrix Sp.z.o.o. ("Vectrix Group"). The compensation was fully settled in the current financial year under review.

ii) During the year ended 31 March 2014, the Group reviewed the recoverable amount of the Group's investment in and amounts due from associate. Due to the wind down of the operation of the Vectrix Group, an impairment loss of S$26,333,000 was recognised for carrying amount and amount due from Vectrix Group. This is mainly due to no in-flow of future economic benefit is expected from Vectrix Group.

iii) During the year ended 31 March 2015, impairment loss of S$2,494,000 (2014: S$16,787,000) was recognised as the recoverable amounts of certain plant and machinery were below their carrying amount. During the year ended 31 March 2014, impairment loss and stocks write-down of S$18,945,000 was made in respect of the goodwill, inventory and plant and equipment of Gold Peak Industries (Taiwan) Limited due to the Group's effort to reduce capacity by consolidating the rechargeable Lithium battery plants. The recoverable amount of the relevant assets has been determined on the basis of their value in use. The discount rates used in measuring value in use was 12% (2014 : 12%).

6 FINANCE COSTS

	The Group 2015 S$'000	2014 S$'000
Interest expense on:		
Bank loans and overdrafts	**5,405**	7,302
Finance leases	**33**	60
	5,438	7,362

Year ended 31 March 2015

7 PROFIT (LOSS) BEFORE INCOME TAX

In addition to the charges and credits disclosed elsewhere in the notes to the consolidated statement of profit or loss, this item has been arrived at after charging (crediting):

	The Group	
	2015	2014
	S$'000	S$'000
Allowance for doubtful debts (trade), net [(b)]	**1,980**	1,162
Allowance for stock, net	**1,829**	4,875
Audit fees:		
Auditors of the Company	**365**	338
Other auditors	**687**	704
Non-audit fees:		
Auditors of the Company	**27**	35
Other auditors	**80**	179
Cost of inventories recognised as expense	**552,963**	539,175
Foreign exchange (gain) loss, net [(a)]	**(6,631)**	151
Gain on disposal of property, plant and equipment, net [(a)]	**(10,182)**	(497)
Loss on disposal of available-for-sale investments [(a)]	**–**	5
Operating lease expense	**5,785**	5,782
Property, plant and equipment written off [(a)]	**2,574**	529
Realised gain on derivative financial instruments	**(180)**	(1,158)
Unrealised fair value loss on derivative financial instruments [(a)]	**195**	679

(a) Included in other operating expenses/other operating income in the consolidated statement of profit or loss.

(b) Included in distribution expenses in the consolidated statement of profit or loss.

8 STAFF COSTS

	The Group	
	2015	2014
	S$'000	S$'000
Directors' remuneration:		
Fees	**193**	140
Emoluments		
of the Company	**2,437**	1,910
of the subsidiaries	**43**	400
Salaries and wages	**101,568**	95,301
Defined contribution plans	**4,299**	3,188
	108,540	100,939

9 INCOME TAX

	The Group	
	2015	2014
	S$'000	S$'000
Current income tax:		
Charge for current year	**11,348**	9,625
Under (Over) provision in respect of prior years	**406**	(852)
Withholding tax on overseas income	**1,949**	1,166
	13,703	9,939
Deferred income tax:		
Charge (Write-back) for current year	**2,086**	(1,966)
(Over) Under provision in respect of prior years	**(266)**	822
	1,820	(1,144)
Share of taxation of associates:		
Provision for current year	**846**	1,853
	16,369	10,648

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2014 : 17%) to profit before income tax as a result of the following differences:

	The Group	
	2015	2014
	S$'000	S$'000
Profit (Loss) before income tax	**41,603**	(37,309)
Income tax expense (benefit) at statutory rate	**7,073**	(6,343)
Add/(Less):		
Effect of different tax rates of overseas operations	**1,452**	(716)
Effect of change in tax rate	**1,625**	–
Income not subject to tax	**(97)**	(66)
Utilisation of previously unrecognised deferred tax benefits	**(1,968)**	(1,825)
Under (Over) provision in respect of prior years	**140**	(30)
Non-allowable items	**938**	5,207
Unrecognised deferred tax benefits	**5,257**	13,255
Withholding tax on overseas income	**1,949**	1,166
Income tax at effective tax rate	**16,369**	10,648

Year ended 31 March 2015

10 DIVIDENDS

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

	The Group and the Company	
	2015	2014
	S$'000	S$'000
2013 final tax-exempt (1-tier) dividend of 1.00 Singapore cents ("S cents") per share	–	1,099
2014 final tax-exempt (1-tier) dividend of 1.00 S cents per share	1,648	–
2015 interim tax-exempt (1-tier) dividend of 1.25 S cents per share	2,060	–
	3,708	1,099

b) Proposed dividends at 31 March are as follows:

	The Group and the Company	
	2015	2014
	S$'000	S$'000
Final tax-exempt (1-tier) dividend of 2.5 S cents (2014 : 1.0 S cents) per share	4,120	1,648

The proposed dividends are subject to approval by the shareholders in the annual general meeting and hence not presented as liabilities as at year end.

11 EARNINGS (LOSS) PER SHARE

The following data are used in computing basic and fully diluted earnings per share disclosed in the consolidated income statement.

a) Earnings

	The Group	
	2015	2014
	S$'000	S$'000
Profit (Loss) attributable to equity holders of the Company	12,981	(51,957)

b) Number of shares

	The Group	
	2015	2014
Weighted average number of ordinary shares used in calculating basic & diluted earnings per share	164,806,752	120,927,519

The rights issue completed in March 2014 are antidilutive and hence disregarded in the calculation of diluted earnings (loss) per share.

12 INVESTMENT PROPERTY

	The Group	
	2015	2014
	S$'000	S$'000
At 1 April	**1,601**	1,123
Currency realignment	**146**	18
Fair value gain	**–**	460
At 31 March	**1,747**	1,601

The carrying amount of investment property is the fair value of the property as determined by an independent appraiser having appropriate recognised professional qualification and adequate experience in the location and category of the property being valued. Fair values were determined having regard to the existing use of the property, recent market transactions for similar properties in the same location as the property being valued.

The property rental income earned by the Group from its investment property which is leased out under operating leases, amounted to S$181,000 (2014 : S$178,000). Direct operating expenses arising from the investment property in the year amounted to S$50,200 (2014 : S$38,800).

Particulars of the investment property are as follows:

Description	Tenure	Fair value S$'000	Valuation Technique	Unobservable inputs	Range of unobservable inputs
Pao Lou Keng, Gu Tang Au, Huizhou City, Guangdong, China					
A 10,200 square metre plot of land with a 3-storey factory building and a single-storey warehouse with gross floor area of 3,359 square metres and 1,000 square metres respectively	47 years from 2004	1,747	Depreciated replacement cost method	Building construction cost	RMB1,000 to RMB1,500/ square metre

The investment property categorised under Level 3 of the fair value hierarchy are generally sensitive to the unobservable input tabled above. A significant movement of input would result in significant change to the fair value of the investment property.

Year ended 31 March 2015

13 PROPERTY, PLANT AND EQUIPMENT

	Note	Freehold land and buildings S$'000	Leasehold land, buildings and leasehold improvements S$'000	Machinery, moulds and equipment S$'000	Assets under construction S$'000	Furniture, fixtures, equipment and motor vehicles S$'000	Total S$'000
The Group							
Cost/Valuation:							
At 1 April 2013		31,051	132,807	386,130	11,124	50,276	611,388
Currency realignment		(361)	1,523	1,945	157	744	4,008
Transfer		–	5,098	6,515	(11,971)	358	–
Additions		772	1,109	12,731	10,521	1,173	26,306
Disposals and write-offs		–	–	(13,405)	(1)	(4,298)	(17,704)
Assets reclassified as held for sale	35	–	(2,475)	–	–	–	(2,475)
At 31 March 2014		31,462	138,062	393,916	9,830	48,253	621,523
Currency realignment		678	8,785	28,283	1,665	3,773	43,184
Transfer		659	149	8,869	(11,046)	1,369	–
Additions		–	851	2,461	10,758	1,556	15,626
Disposals and write-offs		(8,616)	(4,714)	(30,822)	–	(10,142)	(54,294)
Assets reclassified as held for sale	35	–	(828)	–	–	–	(828)
At 31 March 2015		24,183	142,305	402,707	11,207	44,809	625,211
Represented by:							
At 31 March 2015							
Cost		17,767	142,305	402,707	11,207	44,809	618,795
Valuation		6,416	–	–	–	–	6,416
Total		24,183	142,305	402,707	11,207	44,809	625,211
At 31 March 2014							
Cost		24,785	138,062	393,916	9,830	48,253	614,846
Valuation		6,677	–	–	–	–	6,677
Total		31,462	138,062	393,916	9,830	48,253	621,523
Accumulated depreciation:							
At 1 April 2013		7,631	33,384	283,949	–	35,745	360,709
Currency realignment		(36)	423	1,400	–	524	2,311
Depreciation		483	4,758	12,731	–	3,653	21,625
Disposals and write-offs		–	–	(12,489)	–	(3,900)	(16,389)
Asset reclassified as held for sale	35	–	(628)	–	–	–	(628)
At 31 March 2014		8,078	37,937	285,591	–	36,022	367,628
Currency realignment		361	1,959	22,374	–	2,947	27,641
Depreciation		326	3,469	12,537	–	2,712	19,044
Disposals and write-offs		(2,203)	(3,788)	(27,357)	–	(9,398)	(42,746)
Asset reclassified as held for sale	35	–	(758)	–	–	–	(758)
At 31 March 2015		6,562	38,819	293,145	–	32,283	370,809
Impairment loss:							
At 1 April 2013		–	5,457	15,649	–	1,030	22,136
Currency realignment		–	(210)	127	–	15	(68)
Charge for the year		–	–	16,581	–	206	16,787
Disposal		–	–	(200)	–	–	(200)
At 31 March 2014		–	5,247	32,157	–	1,251	38,655
Currency realignment		–	(204)	2,446	–	113	2,355
Charge for the year		–	–	2,494	–	–	2,494
Disposal		–	(4)	(49)	–	(602)	(655)
At 31 March 2015		–	5,039	37,048	–	762	42,849
Carrying amount:							
At 31 March 2015		17,621	98,447	72,514	11,207	11,764	211,553
At 31 March 2014		23,384	94,878	76,168	9,830	10,980	215,240

13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold Improvement S$'000	Machinery, moulds and equipment S$'000	Furniture, fixtures, equipment and motor vehicle S$'000	Total S$'000
The Company				
Cost:				
At 1 April 2013	353	91	4,147	4,591
Currency realignment	5	–	55	60
Additions	–	9	103	112
Disposals and write-offs	–	(11)	(82)	(93)
At 31 March 2014	358	89	4,223	4,670
Currency realignment	33	–	369	402
Additions	149	21	322	492
At 31 March 2015	540	110	4,914	5,564
Accumulated depreciation:				
At 1 April 2013	291	41	2,475	2,807
Currency realignment	3	–	38	41
Depreciation	64	14	1,019	1,097
Disposals and write-offs	–	(7)	(40)	(47)
At 31 March 2014	358	48	3,492	3,898
Currency realignment	34	–	338	372
Depreciation	41	12	454	507
At 31 March 2015	433	60	4,284	4,777
Carrying amount:				
At 31 March 2015	107	50	630	787
At 31 March 2014	–	41	731	772

The carrying amount of property, plant and equipment includes an amount of S$556,000 (2014 : S$611,000) for the Group and S$Nil (2014 : S$101,000) for the Company in respect of certain equipment and motor vehicles held under finance leases (Note 24).

The freehold land and buildings of the Group amounting to S$6,416,000 (2014 : S$6,677,000) stated at valuation were revalued by an independent professional valuer in March 1994 based on the open market value on a willing buyer and willing seller basis for existing use. In accordance with FRS 16 *Property, plant and equipment*, where a one-off revaluation had been performed between 1 January 1984 and 31 December 1996 (both dates inclusive), the Group need not revalue these properties with sufficient regularities. The resulting revaluation surpluses have been credited to the property revaluation reserve and the balance as at year end amounted to S$892,000 (2014 : S$892,000) for the Group in respect of the above assets.

If the cost method had been used, the carrying amount of freehold land and building of the Group would have been S$16,901,000 (2014 : S$22,641,000).

During the financial year, the Group carried out a review of the recoverable amount on some of the property, plant and equipment. Arising from the review, an impairment loss of S$2,494,000 (2014 : S$16,787,000) was recognised to align the carrying amount of certain plant and equipment to their recoverable amount. In the financial year ended 31 March 2014, due to the Group's effort to reduce capacity by consolidating the rechargeable Lithium battery plants, the impairment loss of S$16,787,000 was recorded mainly due to reducing the carrying value of property, plant and equipment of Gold Peak Industries (Taiwan) Limited (Note 5b). The recoverable amount of the relevant assets has been determined on the basis of their value in use. The discount rate used in measuring value in use was 12% (2014 : 12%).

Year ended 31 March 2015

14 INTEREST IN SUBSIDIARIES

	The Company	
	2015	2014
	S$'000	S$'000
Unquoted equity shares, at cost	**212,620**	212,620
Less: Impairment loss	**(115,356)**	(115,356)
	97,264	97,264
Amounts due from subsidiaries (non-trade)	**233,293**	232,975
Financial guarantee contracts to subsidiaries	**2,320**	2,115
Total interest in subsidiaries	**332,877**	332,354

The amounts due from subsidiaries are interest free and form part of the Company's net investment in the subsidiaries. An amount of S$3,841,000 (2014 : S$3,523,000), included in the amounts due from subsidiaries, is interest bearing at interest rate of 5% per annum. These amounts are unsecured and there are no contractual obligations to repay the Company given that the eventual return of the capital contribution is at the discretion and ability of the subsidiaries.

In 2014, the Company carried out a review of the recoverable amount of its investments in subsidiaries. Arising from the review, an impairment loss of S$34,880,000 was recognised mainly attributable to the reduction in the carrying value of Gold Peak Industries (Taiwan) Limited as a result of its uncertain future cash flow due to the Group's effort to reduce capacity by consolidating the rechargeable Lithium battery plants (Note 5b).

Details of the subsidiaries are set out in Note 30 to the financial statements.

15 INTEREST IN ASSOCIATES

	The Group		The Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Cost of investment	**62,665**	62,202	**16,382**	16,382
Loan to associate	**13,884**	13,516	**7,349**	7,349
Share of post-acquisition reserves, net of dividends received	**(9,929)**	(4,162)	**–**	–
	66,620	71,556	**23,731**	23,731
Accumulated impairment loss	**(20,014)**	(19,490)	**(7,349)**	(7,349)
Total	**46,606**	52,066	**16,382**	16,382

During the year, the Group reviewed the recoverable amount of the Group's investment in and amounts due from associate. Arising from the review, an impairment loss of S$524,000 (2014 : S$1,688,000) was recognised in the statement of profit or loss.

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

16 AVAILABLE-FOR-SALE INVESTMENTS

	The Group	
	2015	2014
	S$'000	S$'000
Equity shares:		
Quoted, at fair value	**2,914**	2,844
Unquoted, at cost	**2,785**	1,878
Total available-for-sale investments	**5,699**	4,722

The investments above include investments in equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

The fair value of quoted securities was based on the quoted closing market prices on the last market day of the financial year.

The investment in unquoted equity shares represents investment in companies where the recoverability of investment is uncertain and dependent on the outcome of its activities. Certain investments in unquoted shares are carried at cost as the management is of the opinion that their fair values cannot be measured reliably.

17 INTANGIBLE ASSETS

	The Group			
	Product development expenditure	Technical knowhow	Customer relationship	Total
	S$'000	S$'000	S$'000	S$'000
Cost:				
At 1 March 2013	20,764	8,169	1,608	30,541
Currency realignment	292	99	23	414
At 31 March 2014	21,056	8,268	1,631	30,955
Currency realignment	473	164	37	674
Write off	(21,529)	(8,432)	(1,668)	(31,629)
At 31 March 2015	–	–	–	–
Accumulated amortisation:				
At 1 April 2013	20,764	8,169	1,528	30,461
Currency realignment	292	99	23	414
Amortisation for the year *	–	–	80	80
At 31 March 2014	21,056	8,268	1,631	30,955
Currency realignment	473	164	37	674
Write off	(21,529)	(8,432)	(1,668)	(31,629)
At 31 March 2015	–	–	–	–
Total intangible assets:				
At 31 March 2015	–	–	–	–
At 31 March 2014	–	–	–	–

* Included in administrative expenses in consolidated statement of profit or loss.

Year ended 31 March 2015

18 GOODWILL ON CONSOLIDATION

	The Group	
	2015	2014
	S$'000	S$'000
Cost:		
At 1 April	**16,997**	16,773
Currency realignment	**1,555**	224
At 31 March	**18,552**	16,997
Impairment:		
At 1 April	**3,512**	–
Currency realignment	**331**	–
Charge for the year	**–**	3,512
At 31 March	**3,843**	3,512
Carrying amount:		
At 31 March	**14,709**	13,485

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

Goodwill acquired in a business combination allocated to the cash-generating units ("CGUs") that are expected to benefit from that business combination are as follows:

	The Group	
	Carrying amount	
	2015	2014
	S$'000	S$'000
Zhongyin (Ningbo) Battery Co. Ltd	**6,453**	5,920
GP Batteries (U.K.) Limited	**1,192**	1,093
Eastern Europe marketing and distribution network	**5,799**	5,312
GP Batteries (China) Limited	**1,257**	1,153
Others	**8**	7
	14,709	13,485

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next year and extrapolates cash flows for the following four years based on average growth rates of approximately 0% to 23.6% (2014 : 3% to 16%). The rates used to discount the cash flow forecasts ranges from approximately 12.9% to 16.1% (2014 : 13% to 17%).

Sensitivity analysis

If management's estimate of discount rate increases or decreases by 1%, the impact on the value in use will be as follows:

	2015		2014	
	Increase by 1% S$'000	Decrease by 1% S$'000	Increase by 1% S$'000	Decrease by 1% S$'000
Zhongyin (Ningbo) Battery Co. Ltd	(1,949)	2,276	(1,746)	2,028
GP Batteries (U.K.) Limited	(974)	1,148	(556)	654
Eastern Europe marketing and distribution network	(1,461)	1,661	(1,432)	1,618
GP Batteries (China) Limited	(772)	899	(606)	702

Based on these values in use calculations, management is of the opinion that the above is not likely to cause an impairment loss on goodwill.

19 STOCKS

	The Group	
	2015	2014
	S$'000	S$'000
Raw materials		
At cost	**19,203**	17,477
At net realisable value	**19**	422
Work in progress		
At cost	**38,207**	29,693
Finished goods		
At cost	**41,897**	45,900
At net realisable value	**1,797**	1,904
	101,123	95,396

The cost of inventories recognised as an expense includes S$2,115,000 (2014 : S$4,935,000) in respect of write-downs of inventory to net realisable value, and has been reduced by S$286,000 (2014 : S$60,000) in respect of the reversal of such write-downs. Previous write-downs have been reversed as a result of increased sales price in certain markets.

20 DEBTORS

	Note	The Group		The Company	
		2015	2014	2015	2014
		S$'000	S$'000	S$'000	S$'000
Trade					
Outside parties		**111,284**	102,206	**–**	–
Amounts due from:					
Associates	31	**12,895**	15,627	**–**	16
Subsidiaries	30	**–**	–	**50,258**	45,125
Related parties	32	**–**	4	**–**	–
		124,179	117,837	**50,258**	45,141
Less:					
Allowance for doubtful debts					
Outside parties		**(7,870)**	(11,097)	**–**	–
Associates		**(2,280)**	(3,588)	**–**	–
		114,029	103,152	**50,258**	45,141
Non-trade					
Outside parties		**10,427**	14,849	**484**	307
Amounts due from:					
Associates	31	**30,119**	35,012	**6,650**	5,985
Subsidiaries	30	**–**	–	**92,639**	100,584
Related parties	32	**39**	36	**1**	1
		40,585	49,897	**99,774**	106,877
Less:					
Allowance for doubtful debts					
Associates		**(25,832)**	(30,479)	**(6,604)**	(5,919)
Subsidiaries		**–**	–	**(38,153)**	(28,516)
		14,753	19,418	**55,017**	72,442
Total		**128,782**	122,570	**105,275**	117,583

20 DEBTORS (cont'd)

The amounts due from subsidiaries, associates and related parties are unsecured and repayable on demand. The average credit period on sale of goods ranges from 60 to 90 days (2014 : 60 to 90 days). Allowances made in respect of estimated irrecoverable amounts are determined by reference to past default experience.

The Group and the Company closely monitor the credit quality of its debtors (both trade and non-trade) and consider the debtors that are neither past due nor impaired to be of a good credit quality. Based on the payment pattern of the Group and the Company, debtors that are past due but not impaired are generally collectible. Included in the Group's trade debtors are debtors with a carrying amount of S$35,829,000 (2014 : S$41,886,000) which are past due at the reporting date for which the Group has not made any allowance given that there has not been a significant change in credit quality and the amounts are still considered recoverable. The average past due of these receivables are 2 months (2014 : 2 months). Included in allowance for doubtful debts were specific allowance against trade debtors and non-trade debtors of S$2,546,000 and S$25,832,000 respectively (2014 : S$4,334,000 and S$30,479,000 respectively). Such balances were individually assessed either because they were significantly past due and the debtor did not respond to repayment demands, or there were circumstances that indicate a debtor may not be able to honour its obligations when the debt is due. The remaining allowance for doubtful debts arose from collective assessment.

Movements in the allowance for doubtful debts (trade):

	The Group	
	2015	**2014**
	S$'000	**S$'000**
Balance at 1 April	**14,685**	11,540
Currency realignment	**958**	404
Allowance utilised	**(7,473)**	–
Allowance write back	**(372)**	(2,009)
Charge for the year	**2,352**	4,750
Balance at 31 March	**10,150**	14,685

Movements in the allowance for doubtful debts (non-trade):

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Balance at 1 April	**30,479**	7,968	**34,435**	22,663
Currency realignment	**2,155**	217	**1,819**	–
Allowance utilised	**(6,788)**	–	**–**	–
Allowance write back	**(53)**	–	**(53)**	(7,219)
Charge for the year *	**39**	22,294	**8,556**	18,991
Balance at 31 March	**25,832**	30,479	**44,757**	34,435

* In 2014, the charges of S$22,294,000 and S$18,991,000 were inclusive of S$21,883,000 and S$1,939,000 provided by the Group and the Company respectively in respect of the wind down of Vectrix Group.

21 DERIVATIVE FINANCIAL INSTRUMENTS

	The Group	
	2015	2014
	S$'000	S$'000
Commodity forward contracts	**195**	–
Forward foreign exchange contracts	**–**	679
	195	679

Commodity forward contracts

The Group uses commodity forward contracts to manage the risk arising from price fluctuation of its raw material.

As at 31 March 2015, major terms of these contracts were as follows:

Currency	Commodity	Quantity (in metric tonnes)	Maturity	Commodity forward price
USD	Nickel	15	May 2015	USD15,790/metric tonne
USD	Nickel	30	September 2015	USD13,030/metric tonne
USD	Nickel	42	December 2016	USD14,335/metric tonne

The Group did not adopt hedge accounting in respect of these commodity contracts. The fair values of these commodity contracts were estimated at a loss of S$195,000. The fair values were determined by reference to the forward price of related metals quoted from London Metal Exchange as at 31 March 2015.

Forward foreign exchange contracts

The Group utilises currency derivatives to hedge significant future transactions and cash flows. The Group is a party to a variety of forward foreign exchange contracts and options in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Group's principal markets.

The notional amount of major outstanding forward foreign exchange contracts which the Group are committed to are as follows:

	The Group	
	2015	2014
	S$'000	S$'000
Sell United States dollars buy Renminbi at average rate of 6.10 (expired April 2014 to March 2015)	**–**	32,143

The fair value of currency derivatives is estimated at a loss of S$Nil (2014 : loss of S$679,000). The fair values are measured based on estimated valuation derived from market quotations.

Year ended 31 March 2015

22 DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Deposits	**3,070**	1,680	**666**	165
Prepayments	**7,382**	6,472	**420**	415
	10,452	8,152	**1,086**	580

Presented in the statements of financial position as:

	The Group		The Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Non-current assets	**705**	156	**–**	16
Current assets	**9,747**	7,996	**1,086**	564
	10,452	8,152	**1,086**	580

The fair value of the Group's and Company's deposits approximates their carrying amount.

23 CREDITORS AND ACCRUED CHARGES

	Note	The Group		The Company	
		2015	2014	2015	2014
		S$'000	S$'000	S$'000	S$'000
Trade					
Outside parties		**91,399**	101,399	**–**	–
Amounts due to:					
Associates	31	**21,992**	18,698	**–**	–
Related parties	32	**8**	19	**–**	–
Interest payable		**391**	241	**169**	164
Accrued charges		**18,068**	17,784	**2,232**	2,089
Accrued compensation expense	5b	**–**	5,243	**–**	5,243
Deposits received for disposal of property, plant and equipment		**754**	–	**–**	–
Non-trade					
Amounts due to:					
Subsidiaries	30	**–**	–	**137,366**	113,381
Associates	31	**3,048**	2,666	**–**	–
Related parties	32	**262**	264	**163**	155
Total		**135,922**	146,314	**139,930**	121,032

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

The average credit period on purchases of goods ranges from 60 to 90 days (2014 : 60 to 90 days).

24 OBLIGATIONS UNDER FINANCE LEASES

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

	Total minimum lease payments		Present value of payments	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
The Group				
Within 1 year	**277**	445	**196**	291
Within 2 to 5 years	**159**	115	**120**	108
	436	560	**316**	399
Less: Future finance charges	**(120)**	(161)		
Present value of lease obligations	**316**	399		
Less: Amounts due within 1 year	**(196)**	(291)		
Amounts due within 2 to 5 years	**120**	108		
The Company				
Within 1 year	**–**	65	**–**	64
Within 2 to 5 years	**–**	–	**–**	–
	–	65	**–**	64
Less: Future finance charges	**–**	(1)		
Present value of lease obligations	**–**	64		
Less: Amounts due within 1 year	**–**	(64)		
Amounts due within 2 to 5 years	**–**	–		

It is the Group's and Company's policy to lease certain of its equipment and motor vehicles under finance leases. The average lease term is 3 years. The effective interest rates are set out in Note 3 to the financial statements. Interest rates are fixed at the contract date, and thus expose the Group and Company to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of the Group's and Company's lease obligations approximates their carrying amount.

25 BANK LOANS AND OVERDRAFTS

	The Group		The Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Unsecured:				
Bank loans	**111,292**	138,543	**60,855**	79,194
Import and export loans	**13,634**	13,373	**–**	–
	124,926	151,916	**60,855**	79,194
Carrying amount:				
Repayable within 12 months and contain a repayment on demand clause	**124,926**	148,739	**60,855**	78,396
Not repayable within 12 months but contain a repayment on demand clause	**–**	1,074	**–**	756
Under current liabilities	**124,926**	149,813	**60,855**	79,152
Repayable after 12 months under non–current liabilities	**–**	2,103	**–**	42
	124,926	151,916	**60,855**	79,194

25 BANK LOANS AND OVERDRAFTS (cont'd)

The effective interest rates for the above are set out in Note 3 to the financial statements. Bank loans of the Company amounting to S$15,755,000 (2014 : S$31,656,000) are secured by corporate guarantees granted by certain subsidiaries. Bank loans are arranged at floating rates and their carrying amount approximates their fair values.

26 DEFERRED TAX

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

	Accelerated tax depreciation	Revaluation of investment property	Tax losses	Foreign undistributed reserves	Others	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Deferred tax liabilities						
At 1 April 2013	2,941	58	–	882	131	4,012
Currency realignment	(104)	1	–	12	6	(85)
(Credit) Charge to profit or loss	(67)	46	–	(49)	(48)	(118)
At 31 March 2014	2,770	105	–	845	89	3,809
Currency realignment	(90)	9	–	77	3	(1)
(Credit) Charge to profit or loss	(777)	–	–	–	286	(491)
At 31 March 2015	1,903	114	–	922	378	3,317
Deferred tax assets						
At 1 April 2013	(784)	–	(1,366)	–	(2,485)	(4,635)
Currency realignment	28	–	(25)	–	(55)	(52)
Charge (Credit) to profit or loss	–	–	817	–	(1,843)	(1,026)
At 31 March 2014	(756)	–	(574)	–	(4,383)	(5,713)
Currency realignment	(102)	–	81	–	(238)	(259)
(Credit) Charge to profit or loss	(563)	–	315	–	2,559	2,311
At 31 March 2015	(1,421)	–	(178)	–	(2,062)	(3,661)

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

	The Group	
	2015	2014
	S$'000	S$'000
Unutilised tax losses	**196,298**	187,174
Difference in accounting and tax depreciation	**(95)**	(11)
Others	**(1)**	(1)
	196,202	187,162

The use and expiry of these temporary differences are subject to the agreement of the relevant tax authorities and compliance with certain provisions of the tax legislation. Included in unutilised tax losses are losses of S$22,318,000 (2014 : S$20,886,000) for subsidiaries in the PRC that will expire within five years under the current PRC tax legislation.

27 SHARE CAPITAL

	The Group and the Company			
	2015	2014	2015	2014
	Number of ordinary shares		S$'000	S$'000
Issued and paid-up:				
At 1 April	**164,806,752**	109,871,168	**257,400**	231,257
Issue of shares pursuant to rights issue	**–**	54,935,584	**–**	26,143
At 31 March	**164,806,752**	164,806,752	**257,400**	257,400

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

During the year ended 31 March 2014, the Company issued 54,935,584 new ordinary shares at S$0.486 each in connection with a rights issue exercise. Share issue expenses incurred for the rights issue amounting to S$556,000 were set off against share capital.

28 COMMITMENTS

As at the end of each reporting period, commitments of the Group and Company which have not been provided for in the financial statements are as follows:

a) Operating lease arrangements

The Group as lessee:

	The Group		The Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Within 1 year	**5,566**	1,162	**2,012**	4
After 1 year and within 5 years	**6,858**	5,300	**334**	–
After 5 years	**1,626**	1,452	**–**	–
	14,050	7,914	**2,346**	4

Operating lease commitments are mainly in respect of non-cancellable leases for the rental of factory spaces, office premises and office equipment. Leases are negotiated for an average term of 1 to 15 years.

The Group as lessor:

The Group rents out its properties in the People's Republic of China and Singapore under operating leases. All of the properties held have committed tenants as disclosed below:

	The Group	
	2015	2014
	S$'000	S$'000
Within 1 year	**473**	316
After 1 year and within 5 years	**1,601**	924
After 5 years	**1,118**	162
	3,192	1,402

28 COMMITMENTS (cont'd)

b) Capital expenditure commitments

	The Group	
	2015	2014
	S$'000	S$'000
Capital expenditure contracted but not provided for	**2,080**	900
Capital expenditure authorised but not contracted for	**1,812**	4,112
	3,892	5,012

c) Trust fund

In 2005, the Company established a "GP Batteries Industrial Safety Trust Fund" of HK$10 million to provide financial assistance and support to employees in Hong Kong and China who might have suffered from cadmium over-exposure or other occupational diseases related to battery production. This trust fund is monitored by an independent fund granting committee.

The aggregate amount of the trust fund is HK$10 million. The Group has contributed approximately HK$6 million up to 31 March 2006 and the balance of HK$4 million will be contributed in instalment when the net asset value of the trust fund falls below a certain level. As a result, this balance had not been provided for in the financial statements. Management is of the view that there is no likelihood that the balance needs to be provided for.

d) As at 31 March 2015 and 2014, the Company has undertaken to provide financial support to some of its subsidiaries.

29 CONTINGENT LIABILITIES - UNSECURED

	The Group		The Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Guarantees given in respect of banking and other facilities granted to subsidiaries (Notes 14 and 30)	**–**	–	**232,013**	211,520
Others	**9**	8	**–**	–
	9	8	**232,013**	211,520

The maximum amount that the Company could be forced to settle under the financial guarantee contract if the full guaranteed amount is claimed by the counter-party to the guarantee is S$232,013,000 (2014 : S$211,520,000). The earliest period that the guarantee could be called is within one year (2014 : one year) from the end of the reporting period. The Company considers that it is more likely than not that no amount will be payable under the arrangement.

30 SUBSIDIARIES

Information about the composition of the Group at the end of the reporting period is as follows:

Principal Activities	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		2015	2014
Investment holding	Hong Kong	**7**	7
Investment holding	Others	**4**	4
Manufacturing of batteries	Hong Kong	**2**	2
Manufacturing of batteries	Malaysia	**1**	1
Manufacturing of batteries	People's Republic of China	**8**	9
Marketing and trading in batteries	Hong Kong	**3**	3
Marketing and trading in batteries	Malaysia	**1**	1
Marketing and trading in batteries	People's Republic of China	**1**	1
Marketing and trading in batteries	Others	**6**	8
Others		**10**	8
		43	44

Principal Activities	Place of incorporation and operation	Number of non wholly-owned subsidiaries	
		2015	2014
Investment holding	Singapore	**1**	1
Manufacturing of batteries	People's Republic of China	**3**	3
Manufacturing of batteries	Taiwan	**1**	1
Marketing and trading in batteries	People's Republic of China	**2**	2
Marketing and trading in batteries	Others	**1**	2
		8	9

Details of the principal subsidiary companies at 31 March 2015 are as follows:

Name of subsidiaries	Country of incorporation	Proportion of ownership interest/ voting power held by the Group		Principal activities
		2015 %	2014 %	
Bolder Technologies Pte Ltd [(ii)]	Singapore	**80**	80	Investment holding
Dongguan Chao Ba Batteries Co Ltd [(i) & (v)]	People's Republic of China	**100**	100	Manufacturing of batteries
Gold Peak Industries (Taiwan) Limited [(iv)]	Taiwan	**80**	80	Manufacturing of batteries
GP Batteries (China) Limited [(i) & (v)]	People's Republic of China	**100**	100	Manufacturing of batteries
GP Batteries Europe B.V. [(i) & (iv)]	Netherlands	**100**	100	Marketing and trading in batteries
GP Batteries (Malaysia) Sdn Bhd [(iv)]	Malaysia	**100**	100	Manufacturing of batteries
GP Batteries (Shenzhen) Co., Ltd [(i) & (v)]	People's Republic of China	**100**	100	Manufacturing of batteries
GP Batteries (U.K.) Limited [(i) & (vi)]	United Kingdom	**100**	100	Marketing and trading in batteries
GP Battery Marketing (H.K.) Limited [(i) & (iv)]	Hong Kong	**100**	100	Marketing and trading in batteries

Year ended 31 March 2015

30 SUBSIDIARIES (cont'd)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest/ voting power held by the Group		Principal activities
		2015	2014	
		%	%	
GP Battery Marketing (Korea) Limited [(i) & (vi)]	South Korea	**90**	90	Marketing and trading in batteries
GP Batteries (Americas) Inc, previously known as GP Battery Marketing (Latin America) Inc. [(i) & (vi)]	United States of America	**100**	100	Marketing and trading in batteries
GP Battery Marketing (Malaysia) Sdn Bhd [(iv)]	Malaysia	**100**	100	Marketing and trading in batteries
GP Battery Marketing (Singapore) Pte Ltd [(ii)]	Singapore	**100**	100	Marketing and trading in batteries
GP Battery (Poland) Sp. z.o.o. [(i) & (vi)]	Poland	**100**	100	Marketing and trading in batteries
GP Battery Technology (HK) Limited [(iv)]	Hong Kong	**100**	100	Investment holding
GPI International Limited [(iv)]	Hong Kong	**100**	100	Marketing and trading in batteries
Huizhou Chao Ba Batteries Co Ltd [(i) & (iii)]	People's Republic of China	**90**	90	Marketing and trading in batteries
Huizhou Modern Battery Limited [(i) & (v)]	People's Republic of China	**100**	100	Manufacturing of batteries
Ningbo Fubang Battery Co Ltd [(vii)]	People's Republic of China	**72**	72	Manufacturing of batteries
Ningbo GP Energy Co., Ltd [(vii)]	People's Republic of China	**90**	90	Manufacturing of batteries
Shanghai Bi Ba Batteries Co Ltd [(i) & (v)]	People's Republic of China	**100**	100	Manufacturing of batteries
Sylva Industries (China) Limited [(i) & (iv)]	Hong Kong	**100**	100	Investment holding
Sylva Industries Limited [(iv)]	Hong Kong	**100**	100	Manufacturing of batteries
Whitehill Electrochemical Company Limited [(i) & (iv)]	Hong Kong	**100**	100	Investment holding and provision of logistic support
Zhongyin (Ningbo) Battery Co. Ltd [(v)]	People's Republic of China	**70**	70 [Note 34]	Manufacturing of batteries

(i) Held by subsidiaries of the Company

(ii) Audited by Deloitte & Touche LLP, Singapore

(iii) Reviewed by Deloitte & Touche LLP, Singapore for consolidation purposes

(iv) Audited by overseas practices of Deloitte Touche Tohmatsu Limited

(v) Audited/reviewed by overseas practices of Deloitte Touche Tohmatsu Limited for consolidation purposes

(vi) Audited/reviewed by other accounting firms as these subsidiaries are not significant

(vii) Audited by Zhejiang Dewei Certified Public Accountants Company for consolidation purposes

30 SUBSIDIARIES (cont'd)

Details of non wholly owned subsidiaries that have material non-controlling interests:

Name of subsidiaries	Country of incorporation and place of business	Proportion of ownership interest/ voting power held by the non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2015	2014	2015	2014	2015	2014
		%	%	S$'000	S$'000	S$'000	S$'000
Zhongyin (Ningbo) Battery Co. Ltd	People's Republic of China	**30**	30	**8,341**	6,823	**58,388**	45,342
Ningbo Fubang Battery Co Ltd	People's Republic of China	**28**	28	**1,436**	1,299	**8,774**	6,634
Individually immaterial subsidiaries with non-controlling interests				**2,476**	(4,122)	**10,010**	9,826
				12,253	4,000	**77,172**	61,802

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below:

	Zhongyin (Ningbo) Battery Co. Ltd		Ningbo Fubang Battery Co Ltd	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Current assets	**119,067**	113,375	**31,841**	28,536
Non-current assets	**137,551**	126,808	**10,950**	11,644
Current liabilities	**(84,172)**	(89,044)	**(6,964)**	(12,369)
Equity attributable to owners of the Company	**114,058**	105,797	**27,053**	21,177
Non-controlling interests	**58,388**	45,342	**8,774**	6,634
Revenue	**344,301**	340,133	**45,907**	45,857
Expenses	**(45,051)**	(49,336)	**(3,704)**	(3,248)
Profit for the year	**27,803**	25,215	**5,128**	4,954
Profit attributable to:				
Owners of the Company	**19,462**	18,392	**3,692**	3,655
Non-controlling interests	**8,341**	6,823	**1,436**	1,299
Profit for the year	**27,803**	25,215	**5,128**	4,954
Other comprehensive income attributable to:				
Owners of the Company	**10,988**	1,782	**2,184**	285
Non-controlling interests	**4,705**	508	**704**	87
Other comprehensive income for the year	**15,693**	2,290	**2,888**	372
Total comprehensive income attributable to:				
Owners of the Company	**30,450**	20,174	**5,876**	3,940
Non-controlling interests	**13,046**	7,331	**2,140**	1,386
Total comprehensive income for the year	**43,496**	27,505	**8,016**	5,326
Dividends paid to non-controlling interests	**3,119**	5,009	**–**	–
Net cash inflow (outflow) from				
operating activities	**27,469**	37,263	**(302)**	3,790
investing activities	**(8,805)**	(11,063)	**328**	(201)
financing activities	**(25,448)**	(19,154)	**–**	–
Net cash (outflow) inflow	**(6,784)**	7,046	**26**	3,589

31 ASSOCIATES

Details of the principal associate companies at 31 March 2015 are as follows:

Name of associates	Country of incorporation	Proportion of ownership interest/ voting power held by the Group		Principal activities
		2015 %	2014 %	
AZ Limited [(i) & (iv)]	Russia	**40**	40	Marketing and trading in batteries
Changzhou Lithium Batteries Ltd [(i) & (iii)]	People's Republic of China	**40**	40	Manufacturing of batteries
Ningbo Fengyin Battery Co., Ltd [(i) & (iv)]	People's Republic of China	**32**	32	Manufacturing and trading of battery materials
Gold Yi Industry Company Limited [(i) & (iv)]	People's Republic of China	**30**	30	Marketing and trading in batteries
GP Battery Marketing (Germany) GmbH [(i) & (iii)]	Germany	**50**	50	Marketing and trading in batteries
GP Battery Marketing (Middle East) Limited (FZC) [(i) & (iv)]	United Arab Emirates	**50** [Note 34]	–	Marketing and trading in batteries
GP Battery Marketing (Thailand) Co Ltd [(i) & (iii)]	Thailand	**49**	49	Marketing and trading in batteries
GWA Energy, Inc [(i) & (iii)]	Taiwan	**41**	41	Marketing and trading in batteries
Hanoi Battery Joint Stock Company [(iv)]	Vietnam	**30**	30	Manufacturing of batteries
Lichton International Limited [(i) & (iv)]	Hong Kong	**33.33**	33.33	Marketing and trading in lighting products
STL Technology Co., Ltd [(i) & (iii)]	Taiwan	**34.46**	34.46	Manufacturing of battery packs and products
STL Technology (SIP) Co., Ltd [(ii) & (v)]	People's Republic of China	**34.46**	34.46	Manufacturing of battery packs and products
T.G. Battery Co (China) Ltd [(ii) & (v)]	People's Republic of China	**42.5**	42.5	Manufacturing of batteries
T.G. Battery Co (Hong Kong) Limited [(iii)]	Hong Kong	**50**	50	Investment holding and provision of logistic support
Vectrix International Limited [(ii) & (iii)]	Hong Kong	**45**	45	Trading of electric motorcycles

(i) Held by subsidiaries of the Company

(ii) Held by associates of the Company

(iii) Audited/reviewed by overseas practices of Deloitte Touche Tohmatsu Limited

(iv) Audited/reviewed by other accounting firms as these associates are not significant

(v) The results of the associates which are included in the audited consolidated financial statements of their respective holding companies are not separately audited as it is not significant

31 ASSOCIATES (cont'd)

Summarised financial information in respect of each of the Group's material associates is set out below:

	AZ Limited	
	2015	2014
	S$'000	S$'000
Current assets	**40,192**	58,702
Non-current assets	**7,779**	15,279
Current liabilities	**(26,070)**	(39,251)
Non-current liabilities	**–**	(293)
Revenue	**84,570**	107,341
Loss for the year	**(1,407)**	–*
Other comprehensive loss for the year	**(11,129)**	–*
Total comprehensive loss for the year	**(12,536)**	–*
Dividends received from the associate during the year	**–**	766

* *amount less than S$1,000*

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

	AZ Limited	
	2015	2014
	S$'000	S$'000
Net assets of the associate	**21,901**	34,437
Proportion of the Group's ownership	**40%**	40%
Share of net assets of the associate	**8,761**	13,775
Others	**(604)**	(618)
Carrying amount of the Group's interest	**8,157**	13,157

Year ended 31 March 2015

31 ASSOCIATES (cont'd)

	STL Technology Co., Ltd & its subsidiaries	
	2015	2014
	S$'000	S$'000
Current assets	**33,576**	30,699
Non-current assets	**6,700**	7,190
Current liabilities	**(11,265)**	(6,180)
Non-current liabilities	**(80)**	(48)
Revenue	**51,231**	57,297
Loss for the year	**(4,087)**	(7,886)
Other comprehensive income for the year	**1,357**	4,155
Total comprehensive loss for the year	**(2,730)**	(3,732)
Dividends received from the associate during the year	**–**	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

	STL Technology Co., Ltd & its subsidiaries	
	2015	2014
	S$'000	S$'000
Net assets of the associate	**28,931**	31,661
Proportion of the Group's ownership	**34.46%**	34.46%
Share of net assets of the associate	**9,970**	10,910
Others	**19**	–
Carrying amount of the Group's interest	**9,989**	10,910

31 ASSOCIATES (cont'd)

	T.G. Battery Co (Hong Kong) Limited & its subsidiary	
	2015	2014
	S$'000	S$'000
Current assets	**56,920**	42,764
Non-current assets	**6,651**	6,586
Current liabilities	**(28,589)**	(15,994)
Revenue	**118,578**	116,186
Profit for the year	**1,991**	2,818
Other comprehensive income for the year	**2,535**	–
Total comprehensive income for the year	**4,526**	2,818
Dividends received from the associate during the year	**1,450**	643

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

	T.G. Battery Co (Hong Kong) Limited & its subsidiary	
	2015	2014
	S$'000	S$'000
Net assets of the associate	**34,982**	33,356
Proportion of the Group's ownership	**50%**	50%
Share of net assets of the associate	**17,491**	16,678
Others	**128**	1,623
Carrying amount of the Group's interest	**17,619**	18,301

Year ended 31 March 2015

31 ASSOCIATES (cont'd)

	2015 S$'000	2014 S$'000
Aggregate information of associates that are not individually material:		
The Group's share of		
Profit (loss) for the year	**871**	(5,225)
Other comprehensive loss	**(591)**	(338)
Total comprehensive income (loss)	**280**	(5,563)
Aggregate carrying amount of the Group's interests in these associates	**10,841**	9,698
Unrecognised share of losses of associates:		
Share of unrecognised (loss) profit for the year	**(751)**	719
Cumulative share of loss	**(4,769)**	(4,018)

32 RELATED PARTY TRANSACTIONS

The Company's immediate holding company is GP Industries Limited. Gold Peak Industries (Holdings) Limited is the Company's ultimate holding company. Related companies in these financial statements refer to members of the ultimate and immediate holding companies' group of companies. The amounts due from or to related parties are unsecured, non-interest bearing and repayable on demand unless otherwise indicated. The Group has transactions with related parties as follows:

	The Group	
	2015 S$'000	2014 S$'000
Ultimate holding company		
Other services received	**(49)**	(42)
Rental and other services paid	**1,676**	1,433
Immediate holding company		
Other services received	**(30)**	(66)
Rental and other services paid	**204**	–
Renovation and other expenses	**143**	–
Related companies		
Sales	**–**	(5)
Other services received	**(4)**	–
Purchases	**67**	287
Other services paid	**367**	192
Associates		
Sales	**(25,263)**	(36,812)
Purchases	**78,491**	81,565
Dividend income	**(2,355)**	(2,179)
Interest income	**(216)**	(137)
Management fee income	**(238)**	(232)
Rental income	**(254)**	(305)
Royalty income	**(63)**	(150)
Sundry income	**(310)**	(267)

32 RELATED PARTY TRANSACTIONS (cont'd)

The remuneration of key management personnel are as follows:

	The Group	
	2015	2014
	S$'000	S$'000
Short-term benefits	**2,673**	2,450

33 SEGMENT INFORMATION

Reportable operating segment information

The Group operates in only one main operating segment which focuses on the development, manufacturing, distribution and trading in batteries and battery related products. This operating segment has been identified on the basis of internal management reports that are regularly reviewed by the Executive Directors of the Group who are the chief operating decision makers. The Executive Directors of the Group review the overall results of the Group as a whole to make decisions about resource allocation. Accordingly, no further analysis of this single reporting segment has been prepared. The accounting policies of this reportable segment are the same as the Group's accounting policies described in Note 2.

Geographical information

The Group's revenue and information about its non-current assets by geographical locations are detailed below:

	Revenue from external customers		Non-current assets	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Asia				
PRC (including Hong Kong)	**329,490**	317,438	**222,376**	214,372
Other parts of Asia	**90,784**	82,077	**40,548**	43,996
	420,274	399,515	**262,924**	258,368
North and South America	**147,578**	122,847	**446**	7,222
Europe and others	**151,483**	173,045	**17,649**	21,680
	719,335	695,407	**281,019**	287,270

The Group's activities are primarily based in the People's Republic of China (including Hong Kong) and other Asian countries. Revenue is based on the country in which the customer is located. Non-current assets are shown by the geographical areas in which these assets are located. Deferred tax assets are excluded for the purpose of the above presentation.

Other information

	The Group	
	2015	2014
	%	%
Revenue by products		
Primary cylindrical	**56.6**	57.4
Primary specialty	**22.7**	19.3
Rechargeable	**19.0**	21.5
Others	**1.7**	1.8
	100.0	100.0

There are no customers contributing more than 10 percent of the revenue of the Group.

Year ended 31 March 2015

34 ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES

During the financial year ended 31 March 2015, the Group's interest in GP Battery Marketing (Middle East) Limited (FZC) ("GPBMME") diluted from 60% to 50% as a result of new shares allotted by the subsidiary to non-controlling interests. As this change in the Group's interest in GPBMME resulted in a change of control, the gain arising on the dilution of S$10,000 is recognised in profit or loss.

During the financial year ended 31 March 2014, the Group diluted 5% interest in Zhongyin (Ningbo) Battery Co. Ltd ("ZYNB") for a consideration of S$9,709,000. As this change in the Group's interest in ZYNB did not result in a change of control, the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid is recognised in equity and attributed to the owners of the Company.

35 ASSET HELD FOR SALE

		The Group	
	Note	2015	2014
		S$'000	S$'000
Reclassified from property, plant and equipment	13	**70**	1,847

During the financial year ended 31 March 2015, the Group entered into a Sales and Purchase Agreement to dispose of a property in the People's Republic of China for a consideration of RMB19,000,000 (approximately S$4,100,000). The disposal is expected to complete in the first half of the next financial year.

During the financial year ended 31 March 2014, the Group entered into a Sales and Purchase Agreement to dispose of the property at 97 Pioneer Road Singapore 639579 for a consideration of S$11,180,000. The disposal has been completed in the current financial year under review.

36 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

Apart from those involving estimations (see below), management is of the view that there are no critical judgements that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(a) *Impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

The carrying amount of the goodwill at the end of each reporting period is disclosed in Note 18 to the financial statements.

36 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF UNCERTAINTY (cont'd)

Key sources of estimation uncertainty (cont'd)

(b) *Impairment of property, plant and equipment*

Determining whether the property, plant and equipment are impaired requires an estimation of the recoverable amount of the property, plant and equipment. In determining the recoverable amount, management will calculate the value in use by estimating the future cash flows and an appropriate discount rate in order to calculate the present value of future cash flows as well as obtaining market value of the property, plant and equipment.

The impairment and carrying amount of property, plant and equipment at the end of each reporting period are disclosed in Note 13 to the financial statements.

(c) *Depreciation of property, plant and equipment*

The management exercises their judgement in estimating the useful lives of the depreciable assets. Depreciation is provided to write off the cost or valuation of property, plant and equipment over the estimated useful lives, using the straight-line method or reducing balance method.

The carrying amount of property, plant and equipment at the end of each reporting period is disclosed in Note 13 to the financial statements.

(d) *Allowances for bad and doubtful debts*

The Group makes allowances for bad and doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables when events or changes in circumstances indicate that the balance may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables and doubtful debts expenses in the period in which such estimate has been changed.

The allowances and carrying amount of doubtful receivables at the end of each reporting period are disclosed in Notes 15 and 20 to the financial statements.

(e) *Impairment of investments in subsidiaries and associates*

Determining whether investments in subsidiaries and associates are impaired requires an estimation of the recoverable amount assessed to be the higher of fair value less cost to sell and value in use. Management has evaluated the recoverability of these investments based on such estimates and the Company has recognised an impairment loss of S$Nil (2014 : S$34,880,000) on the investments in subsidiaries and S$524,000 (2014 : S$456,000) on the interests in associates in the consolidated statement of profit or loss. The carrying value of the investments in subsidiaries and associates are set out in Notes 14 and 15 to the financial statements.

(f) *Allowance for stock*

The carrying amount of stocks is progressively reduced based on the age and type of stocks. These estimates of realisable values are made by management after taking into account historical and forecast selling prices. The carrying amount of stocks of the Group is set out in Note 19 to the financial statements.

CORPORATE GOVERNANCE

GP Batteries International Limited (the "Company") is committed to ensuring and maintaining high standards of corporate governance in conformance with Singapore Code of Corporate Governance 2012 (the "2012 Code") as well as the requirements of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

This report describes the Company's corporate governance practices and structures in place during the financial year ended 31 March 2015, with specific reference to the principles and guidelines of the 2012 Code, and where applicable, the Listing Manual of the SGX-ST, the Singapore Companies Act, Cap. 50 and the Guidebook for Audit Committee in Singapore issued on 19 August 2014 (the "AC Guidebook"), focusing on areas such as internal controls, risk management, financial reporting, internal and external audit.

The Board of Directors (the "Board" or the "Directors") has adhered to the principles and guidelines set forth in the 2012 Code as set out below. Where there are deviations in the Company's practices from the principles of the 2012 Code, the basis for these have been explained.

THE 2012 CODE

The 2012 Code is divided into four main sections, namely:

(A) Board Matters
(B) Remuneration Matters
(C) Accountability and Audit
(D) Shareholder Rights and Responsibilities

(A) BOARD MATTERS

The Board currently consists of the following members:

Mr Victor Lo Chung Wing
Mr Richard Ku Yuk Hing
Mr Henry Leung Kwong Hang
Mr Leung Pak Chuen
Mr Hui Wing Sun
Mr Brian Wong Tze Hang
Mr Lim Jiew Keng
Mr Allan Choy Kam Wing
Mr Goh Boon Seong

A description of the background of each Director is presented in the Board of Directors and Senior Management section of this annual report.

The Board's Conduct of Affairs

The Board meets regularly to review the Group's strategic business plans, the assessment of key risks by management and the financial performance of the Group to enable the Group to meet its business objectives. The Board has overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including risk management systems and internal controls to safeguard shareholders' and stakeholder's interests and the Group's assets. All Board members bring their independent judgment, diversified knowledge and experience to bear on issues of strategy (including social and environmental issues), performance, resources and standards of conduct and ethics.

The Board objectively takes decisions in the interests of the Company. The authority of the Board in relation to matters concerning the Company's business affairs is defined in the Risk Governance Framework and Manual of the Company. The Board has delegated specific responsibilities to three Board Committees, namely, the Audit and Risk, Nominating and Remuneration Committees ("ARC", "NC" and "RC" respectively). Information on each of the three Board Committees is set out below. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

The Board's Conduct of Affairs (cont'd)

Furthermore, the Company has formalised a Board authority matrix and the authority is delegated to the Management. This contains approval limits as well as the Board Committees and Management designations responsible for authorisation of key activities and/or transactions which require the Board's approval relate to significant investments/divestments, financing arrangements, interested persons transactions, capital expenditure, financial budgets, share issuance and dividend payments and any material transactions which require announcements under the SGX Listing Rules.

The Board meets at least four times a year and these meetings are scheduled well in advance. Ad hoc meetings are called when there are pressing matters requiring the Board's consideration and decision in between the scheduled meetings.

The Articles of Association of the Company allow Directors to participate in a Board meeting by telephone conference or video-conference whereby all persons participating in the meeting are able to communicate as a group, whereby the Directors' physical presence at the meeting is not compulsory.

The number of the Board and the Board Committee meetings held in the financial year ended 31 March 2015 and the attendances of Directors at these meetings are as follows:

	Board		Audit Committee[2]		Nominating Committee		Remuneration Committee	
	No. of meetings		No. of meetings		No. of meetings		No. of meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Victor Lo Chung Wing	4	4	NA	NA	1	1	NA	NA
Richard Ku Yuk Hing	4	4	NA	NA	NA	NA	NA	NA
Henry Leung Kwong Hang	4	4	NA	NA	1	1	NA	NA
Leung Pak Chuen [1]	4	3	NA	NA	NA	NA	NA	NA
Brian Wong Tze Hang	4	4	NA	NA	NA	NA	NA	NA
Lim Jiew Keng	4	4	4	4	1	1	2	2
Allan Choy Kam Wing	4	4	4	4	1	1	2	2
Goh Boon Seong	4	4	4	4	1	1	2	2

[1] *Appointed on 29 May 2014*

[2] *Audit Committee ("AC") was renamed to "ARC" on 27 May 2015*

The appointment of Directors is recommended to the Board by the NC and the Directors are briefed on their duties and obligations. The Company also organises an induction briefing from senior management for new Directors to familiarise them with the business activities of the Company (covering products, customers, market position, financial, organisational structure and performance), the Company's strategic direction and corporate governance practices. The Company also arranges, where necessary, for new Directors to visit the major operating facilities of the Group.

To keep pace with new laws, regulations, changing commercial risks and accounting standards, all Directors are encouraged to attend, at the Company's expense, relevant and useful seminars that are conducted by external organisations for their continuing education and skills improvement. The Company Secretaries will bring to the Directors' attention, information on courses and seminars that may be of relevant or use to them.

For the financial year ended 31 March 2015, the following training engagements and briefings were arranged for the Board:

- developments to the accounting standards and IFRS were provided by external auditors Deloitte & Touche LLP;
- developments to corporate governance and risk management were provided by RSM Ethos Pte Ltd, an external consultant;
- developments and changes to the regulatory landscape and legal environment were presented by Company Secretaries and external professionals; and
- latest changes and updates to the industry and sector developments and the implications to the Group were presented by Chief Executive Officer ("CEO") and Chief Operating Officer ("COO").

Board Composition and Independent Directors

The Board comprises nine members, three of whom are Non-Executive Directors. All the three Non-Executive Directors, Mr Lim Jiew Keng, Mr Goh Boon Seong and Mr Allan Choy Kam Wing are independent (i.e. they have no relationship with the Group, its related companies, its 10% shareholders, or their officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Group, and they are able to exercise objective judgment on corporate affairs independently from Management and its 10% shareholders). Mr Allan Choy Kam Wing is also a non-executive and independent member of the Board of GP Industries Limited, which is the immediate holding company of the Company.

All Directors are required to disclose any relationships or appointments which would impair their independence to the Board on a timely basis and this is facilitated by the Company Secretaries through an annual disclosure exercise. The Board views that all Non-Executive Directors of the Company are independent and this is based on the evaluations performed by the NC.

The Chairman and the CEO is the same individual. The Board is of the view that this arrangement does not impair the effectiveness of decision making. The Chairman and CEO are responsible for the overall operations of the Group as well as ensuring that the principles and the application of the 2012 Code are duly adhered to. There is sufficiently independent representation in the Board Committees which provide an independent and objective element to the Group and strategic level decision making. The NC is also of the view that the current Board as a whole provides core competencies necessary to meet the Company's objectives. The Board shall continually evaluate the number of Independent Directors, and is taking active steps to increase the independent composition of the Board over time.

None of the Independent Directors has served on the Board for a period exceeding nine years. The NC evaluates the independence of a Director in accordance with the definition of 'Independent Director' as defined in Guideline 2.3 of the 2012 Code.

Board Size

The Board takes the assistance of the NC, in reviewing the Board size on an annual basis, and considers the present Board size as appropriate for the current scope and nature of the Group's operations. Although all the Directors have an individual and collective responsibility for the Group's operations, the role of these Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by Management are constructively challenged, fully discussed and examined, and take account of the long term interests, not only of the shareholders, but also of employees, customers, suppliers and the various communities and environments in which the Group conducts business.

Board Experience

The Board as a whole, comprises executive and independent non-executive members who bring a vast wealth of experience to the Group. The executive members of the Board are qualified in the specialists fields of sales and marketing, engineering, operational management, finance and legal. The Independent Non-Executive Directors, aside from their appointments in other listed companies, also bring industry experience from the banking and finance sector, as well as manufacturing and engineering industry.

A brief description of the background of each Director is presented under "Board of Directors and Senior Management" section of this annual report.

Role of the Non-Executive Directors

The Non-Executive Directors meet as scheduled to constructively challenge and help develop proposals on business strategy and review management performance against the business objectives. They will also convene meetings when required to address ad hoc or urgent Group-related matters. The Non-Executive Directors deliberate and engage in constructive dialogue (either as a non-executive group or with Management) in order to proactively provide independent advice.

Chairman

The Chairman is also the CEO of the Company. The role of the Chairman and the CEO should principally be separated to maintain an appropriate balance of power, increased accountability and to facilitate independent decision making by the Board. The Chairman and the CEO promotes high standards of corporate governance on the Board and within the Group.

Nonetheless, there are compensating factors to mitigate the consolidation of the Chairman and the CEO role within the Group. For instance, there are three Independent Non-Executive Directors on the Board. They provide an independent and objective element to the Board, participating actively in matters relating to business, finance, corporate governance, remuneration and appointment of the Board members. The Board's Committees, namely, the ARC, RC and NC, comprise primarily Independent and Non-Executive members. The division of the responsibilities of the Chairman and the CEO is discussed within the Board and considered by the NC in their assessment and evaluation of the performance of the key executives of the Company.

The Board believes that there are sufficient safeguards against an uneven concentration of power and authority in a single individual, and that the existing single leadership arrangement is effective. The Board continually reviews the role of the Chairman and the CEO as well as the composition (including the independence) of the Board to ensure that it does not impede the principles of independence and objectivity in decision making.

Role of the Chairman

The roles and responsibilities of the Chairman include:

i) ensuring the Board's effectiveness through his leadership and managing the relationship between Management and shareholders of the Group;

ii) ensuring that Board meetings are held as and when necessary;

iii) approving the Board agenda;

iv) providing oversight on accurate, timely and clear information contained in the Board papers circulated to the Board members;

v) dedicating sufficient time to all agenda items;

vi) monitoring communications and relations within the Board, with Management and the shareholders to facilitate constructive dialogue; and

vii) facilitating effective contribution of the Independent and Non-Executive Directors.

Lead Independent Director

Mr Lim Jiew Keng, the Lead Independent Director of the Company is presently the Chairman of the ARC.

The Lead Independent Director is available for dialogue with shareholders in circumstances where:

- shareholder contact through regular channels to engage the Chairman/CEO, COO or the Chief Financial Officer ("CFO") is unable to yield resolution of issues or;

- shareholder contact with the Chairman/CEO, COO or CFO is inappropriate.

The Independent Non-Executive Directors meet annually without the presence of the other members of the Board (or more frequently if required) to discuss matters of significance which are thereon reported to the Chairman/CEO.

Nominating Committee

The NC, as at the date of the Corporate Governance Report, comprises the following Directors:

Mr Allan Choy Kam Wing (Chairman)
Mr Victor Lo Chung Wing (Member)
Mr Henry Leung Kwong Hang (Member)
Mr Lim Jiew Keng (Member)
Mr Goh Boon Seong (Member)

The majority of the NC is Independent and Non-Executive Directors. The NC met once during the financial year.

The NC has a Terms of Reference endorsed by the Board that sets out its duties and responsibilities. The NC is responsible for making recommendations to the Board on all Board appointments, evaluation of performance of the Board, its Board Committees, members and Directors, adequacy of the Board's training and professional development programmes and review the Board's succession plans for Directors, in particular the Chairman/CEO. Specifically, the Terms of Reference of the NC addresses:

i) making recommendations to the Board on the appointment of new Executive and Non-Executive Directors, including the composition of the Board generally and the balance between Executive and Non-Executive Directors appointed to the Board;

ii) regular review of the Board structure, size and composition and making recommendations to the Board with regards to any adjustments that are deemed necessary;

iii) responsibility for identifying and nominating candidates for the approval of the Board, determining annually whether or not a Director is independent, making recommendation to fill Board vacancies as and when they arise as well as putting in place plans for succession, in particular for the Chairman/CEO;

iv) recommending to the Board for the continuation (or not) in services of any Director who has reached the age of 70, or any Independent Director who has served on the Board for more than nine years; and

v) recommending Directors who are retiring by rotation to be put forward for re-election taking into consideration eligibility, effectiveness, and contribution to the Board.

Independence of Directors

The NC is also responsible for determining annually, the independence of Directors. In doing so, the NC takes into account the circumstances set forth in the 2012 Code and any other salient factors. Following its annual review, the NC has endorsed the following independence status of these Directors:

Independent
Mr Lim Jiew Keng
Mr Allan Choy Kam Wing
Mr Goh Boon Seong

Sufficient Time and Attention by Directors

The NC is satisfied that sufficient time and attention are given by the Directors to the affairs of the Group, taking into consideration the Director's number of listed company board representations and other principal commitments. With due respect to individual autonomy of each Director, no maximum number of listed company board representations a Director may hold is prescribed.

The Board does not have a practice of appointing alternate Directors.

Selection, Appointment and Re-appointment of Directors

When selecting new Directors or re-appointing existing Directors, the NC identifies certain key attributes. These attributes are endorsed by the Board prior to the selection and short-listing process (which includes referrals and identification through professional recruitment firms).

The NC members collectively assess and concur on the appointment/re-appointment of the Directors for consideration by the Board. In assessing Director re-appointment, the NC evaluates several criteria including qualifications, contributions and independence.

Pursuant to the 2012 Code, information on each Director's qualifications, directorship and other principal commitments is as follows:

	Victor Lo Chung Wing	Richard Ku Yuk Hing	Henry Leung Kwong Hang
Role	Chairman and Chief Executive Officer Executive Director	Vice Chairman Executive Director	Chief Operating Officer and Chief Risk Officer Executive Director
Academic and Professional Qualifications	Mr Lo graduated from the Institute of Design of Illinois Institute of Technology, US with a Bachelor of Science degree in Product Design. He also holds an Honorary Doctorate in Design from The Hong Kong Polytechnic University.	Mr Ku graduated from the Sophia University, Japan with a Bachelor of Science degree in Economics.	Mr Leung graduated from the University of Essex, UK with a Bachelor's degree in Telecommunication Engineering. He is a Chartered Engineer and a member of The Institution of Engineering and Technology, UK as well as a fellow member of The Hong Kong Institution of Engineers.
Board Committee(s) served on	Nominating Committee (Member)	Nil	Nominating Committee (Member)
Date of first appointment as a Director	25 April 2014	24 July 1990	13 August 2008
Date of last re-election/ re-appointment as a Director	30 July 2014	30 July 2014	31 July 2013
Present directorships in other listed companies	Gold Peak Industries (Holdings) Limited *Chairman and Chief Executive Executive Director* GP Industries Limited *Chairman and Executive Director*	Gold Peak Industries (Holdings) Limited *Executive Director*	Nil
Past directorships in other listed companies over the three years	Nil	Nil	Nil
Other principal commitments	Hong Kong Design Centre *Chairman of the Board of Directors* West Kowloon Cultural District Authority of Hong Kong SAR Government *Member of the Board* Economic Development Commission of Hong Kong SAR Government *Member* Advisory Committee on Innovation and Technology, Hong Kong SAR Government *Member*	Nil	Nil

	Leung Pak Chuen	Hui Wing Sun	Brian Wong Tze Hang
Role	Executive Director	Executive Director	Head of Finance Executive Director
Academic and Professional Qualifications	Mr Leung graduated from Chu Hai College, Hong Kong with a Bachelor's degree in Business Administration. He is a member of The Chartered Institute of Marketing, UK and The International Insitute of Management.	Mr Hui holds a Higher Diploma in Mechanical Engineering from The Hong Kong Polytechnic University (formerly The Hong Kong Polytechnic) and a Master of Science degree in Applied Mechanics from the Institute of Science and Technology, University of Manchester, UK.	Mr Wong holds a Bachelor of Laws degree from the University of London, UK. He is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants of the UK.
Board Committee(s) served on	Nil	Nil	Nil
Date of first appointment as a Director	29 May 2014	24 July 1990	1 June 2009
Date of last re-election/ re-appointment as a Director	30 July 2014	30 July 2014	31 July 2013
Present directorships in other listed companies	Gold Peak Industries (Holdings) Limited *Deputy Chief Executive Executive Director* GP Industries Limited *Executive Vice Chairman* Meiloon Industrial Co. Ltd *Executive Director*	Nil	Nil
Past directorships in other listed companies over the three years	Nil	Nil	Nil
Other principal commitments	Nil	Nil	Nil

	Lim Jiew Keng	Allan Choy Kam Wing	Goh Boon Seong
Role	Lead Independent Director Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
Academic and Professional Qualifications	Mr Lim holds a Bachelor of Social Science (Honours) degree in Economics from the National University of Singapore (formerly University of Singapore), a Certificate in Education from the National Institute of Education (formerly Teachers' Training College), Singapore and completed an Advanced Management Programme at the Fuqua Business School of the Duke University, US. Mr Lim has been a member of the Singapore Institute of Directors since 2002	Mr Choy holds a Diploma in Management Studies from the University of Hong Kong and an MBA degree from the University of Macau.	Mr Goh graduated from the National University of Singapore (formerly University of Singapore) with a Bachelor of Business Administration degree.
Board Committee(s) served on	Audit and Risk Committee (Chairman), Nominating Committee (Member), Remuneration Committee (Member)	Nominating Committee (Chairman), Audit and Risk Committee (Member), Remuneration Committee (Member)	Remuneration Committee (Chairman), Audit and Risk Committee (Member), Nominating Committee (Member)

	Lim Jiew Keng	Allan Choy Kam Wing	Goh Boon Seong
Date of first appointment as a Director	1 July 2009	24 May 2011	28 May 2012
Date of last re-election/ re-appointment as a Director	30 July 2014	30 July 2014	31 July 2012
Present directorships in other listed companies	Nil	GP Industries Limited *Independent Non-Executive Director*	Boustead Singapore Limited *Independent Director*
Past directorships in other listed companies over the three years	Jaya Holdings Limited *Independent Director* Surface Mount Technology (Holdings) Limited *Independent Director*	Nil	Nil
Other principal commitments	BSL Consultants Pte Ltd *Director*		WhiteRock Medical Company Pte Ltd *Shareholder & Officer*

Details of Directors' shareholdings are disclosed on page 20 of the Report of the Directors under Directors' Interests in Shares and Debentures.

Assessing Board Performance

The Board has implemented a process for assessing the Board effectiveness and the contribution of each Director towards the Board's effectiveness. The Board through the NC works with the Company Secretaries to evaluate Board performance through a formal evaluation program. This program identifies the strategic and long-term objectives of the Group and aligns it with the attributes and contribution measures against which the Board is assessed. For the year under review, the Board has considered the following key performance criteria:

- Board composition (including the degree of independence, experience and skill sets)
- Board information (including the timeliness and quality of business and financial information)
- Board communication (including openness, adequacy of timing allocated to deliberate issues, dynamics, appropriate focus on risk, access to management and orientation of new Directors)
- Board accountability (including decision making, communication with shareholders, adequate focus on strategic and budgetary matters and effectiveness of Board Committees)
- Board standards of conduct (including disclosure of conflict of interests and appropriate interaction with Management)

The NC reviews the performance of the Directors including the appointment and resignation of the Board members. Individual Director evaluations are taken into account by both the NC and the Board Chairman when considering each Director's performance and any changes to the Board appointments. The basis of evaluating each Director's effectiveness is being continually refined to raise the level of precision in measurement and benchmarking of the results against predetermined criteria.

Board Access to Information

All Directors receive a set of Board papers prepared by Management prior to the Board meetings. Board papers are generally issued to Directors prior to the meeting. This allows Directors to obtain further explanations from Management, where necessary, in order to be briefed properly and prepare for the Board meeting. The Board papers include, among others, the following documents and details:

- minutes of the previous Board meeting;
- background or explanations on matters brought before the Board for decision or information, including issues being dealt with by Management, and relevant budgets, forecasts and projections;
- in respect of budgets, material variances between projections and actual results, supported by formal explanations are also circulated when required, to the members of the Board;
- any major operational and financial issues; and
- other ad hoc and relevant business performance and development reports.

The Board is also consulted or updated on the latest developments of the Group, any major issues or relevant business matters through both formal and informal meetings with Management. These meetings are facilitated either as part of the Board meeting or via teleconference/email correspondences with Management team involved.

Matters which require the Board's oversight are reviewed and approved through formal Board Resolutions.

The Board is furnished with monthly management accounts which present a balanced and understandable assessment of the Group's performance, position and prospects. In addition, the Board reviews and discusses the latest management accounts at each Board meeting.

Directors have separate and independent access to the Group's Management, including the Chairman/CEO, the COO, the CFO and the Group's internal and external auditors. Directors are able to query Management on any details relating to the management reports and Board papers. Management shall accordingly respond to the Directors on the queries raised for further deliberation or resolution.

Role of the Company Secretaries

The Board has access to the advice and services of the Company Secretaries.

The Company Secretaries attend all Board meetings (including the meetings for reviewing draft company announcements and the Group's results). The Company Secretaries also attend all meetings of the RC and the NC.

The Company Secretaries also assist the Chairman to ensure that the Board procedures are duly followed and regularly reviewed for compliance with relevant rules and regulations and effective functioning of the Board.

Under the Articles of Association of the Company, the decision relating to appointment and renewal of the Company Secretaries can be taken by the Board.

Professional Advice taken by the Board

The Board, either in full or on an individual Director basis, is able to seek and take independent professional advice in relation to the furtherance of their duties. Such professional advice taken is borne wholly by the Company.

(B) REMUNERATION MATTERS

The RC is responsible for ensuring that a formal and transparent procedure exists in the development of policies on executive remuneration, and for determining the remuneration packages of individual Directors and key management personnel.

Remuneration Committee

The RC, as at the date of the Corporate Governance Report, comprises the following three Non-Executive and Independent Directors:

Mr Goh Boon Seong (Chairman)
Mr Lim Jiew Keng (Member)
Mr Allan Choy Kam Wing (Member)

No member of the RC is involved in deliberations in respect of any remuneration, compensation, options or any form of benefits to be granted to him.

The RC is governed by specific Terms of Reference and the principal responsibility of the RC is to:

i) review and recommend to the Board in consultation with Management and the Chairman of the Board, a framework of remuneration and to determine the specific remuneration packages and terms of employment for each of the Executive Directors and senior executives/divisional directors (those reporting directly to the Chairman and the CEO) of the Group including those employees related to the Executive Directors and substantial/controlling shareholders of the Group;

ii) review and submit its recommendations for endorsement by the entire Board, share-based incentives or awards or any long-term incentive schemes which may be set up from time to time, in particular to review whether Directors and key management personnel should be eligible for such schemes and also to evaluate the costs and benefits of such schemes and to do all acts necessary in connection therewith;

iii) function as the Committee which administrates the GP Batteries Performance Share Plan (the "Performance Share Plan");

iv) review and recommend termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments to key management personnel in the Group, and ensuring that their contracts of service contain fair and reasonable termination clauses which are not overly generous;

v) carry out its duties in the manner that it deemed expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board from time to time; and

vi) ensure that all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind are covered.

In deriving the Company's Remuneration Policy, the RC works closely with the Human Resources function. The Human Resources function provides details of the remuneration of the Board and key management personnel to the RC who thereon evaluates the remuneration levels against available industry data to determine if the level and mix of remuneration is reasonable. The remuneration policy recommended by the RC is submitted for approval by the Board.

The RC reviews the reasonableness of the terms of employment of the key management personnel of the Group. All Independent and Non-Executive Directors are paid a fixed fee. The Executive Directors and key management personnel (including the top five senior management personnel who are not Board members) have remuneration structures that are fixed-salary-based, supplemented with a reasonable variable performance component. This structure does not promote excessive risk taking and is aligned with the Group's business strategy, longer term objectives and risk policies.

Remuneration of Executive Directors and Key Management Personnel

(a) Fixed and Variable Components

The Remuneration Policy for key management personnel comprises a fixed component and a variable component that is linked to the Company's performance. The fixed component comprises a basic salary, statutory-related contributions as well as internally structured corporate contributions. The variable component comprises a variable bonus which is based on the Company's and individual's performance.

The remuneration structure is aligned with the long-term business interests and it is designed to be motivational and facilitate the retention of key talents within the Senior Management Ranks.

The basic and variable remuneration to be paid to key management personnel are reviewed by the RC annually. The RC performs a periodic benchmark of the remuneration framework and its components against the market. This also ensures that there is a correlation between increased remuneration and performance benefits and that remuneration structures do not encourage excessive risk taking.

(b) Benefits

Benefits provided are in line with market practice and eligibility is dependent on the individual's salary grade.

(c) Performance Share Plan

The Company also has a Performance Share Plan which was approved by the shareholders in the Extraordinary General Meeting held on 30 July 2010.

Under this Performance Share Plan, shares are awarded based on the eligibility and performance of the individual and this is approved jointly by the CEO, the COO, the Group Human Resources and the RC. There have not been any performance shares issued to date.

In order to align the interest and balance the level of remuneration of Non-Executive Directors, the Performance Share Plan has been made eligible to the Non-Executive members of the Board. This ensures that the level and mix of remuneration is in line with business and shareholders' interests.

The RC reviews the remuneration of the Non-Executive Directors annually to ensure that the compensation received, which is fixed in nature, reflects the amount of effort, time and the importance of the roles and responsibilities borne by each Non-Executive Director.

The Company does not have 'claw back' provisions in the employment contracts with the Executive Directors and key management personnel. A major component of the remuneration structure for this group of personnel is fixed (see disclosure in "The Annual Remuneration Report"). The Company believes that this helps to reduce the likelihood of financial misconduct or excessive risk taking in pursuit of extraordinary financial gain.

Disclosure on Remuneration

The remuneration package of the Directors (both Executive and Independent) and the top five key management personnel (who are not Directors or the CEO) for the financial year ended 31 March 2015 is presented in the table below:

The Annual Remuneration Report

Name of Personnel	Fixed Salary including CPF	Performance related income	Other Benefits	Directors Fee	Total
Range of remuneration below S$250,000					
Executive Director					
LEUNG Pak Chuen	0%	0%	0%	0%	0%
Independent Non Executive Director					
Allan CHOY Kam Wing	0%	0%	0%	100%	100%
GOH Boon Seong	0%	0%	0%	100%	100%
LIM Jiew Keng	0%	0%	0%	100%	100%
Range of remuneration S$250,001 to S$500,000					
Executive Director					
HUI Wing Sun	90%	9%	1%	0%	100%
Richard KU Yuk Hing	87%	11%	2%	0%	100%
Brian WONG Tze Hang	71%	10%	19%	0%	100%
Key Executive					
Parklin HO Pak Nin	63%	11%	26%	0%	100%
HUANG Xiao Yun	32%	68%	0%	0%	100%
Edward LAM Wai Man	86%	13%	1%	0%	100%
Vincent ZHU Xiang Kui	32%	68%	0%	0%	100%
Range of remuneration S$500,001 to S$750,000					
Executive Director					
Henry LEUNG Kwong Hang	87%	0%	13%	0%	100%
Victor LO Chung Wing	100%	0%	0%	0%	100%
Key Executive					
William WANG Jian Hao	24%	76%	0%	0%	100%

Total remuneration for the Directors and the top five key management personnel for the financial year ended 31 March 2015 amount to S$2,673,000 and S$2,449,000 respectively. The Company believes that the disclosure in bands of S$250,000 provides sufficient overview of the remuneration of the Directors.

No employee of the Company and its subsidiaries was an immediate family member of a Director and the CEO whose remuneration exceeded S$50,000 during the financial year ended 31 March 2015. "Immediate family" is defined in the context of the Director as his/her spouse, child, adopted child, step-child, sibling and parent.

(C) ACCOUNTABILITY AND AUDIT

Accountability

The Board is responsible for providing a balanced and understandable assessment of the Group's performance, position and prospects when presenting interim and other price sensitive public reports, and reports to regulators (if required).

Management is accountable to the Board and prepares accurate, informative and understandable business operations and financial reports which are furnished to the Board monthly. Board members review these management reports that contain analysis and explanations of variances against budget to understand the Group's financial and operational performance and prospects.

On a day-to-day basis, Management reviews the regulatory and compliance requirements and are responsible for ensuring proper adherence to rules and regulations.

Risk Management and Internal Controls

The Board is responsible for the governance of risk. The Board sets the tone and direction for the Company in the way that it expects risks to be managed. The Board has ultimate responsibility for approving the business strategy of the Company in a manner which addresses stakeholders' expectations that does not expose the Company to an unacceptable level of risk.

The Company has in place a Risk Governance and Internal Control Manual. This sets out the risk governance responsibilities and the accountability, and oversight for risk management activities which mitigate the occurrence and exposure to significant risks that would impede the achievement of business objectives. To supplement the Risk Governance and Internal Control Manual, the Board has established an Enterprise Risk Management ("ERM") framework and program. The ERM framework and program are managed by the Company's senior management team with the assistance and co-ordination of a centralised risk management function. This ERM framework and program ensure that proper risk management is embedded in the Company's business activities and that a positive risk culture and robust risk management process are in place and consistently applied. This provides oversight on risks relating to strategy, operation, finance, technology and compliance. The risk management strategy, policies and outputs of the risk management process are approved and presented regularly to the ARC which assumes responsibilities for both audit and risk matters.

Convening a Separate Committee to Oversee Risk Matters

The Company does not have a separate Risk Committee; however the Board has delegated the oversight of risk matters to the AC (which was renamed to the ARC on 27 May 2015) to assist it in fulfilling its responsibility for risk governance and oversight of the ERM framework and program. The members of the ARC are listed under "Audit and Risk Committee". The ARC is independent from Management.

The Board has approved an ERM framework and program for the identification of key risks within the business which is aligned with the ISO 31000:2009 Risk Management framework and the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Internal Controls Integrated Framework.

Roles and Responsibilities of the ARC in Respect of Risk Oversight

As part of the responsibilities of the ARC's oversight for risk management, the ARC:

- proposes the risk governance approach and risk policies for the Company to the Board;
- reviews the risk management methodology adopted by the Company;
- reviews the strategic, financial, operational, regulatory, compliance, information technology and other emerging risks relevant to the Company identified by Management;
- reviews Management's assessment of risks and Management's action plans to mitigate such risks;
- proposes risk appetite and tolerance limits to the Board;
- reviews reports of any material breaches of risk limits;

Roles and Responsibilities of the ARC in Respect of Risk Oversight (cont'd)

- reviews the Company's procedures for detecting fraud including the whistle blowing policy and ensures appropriate follow up actions;
- reports to the Board on matters, findings and recommendations relating to risk management; and
- reviews the adequacy and effectiveness of the Company's risk management systems.

The Chief Risk Officer ("CRO") of the Company is Mr Henry Leung Kwong Hang, who is also the COO of the Company. The CRO is the custodian of the Risk Management programme and reports on risk management matters to the ARC. The ARC reviews the adequacy of the ERM framework and program through dialogue sessions with the CRO to understand the process to identify, assess, manage and monitor risks. Additionally, there is a risk management annual program which charts out the objectives and outputs of the ERM program and this also caters for a frequent review of the effectiveness of the ERM process.

The CRO presents annual reports to the ARC and the Board on the Group's risk profile, the status of risk mitigation action plans and updates on the following areas:

- assessment of the key risks by major business units and risk categories;
- identification of specific 'risk owners' responsible for the risks identified;
- description of the processes to identify and assess risks to the business;
- status and changes in plans undertaken by Management to manage key risks; and
- description of the risk monitoring and escalation processes and also systems in place.

Risk Appetite and Tolerance Limits

The Board has reviewed the risk appetite and tolerance limits proposed by Management for the key risks pertinent to the business strategy as well as the significant risks identified through the ERM process covering the operational, financial, technology and compliance aspects.

In order to monitor conformance with risk appetite and tolerance limits, the risk owners and co-ordinators are to track risk indicators. Where risk limits are breached, they are highlighted to the CRO who is tasked to oversee the necessary risk treatments and to report any significant risk incidents or breaches of limits for key risks to the ARC on a timely basis.

Based on the above, the ARC concluded that the Company's ERM framework and program are adequate. Management has appropriately defined and the ARC, together with the Board, has approved the risk tolerance and appetite limits of the Company.

Management's Responsibility in Risk Management

Management is responsible for designing, implementing and monitoring the ERM framework and program and internal control systems in accordance with the policies on risks and internal controls.

As part of Management's efforts in promoting a "risk-aware" culture, risk assessment and evaluation takes place as an integral part of the annual strategic planning cycle conducted at the beginning of each financial year. Having identified the risks arising from strategic business objectives, each business unit is required to document the mitigating actions to manage the risk. New areas are introduced for assessment as the business risk profile changes. Information such as the types of risks, the controls and processes for managing risks is subsequently summarised in a risk heat map, which is reviewed by Management, Internal Audit and the ARC.

Management also conducts annual risk management training and a risk forum to heighten risk awareness for staff. Management is responsible for day-to-day monitoring of these risks and highlighting significant events arising thereon to the Board via the CRO.

Annual Review of Adequacy and Effectiveness of Risk Management and Internal Control Systems

The Board with the assistance of the ARC has undertaken an annual evaluation of the adequacy and effectiveness of the risk management and internal control systems. The assessment considered both the key risk profile of the Company, the ability to discharge proper risk governance responsibilities and the existence and effectiveness of the principles within the Company to meet the requirements of an effective internal control system as stipulated by COSO.

The Board's annual assessment of risk management and internal control was based on the Risk Governance and Internal Control Manual and the evaluation against a COSO Internal Control Checklist which considered:

- the changes to the business strategy and accompanying changes to the risk profile, risk appetite and tolerance limits;
- the changes to the Board authority and authorisation responsibilities delegated to Management in respect of the changes to the key business strategies;
- the policies and authorisation responsibilities of the Company;
- the adequacy and effectiveness of risk management activities to address the pertinent risks;
- the controls and activities in place to uphold and enforce the principles of effective internal control by COSO covering the control environment, risk assessment, control activities, information and communication and monitoring activities; and
- the occurrence of significant internal control weaknesses during the financial period and whether these issues were adequately and properly addressed.

The Board reviewed the above in order to understand the profile of risks relevant to the Company and the appropriateness of counter-measures for managing them.

Pursuant to this, the Board has obtained a Declaration of Compliance from the CEO and the CFO:

a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances;

b) regarding the effectiveness of the Group's risk management systems; and

c) that there has been full conformance with the risk governance activities and responsibilities stated in the Company's Risk Governance and Internal Control Manual.

Opinion on Adequacy of the Group's Internal Controls

Based on the existing risk governance practices and evaluation of the adequacy and effectiveness of internal control, the work performed by the internal and external auditors and in-house reviews conducted by Management, various Board Committees and the Board, the AC and the Board are of the opinion that the Company's internal controls over operational, financial, compliance and information technology risks are adequate as at 31 March 2015.

Audit and Risk Committee

The ARC comprises the following three Independent and Non Executive Directors:

Mr Lim Jiew Keng (Chairman)
Mr Allan Choy Kam Wing (Member)
Mr Goh Boon Seong (Member)

The ARC is responsible for assisting the Board in discharging its statutory and other responsibilities relating to internal control, risk management, financial, accounting matters and matters pertaining to regulatory compliance.

Audit and Risk Committee (cont'd)

The Board is of the view that all members of the ARC are appropriately qualified to discharge their responsibilities. The ARC Chairman has strong financial management background and experience while the other committee members possess extensive experience and knowledge relating to manufacturing, marketing and distribution.

During the year, Management, External Auditors and the Company Secretaries have arranged briefings to the ARC to address topics such as financial reporting, changes to accounting standards, changes to the Companies Act, Cap. 50, updates to the 2012 Code, SGX Listing Rules changes and any other relevant updates which require the attention of the ARC.

Roles and Responsibilities of the ARC in Respect of Audit and Internal Control

The ARC has a formal Terms of Reference endorsed by the Board. This sets out their duties and responsibilities. The Board delegates the authority to the ARC to investigate any matters within its Terms of Reference. The ARC has full and unrestricted access to, and the cooperation of Management. The ARC also has the full discretion to invite any Director or executive of the Group to attend the ARC meetings. The ARC has adequate resources to enable it to discharge its functions properly.

The ARC met four times during the financial year and performed its functions and responsibilities set out in its Terms of Reference, which include:

- reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance;
- reviewing the adequacy of the Group's internal controls, including financial, operational, compliance and information technology controls at least annually;
- reviewing the adequacy of the risk governance and risk management initiatives taken to support the achievement of the business strategies and the adequacy of the internal control and risk management framework to manage and mitigate the relevant risks as described in the earlier section on risk management;
- reviewing the adequacy and effectiveness of the Group's in-house internal audit function at least annually, including the adequacy of internal audit resources and its appropriate standing within the Group, as well as the scope and results of the internal audit procedures including the adequacy of management responses and action plans to address internal control weaknesses highlighted;
- reviewing the scope, approach and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors;
- reviewing the external auditors' audit plan, audit report and the external auditors' evaluation of the system of internal accounting controls with the external auditors, as well as the assistance given by Management to the external auditors;
- reviewing the nature and extent of the external auditors' non-audit services to the Group as well as the extent of reliance placed by the external auditors on the internal auditors' work, seeking to balance the maintenance of objectivity and cost effectiveness;
- making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- reviewing effectiveness of arrangements by which employees may, in confidence, raise concerns about possible business or financial improprieties or other matters; and
- reviewing the quarterly, half-yearly and full-year financial reports of the Group, prior to their submission to the Board.

As the AC was renamed to the ARC on 27 May 2015, the Terms of Reference for the ARC would be formalised to set out the oversight of risk matters as part of the ARC's duties and responsibilities for risk governance and risk management and recommended to the Board for endorsement.

Roles and Responsibilities of the ARC in Respect of Audit and Internal Control (cont'd)

The AC meetings held across the financial year are attended by the COO, Head of Finance, Director of Internal Audit and the external auditors. Where representation from Management is required, it is extended via invitation. The ARC also meets the external and internal auditors separately where required, to:

- obtain feedback on the competency and adequacy of the finance function;
- enquire into the root causes for any major audit adjustments and internal control issues; and
- inquire if there are any material weaknesses or control deficiencies over the Group's financial reporting process and the corresponding effect on the financial statements.

The ARC assesses the independence of the external auditors annually and reviews the non-audit services provided by the external auditors. The aggregate fees paid to the external auditors for the financial year ended 31 March 2015 were:

	S$'000
Audit fees	1,052
Non-audit fees	107
Total fees	1,159

Based on the review of the non-audit services rendered by the external auditors for the financial year ended 31 March 2015 and the fees paid, the AC is satisfied that the independence of the external auditors has not been impaired.

The AC and the Board are also satisfied that suitable external auditors were appointed for the Company, its Singapore-incorporated subsidiaries as well as its significant foreign-incorporated subsidiaries and associated companies. Accordingly, the Company complies with Rules 712, 715 and 716 of the Listing Manual of the SGX-ST.

The Group is committed to maintaining a high standard of ethics and has zero tolerance for fraud. The Group has a whistle blowing policy in place which encourages the reporting of matters of fraud, corruption or dishonest and unethical practices. The Group is committed to protecting whistle-blowers and encourages them to identify themselves to facilitate contact and investigation. However, reports lodged in anonymity will also be investigated if the amount concerned is significant and there is reason to believe the reported wrong doing has been perpetrated. The whistle blowing policy is communicated to all staff and covered during staff trainings.

The Group undertakes to investigate complaints or allegations of fraud and unethical behaviour objectively. The ARC has endorsed the whistle blowing arrangement for all employees to raise such concerns in confidence. This ensures independent investigation of matters reported and to allow appropriate actions to be taken. All such investigations are undertaken by the Internal Audit Department or by external professionals (if necessary) and results are reported directly to the Chairman of the ARC.

None of the members nor the Chairman of the ARC are former Partners or Directors of the Group's external audit firm.

Internal Audit Department ("IAD")

The Group's internal audit function is performed by an in-house Internal Audit Department ("IAD"). The IAD is independent of Management and is headed by a Director of Internal Audit.

The Director of Internal Audit has a direct and primary reporting line to the ARC Chairman, with administrative reporting to an Executive Director/General Manager.

The appointment, assessment and compensation of the Director of Internal Audit is approved by the ARC. The IAD assists the Board by serving as an assurance function in monitoring the adequacy and effectiveness of internal controls and risk management activities of the Group through the reviews of business and financial operations performed Group-wide, as part of the approved annual internal audit plan.

Internal Audit Department ("IAD") (cont'd)

The IAD comprises five qualified professional staff who undergo regular training and skills development programs to ensure that technical knowledge are maintained. The Head of IAD reports to the ARC on the nature and frequency of training and seminars attended by the IAD to enhance skill sets in specialised areas and professional Internal Auditing standards.

The IAD adopts the International Standards for the Professional Practice of Internal Auditing ("IPPF") laid down by the Institute of Internal Auditors. The attribute and performance standards of the IPPF are applied throughout the work that the IAD performs.

The Charter of the IAD ensures full and unrestricted access to all documents, records, assets and personnel of the Group.

During the year, the IAD considered the following components of internal control:

1. **Control Environment**: The nature of the Group's Control Environment has a pervasive effect on the IAD's assessment of risks. The IAD assessed the design of the Control Environment to determine the strength of the foundation for all other components of internal control and made appropriate recommendations for improvement. The IAD has considered the following elements (which have a pervasive effect) and how they have been incorporated into the Group's processes:

    - Communication and enforcement of integrity and ethical values
    - Commitment to competence
    - Participation by those charged with governance
    - Management's philosophy and operating style
    - Organisational structure
    - Assignment of authority and responsibility
    - Human resource policies and practices

2. **Risk Assessment**: The IAD reviewed the risk assessment performed by management in relation to the internal control of various operations of the Group, including their impact and likelihood. The relevant risks were thereafter considered in the internal audit scope and annual internal audit plan.

3. **Control Activities, Information and Communication**: The IAD evaluated the effectiveness and adequacy of processes, in particular, the adequacy of internal controls over authorization, information processing, physical controls, segregation of duties and performance reviews.

4. **Monitoring Activities**: The IAD evaluated the appropriateness of the monitoring activities over internal control, specifically considering monitoring activities pertinent to the Group's processes, people and systems.

The ARC approves the annual internal audit plan and budget. The ARC also ensures the adequacy of internal audit resources to perform its function annually. The annual internal audit plan and scope cover the operational and financial functions within the Group. Associates and joint ventures are subject to internal audit review regularly.

During the year, the IAD conducted its audit reviews in accordance with the approved annual internal audit plan. The IAD reports its findings on a quarterly basis to the ARC, as well as recommendations to management who would respond to the actions to be taken on any control weaknesses identified. The IAD also reports on the status of the audit plan and provides an update of actions taken by management to address prior findings to the ARC.

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

The Company is committed to providing shareholders with adequate, timely and sufficient information which could have a material impact on the share price or value.

The Company communicates with shareholders regularly and addresses any queries that they may have. All shareholders are provided a copy of the annual report and a notice of the Annual General Meeting ("AGM").

The Company encourages shareholder participation during the AGM which is held at a central location in Singapore. Shareholders are able to proactively engage the full Board and external auditors on the financial and business related matters. The Company Secretaries prepares minutes of shareholder's meetings incorporating substantive queries from shareholders and responses from the Board. Such minutes are available to shareholders upon their requests.

Communication with Shareholders

The Company believes it is important to maintain a high standard of public disclosure. And therefore, the Company is committed to regular, effective and fair communication with shareholders.

The Company monitors the dissemination of material information to make sure that it is made public on a timely and non-selective basis. All results announcements including price sensitive information are released via SGXNET within the mandatory period. These results announcements, material information and other press releases are also available on the Company's website, www.gpbatteries.com.sg.

The 2012 Code encourages the avoidance of selective disclosure to certain groups of individuals or companies. Accordingly, the Company do not practise selective disclosure.

The Company maintains a line of communication with shareholders through its website, www.gpbatteries.com.sg and the Company also encourages correspondence through its website or corporate mailing address.

Shareholders are invited to attend all general meetings which include the AGM and any Extraordinary General Meetings (advertisements of these meetings are posted in newspapers and shareholders receive a notification of this meeting as well as the annual report). At these meetings, shareholders are accorded the opportunity to raise relevant questions and to communicate their views at the meetings. The Board, Senior Management team, Company Secretaries and the external auditors are present at these meetings to respond to any shareholder or investor queries.

Dividend Policy

The Company does not have a dividend policy. Dividends are declared based on the financial performance of the Company, the consideration of future business plans and the position of retained earnings.

Conduct of Shareholder Meetings

The Company believes in encouraging the participation of shareholders at the general meetings and shareholders are provided with the opportunity to query the Board and the external auditors as well as other relevant representatives at these meetings relating to matters that are pertinent to the Company.

A shareholder who is entitled to attend such general meetings and vote, may either vote in person or appoint proxies to vote on his/her behalf. The Company plans to introduce a system of voting electronically by poll.

Each resolution item is included in the notice of the meeting and accompanied by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting.

At each AGM, the Chairman of the Board presents the progress and performance of the Company and encourages shareholders to participate in the question and answer session. The external auditors are present to address shareholders' queries relating to the audit and the audited financial report.

Chairmen of the ARC, NC and RC, or members of the respective Board Committees are present at each general meeting to address shareholders' queries. Appropriate members of the Senior Management team are also present at general meetings to address any relevant shareholders' queries.

Minutes of the discussions at the general meetings will be made available to the shareholders upon request.

MATERIAL CONTRACTS

Pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST and save as disclosed under the section on Interested Person Transactions below, the Company confirms that there were no materials contracts entered into by the Company and its subsidiary companies involving the interests of the CEO, Directors or controlling shareholders, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transaction with interested person and has set out the procedures for review and approval of the Company's interested person transactions. The Company's disclosure in accordance with Rule 907 of Listing Manual of the SGX-ST in respect of interested person transactions for the financial year ended 31 March 2015 is as follows:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	
	2015 S$'000	2014 S$'000
Gold Peak Industries (Holdings) Limited & its subsidiaries		
Rental deposits	**715**	413
Rental & other expenses	**1,785**	1,496
GP Industries Limited		
Rental & other expenses	**204**	–
Renovation & other expenses	**143**	–

The Company does not have a mandate on interested person transactions.

DEALINGS IN SECURITIES

The Group has adopted a Best Practices Guide with respect to dealings in securities by Directors and officers of the Group.

Directors and officers are prohibited from dealing in the Company's securities whilst in possession of unpublished price sensitive information and for the period of two weeks before the announcement of the Company's first three quarters' results, and one month before the announcement of the Company's full year results.

Directors and officers are also not expected to deal in the Company's securities on short-term considerations.

The Company has complied with its Best Practices Guide on Securities Transactions.

STATISTICS OF SHAREHOLDINGS

As at 16 June 2015

Class of equity securities	:	Ordinary Shares
Number of issued shares	:	164,806,752
Number of issued shares excluding treasury shares	:	164,685,552*
Voting rights	:	One vote per share

Treasury shares

Number of treasury shares	:	121,200*
Percentage of treasury shares against the total number of issued shares excluding treasury shares	:	0.074%

* *Excluding 212,500 treasury shares bought back on 12 June 2015, 15 June 2015 and 16 June 2015 respectively, which have not been entered in the Depository Register.*

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares (excluding treasury shares)	%
1 - 99	84	4.03	3,713	0.00
100 - 1,000	472	22.66	301,829	0.18
1,001 - 10,000	935	44.89	4,752,519	2.89
10,001 - 1,000,000	581	27.89	35,072,774	21.30
1,000,001 and above	11	0.53	124,554,717	75.63
Total	**2,083**	**100.00**	**164,685,552**	**100.00**

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%#	Deemed Interest	%#
GP Industries Limited	102,274,444	62.10	–	–
Gold Peak Industries (Holdings) Limited[1]	–	–	102,274,444[1]	62.10
Andrew Ng Sung On (deceased)[2]	1,249,998	0.76	102,274,444[2]	62.10
Victor Lo Chung Wing[3]	300,000	0.18	102,274,444[3]	62.10

\# *The percentage is calculated based on the Company's total number of issued shares (excluding treasury shares) of 164,685,552.*

Notes:

1. Gold Peak Industries (Holdings) Limited's ("Gold Peak") deemed interest in approximately 62.10% of the issued shares of the Company arises pursuant to Gold Peak's direct interest in the issued shares of GP Industries Limited ("GP Industries") of approximately 85.13% and GP Industries' direct interest in the issued shares of the Company of approximately 62.10%.

2. Mr Andrew Ng Sung On's deemed interest in approximately 62.10% of the issued shares of the Company arises pursuant to his interests in the shares of Gold Peak of approximately 28.81%, Gold Peak's direct interest in the issued shares of GP Industries of approximately 85.13% and GP Industries' direct interest in the issued shares of the Company of approximately 62.10%.

3. Mr Victor Lo Chung Wing's deemed interest in approximately 62.10% of the issued shares of the Company arises pursuant to his aggregate direct and deemed interests in the shares of Gold Peak of approximately 29.68%, Gold Peak's direct interest in the issued shares of GP Industries of approximately 85.13% and GP Industries' direct interest in the issued shares of the Company of approximately 62.10%.

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%#
1.	GP Industries Limited	102,274,444	62.10
2.	Pui Cheng Wui	4,551,300	2.76
3.	HSBC (Singapore) Nominees Pte Ltd	3,908,459	2.37
4.	DBS Nominees (Private) Limited	3,374,688	2.05
5.	Maybank Kim Eng Securities Pte. Ltd.	2,145,848	1.30
6.	Raffles Nominees (Pte) Limited	1,874,108	1.14
7.	United Overseas Bank Nominees (Private) Limited	1,512,091	0.92
8.	Lam Yen Yong	1,487,000	0.90
9.	Phillip Securities Pte Ltd	1,196,500	0.73
10.	Choo Piang Wong	1,119,000	0.68
11.	Citibank Nominees Singapore Pte Ltd	1,111,279	0.67
12.	OCBC Nominees Singapore Private Limited	806,900	0.49
13.	Lim Siew Yin	770,000	0.47
14.	McCallum John Charles	732,000	0.44
15.	Friedrich Reimar Roland Tassilo	731,000	0.44
16.	Ang Eong Nam	660,000	0.40
17.	UOB Kay Hian Private Limited	659,798	0.40
18.	OCBC Securities Private Limited	644,510	0.39
19.	Ng Shek Yam	641,000	0.39
20.	Hui Wing Sun	615,028	0.37
	Total	**130,814,953**	**79.41**

The percentage is calculated based on the Company's total number of issued shares (excluding treasury shares) of 164,685,552.

As at 16 June 2015, approximately 36% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

GLOBAL NETWORK

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Fax: (60) 7-333 8680
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