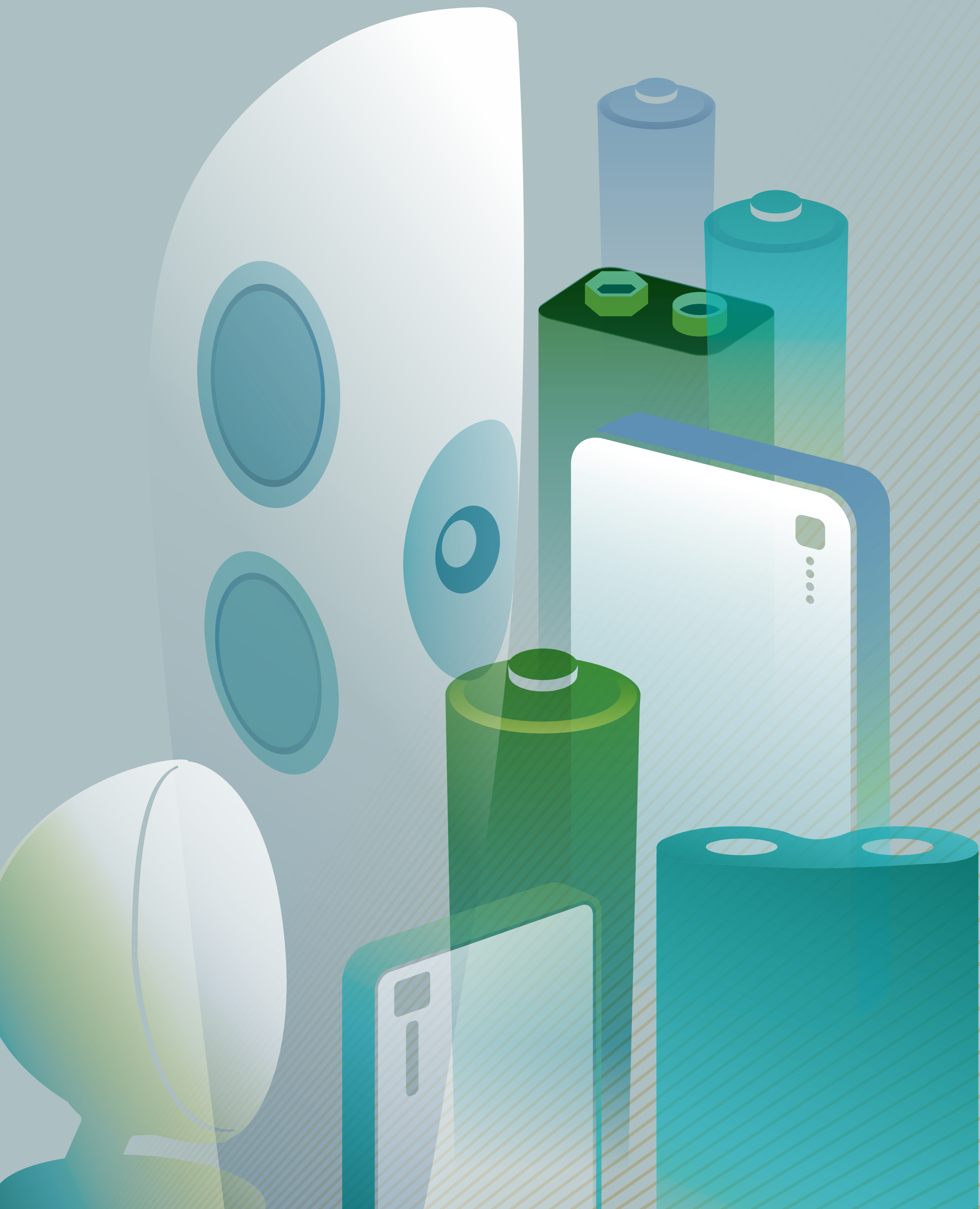
GP Industries Limited
Annual Report 2014 – 2015

GP INDUSTRIES



FINANCIAL CALENDAR

Announcement of First Quarter Results	13 August 2014	
Announcement of Second Quarter Results	13 November 2014	
Announcement of Third Quarter Results	12 February 2015	
Announcement of Full Year Results	28 May 2015	
Dispatch of Annual Report to Shareholders	15 July 2015	
Annual General Meeting	30 July 2015	
Dividends	Interim	Paid on 8 December 2014
	Final	Payable in August 2015

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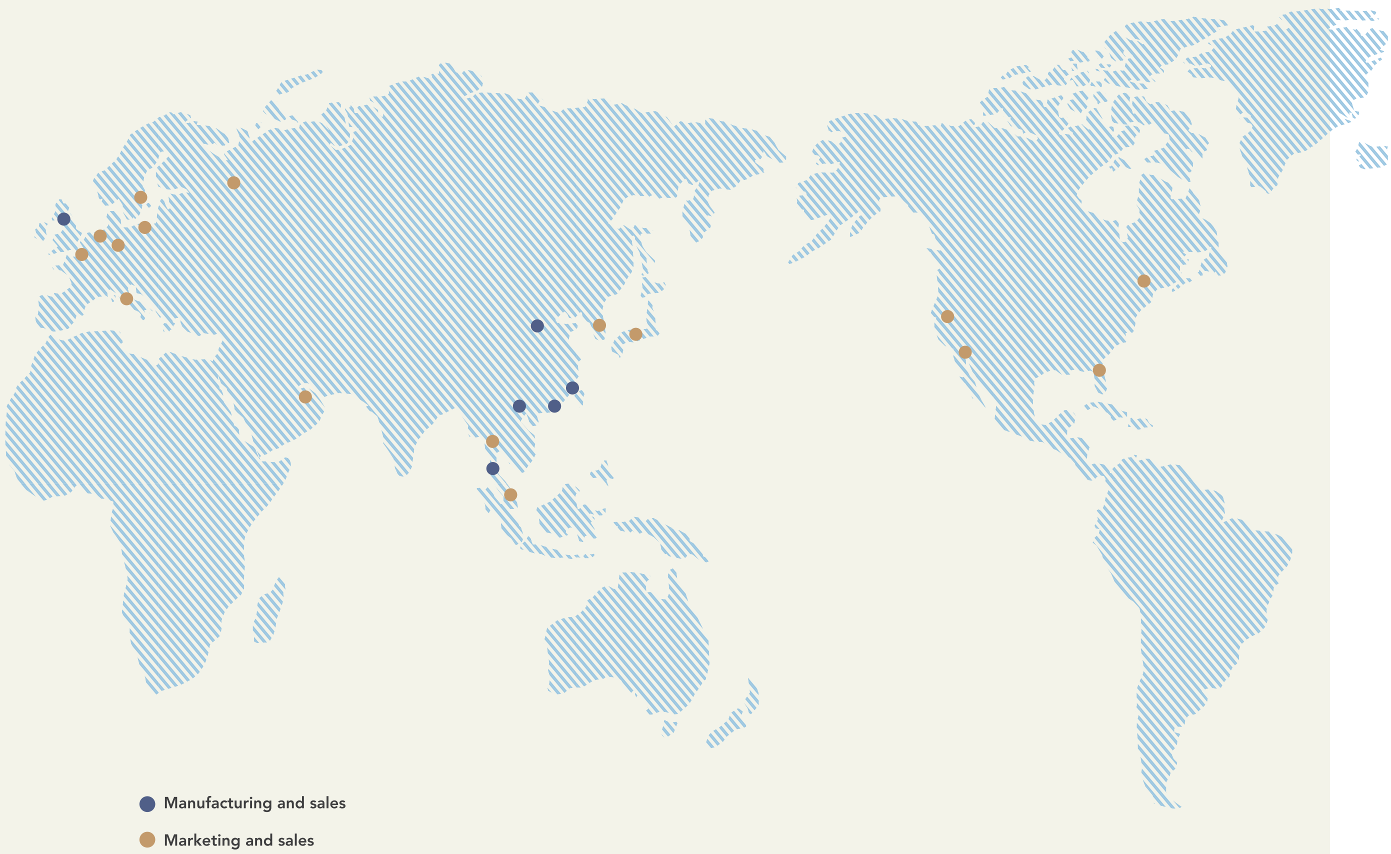

CORPORATE INFORMATION

Board of Directors

Executive

Victor LO Chung Wing
Chairman

LEUNG Pak Chuen
Executive Vice Chairman

Brian LI Yiu Cheung
Managing Director

Andrew CHUANG Siu Leung
Chief Risk Officer

WONG Man Kit

Eric NG Siu Kai

Independent Non-Executive

LIM Ah Doo
Lead Independent Director

LIM Hock Beng

Allan CHOY Kam Wing

Audit and Risk Committee

LIM Ah Doo
Chairman

LIM Hock Beng

Allan CHOY Kam Wing

Nominating Committee

LIM Hock Beng
Chairman

LIM Ah Doo

Victor LO Chung Wing

LEUNG Pak Chuen

Allan CHOY Kam Wing

Remuneration Committee

Allan CHOY Kam Wing
Chairman

LIM Ah Doo

LIM Hock Beng

Company Secretaries

Lynn WAN Tiew Leng

KIAR Lee Noi
(appointed on 28 May 2015)

Registered Address

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#06-11 Nexus @one-north
Singapore 138543
Tel: (65) 6395 0850
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Email: gpind@gp-industries.com
Website: www.gp-industries.com

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Auditors

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

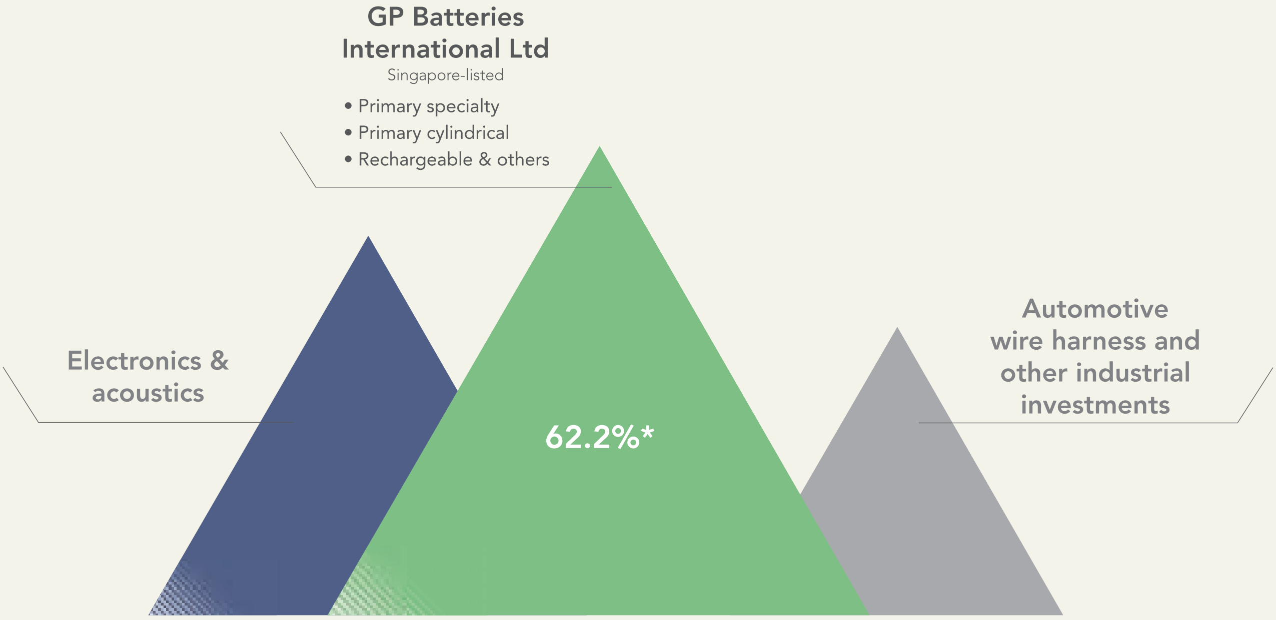
Audit Partner-in-charge
PANJABI Sanjay Gordhan
(appointed on 31 July 2013)

Principal Bankers

Oversea-Chinese Banking Corporation Limited
DBS Bank Ltd
United Overseas Bank 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



GP Industries Limited is an international manufacturing and marketing group in the batteries and electronics industries.

The Company has been listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") since 1995. It is the main industrial investment vehicle of Hong Kong-listed Gold Peak Industries (Holdings) Limited which currently owns an 85.2%* interest in the Company.

The Company currently holds a 62.2%* interest in GP Batteries International Limited, which has been listed on the SGX-ST since 1991. GP Batteries is engaged in the development, manufacture and marketing of batteries and related products.

GP Industries is principally engaged in the development, manufacture and marketing of electronic and acoustic products. In addition, GP Industries also manufactures automotive wire harness products.

The Group has a strong and extensive manufacturing and distribution network spanning over 10 countries, including a strong foothold in China. Excluding associates, the Group currently employs over 8,200 people and occupies a total floor area of approximately 360,000 square metres.

* as at 17 June 2015

Executive Directors

Victor LO Chung Wing

GBS, OBE, JP

Aged 65, appointed the Chairman and an executive director since 18 October 1995. He was appointed a member of the Nominating Committee on 28 August 2002.

Mr Lo is also the chairman and chief executive of Hong Kong-listed Gold Peak Industries (Holdings) Limited and the chairman and chief executive officer of GP Batteries International Limited.

Mr Lo is the chairman of the board of directors of Hong Kong Design Centre and the 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 the 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 from the Hong Kong Polytechnic University. He is the father of Ms Grace Lo Kit Yee.

LEUNG Pak Chuen

Aged 65, appointed an executive director since 18 October 1995 and is currently the Executive Vice Chairman of the Company. He was appointed a member of the Nominating Committee on 28 August 2002.

He is currently the deputy chief executive of Gold Peak Industries (Holdings) Limited and an executive director of GP Batteries International Limited.

Mr Leung has been in the electronics manufacturing industry for over 35 years and has played an important role in setting up major joint ventures in China in mid 1980s.

Mr Leung is a member of The Chartered Institute of Marketing, UK and The International Institute of Management. He graduated from the Chu Hai College, Hong Kong with a Bachelor's degree in Business Administration.

Brian LI Yiu Cheung

DBA

Aged 62, appointed an executive director since 18 October 1995. He is currently the Managing Director of the Company.

Dr Li is also an executive director of Gold Peak Industries (Holdings) Limited.

Dr Li has been engaging in the electronic engineering and manufacturing industry internationally and in China for over 30 years. He is the vice chairman of the Hong Kong Electronic Industries Association, a member of the Executive Committee of the Hong Kong Electronics Industry Council of the Federation of Hong Kong Industries and the Electronics/ Electrical Appliances Industries Advisory Committee of the Hong Kong Trade Development Council. He is also an honorary advisor of the Institute of Supply Management of Hong Kong and a member of the Electronics Cluster Expert Panel, Hong Kong Science and Technology Parks Corporation. Dr Li serves as the chairman of the Advisory Committee for the Department of Electronic Engineering and a member of the Co-operative Education Centre of the City University of Hong Kong and a member of the Electronic and Information Engineering Programme Board of the Hong Kong Institute of Vocational Education.

Dr Li is a fellow of The Hong Kong Institution of Engineers. He holds a Bachelor's degree in Electrical Engineering from the University of British Columbia, Canada, a Master's degree in Global Business with Dean's Honour from The Chinese University of Hong Kong and a Doctor of Business Administration degree from the City University of Hong Kong.

Andrew CHUANG Siu Leung

SBS, JP, PhD

Aged 67, appointed an executive director since 18 October 1995. He is the Chief Risk Officer of the Company.

Dr Chuang is also an executive director of Gold Peak Industries (Holdings) Limited.

Dr Chuang graduated from Queen Mary College of the University of London and holds a first class honour in Bachelor's degree in Electrical (Electronics) Engineering and a Doctoral degree in Microwave Engineering.

WONG Man Kit

Aged 55, appointed an executive director since 26 May 2006.

Mr Wong is also the general manager as well as the company secretary of Gold Peak Industries (Holdings) Limited.

Mr Wong is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He holds an MBA degree from The Chinese University of Hong Kong.

Eric NG Siu Kai

Aged 55, appointed an executive director since 1 April 2010 and is currently the General Manager, Finance of the Company.

Mr Ng is also a supervisory director of Meiloon Industrial Co., Ltd., Taiwan.

Mr Ng has over 30 years' experience in financial and accounting fields. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He holds an MBA degree with Dean's Honour from the Executive MBA Programme of The Chinese University of Hong Kong.

Independent Non-Executive Directors

LIM Ah Doo

Aged 66, appointed an independent non-executive director since 15 May 1997 and the lead independent director since 14 August 2013. He has been Chairman of the Audit Committee since 2 January 1998, which was subsequently renamed as Audit and Risk Committee on 11 February 2015, and was appointed a member of both the Nominating and Remuneration Committees on 28 August 2002.

Mr Lim is currently also an independent director of ARA-CWT Trust Management (Cache) Limited, Bracell Limited, Semcorp Marine Ltd. and SM Investments Corporation and serves on several board committees of these companies. He is also a director of GDS Holdings Limited and U Mobile Sdn Bhd. Mr Lim was previously the president and vice chairman of RGM International Pte Ltd, and among other past directorships, an independent commissioner and the chairman of audit committee of PT Indosat Tbk. Prior to that, he held various senior positions in an international investment banking group and was the chairman of a leading regional investment bank based in Singapore from 1993 to 1995. He was the chairman of the Singapore Merchant Bankers' Association in 1994.

Mr Lim graduated from Queen Mary College of the University of London with a Bachelor of Science degree in Engineering and holds an MBA degree from Cranfield School of Management, UK.

LIM Hock Beng

Aged 75, appointed an independent non-executive director since 2 January 1998. He was appointed the Chairman of the Nominating Committee and a member of the Remuneration Committee on 28 August 2002. He has also been a member of the Audit Committee since 2 January 1998, which was subsequently renamed as Audit and Risk Committee on 11 February 2015.

Mr Lim is also an independent director of Colex Holdings Limited, Huan Hsin Holdings Ltd, King Wan Corporation Limited and TA Corporation Ltd and serves on various board committees of these companies. Mr Lim has more than 30 years of experience and knowledge in corporate secretarial field. He founded Lim Associates (Pte) Ltd (now known as Boardroom Corporate & Advisory Services Pte. Ltd.) and was its managing director until his retirement in 1995. Currently, Mr Lim is the managing director of a private investment holding company with its principle interests in investing in quoted securities and properties.

Mr Lim holds a Diploma in Management Accounting and Finance and is a fellow member of the Singapore Institute of Directors.

Allan CHOY Kam Wing

Aged 71, appointed an independent non-executive director since 1 October 2012. He was appointed a member of the Audit, Nominating and Remuneration Committees on the same date. (Audit Committee was renamed as Audit and Risk Committee on 11 February 2015.) Mr Choy was appointed Chairman of the Remuneration Committee on 31 July 2013.

Mr Choy is currently also an independent non-executive director of GP Batteries International Limited and serves on its board committees. 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 International B.V. He was an executive director of the Company from 1997 to 1998, and the chief operating officer of GP Batteries International Limited from 2005 to 2007.

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

Senior Management

Ricky CHEUNG Siu Bun

Joined Gold Peak Group in 1993 and is currently the Deputy General Manager, Finance of the Company. He is a fellow member of the Institute of Singapore Chartered Accountants and a member of the Singapore Association of the Institute of Chartered Secretaries and Administrators. He holds an MBA degree from Nanyang Technological University, Singapore.

John Simon DAVIES

Joined Gold Peak Group in 2000 and is currently the Director of Product Planning and Design of GP Acoustics International Limited. He has 30 years' experience in product design and has worked for international companies in Europe, Australia and Asia. He graduated from Central Saint Martins College of Art and Design (formerly known as Central School of Art and Design), UK with a Bachelor of Arts (Hons) degree in Industrial Design. He currently serves as an Adjunct Professor in the School of Design at The Hong Kong Polytechnic University.

Michael LAM Hin Lap

Joined Gold Peak Group in 2014 and is currently the Group General Manager, Business Development and Assistant to Chairman. He first joined Gold Peak Group in 2001, and was transferred to a global energy management group following the disposal of the Group's electrical business in 2007. He has more than 25 years' working experience, of which over 10 years were in senior management positions. He holds a Bachelor's degree in Electrical Engineering from The University of New South Wales, Australia.

LEUNG Chi Cheong

Joined the Group in 1984 and is currently the General Manager of GP Electronics (Huizhou) Co., Ltd. He has more than 40 years' experience in factory management, of which 20 years were in senior positions. He holds a Bachelor's degree in Business Administration and an MBA degree, both from the Open University of Hong Kong.

Grace LO Kit Yee

Joined Gold Peak Group in 2002 and is currently Marketing Director of KEF Audio Group. She is also Deputy General Manager of Gold Peak Industries (Holdings) Limited. She graduated from the Northwestern University, US and holds a Master of Design degree from Illinois Institute of Technology, US as well as an MBA degree from The Hong Kong University of Science and Technology. She is the daughter of Mr Victor LO Chung Wing.

Vincent LUI Lok Ming

Joined the Group in 1998 and is currently the Managing Director of GP Industries Marketing Limited. He is the vice president of the Hong Kong Auto Parts Industry Association and is a fellow of Management and Business Administration of the Professional Validation Council of the HK Industries. He holds a Bachelor's degree from North East London Polytechnic and a Master's degree in Advanced Manufacturing Technology from University of Manchester, UK. He also holds an Executive MBA degree from the China Europe International Business School, China.

Manfred TING Siu Man

Joined the Group in 1989 and is currently the General Manager of GP Electronics (HK) Limited. He holds a Higher Diploma in Electronics Engineering from The Hong Kong Polytechnic University (formerly known as The Hong Kong Polytechnic) and an International MBA degree from Victoria University of Wellington, New Zealand.

TONG Tak Fai

Joined the Group in 1994 and is currently the Managing Director of both Huizhou GP Wiring Technology Ltd and GP Precision Parts (Huizhou) Co Ltd. He has 30 years' working experience in engineering and manufacturing operation. He holds a Bachelor of Arts degree in Commerce and Management Studies from Edinburgh Napier University, UK and a Master's degree in Engineering Management from University of Technology, Sydney, Australia.

George WOO Tai Hoi

Joined the Group in 2007 and is currently the General Manager and Engineering Director of GP Electronics (SZ) Limited. He has over 35 years' experience in the audio industry, mainly in new product development, and has also held senior management positions in strategic industrial engineering, information technology and organization quality systems. He is currently a member of the Executive Committee of IEEE Consumer Electronics Society Hong Kong Chapter. He holds a Master's degree in Natural Sciences from St. Catharine's College, University of Cambridge, UK as well as a Master's degree in Manufacturing Systems Engineering from The University of Warwick, UK.

FINANCIAL HIGHLIGHTS

Consolidated Income Statement (S$ million)

Year ended 31 March

	2015	2014
Revenue – Continuing operations	**973.8**	948.3
Profit (Loss) after taxation		
– Continuing operations	**43.7**	(38.2)
– Discontinued operations	**–**	6.9
	43.7	(31.3)
Non-controlling interests	**(18.2)**	21.6
Profit attributable to equity holders	**25.5**	(9.7)
Basic earnings (loss) per share (cents)		
– Continuing operations	**5.16**	(3.31)
– Discontinued operations	**–**	1.38
	5.16	(1.93)
Tax-exempt (1-tier) dividend per share (cents)	**3.40**	3.20

Consolidated Statement of Financial Position (S$ million)

As at 31 March

	2015	2014
Shareholders' funds	**353.4**	320.8
Total equity	**535.6**	500.2
Total assets	**969.2**	958.7

Ratios

As at 31 March

	2015	2014
Current assets : Current liabilities	**1.28**	1.16
Inventory turnover period (months)	**1.73**	1.71
Net bank borrowings : Total equity	**0.18**	0.18

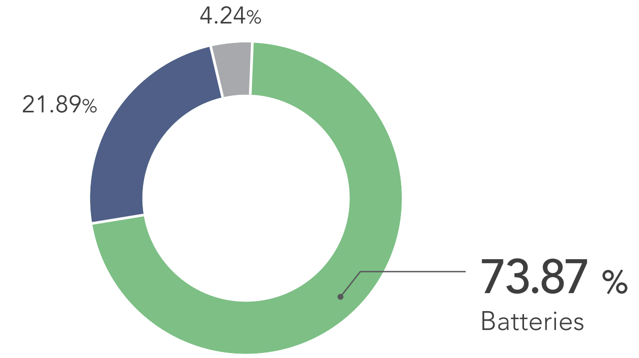
Other Information

As at 31 March

	2015	2014
Number of employees (approx)		
– The Company and its subsidiaries	**8,200**	8,500
Total floor area (sq m) (approx)		
– The Company and its subsidiaries	**360,000**	381,200

Revenue by Business Segments

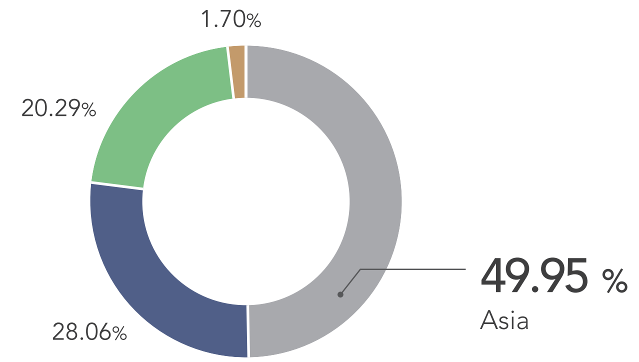
Year ended 31 March 2015



- Batteries
- Electronics & acoustics
- Automotive wire harness

Revenue by Locations

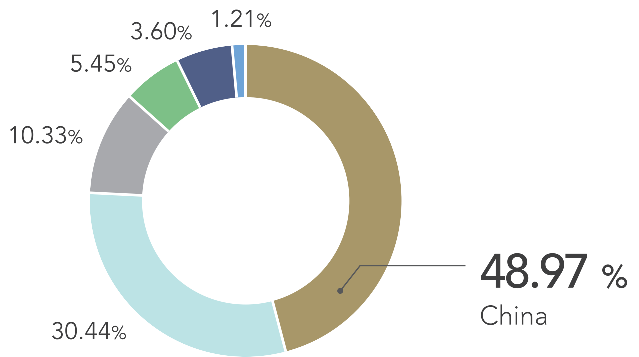
Year ended 31 March 2015



- Asia
- America
- Europe
- Others

Assets by Locations

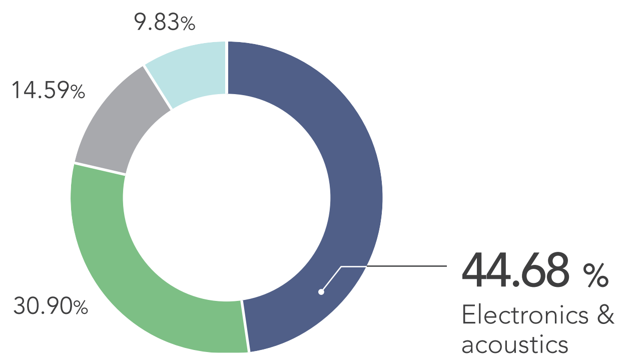
As at 31 March 2015



- China
- Hong Kong
- Rest of Asia
- Europe
- America & others
- Singapore

Contribution by Business Segments (before exceptional items)

Year ended 31 March 2015



- Electronics & acoustics
- Batteries
- Automotive wire harness
- Others

FIVE-YEAR FINANCIAL SUMMARY

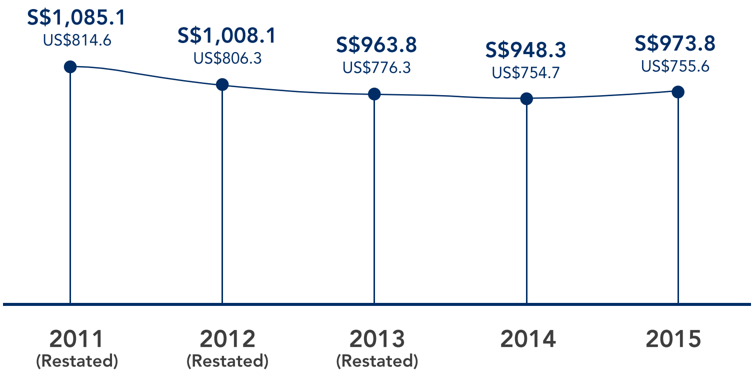
Consolidated Income Statement

Year ended 31 March	2015 S$'000	2014 S$'000	2013 S$'000 (Restated)	2012 S$'000 (Restated)	2011 S$'000 (Restated)
Revenue – Continuing operations	**973,770**	948,258	963,849	1,008,081	1,085,103
Profit (Loss) after taxation					
– Continuing operations	**43,673**	(38,203)	7,504	1,387	24,716
– Discontinued operations	–	6,930	10,007	11,981	13,228
	43,673	(31,273)	17,511	13,368	37,944
Non-controlling interests	**(18,201)**	21,586	(1,086)	(8,101)	(14,138)
Profit (Loss) attributable to equity holders	**25,472**	(9,687)	16,425	5,267	23,806

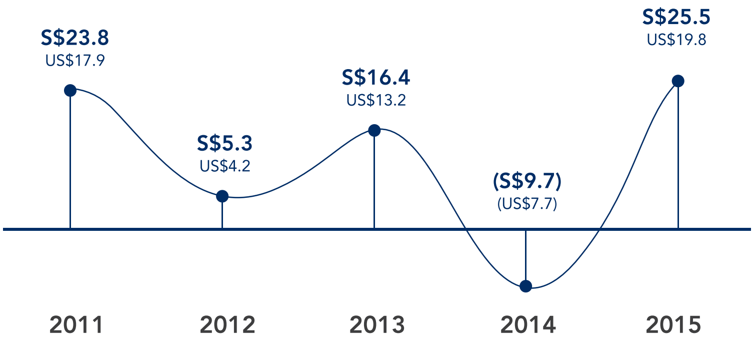
Consolidated Statement of Financial Position

As at 31 March	2015 S$'000	2014 S$'000	2013 S$'000 (Restated)	2012 S$'000 (Restated)	2011 S$'000 (Restated)
Investment properties	**1,747**	6,678	9,367	12,020	13,335
Property, plant and equipment	**246,960**	242,292	255,401	277,665	281,385
Interest in associates	**229,206**	214,574	203,989	219,645	211,185
Available-for-sale financial assets	**5,699**	7,618	6,560	7,140	19,816
Other non-current assets	**705**	156	6,994	9,385	–
Non-current receivables	**158**	–	–	4,724	21,164
Deferred tax assets	**3,662**	5,713	4,635	3,785	3,729
Intangible assets	**15,053**	15,240	20,194	22,259	25,023
Current assets	**466,027**	466,421	542,891	550,926	541,213
Total assets	**969,217**	958,692	1,050,031	1,107,549	1,116,850
Non-current liabilities	**68,985**	57,341	106,421	90,082	96,853
Current liabilities	**364,679**	401,144	406,601	470,787	467,265
Total liabilities	**433,664**	458,485	513,022	560,869	564,118
Net assets	**535,553**	500,207	537,009	546,680	552,732
Shareholders' funds	**353,425**	320,847	347,246	352,325	362,961
Non-controlling interests	**182,128**	179,360	189,763	194,355	189,771
Total equity	**535,553**	500,207	537,009	546,680	552,732

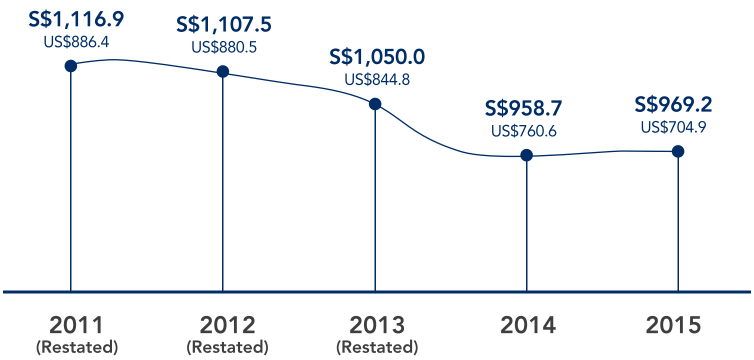
Revenue
- Continuing Operations
Year ended 31 March (million)



Profit (Loss) Attributable to Equity Holders
Year ended 31 March (million)



Total Assets
As at 31 March (million)



Earnings (Loss) Per Share & Dividends Per Share
Year ended 31 March (cents)

The Group's performance remained stable in the financial year 2014-15 ("FY2015") despite the weak European market. The major subsidiary, GP Batteries has completed rationalization of its business structure and has managed to turn the business around to profit after two consecutive years of losses. Financial status of the Group is solid with a low gearing ratio of 0.27 (net bank borrowing compared to equity attributable to equity holders of the Company).

Results and Dividend

Revenue for the financial year increased by 3% to S$973.8 million. Profit before finance costs, exceptional items and share of results of associates increased by 26% to S$49.8 million, over the S$39.5 million reported for the financial year 2013-14 ("FY2014").

A net exceptional gain of S$5.6 million was reported in FY2015, comprised mainly property gains, impairment allowances and restructuring costs, compared to a net exceptional loss of S$72.5 million in FY2014 due mainly to impairment allowances and fair value adjustments.

Pre-tax profit contributed by associates in aggregate was S$19.2 million, compared to S$22.7 million for FY2014 which included a S$10.4 million property disposal gain.

Profit before taxation amounted to S$65.7 million, compared to a loss of S$21.0 million for FY2014. Total profit after taxation attributable to equity holders of GP Industries was S$25.5 million. Last year, it was a loss of S$9.7 million, including a profit from discontinued operations of S$6.9 million.

The Board has recommended a final dividend of 1.8 Singapore cents per share. Together with the interim dividend of 1.6 Singapore cents, the total dividend for FY2015 was 3.4 Singapore cents, compared to the total dividend of 3.2 Singapore cents for last year.

Business Highlights

Electronics and acoustics

Revenue from the business segment decreased by 5%. Sales of electronics products dropped by 4% while acoustics products dropped by 6% due mainly to the depressed market in Europe. Cost efficiency measures such as consolidation of distribution network have been introduced to lower operating expenses. During FY2015, a net exceptional loss of S$0.3 million was reported. Total profit contribution from the electronics and acoustics business was 7% lower than FY2014.

During the year, the Group has intensified promotional marketing efforts for the KEF brand and has strengthened its distribution network to prepare for future growth opportunities. The branding exercise will benefit business growth in the medium and long run. New products were launched for both the premium loudspeaker and the new media markets.

Automotive wire harness

The wholly-owned automotive wire harness business in Huizhou, China recorded a strong growth of 43% despite the relatively smaller scale. The strong growth achieved was due to the increasing demand for camera wire harness following new safety regulations in the US as well as increased sales in China's domestic market.

The harness business will continue to take on the strategies of smart automation as well as parts localization for a more aggressive expansion of China's domestic market including the pursuit to penetrate into the Tier 1 market. The feasibility of a new satellite factory in Central China is being studied. The Group is also open for merger and acquisition opportunities for a more rapid development of the wire harness business.

GP Batteries

The batteries business has turned around this year after the business rationalization. Bank borrowing was significantly reduced, and with gearing ratio kept at a low level of 0.17 (net bank borrowing compared to equity attributable to equity holders of GP Batteries) together the relatively stable business, GP Batteries has sustained a healthy financial status and has returned to profitability.

Despite the escalating labor cost in China, GP Batteries managed to counter the unfavorable impact by continuous automation and rationalization of the manufacturing operations. Revenue for FY2015 increased by 3% to S$719.3 million. Sales of primary batteries increased by 7% while sales of rechargeable batteries decreased by 8%. Sales in Americas and Asia grew by 20% and 5% respectively while sales in Europe dropped by 10%. Gross profit margin improved to 23%.

FY2015, GP Batteries reported a profit attributable to its equity holders of S$13.0 million, compared to a loss of S$52.0 million for FY2014. The core business of primary batteries and small rechargeable batteries will be the main focus of development. GP Batteries will continue to explore opportunities to dispose of other non-core assets to facilitate faster development of the core business.

Other investments
In FY2015, this business segment contributed a profit of S$3.1 million after taking into account of an exceptional impairment loss of approximately S$1 million from the disposal of a subsidiary of CIH Limited, compared to a loss of S$4.6 million last year.

Outlook

The Group is re-gaining financial strength following the business rationalization of GP Batteries. As the Group has sustained steady business and profitability together with a healthy financial position, it has achieved a favorable position for new development and investment opportunities.

On the business side, the Group will continue to invest in technology and product innovation. More efforts will on placed on brand building and distribution development internationally.

GP Batteries will place more emphasis on strengthening the rechargeable category by investing into automation and product technology development. Sales of Portable PowerBank is expected to continue its growth with the support of expanded distribution channels and product ranges.

The electronics and acoustics business is affected by the weak European economy. KEF will further develop its new media products while pushing the growth in the premium loudspeaker segment. For Celestion, more technological research effort will be put on the development of high-end driver units so as to further capture the market in the professional audio sector.

On the manufacturing side, the Group will continue to control expenses by automation and streamlining of business process to counter the escalating production costs in China.

Vote of Thanks

On behalf of the Board of Directors, I would like to express our gratitude to our shareholders, customers, suppliers and bankers for their loyalty and continuous support. I would also like to thank our employees for their commitment and hard work during the year.

Victor LO Chung Wing
Chairman

17 June 2015

Obsessed with High Resolution

The business environment for financial year 2014-2015 ("FY2015") was challenging. Market demand in Europe remained weak. The political conflict in Ukraine and the subsequent depreciation of the Russian Ruble worsened the situation. The mild economic recovery in the US helped to stabilize consumer demand in the American market. However, weakened Canadian and South American currencies depressed consumer demand in these markets. In Asia, consumer spending contracted in China while the depreciating Yen further suppressed consumer demand in Japan.

The Group's revenue for FY2015 increased by 3% in Singapore dollar terms to S$973.8 million but would be flat if expressed in US dollar terms. This is due mainly to the appreciation of US dollar against Singapore dollar during FY2015.

Profit before finance costs, exceptional items and share of results of associates for FY2015 increased to S$49.8 million or by 26%, attributable mainly to improved gross profit margin and exchange gain despite higher distribution and marketing costs mainly from higher level of brand building activities.

During FY2015, the Group reported a net exceptional gain of S$5.6 million, comprised mainly property disposal gains, impairment allowances and restructuring costs.

Total profit after taxation attributable to equity holders for FY2015 was S$25.5 million and basic earnings per share was 5.16 Singapore cents.

The Electronics and Acoustics Business

Revenue from the electronics and acoustics business decreased by 5% in Singapore dollar terms in FY2015.

Sales of electronic products decreased by 4% in Singapore dollar terms. The professional audio market shrunk slightly and some of our customers became more cautious and reduced their inventories amid the current global economy environment. To counter this market trend, we invested into developing new products to expand into new market segments.

Sales of acoustics products decreased by 6% in Singapore dollar terms. While demand for the Group's acoustics products in the US market grew, demand from Asia and Europe weakened. As a result, sales of acoustics products to the Americas increased by 3% while sales to Asia and Europe declined by 12% and 7% respectively, all in Singapore dollar terms. We continued our strategy to invest in brand building and in developing new products, to further our expansion in the new media market.

Customer-Centered Innovation

During FY2015, this business segment reported a net exceptional loss of S$0.3 million, comprised a property disposal gain of S$1.4 million and restructuring charges of S$1.7 million. Competition for the components manufacturing business in China has intensified and we decided to reduce the Group's exposure in this business. The acoustics business also streamlined some of its operations in Europe, including combining management of the markets in the United Kingdom and France.

Total profit contribution from the electronics and acoustics business for FY2015 decreased by 7% when compared to last year.

The Automotive Wire Harness Business

Revenue from the automotive wire harness business grew by 43% in Singapore dollar terms during FY2015, though from a relatively small base. The growth was due to increased demand for the wire harnesses for automotive video equipment mandated by new safety regulations in the United States. In addition, past investments in sales and marketing activities focused on the automotive industry in China also led to significant sales growth in China.

Excluding the profit contributed by discontinued operations last year, profit contribution from the automotive wire harness business increased by 58% in FY2015 over that of last year.

Global Presence

GP Batteries

GP Batteries' revenue for FY2015 was S$719.3 million, an increase of 3% over last year. Sales of primary batteries increased by 7% while sales of rechargeable batteries decreased by 8%. Sales in Americas and Asia grew by 20% and 5% respectively while sales in Europe dropped by 10%. Gross profit margin improved by 0.6% to 23.1% due to decrease in material prices and reduction in factory overhead.

Distribution expenses increased by 14% 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% over last year.

Finance costs were S$5.4 million, a decrease of 26% over last year, which is 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.

Share of results of associates was a profit of S$0.7 million as compared to a loss of S$4.7 million last year. The improvement for FY2015 is 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 GP Batteries Group was at a low level of 17% (net bank borrowing compared to equity attributable to equity holders of GP Batteries) as at 31 March 2015.

Other Industrial Investments

This business segment includes the Group's investments in Meiloon Industrial Co., Ltd. ("Meiloon"), Linkz Industries Limited ("Linkz") and CIH Limited ("CIH"). During FY2015, Linkz recorded higher revenue and contributed more profit. However, Meiloon reported lower revenue and a loss, mainly due to soft market demand and higher manufacturing costs in China.

During FY2015, the CIH Group disposed of all its investment properties in Australia and an investment in Indonesia. An exceptional impairment loss of S$1.0 million resulted but the disposals generated proceeds of approximately S$10.6 million.

This business segment contributed a S$3.1 million profit for FY2015, compared to a loss of S$4.6 million for last year.

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

Battery Experts

Outlook

Other than the United States, market demand in most key markets will likely remain at a lower level. Market demand for some of the Group's products may also soften. However, some of the Group's businesses in the United States have started to grow. Manufacturing costs in China will likely continue to increase. However, lower commodity prices and a weaker Renminbi could contribute to reduce the impact of manufacturing cost increase in China.

We will continue to invest in product innovation and in further developing our brands and global distribution network. Some of the Group's businesses are expected to grow by expanding into new market segments. We are expanding the production capacity for some segments of the battery business. The new factory extension for the electronics and acoustics business should be operational by the third quarter of 2015 and is expected to bring new businesses and enhance the Group's competitiveness. We will continue our investment to further automate our factories to improve productivity and to further streamline our business processes in order to speed up our market response and improve our efficiency.

GP Batteries will continue to invest in automation, brand building and distribution networks development to further strengthen its competitiveness. It will also continue its efforts to streamline and rationalize the operations for both manufacturing and sales offices.

Brian LI Yiu Cheung
Managing Director

17 June 2015

Electronics & Acoustics

2014 **Aug** KEF's Reference 5 loudspeaker was presented the "EISA Award – European High-End Audio Award" by European Imaging and Sound Association.

Oct KEF's LS50 speaker was awarded "2014 Readers' Award – Product of the Year" by What Hi-Fi? Sound & Vision in the UK.

KEF T series home theatre speaker system was used along with an art installation at the National Portrait Gallery in London, UK while KEF R series and Ci series were adopted by Danish Museum of Music in Denmark.

Nov KEF partnered with Warner Bros for promotion of KEF E series home theatre speaker system.

2015 **Feb** KEF was honoured by Dolby in recognition of its leadership in introducing Atmos home theatre.

Batteries

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 GP Batteries 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.

GP Batteries 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.

REPORT OF THE DIRECTORS

The directors of GP Industries Limited 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
Leung Pak Chuen, Executive Vice Chairman
Brian Li Yiu Cheung, Managing Director
Andrew Chuang Siu Leung, Chief Risk Officer
Wong Man Kit
Eric Ng Siu Kai

Independent Non-executive:

Lim Ah Doo, Lead Independent Director
Lim Hock Beng
Allan Choy Kam Wing

2. Arrangements to enable directors to acquire benefits by means of acquisition of shares or debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement, to which the Company is a party, the objective of which is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for the Share Option Scheme 1999 set out in paragraphs 3 and 5 of this report.

3. **Directors' interest in shares and debentures**

According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, the undermentioned persons who were directors of the Company at 31 March 2015 had interest in shares of the Company, the Company's ultimate holding company, Gold Peak Industries (Holdings) Limited ("Gold Peak") and GP Batteries International Limited ("GP Batteries"), a subsidiary, as detailed below:

	Shareholdings registered in the name of director			Shareholdings in which director is deemed to have an interest		
Name of director	At beginning of financial year	At end of financial year	At 21 April 2015	At beginning of financial year	At end of financial year	At 21 April 2015
Interest in the Company's ordinary shares						
Victor Lo Chung Wing	300,000	300,000	300,000	414,098,443	414,098,443	414,098,443
Leung Pak Chuen	1,608,000	1,608,000	1,608,000	-	-	-
Brian Li Yiu Cheung	1,465,000	1,465,000	1,465,000	-	-	-
Andrew Chuang Siu Leung	155,000	155,000	155,000	-	-	-
Wong Man Kit	72,000	72,000	72,000	-	-	-
Lim Ah Doo	300,000	300,000	300,000	-	-	-
Lim Hock Beng	214,000	214,000	214,000	-	-	-
Options to subscribe for the Company's ordinary shares						
Victor Lo Chung Wing	400,000	-	-	-	-	-
Leung Pak Chuen	380,000	-	-	-	-	-
Brian Li Yiu Cheung	350,000	-	-	-	-	-
Andrew Chuang Siu Leung	150,000	-	-	-	-	-
Wong Man Kit	35,000	-	-	-	-	-
Eric Ng Siu Kai	135,000	-	-	-	-	-
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
Leung Pak Chuen	4,575,114	4,575,114	4,575,114	-	-	-
Brian Li Yiu Cheung	300,000	300,000	300,000	-	-	-
Andrew Chuang Siu Leung	-	-	-	677,855	677,855	677,855
Wong Man Kit	12	12	12	150,000	150,000	150,000
Options to subscribe for Gold Peak's ordinary shares						
Victor Lo Chung Wing	750,000	750,000	750,000	-	-	-
Leung Pak Chuen	700,000	700,000	700,000	-	-	-
Brian Li Yiu Cheung	700,000	700,000	700,000	-	-	-
Andrew Chuang Siu Leung	700,000	700,000	700,000	-	-	-
Wong Man Kit	700,000	700,000	700,000	-	-	-
Eric Ng Siu Kai	700,000	700,000	700,000	-	-	-
Interest in GP Batteries' ordinary shares						
Victor Lo Chung Wing	300,000	300,000	300,000	87,533,144	100,813,244	102,274,444

By virtue of Section 7 of the Singapore Companies Act, Mr Victor Lo Chung Wing is deemed to have interests in the shares of all of the Company's related corporations as he is interested in more than 20% in the issued shares of Gold Peak.

4. **Directors' receipt and entitlement to contractual benefits**

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in paragraph 5 of this report and in the financial statements.

Certain directors have received remuneration from related corporations in their capacities as directors and / or executives of those related corporations.

5. **Share option schemes**

a) Option schemes of the Company

i) The Company's Executives' Share Option Scheme adopted at an extraordinary general meeting held on 19 September 1996 (the "1996 Scheme") was discontinued and replaced by Share Option Scheme 1999 (the "1999 Scheme"), which was adopted at an extraordinary general meeting held on 19 November 1999. All unexercised options under the 1996 Scheme had expired by 1 August 2004. The duration of the 1999 Scheme had also reached its maximum period of ten years on 31 March 2010 and ceased to operate accordingly. As a result, no options could be granted subsequent to 31 March 2010. All unexercised options under the 1999 Scheme had expired by 4 July 2014.

ii) The 1999 Scheme was administered by the Remuneration Committee, comprised Messrs Allan Choy Kam Wing, Lim Ah Doo and Lim Hock Beng during the financial year.

iii) Movements of the options granted under the 1999 Scheme to subscribe for the Company's ordinary shares are as follows:

	Offer date	Expiry date	Exercise price	Number outstanding at 1 April 2014	Number exercised	Number lapsed	Number outstanding at 31 March 2015
No. 5	5 July 2004	4 July 2014	S$1.030	2,821,000	-	(2,821,000)	-

iv) During the financial year, no option to take up unissued shares of the Company was granted.

5. **Share option schemes** (cont'd)

v) 1) Details of the options granted under the 1996 Scheme to persons who were directors during the financial year are as follows:

Name of director	Aggregate options granted since commencement of scheme to 19 November 1999	Aggregate options exercised since commencement of scheme to 31 March 2015	Aggregate options cancelled / lapsed since commencement of scheme to 31 March 2015	Aggregate options outstanding at 31 March 2015
Leung Pak Chuen	540,000	(420,000)	(120,000)	-
Brian Li Yiu Cheung	420,000	(320,000)	(100,000)	-
Andrew Chuang Siu Leung	290,000	(210,000)	(80,000)	-
Wong Man Kit	120,000	(65,000)	(55,000)	-
Eric Ng Siu Kai	240,000	(180,000)	(60,000)	-
Allan Choy Kam Wing	50,000	-	(50,000)	-

2) Details of the options granted under the 1999 Scheme to persons who were directors during the financial year are as follows:

Name of director	Aggregate options granted since commencement of scheme to 31 March 2015	Aggregate options exercised since commencement of scheme to 31 March 2015	Aggregate options lapsed since commencement of scheme to 31 March 2015	Aggregate options outstanding at 31 March 2015
Victor Lo Chung Wing	2,068,000	(300,000)	(1,768,000)	-
Leung Pak Chuen	1,790,000	(1,060,000)	(730,000)	-
Brian Li Yiu Cheung	1,485,000	(835,000)	(650,000)	-
Andrew Chuang Siu Leung	720,000	(110,000)	(610,000)	-
Wong Man Kit	207,000	(32,000)	(175,000)	-
Eric Ng Siu Kai	715,000	(265,000)	(450,000)	-
Lim Ah Doo	490,000	(300,000)	(190,000)	-
Lim Hock Beng	374,000	(214,000)	(160,000)	-

vi) No options were granted to controlling shareholders of the Company and their associates. The options granted to Mr Victor Lo Chung Wing, a controlling shareholder of the Company by virtue of his interest in Gold Peak, were granted before 24 January 2008, when his interest in the issued shares of Gold Peak exceeded 20% and became deemed to be a substantial shareholder of the Company.

vii) No director or employee has received 5% or more of the total number of options available under the 1999 Scheme.

5. Share option schemes (cont'd)

viii) No options under the 1999 Scheme were granted to the Gold Peak Group Executive Directors, Non-executive Directors and Executives (the "parent group employees", which excludes the directors and executives of the Company and its subsidiaries as defined in the 1999 Scheme) since the commencement of the 1999 Scheme to 31 March 2010.

ix) The options granted by the Company do not entitle the holders of such options, by virtue of such holding, to any rights to participate in any share issue of any other company.

b) During the financial year, no option to take up unissued shares of subsidiaries was granted.

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

d) At the end of the financial year, there were no unissued shares of the Company and subsidiaries under option.

6. Audit and risk committee

During the financial year, the Audit Committee was renamed as Audit and Risk Committee effective from 11 February 2015. The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, including a review of the financial statements of the Company and of the Group for the financial year and the auditors' report thereon before their submission to the directors of the Company. In addition, the Audit and Risk Committee also provided oversight that management has created and maintained an effective risk management and control environment in the Company and there is a sound internal controls system and risk management practices in the Company.

At the date of this report, the Audit and Risk Committee comprises the following members, all of whom are independent non-executive directors:

Lim Ah Doo
Lim Hock Beng
Allan Choy Kam Wing

The Audit and Risk Committee met four times since the last Annual General Meeting. The Audit and Risk Committee has reviewed the following:

a) the annual audit plan and report of the external auditors;

b) the results of the internal auditors' examination of the Group's systems of internal accounting controls;

6. **Audit and risk committee** (cont'd)

   c) the internal audit plans and results of internal audits as well as management's responses to the recommendations of the internal auditors;

   d) the Group's financial results and accounting policies;

   e) the Group's quarterly, half-yearly and full year results, the statement of financial position of the Company and the consolidated financial statements of the Group before their submission to the Board for approval for public announcements in respect of such results and related results announcement;

   f) the effectiveness of financial, operational, compliance and information technology controls;

   g) the Group's interested person transactions;

   h) non-audit services performed by the external auditors to ensure that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors before recommending to the Board, subject to shareholders' approval, the re-appointment of the Company's external auditors; and

   i) the co-operation and assistance given by the management to the internal and external auditors.

   The Audit and Risk Committee has full access to and co-operation by management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The external and internal auditors have unrestricted access to the Audit and Risk Committee.

   The Audit and Risk Committee meetings are held with the internal and external auditors and by invitation, representatives from management.

   The Audit and Risk Committee has recommended to the Board of Directors that Deloitte & Touche LLP be nominated for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

7. **Auditors**

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

8. Internal controls

Based on the internal controls and risk governance practices established and maintained by the Group, work performed by the internal and external auditors, assurance from management and reviews performed by the Audit and Risk Committee and management, the Board of Directors with the concurrence of the Audit and Risk Committee is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks, were adequate as at 31 March 2015.

The system of internal controls and risk governance practices established by the Group is adequate to provide reasonable but not absolute assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board of Directors also notes that no system of internal controls and risk management can provide absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

On behalf of the Board of Directors

Victor Lo Chung Wing
Chairman

Leung Pak Chuen
Executive Vice Chairman

17 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 27 to 118 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 as and when they fall due.

On behalf of the Board of Directors

Victor Lo Chung Wing
Chairman

Leung Pak Chuen
Executive Vice Chairman

17 June 2015

To the members of GP Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of GP Industries Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and the Company as at 31 March 2015, and the income statement, the statement of 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 27 to 118.

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

Panjabi Sanjay Gordhan
Partner
Appointed on 31 July 2013

17 June 2015

CONSOLIDATED INCOME STATEMENT

Financial year ended 31 March 2015

	Note	The Group	
		2015	2014
		S$'000	S$'000
Continuing operations			
Revenue	3	**973,770**	948,258
Cost of sales		**(724,126)**	(712,237)
Gross profit		**249,644**	236,021
Other operating income	4	**7,724**	9,270
Distribution costs		**(94,447)**	(84,863)
Administrative expenses		**(115,344)**	(114,607)
Exchange gain (loss)		**9,878**	(831)
Other operating expenses		**(7,662)**	(5,441)
Profit before finance costs, exceptional items and share of results of associates	5	**49,793**	39,549
Finance costs	6	**(8,900)**	(10,701)
Exceptional items	7	**5,605**	(72,548)
Share of results of associates	13	**19,157**	22,705
Profit (Loss) before taxation		**65,655**	(20,995)
Income tax expense	8	**(21,982)**	(17,208)
Profit (Loss) after taxation from continuing operations		**43,673**	(38,203)
Discontinued operations			
Profit after taxation from discontinued operations	38	**-**	6,930
Profit (Loss) for the financial year		**43,673**	(31,273)
Attributable to:			
Equity holders of the Company			
Continuing operations		**25,472**	(16,617)
Discontinued operations		**-**	6,930
		25,472	(9,687)
Non-controlling interests			
Continuing operations		**18,201**	(21,586)
Discontinued operations		**-**	-
		18,201	(21,586)
		43,673	(31,273)
Basic earnings (loss) per share (Singapore cents) from:			
Continuing operations	9	**5.16**	(3.31)
Discontinued operations	9	**-**	1.38
		5.16	(1.93)
Diluted earnings (loss) per share (Singapore cents) from:			
Continuing operations	9	**5.16**	(3.31)
Discontinued operations	9	**-**	1.38
		5.16	(1.93)

See accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Financial year ended 31 March 2015

	The Group	
	2015	2014
	S$'000	S$'000
Profit (Loss) for the financial year	**43,673**	(31,273)
Other comprehensive income (loss):		
Exchange translation deficit (surplus) reclassified to profit or loss upon disposal of a subsidiary / joint venture	**388**	(1,409)
Items that may be reclassified subsequently to profit or loss:		
Exchange translation surplus	**20,458**	5,301
Fair value (loss) gain on available-for-sale financial assets	**(176)**	1,382
Share of other comprehensive income of associates	**8,676**	3,128
Other comprehensive income for the financial year, net of tax	**29,346**	8,402
Total comprehensive income (loss) for the financial year	**73,019**	(22,871)
Attributable to:		
Equity holders of the Company		
Continuing operations	**45,006**	(11,884)
Discontinued operations	**-**	7,191
	45,006	(4,693)
Non-controlling interests		
Continuing operations	**28,013**	(18,178)
Discontinued operations	**-**	-
	28,013	(18,178)
	73,019	(22,871)

See accompanying notes to the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2015

	Note	The Group		The Company	
		2015	2014	**2015**	2014
		S$'000	S$'000	**S$'000**	S$'000
Non-current Assets					
Investment properties	10	**1,747**	6,678	**-**	-
Property, plant and equipment	11	**246,960**	242,292	**279**	252
Interest in subsidiaries	12	**-**	-	**290,552**	431,774
Interest in associates	13	**229,206**	214,574	**29,031**	28,932
Available-for-sale financial assets	14	**5,699**	7,618	**-**	-
Financial asset at fair value through profit or loss	15	**-**	-	**-**	-
Non-current receivables	16	**158**	-	**-**	-
Deferred tax assets	26	**3,662**	5,713	**-**	-
Deposits and prepayments		**705**	156	**-**	-
Intangible assets	17	**15,053**	15,240	**-**	-
		503,190	492,271	**319,862**	460,958
Current Assets					
Inventories	18	**139,998**	134,786	**-**	-
Receivables and prepayments	19	**183,183**	169,209	**43,778**	32,304
Dividend receivable	32	**1,650**	-	**28,990**	51,427
Taxation recoverable		**4,306**	1,239	**-**	-
Amount due from ultimate holding company	24	**149**	35	**-**	-
Bank balances, deposits and cash	20	**136,671**	157,464	**5,614**	8,062
		465,957	462,733	**78,382**	91,793
Assets classified as held for sale	38	**70**	3,688	**-**	-
		466,027	466,421	**78,382**	91,793
Current Liabilities					
Trade and other payables	21	**190,382**	197,361	**11,360**	24,847
Obligations under finance leases	22	**199**	295	**-**	-
Income tax payable		**4,264**	4,235	**1,296**	1,258
Derivative financial instruments	23	**195**	679	**-**	-
Amount due to ultimate holding company	24	**980**	831	**8**	39
Bank and other loans	25	**168,659**	197,743	**26,075**	26,621
		364,679	401,144	**38,739**	52,765
Net Current Assets		**101,348**	65,277	**39,643**	39,028
Non-current Liabilities					
Bank and other loans	25	**64,431**	51,022	**60,000**	43,000
Obligations under finance leases	22	**121**	111	**-**	-
Deferred tax liabilities	26	**4,433**	6,208	**79**	79
Amount due to a subsidiary	12	**-**	-	**-**	143,098
		68,985	57,341	**60,079**	186,177
Net Assets		**535,553**	500,207	**299,426**	313,809

See accompanying notes to the financial statements.

As at 31 March 2015

	Note	The Group		The Company	
		2015	2014	**2015**	2014
		S$'000	S$'000	**S$'000**	S$'000
Represented by:					
Issued capital	27	**286,307**	286,307	**286,307**	286,307
Treasury shares	27	**(18,548)**	(11,770)	**(18,548)**	(11,770)
Reserves		**85,666**	46,310	**31,667**	39,272
Equity attributable to equity holders of the Company		**353,425**	320,847	**299,426**	313,809
Non-controlling interests		**182,128**	179,360	**-**	-
Total Equity		**535,553**	500,207	**299,426**	313,809

See accompanying notes to the financial statements.

STATEMENTS OF CHANGES IN EQUITY

Financial year ended 31 March 2015

	Attributable to equity holders of the Company												
	Issued capital S$'000	Treasury shares S$'000	Capital reserve S$'000	Legal reserve S$'000	Capital reserve on consolidation S$'000	Exchange translation reserve S$'000	Available-for-sale financial assets reserve S$'000	Share-based payment reserve S$'000	Property revaluation reserve S$'000	Retained profits S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
The Group													
Balance at 1 April 2014	286,307	(11,770)	3,132	13,903	8,252	(99,772)	713	1,855	-	118,227	320,847	179,360	500,207
Total comprehensive income (loss)													
Profit for the financial year	-	-	-	-	-	-	-	-	-	25,472	25,472	18,201	43,673
Other comprehensive income (loss):													
Exchange translation surplus	-	-	-	-	-	7,997	-	-	-	-	7,997	12,461	20,458
Exchange translation deficit reclassified to profit or loss upon disposal of a subsidiary	-	-	-	-	-	388	-	-	-	-	388	-	388
Fair value loss on available-for-sale financial assets	-	-	-	-	-	-	(64)	-	-	-	(64)	(112)	(176)
Share of other comprehensive income (loss) of associates	-	-	-	-	-	10,617	-	-	596	-	11,213	(2,537)	8,676
Other comprehensive income (loss) for the financial year	-	-	-	-	-	19,002	(64)	-	596	-	19,534	9,812	29,346
Total comprehensive income (loss) for the financial year	-	-	-	-	-	19,002	(64)	-	596	25,472	45,006	28,013	73,019
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners:													
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	653	653
Purchase of treasury shares (Note 27)	-	(6,778)	-	-	-	-	-	-	-	-	(6,778)	-	(6,778)
Dividends paid (Note 27)	-	-	-	-	-	-	-	-	-	(15,824)	(15,824)	(4,746)	(20,570)
Unclaimed dividends	-	-	-	-	21	-	-	-	-	25	46	-	46
Transfer from reserve upon lapse of share options	-	-	-	-	-	-	-	(388)	-	388	-	-	-
Total contributions by and distributions to owners	-	(6,778)	-	-	21	-	-	(388)	-	(15,411)	(22,556)	(4,093)	(26,649)
Changes in ownership interests in subsidiaries:													
Acquisition of additional interest in a subsidiary	-	-	-	-	10,128	-	-	-	-	-	10,128	(20,982)	(10,854)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(170)	(170)
Total changes in ownership interests in subsidiaries	-	-	-	-	10,128	-	-	-	-	-	10,128	(21,152)	(11,024)
Total transactions with owners	-	(6,778)	-	-	10,149	-	-	(388)	-	(15,411)	(12,428)	(25,245)	(37,673)
Transfer to reserve	-	-	-	246	-	-	-	-	-	(246)	-	-	-
Balance at 31 March 2015	286,307	(18,548)	3,132	14,149	18,401	(80,770)	649	1,467	596	128,042	353,425	182,128	535,553

See accompanying notes to the financial statements.

Financial year ended 31 March 2015

	Attributable to equity holders of the Company												
	Issued capital	Treasury shares	Capital reserve	Legal reserve	Capital reserve on consolidation	Exchange translation reserve	Available-for-sale financial assets reserve	Share-based payment reserve	Property revaluation reserve	Retained profits	Total	Non-controlling interests	Total equity
	S$'000	S$'000	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	286,307	(6,932)	3,152	14,126	1,972	(104,018)	-	2,424	-	150,215	347,246	189,763	537,009
Total comprehensive income (loss)													
Loss for the financial year	-	-	-	-	-	-	-	-	-	(9,687)	(9,687)	(21,586)	(31,273)
Other comprehensive income (loss):													
Exchange translation surplus	-	-	-	-	-	3,098	-	-	-	-	3,098	2,203	5,301
Exchange translation surplus reclassified to profit or loss upon disposal of a joint venture	-	-	-	-	-	(1,409)	-	-	-	-	(1,409)	-	(1,409)
Fair value gain on available-for-sale financial assets	-	-	-	-	-	-	713	-	-	-	713	669	1,382
Share of other comprehensive income of associates	-	-	35	-	-	2,557	-	-	-	-	2,592	536	3,128
Other comprehensive income for the financial year	-	-	35	-	-	4,246	713	-	-	-	4,994	3,408	8,402
Total comprehensive income (loss) for the financial year	-	-	35	-	-	4,246	713	-	-	(9,687)	(4,693)	(18,178)	(22,871)
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners:													
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	12,163	12,163
Purchase of treasury shares (Note 27)	-	(4,838)	-	-	-	-	-	-	-	-	(4,838)	-	(4,838)
Dividends paid (Note 27)	-	-	-	-	-	-	-	-	-	(23,148)	(23,148)	(5,562)	(28,710)
Transfer from reserve upon cancellation / lapse of share options	-	-	-	-	-	-	-	(569)	-	569	-	-	-
Total contributions by and distributions to owners	-	(4,838)	-	-	-	-	-	(569)	-	(22,579)	(27,986)	6,601	(21,385)
Changes in ownership interests in subsidiaries without loss of control	-	-	-	-	6,280	-	-	-	-	-	6,280	1,174	7,454
Total transactions with owners	-	(4,838)	-	-	6,280	-	-	(569)	-	(22,579)	(21,706)	7,775	(13,931)
Transfer from reserves	-	-	(55)	(223)	-	-	-	-	-	278	-	-	-
Balance at 31 March 2014	286,307	(11,770)	3,132	13,903	8,252	(99,772)	713	1,855	-	118,227	320,847	179,360	500,207

See accompanying notes to the financial statements.

	Issued capital S$'000	Treasury shares S$'000	Capital reserve S$'000	Share-based payment reserve S$'000	Retained profits S$'000	Total equity S$'000
The Company						
Balance at 1 April 2014	286,307	(11,770)	614	388	38,270	313,809
Profit and total comprehensive income for the financial year	-	-	-	-	8,194	8,194
<u>**Transactions with owners, recognised directly in equity**</u>						
Purchase of treasury shares (Note 27)	-	(6,778)	-	-	-	(6,778)
Dividends paid (Note 27)	-	-	-	-	(15,824)	(15,824)
Unclaimed dividends	-	-	-	-	25	25
Total transactions with owners	-	(6,778)	-	-	(15,799)	(22,577)
Transfer from reserve upon lapse of share options	-	-	-	(388)	388	-
Balance at 31 March 2015	286,307	(18,548)	614	-	31,053	299,426
Balance at 1 April 2013	286,307	(6,932)	614	398	50,030	330,417
Profit and total comprehensive income for the financial year	-	-	-	-	11,378	11,378
<u>**Transactions with owners, recognised directly in equity**</u>						
Purchase of treasury shares (Note 27)	-	(4,838)	-	-	-	(4,838)
Dividends paid (Note 27)	-	-	-	-	(23,148)	(23,148)
Total transactions with owners	-	(4,838)	-	-	(23,148)	(27,986)
Transfer from reserve upon cancellation of share options	-	-	-	(10)	10	-
Balance at 31 March 2014	286,307	(11,770)	614	388	38,270	313,809

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

See accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended 31 March 2015

	2015 S$'000	2014 S$'000
Operating activities		
Profit (Loss) before taxation from continuing operations	**65,655**	(20,995)
Profit before taxation from discontinued operations	**-**	9,711
Profit (Loss) before taxation	**65,655**	(11,284)
Adjustments for:		
Share of results of associates	**(19,157)**	(22,705)
Depreciation of property, plant and equipment	**24,090**	26,298
Amortisation of intangible assets	**-**	81
Finance costs	**8,900**	10,701
Interest income	**(2,410)**	(2,252)
(Gain) Loss on disposal and write-off of property, plant and equipment, net	**(9,026)**	98
Gain on disposal of a joint venture	**-**	(6,574)
Profit before taxation attributable to discontinued operations	**-**	(3,137)
Gain on bargain purchase arising from purchase of additional interests in associates	**(9)**	-
Allowance for impairment loss on intangible assets	**18**	1,591
Allowance for and write-off of inventory obsolescence, net	**2,130**	5,379
Allowance for and write-off of bad debt, net	**2,505**	6,391
Allowance for impairment loss on investment in an associate	**-**	2,200
Restructuring costs	**1,708**	1,222
Allowance for impairment loss recognised on assets classified as held for sale	**994**	-
Gain on disposal of a subsidiary	**(10)**	-
Loss on disposal of available-for-sale financial assets	**-**	5
(Gain) Loss in fair value of investment properties	**(56)**	498
Loss in fair value of financial asset at fair value through profit or loss	**-**	6,840
Unrealised fair value loss on derivative financial instruments	**195**	679
Realised gain on derivative financial instruments	**(180)**	(1,158)
GP Batteries International Limited's:		
Allowance for impairment loss on trade receivables due from associates	**-**	3,588
(Reversal) Allowance for impairment loss on non-trade receivables due from associates	**(14)**	22,294
Allowance for impairment loss on investment in associates	**524**	1,688
Allowance for impairment loss on property, plant and equipment	**2,494**	16,787
Allowance for impairment loss on goodwill	**-**	3,512
Inventories write-down	**-**	2,833
Gain in fair value of investment properties	**-**	(460)
Compensation expense accrued	**-**	5,243
Operating cash flows before movements in working capital	**78,351**	70,358
Inventories	**960**	(7,721)
Receivables and prepayments	**(538)**	5,763
Trade and other payables	**(24,778)**	9,984
Amount due to ultimate holding company	**(18)**	(211)
Translation of foreign subsidiaries	**(4,405)**	1,755
Cash generated from operations	**49,572**	79,928
Income tax paid	**(20,846)**	(15,672)
Interest paid	**(8,748)**	(10,625)
Interest received	**1,773**	1,665
Net cash generated from operating activities	**21,751**	55,296

See accompanying notes to the financial statements.

	2015	2014
	S$'000	S$'000
Investing activities		
Additional investment in associates	**(403)**	(963)
Disposal of subsidiaries, net of cash disposed (Note 39)	**1,495**	-
Deposits received for asset classified as held for sale	**754**	-
Deposits paid for purchase of property, plant and equipment	**(673)**	(140)
Purchase of property, plant and equipment (note a)	**(27,070)**	(23,942)
Proceeds from disposal of a joint venture, net	**-**	35,400
Dividend received from a joint venture	**-**	25,244
Dividends received from associates	**11,825**	9,261
Dividend received from available-for-sale financial assets	**-**	315
Proceeds from disposal of property, plant and equipment	**21,912**	1,301
Purchase of available-for-sale financial assets	**(680)**	-
Proceeds from disposal of investment properties	**6,793**	-
Proceeds from disposal of available-for-sale financial assets	**-**	371
Net cash generated from investing activities	**13,953**	46,847
Financing activities		
Repayment of long-term bank and other loans	**(93,965)**	(49,423)
Drawdown of long-term bank and other loans	**84,989**	1,621
Repayment of short-term bank loans, net	**(14,813)**	(7,688)
Capital contribution by non-controlling interests	**653**	12,163
Acquisition of additional interest in a subsidiary	**(10,854)**	(2,264)
Proceeds from disposal of interest in a subsidiary without loss of control	**-**	9,709
Obligations under finance leases	**(287)**	(466)
Dividends paid	**(15,824)**	(23,148)
Dividend paid to non-controlling interests	**(4,746)**	(5,562)
Unclaimed dividends	**46**	-
Purchase of treasury shares	**(6,778)**	(4,838)
Net cash used in financing activities	**(61,579)**	(69,896)
Net (decrease) increase in cash and cash equivalents	**(25,875)**	32,247
Cash and cash equivalents at beginning of the financial year	**157,464**	124,917
Effects of exchange rate changes on the balance of cash held in foreign currencies	**5,082**	300
Cash and cash equivalents at end of the financial year, representing bank balances, deposits and cash (Note 20)	**136,671**	157,464

Note (a):

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S$27,404,000 (2014: S$31,157,000) of which S$210,000 (2014: S$428,000) were acquired under finance leases, S$124,000 (2014: S$Nil) were transferred from deposits paid for property, plant and equipment and S$Nil (2014: S$6,787,000) were transferred from other debtors which relates to the compensation income earned during the financial year ended 31 March 2013.

See accompanying notes to the financial statements.

31 March 2015

1. General

The Company (Registration No. 199502128C) is incorporated in the Republic of Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's registered office and principal place of business is at 3 Fusionopolis Link, #06-11, Nexus @one-north, Singapore 138543. The financial statements are expressed in Singapore dollars ("S$").

The principal activities of the Company comprise those of an investment holding company and regional headquarters of the Group.

The principal activities of the Group's significant subsidiaries and significant associates are disclosed in Notes 36 and 37 respectively.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2015 were authorised for issue by the Board of Directors on 17 June 2015.

2. Summary of significant accounting policies

Basis of Accounting

The financial statements have been prepared in accordance with the historical cost basis, 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.

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

Adoption of New and Revised Standards

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

During the financial year ended 31 March 2014, the Group has early adopted FRS 110 *Consolidated Financial Statements*, FRS 111 *Joint Arrangements*, FRS 112 *Disclosure of Interests in Other Entities*, FRS 27 (Revised) *Separate Financial Statements* and FRS 28 (Revised) *Investments in Associates and Joint Ventures*.

Basis of Consolidation

Subsidiaries

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 considers all relevant facts and circumstances in assessing whether or not 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 income statement and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

31 March 2015

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is 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 their accounting policies used in line with those used by other members of the Group.

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

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.

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 are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

Interest in 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 the Group's 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.

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

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 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.

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

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured, on the acquisition date, at the aggregate fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). 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 Instruments: 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.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) 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.

31 March 2015

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

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets 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 transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *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 FRS 105.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests 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.

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 below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

Foreign Currency Transactions

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.

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

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate 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 at the end of the 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 in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised 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.

Foreign Currency Translation

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items 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 the Group's exchange translation reserve.

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.

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.

31 March 2015

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

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 exchange translation reserve.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rates prevailing at the balance sheet date.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

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.

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

Management fee income is recognised when services are rendered.

Engineering development fee income is recognised when development services are rendered.

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.

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

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

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

Retirement Benefit Costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments 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 the reporting period.

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.

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 income statement 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) enacted or substantively enacted in countries where the Group's entities operate by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

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

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 the reporting period.

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 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.

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

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 through the expected life of the financial instrument, or where appropriate, a shorter period.

Financial Assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" ("at FVTPL"), "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 are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

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
- on initial recognition, it is a 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.

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

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

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Available-for-sale financial assets are measured at subsequent reporting dates at fair value. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income, until such investments are disposed of or are determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is included in the profit or loss for the period. Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. The fair values of the available-for-sale financial assets that are quoted in an active market are determined based on the published price quotations at the end of the reporting period. The fair values of the available-for-sale financial assets that are not quoted in an active market and whose fair values cannot be reliably measured are carried at cost less impairment.

Non-current receivables, trade and other receivables

Non-current receivables, trade and other receivables that have fixed or determinable payments that are not quoted in an active market are accounted for as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest income is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents in the consolidated statement of cash flows

Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand and at bank and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, such as fixed deposit with an original maturity period of three months or less, and exclude cash at bank, fixed deposit or highly liquid investments which are pledged as security and bank overdrafts which are repayable on demand.

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.

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

For certain categories of financial asset, such as trade receivables, 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 asset's 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 be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss charged directly to profit or loss for all financial assets with the exception of trade receivables and other receivables where the carrying amount is reduced through the use of an allowance account. When trade receivables and other receivables are uncollectible, they are written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited to the profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, 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 financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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.

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

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2. Summary of significant accounting policies (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 of a transferred asset, and retains control of the transferred asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement, and an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the transferred asset in its entirety and also recognises a financial liability for the consideration received.

Financial Liabilities and Equity Instruments

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

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method. Interest expense is recognised on an effective yield basis, except for short-term payables when the recognition of interest would be immaterial.

Bank and other borrowings

Interest-bearing bank loans and other loans 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.

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 issued are recorded at the proceeds received, net of direct issue costs.

Treasury shares

When the Company purchases its own issued ordinary shares without immediately cancelling such purchased shares, such purchased shares are held as treasury shares. The consideration paid, including any directly attributable costs, on the treasury shares is presented as a component within equity. When the treasury shares are subsequently disposed of, the realised gains or losses on disposal of the treasury shares are recognised in equity.

Derecognition of financial liabilities

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

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

Derivative Financial Instruments

Derivative financial instruments are initially recognised at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates.

Changes in the fair value of derivative financial instruments that are not designated and not effective as hedges of future cash flows are recognised immediately in profit or loss.

Investment Properties

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.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Transfers are made to or from investment properties when and only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed costs of property for subsequent accounting is its fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

Property, Plant and Equipment

Property, plant and equipment are carried at 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.

Construction in progress comprises material and all other cost incurred in relation to the construction and is not depreciated. On completion, they are identified for transfer to specific categories of property, plant and equipment.

Depreciation is charged to write-off the cost of property, plant and equipment over their estimated useful lives using the straight-line method or reducing balance method as follows:

Category of property, plant and equipment	Depreciation rates per annum
Furniture, fixtures and equipment	- 5% to 25%
Machinery and equipment	- 10% to 33$^1/_3$%
Motor vehicles	- 10% to 33$^1/_3$%
Moulds and tools	- 10% to 50%

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

Freehold land is not depreciated.

Leasehold land is depreciated over the period of the leases using the straight-line method.

Freehold buildings are depreciated at 2% to 4% per annum using the straight-line method.

Leasehold buildings are depreciated at 2% to 5% per annum using the straight-line method.

Leasehold improvements are depreciated at the shorter of 10% to $33^1/_3$% or over the lease terms.

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

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.

Assets held under finance leases are depreciated over their expected 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.

The gain or loss on 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 recognised in profit or loss.

Intangible Assets

<u>*Goodwill*</u>

Goodwill arising from a business combination is recognised as an asset 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.

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

Goodwill 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 the carrying amount of the unit, 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.

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

The Group's policy for goodwill arising from the acquisition of an associate is described under "Interest in Associates" above.

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.

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

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.

Customer Relationship

Intangible assets acquired in a business combination, such as customer relationship, 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.

Corporate Club Membership

Investment in corporate club membership is held for long-term and is stated at cost less any impairment in net recoverable value.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and overheads that have been incurred in bringing the inventories to their present location and condition calculated using the first-in, first-out method. Net realisable value is calculated as the actual or estimated selling price less all further costs of production and the related costs of marketing, selling and distribution.

Non-current Assets Held For Sale and Discontinued Operations

Non-current assets and disposal groups are classified as held for sale and carried at the lower of carrying amount and fair value less costs to sell 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 sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. 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.

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

A component of the Group is classified as discontinued operations when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations. In the profit or loss of the current reporting period, and of the comparative period, all income and expenses from discontinued operations are reported separately from income and expenses from continuing operations. The profit or loss after taxation from discontinued operations is reported separately in profit or loss.

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 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 in profit or loss on a straight-line basis over the lease term. The depreciation policy for depreciable leased assets is consistent with the Group's depreciation policy for similar assets.

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, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. 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 from operating leases are recognised as an expense in the periods 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.

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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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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.

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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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 the 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.

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

Share-based Payments

Equity-settled Share-based Payments

The fair value of the employee services received in exchange for the grant of options or shares is recognised as an expense in the profit or loss with a corresponding increase in share-based payment reserve, or capital reserve in respect of options granted by the Company's ultimate holding company, over the vesting period.

Options granted by a Group entity pursuant to schemes approved by its respective shareholders were measured at fair value (excluding the effect of non-market based vesting conditions) at the date of offer using the Black-Scholes pricing model. The fair value determined at the offer date of the options is expensed on a straight-line basis over the vesting period, based on the estimated number of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. The expected life used in the model has been adjusted for the estimated effects of non-transferability, exercise restrictions and behavioural considerations.

Certain directors and employees of the Group are also entitled to options to subscribe for the ordinary shares in the ultimate holding company of the Company. The fair value of such options is determined by the ultimate holding company. The Group's attributable share of the fair value of such options is expensed on a straight-line basis over the vesting period.

Upon the cancellation / lapse of share options, share option expenses previously recognised in the share-based payment reserve are transferred to retained profits.

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3. Revenue

	The Group	
	2015	2014
	S$'000	S$'000
Product sales	**973,770**	948,258

4. Other operating income

	The Group	
	2015	2014
	S$'000	S$'000
Engineering development and design fee income	**453**	299
Interest income:		
Associates	**216**	151
Banks	**1,135**	1,293
Third parties	**1,059**	808
(Loss) Gain on disposal of property, plant and equipment, net	**(18)**	450
Management fee income from associates	**887**	841
Operating lease income	**870**	1,237
Tooling income	**141**	119
Gain on bargain purchase arising from purchase of additional interests in associates	**9**	-
Gain on disposal of a subsidiary	**10**	-
Government grant	**1,350**	1,390
Write-back of allowance for bad debt	**116**	389
Realised gain on derivative financial instruments	**180**	1,158
Others	**1,316**	1,135
	7,724	9,270

5. Profit before finance costs, exceptional items and share of results of associates from continuing operations

Profit before finance costs, exceptional items and share of results of associates from continuing operations is arrived at after charging the following:

	The Group	
	2015	2014
	S$'000	S$'000
Audit fees:		
Auditors of the Company	**620**	671
Other auditors	**1,286**	1,364
Non-audit fees:		
Auditors of the Company	**51**	60
Other auditors	**161**	218
Depreciation of property, plant and equipment	**24,090**	26,298
Amortisation of intangible assets	**-**	81
Directors' remuneration:		
Fees	**207**	219
Other emoluments	**4,296**	4,845
Employee benefits expense (excluding directors' remuneration)	**167,353**	156,575
Cost of defined contribution plans included in employee benefits expense and directors' remuneration	**8,162**	6,652
Allowance for and write-off of inventory obsolescence, net	**2,130**	5,379
Cost of inventories recognised as expense	**719,658**	706,752
Property, plant and equipment written-off	**2,588**	548

6. Finance costs

	The Group	
	2015	2014
	S$'000	S$'000
Interests on:		
Bank loans, overdrafts and bills payable	**8,792**	10,618
Other loans	**75**	21
Finance leases	**33**	62
	8,900	10,701

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7. Exceptional items

	The Group	
	2015	2014
	S$'000	S$'000
Gain on disposal of property, plant and equipment	**1,370**	-
Allowance for impairment loss recognised on assets classified as held for sale	**(994)**	-
Restructuring costs	**(1,708)**	(1,222)
Allowance for impairment loss on investment in an associate	**-**	(2,200)
Loss in fair value of investment properties	**-**	(498)
Allowance for impairment loss on goodwill	**-**	(1,573)
Allowance for impairment loss on other receivables	**-**	(4,973)
Loss in fair value of financial asset at fair value through profit or loss	**-**	(6,840)
GP Batteries International Limited's ("GP Batteries"):		
Gain on disposal of property, plant and equipment	**10,262**	-
Allowance for impairment loss on property, plant and equipment	**(2,494)**	(16,787)
Allowance for inventory obsolescence	**(831)**	-
Allowance for impairment loss on trade receivables due from associates	**-**	(3,588)
Allowance for impairment loss on non-trade receivables due from associates	**-**	(22,294)
Allowance for impairment loss on investment in associates	**-**	(1,688)
Allowance for impairment loss on goodwill	**-**	(3,512)
Inventories write-down	**-**	(2,833)
Compensation expense accrued	**-**	(5,000)
Gain in fair value of investment properties	**-**	460
	5,605	(72,548)

8. Income tax expense

	The Group	
	2015	2014
	S$'000	S$'000
Current taxation:		
Provision for taxation in respect of profit for the financial year	**14,076**	12,643
Under (Over)-provision in respect of prior years	**884**	(817)
Withholding tax on overseas income	**3,429**	1,240
Deferred taxation charge (credit)	**453**	(816)
Share of taxation of associates (Note 13)	**3,140**	4,958
	21,982	17,208

8. **Income tax expense** (cont'd)

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 taxation as a result of the following differences:

	The Group	
	2015	2014
	S$'000	S$'000
Profit (Loss) before taxation from:		
Continuing operations	**65,655**	(20,995)
Discontinued operations	**-**	9,711
	65,655	(11,284)
Taxation from:		
Continuing operations	**21,982**	17,208
Discontinued operations	**-**	2,781
	21,982	19,989
Income tax expense (credit) at statutory tax rate	**11,161**	(1,918)
Effect of different tax rates of overseas operations	**2,824**	772
Effect of changes in tax rates	**1,625**	-
Income not subject to tax	**(2,186)**	(3,236)
Expenses not deductible for tax purposes	**2,268**	7,943
Deferred tax assets not recognised	**6,546**	14,865
Recognition of previously unrecognised deferred tax assets	**(2,357)**	(1,991)
Under-provision in prior years, including those of associates	**180**	49
Withholding tax, including those of associates	**3,524**	1,294
Deferred tax on undistributed profits	**(1,456)**	2,169
Others	**(147)**	42
Total income tax expense at effective rates	**21,982**	19,989

9. **Earnings (Loss) per share**

The following data were used in computing basic and fully diluted earnings per share disclosed in the income statement:

a) Earnings

	The Group	
	2015	2014
	S$'000	S$'000
Profit (Loss) attributable to equity holders of the Company from:		
Continuing operations	**25,472**	(16,617)
Discontinued operations	**-**	6,930
	25,472	(9,687)

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9. Earnings (Loss) per share (cont'd)

b) Number of shares

	Group and Company	
	2015	2014
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	**494,104,991**	502,857,970

There were no dilutive potential ordinary shares for the financial year ended 31 March 2015 and 2014.

10. Investment properties

	The Group	
	2015	2014
	S$'000	S$'000
Balance at beginning of the financial year	**6,678**	9,367
Disposal	**(4,952)**	-
Reclassified to held for sale	**-**	(1,841)
Fair value gain (loss)	**56**	(38)
Currency realignment	**(35)**	(810)
Balance at end of the financial year	**1,747**	6,678

The fair value of respective investment property at 31 March 2015 and 2014 have been arrived at on the basis of valuation at the respective reporting period carried out by independent property valuers having appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation of the respective property was arrived at by reference to market evidence of transaction prices for similar properties in the same locations and conditions.

During the financial year, rental income from investment properties leased out under operating leases amounted to S$191,000 (2014: S$326,000). Direct operating expenses arising from the rental generating investment properties amounted to S$132,000 (2014: S$166,000). Direct operating expenses arising from the non-rental generating investment properties amounted to S$115,000 (2014: S$90,000).

10. **Investment properties** (cont'd)

Details of the Group's investment properties and information about the fair value hierarchy as at 31 March 2015 and 2014 are as follows:

Description	Fair value		Fair value hierarchy	Valuation techniques	Unobservable inputs	Relationship of unobservable inputs to fair value
	2015	2014				
	S$'000	S$'000				
Factory building and warehouse in China	**1,747**	1,601	Level 3	Depreciated replacement cost method	Building construction cost, ranged from RMB1,000 to RMB1,500 (equivalent to S$222 to S$333) (2014: RMB1,000 to RMB1,500 (equivalent to S$203 to S$305)) per square metre.	A significant movement of input would result in significant change to the fair value of the investment property.
Farmland in Australia	**-**	3,447	Level 3	Direct comparison method with price per metre	Price per square metre using market direct comparable and taking into account of location and other individual factors, such as road, frontage, size of property etc., which is ranged from A$0.58 to A$0.74 (equivalent to S$0.68 to S$0.86) per square metre.	A significant increase or decrease in the price per square metre used would result in significant increase or decrease in the fair value measurement of the investment properties.
Commercial properties in Australia	**-**	1,630	Level 3	Income method - direct capitalisation approach	Capitalisation rate, taking into account the capitalisation of rental income, location of the property, strength of the lease covenant and quality of the improvements, of 11%.	A significant increase or decrease in the capitalisation rate would result in significant decrease or increase in fair value measurement of investment property.
					Monthly unit rent, based on gross floor area using direct market comparables and taking into account time, location, ranged from A$3.30 to A$5.50 (equivalent to S$3.80 to S$6.40) per square metre.	A significant increase or decrease in the monthly unit rent would result in significant increase or decrease in fair value measurement of investment property.
	1,747	6,678				

There were no transfers into or out of level 3 of the fair value hierarchy during the financial year ended 31 March 2015 and 2014.

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11. Property, plant and equipment

	Freehold land and buildings S$'000	Leasehold land and buildings S$'000	Leasehold improve-ments S$'000	Furniture, fixtures and equipment S$'000	Machinery and equipment S$'000	Motor vehicles S$'000	Moulds and tools S$'000	Construc-tion in progress S$'000	Total S$'000
The Group									
Cost:									
Balance at 1 April 2014	34,605	140,826	22,357	56,388	394,575	9,600	37,522	10,624	706,497
Additions	-	676	1,606	2,033	3,212	583	1,670	17,624	27,404
Disposals and write-offs	(8,616)	(389)	(4,642)	(8,978)	(31,001)	(1,482)	(1,315)	-	(56,423)
Reclassifications	659	148	(43)	1,080	6,004	289	2,865	(11,002)	-
Reclassified to held for sale	-	(829)	-	-	-	-	-	-	(829)
Currency realignment	578	11,356	588	3,658	28,222	724	2,580	1,332	49,038
Balance at 31 March 2015	27,226	151,788	19,866	54,181	401,012	9,714	43,322	18,578	725,687
Accumulated depreciation:									
Balance at 1 April 2014	8,899	34,023	15,557	43,288	290,207	7,794	25,782	-	425,550
Charge for the financial year	367	3,606	1,040	3,274	11,949	618	3,236	-	24,090
Eliminated on disposals and write-offs	(2,202)	(221)	(3,716)	(8,346)	(27,490)	(1,349)	(813)	-	(44,137)
Reclassified to held for sale	-	(759)	-	-	-	-	-	-	(759)
Currency realignment	334	3,600	(561)	2,801	22,559	635	1,766	-	31,134
Balance at 31 March 2015	7,398	40,249	12,320	41,017	297,225	7,698	29,971	-	435,878
Accumulated impairment loss:									
Balance at 1 April 2014	-	5,243	4	1,244	32,073	7	84	-	38,655
Charge for the financial year	-	-	-	-	2,494	-	-	-	2,494
Eliminated on disposals and write-offs	-	-	(4)	(602)	(43)	-	(6)	-	(655)
Currency realignment	-	(205)	-	113	2,438	1	8	-	2,355
Balance at 31 March 2015	-	5,038	-	755	36,962	8	86	-	42,849
Net book value:									
Balance at 31 March 2015	19,828	106,501	7,546	12,409	66,825	2,008	13,265	18,578	246,960

11. Property, plant and equipment (cont'd)

	Freehold land and buildings S$'000	Leasehold land and buildings S$'000	Leasehold improve-ments S$'000	Furniture, fixtures and equipment S$'000	Machinery and equipment S$'000	Motor vehicles S$'000	Moulds and tools S$'000	Construc-tion in progress S$'000	Total S$'000
The Group									
Cost:									
Balance at 1 April 2013	33,843	137,980	20,910	56,408	386,318	9,306	35,223	11,124	691,112
Additions	820	293	782	1,448	13,609	875	2,014	11,316	31,157
Disposals and write-offs	(13)	-	(721)	(4,003)	(13,443)	(932)	(732)	(1)	(19,845)
Reclassifications	-	3,417	1,088	1,307	6,005	183	(29)	(11,971)	-
Reclassified to held for sale	-	(2,475)	-	-	-	-	-	-	(2,475)
Currency realignment	(45)	1,611	298	1,228	2,086	168	1,046	156	6,548
Balance at 31 March 2014	34,605	140,826	22,357	56,388	394,575	9,600	37,522	10,624	706,497
Accumulated depreciation:									
Balance at 1 April 2013	8,337	30,394	13,633	41,330	288,001	7,589	24,263	-	413,547
Charge for the financial year	522	3,856	2,227	3,758	12,513	824	2,598	-	26,298
Eliminated on disposals and write-offs	(5)	-	(415)	(3,726)	(12,421)	(727)	(543)	-	(17,837)
Reclassifications	-	-	(90)	963	529	-	(1,402)	-	-
Reclassified to held for sale	-	(628)	-	-	-	-	-	-	(628)
Currency realignment	45	401	202	963	1,585	108	866	-	4,170
Balance at 31 March 2014	8,899	34,023	15,557	43,288	290,207	7,794	25,782	-	425,550
Accumulated impairment loss:									
Balance at 1 April 2013	-	5,453	4	1,058	15,628	-	21	-	22,164
Charge for the financial year	-	-	-	199	16,519	7	62	-	16,787
Eliminated on disposals and write-offs	-	-	-	(28)	(200)	-	-	-	(228)
Currency realignment	-	(210)	-	15	126	-	1	-	(68)
Balance at 31 March 2014	-	5,243	4	1,244	32,073	7	84	-	38,655
Net book value:									
Balance at 31 March 2014	25,706	101,560	6,796	11,856	72,295	1,799	11,656	10,624	242,292

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11. Property, plant and equipment (cont'd)

During the financial year, the Group carried out a review of the recoverable amount on certain property, plant and equipment items and an impairment loss of S$2,494,000 (2014: S$16,787,000) was recognised to align the carrying amount to recoverable amount. The recoverable amount of the relevant assets has been determined on the basis of their value in use and the discount rate used in measuring value in use is 12% (2014: 12%). The impairment loss was included in exceptional items (Note 7). The impairment loss for the financial year ended 31 March 2014 was mainly attributable to reducing the carrying value of property, plant & equipment of one of the subsidiaries of GP Batteries, due to the Group's effort to reduce capacity by consolidating the rechargeable Lithium battery plants.

	Leasehold improvements S$'000	Furniture, fixtures and equipment S$'000	Motor vehicles S$'000	Total S$'000
The Company				
Cost:				
Balance at 1 April 2014	67	1,352	390	1,809
Additions	101	19	-	120
Disposals and write-offs	(67)	(126)	-	(193)
Balance at 31 March 2015	101	1,245	390	1,736
Accumulated depreciation:				
Balance at 1 April 2014	63	1,332	162	1,557
Charge for the financial year	21	10	59	90
Eliminated on disposals and write-offs	(67)	(123)	-	(190)
Balance at 31 March 2015	17	1,219	221	1,457
Net book value:				
Balance at 31 March 2015	84	26	169	279
Cost:				
Balance at 1 April 2013	67	1,383	340	1,790
Additions	-	7	193	200
Disposals and write-offs	-	(38)	(143)	(181)
Balance at 31 March 2014	67	1,352	390	1,809
Accumulated depreciation:				
Balance at 1 April 2013	50	1,361	227	1,638
Charge for the financial year	13	9	51	73
Eliminated on disposals and write-offs	-	(38)	(116)	(154)
Balance at 31 March 2014	63	1,332	162	1,557
Net book value:				
Balance at 31 March 2014	4	20	228	252

11. Property, plant and equipment (cont'd)

	The Group	
	2015	2014
	S$'000	S$'000
Net book value of property, plant and equipment held under finance leases:		
Motor vehicles	**200**	105
Furniture, fixtures and equipment	**3**	106
Machinery and equipment	**356**	436

12. Interest in subsidiaries

	The Company	
	2015	2014
	S$'000	S$'000
Quoted equity shares, at cost	**167,480**	156,626
Unquoted equity shares, at cost	**266,068**	412,946
Allowance for impairment loss	**(142,996)**	(137,798)
	290,552	431,774
Loans to subsidiaries	**830**	830
Allowance for impairment loss	**(830)**	(830)
	-	-
	290,552	431,774

Details of the significant subsidiaries are set out in Note 36.

During the financial year, the Company carried out a review of the recoverable amount of its investment in subsidiaries. The estimated recoverable amount of a subsidiary was based on fair value less cost to sell, which was determined with reference to its net asset value. The Company estimated that the recoverable amount of certain subsidiaries were below its carrying value and accordingly the Company recognised an allowance for impairment loss of S$5,198,000 (2014: S$42,181,000) in these subsidiaries. The recoverable amount of certain subsidiaries has decreased due to losses incurred during the financial year.

Loans to subsidiaries form part of the Company's net investment in the subsidiaries. Loans of S$830,000 (2014: S$830,000) are interest bearing at interest rates ranging from 3.59% to 3.97% (2014: 3.66% to 3.70%) per annum.

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12. Interest in subsidiaries (cont'd)

Amount due to a subsidiary

During the financial year ended 31 March 2013, the Company entered into agreements pursuant to which an unsecured and non-interest bearing amount of S$150,000,000 due to CIH Limited ("CIH") (the "Subordinated Debt") is subordinated to the Company's payment obligations under certain term loan agreements. As a result, as at 31 March 2014, the earliest date for the Company to settle the Subordinated Debt was 12 October 2015. As at 31 March 2014, the carrying value of the Subordinated Debt of S$143,098,000, which also approximated its fair value, represented the then present value of the Subordinated Debt discounted at a rate of 3.30% per annum from 12 October 2015. During the financial year, the Company fully settled the Subordinated Debt by setting-off against the S$162,000,000 proceeds payable by CIH to the Company pursuant to CIH's capital reduction. Amount due to a subsidiary is categorised as Level 2 in the fair value hierarchy.

Details of non-wholly owned subsidiary that has material non-controlling interests are as follows:

Name of subsidiary	Place of incorporation and business	Effective percentage of equity and voting power held by the non-controlling interests		Profit (Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2015	2014	**2015**	2014	**2015**	2014
		%	%	**S$'000**	S$'000	**S$'000**	S$'000
GP Batteries International Limited	Singapore	**38.83**	46.89	**18,146**	(21,649)	**180,209**	178,198
Subsidiary with immaterial non-controlling interests						**1,919**	1,162
						182,128	179,360

12. Interest in subsidiaries (cont'd)

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests, before any intra-group elimination, is set out below:

	GP Batteries International Limited	
	2015	2014
	S$'000	S$'000
Current assets	**324,379**	322,684
Non-current assets	**284,680**	292,983
Current liabilities	**263,093**	299,599
Non-current liabilities	**3,437**	6,020
Equity attributable to equity holders of the Company	**162,320**	131,850
Non-controlling interests	**180,209**	178,198
Revenue	**719,335**	695,407
Profit (Loss) attributable to:		
Equity holders of the Company	**7,088**	(26,308)
Non-controlling interests	**18,146**	(21,649)
Profit (Loss) for the year	**25,234**	(47,957)
Total comprehensive income (loss) attributable to:		
Equity holders of the Company	**11,595**	(23,782)
Non-controlling interests	**27,812**	(18,256)
Total comprehensive income (loss) for the year	**39,407**	(42,038)
Dividends paid to non-controlling interests	**4,721**	5,562
Net cash generated from operating activities	**19,811**	54,469
Net cash generated from (used in) investing activities	**5,631**	(16,609)
Net cash used in financing activities	**(39,853)**	(8,858)
Net (decrease) increase in cash and cash equivalents	**(14,411)**	29,002

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13. Interest in associates

	The Group		The Company	
	2015	2014	**2015**	2014
	S$'000	S$'000	**S$'000**	S$'000
Quoted equity shares, at cost	**21,337**	20,955	**-**	-
Unquoted equity shares, at cost	**82,215**	81,644	**29,168**	29,069
	103,552	102,599	**29,168**	29,069
Loan to associate	**13,884**	13,516	**-**	-
Share of post-acquisition reserves, net of dividend declared	**134,578**	120,743	**-**	-
Allowance for impairment loss	**(22,808)**	(22,284)	**(137)**	(137)
	229,206	214,574	**29,031**	28,932
Market value of quoted equity shares at 31 March	**28,925**	41,186	**-**	-

Details of the significant associates are set out in Note 37.

The issued shares of one of the Group's associates are quoted. The shares of Meiloon Industrial Co., Ltd. ("Meiloon") are quoted on the Taiwan Stock Exchange Corporation.

As at 31 March 2015, the market value of the Group's investment in Meiloon was lower than the corresponding carrying value in the Group's financial statements. The recoverable amount at 31 March 2015 was determined based on the value in use calculations using cash flow projections derived from most recent financial budget approved by Meiloon's management for the next three years using a pre-tax discount rate of 10.00%, adjusted for the fair value of certain properties held by Meiloon which were determined by third party valuers with reference to market evidence of transaction prices for similar properties in the same locations and conditions. Growth rates of up to 1.00% were used during the three-year period to extrapolate cash flows. Cash flows beyond the three-year period were extrapolated using a 1.00% growth rate. Based on the estimated recoverable amount, no impairment loss allowance was required as at 31 March 2015.

As at 31 March 2014, the market value of the Group's investment in Meiloon was higher than the corresponding carrying value in the Group's financial statements. Accordingly, no value in use was prepared. During the financial year ended 31 March 2014, an impairment loss of S$2,200,000 on the Group's investment in Meiloon was included in exceptional items (Note 7).

During the financial year, an impairment loss of S$524,000 in respect of an associate of the Batteries business was included in other operating expenses.

13. Interest in associates (cont'd)

During the financial year ended 31 March 2014, an impairment loss of S$1,688,000 was included in exceptional items (Note 7), mainly due to the wind down of operations of the Vectrix group of companies of the Batteries business. The impairment charge was due to no in-flow of future economic benefits was expected from the Vectrix group of companies.

The Group's share of attributable profit of associates for the financial year is as follows:

	The Group	
	2015	2014
	S$'000	S$'000
Share of results	**19,157**	22,705
Share of taxation (Note 8)	**(3,140)**	(4,958)
Share of attributable profit	**16,017**	17,747

The following are the Group's material associates:

i) Linkz Industries Limited group of companies ("Linkz Group")

ii) Meiloon group of companies ("Meiloon Group")

Summarised financial information in respect of each of the Group's material associates are as follows:

	Linkz Group	Meiloon Group
	S$'000	S$'000
2015		
Current assets	346,689	150,294
Non-current assets	226,358	102,116
Current liabilities	300,161	73,025
Non-current liabilities	17,906	18,958
Non-controlling interests	2,320	14,115
Equity attributable to equity holders of the associate	252,660	146,312
Revenue	460,735	158,054
Profit (Loss) from continuing operations for the year	17,122	(6,863)
Other comprehensive income for the year	19,873	12,834
Total comprehensive income for the year	36,995	5,971
Dividend received from the associate during the year	-	6,025

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13. Interest in associates (cont'd)

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

	Linkz Group S$'000	Meiloon Group S$'000
2015		
Equity attributable to equity holders of the associate	252,660	146,312
Proportion of the Group's ownership	38.13%	20.27%
The Group's share of equity attributable to equity holders of the associate	96,339	29,652
Goodwill	-	6,626
Other adjustments	(428)	(113)
Carrying amount of the Group's interest in the associate	95,911	36,165

Summarised financial information in respect of each of the Group's material associates are as follows:

	Linkz Group S$'000	Meiloon Group S$'000
2014		
Current assets	285,844	190,823
Non-current assets	213,614	91,338
Current liabilities	262,884	65,857
Non-current liabilities	19,618	17,429
Non-controlling interests	1,986	27,104
Equity attributable to equity holders of the associate	214,970	171,771
Revenue	402,463	180,217
Profit from continuing operations for the year	11,475	67,488
Other comprehensive (loss) income for the year	(718)	3,472
Total comprehensive income for the year	10,757	70,960
Dividend received from the associate during the year	1,071	1,228

13. **Interest in associates** (cont'd)

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

	Linkz Group	Meiloon Group
	S$'000	S$'000
2014		
Equity attributable to equity holders of the associate	214,970	171,771
Proportion of the Group's ownership	38.08%	20.27%
The Group's share of equity attributable to equity holders of the associate	81,861	34,812
Goodwill	-	6,243
Other adjustments	(381)	(561)
Carrying amount of the Group's interest in the associate	81,480	40,494

Aggregate information of associates that are not individually material are as follows:

	2015	2014
	S$'000	S$'000
The Group's share of:		
Profit for the year from continuing operations	**10,738**	9,459
Other comprehensive income for the year	**589**	1,395
Total comprehensive income for the year	**11,327**	10,854
Aggregate carrying amount of the Group's interest in these associates	**97,130**	92,600

Unrecognised share of losses (profit) of associates are as follows:

	2015	2014
	S$'000	S$'000
For the financial year	**(751)**	719
At 31 March	**(4,769)**	(4,018)

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14. Available-for-sale financial assets

	The Group	
	2015	2014
	S$'000	S$'000
Investment in quoted equity shares, at fair value	**2,914**	2,844
Investment in unquoted equity shares, at cost	**2,785**	4,774
	5,699	7,618

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

The Group did not recognise any allowance for impairment loss during the financial year ended 31 March 2015 and 2014.

15. Financial asset at fair value through profit or loss

	The Group	
	2015	2014
	S$'000	S$'000
Convertible note	**-**	-
Movements in financial asset at fair value through profit or loss during the financial year are as follows:		
Balance at beginning of the financial year	**-**	6,549
Interest income	**-**	221
Fair value loss	**-**	(6,840)
Currency realignment	**-**	70
Balance at end of the financial year	**-**	-

During the financial year ended 31 March 2012, the Group entered into an agreement (the "Subscription Agreement") to subscribe for a convertible note (the "Convertible Note") in the principal amount of approximately HK$68,019,000 (equivalent to S$10,745,000) issued by GSM (Holdings) Limited ("GSMH"). The Convertible Note will mature on 21 April 2016 and is interest bearing at 2.00% per annum. Unless previously converted into ordinary shares of GSMH ("GSMH Shares") to be allotted and issued or repaid in accordance with the terms of the Convertible Note, GSMH shall redeem the Convertible Note on 21 April 2016 the outstanding principal together with interest accrued thereon.

15. Financial asset at fair value through profit or loss (cont'd)

On 26 March 2013, the Group further entered into a supplemental deed with GSMH concerning the Convertible Note (the "Supplemental Deed"). Pursuant to the Subscription Agreement, as amended by the Supplemental Deed, the Group can convert the Convertible Note in whole or in part into new GSMH Shares during the period from 21 April 2012 to 21 April 2016 (the "Conversion Period"), on the basis of conversion as set out in the Subscription Agreement and as amended by the Supplemental Deed, if immediately after such conversion, the aggregate number of GSMH Shares held by the Group does not exceed 49% of the total number of issued GSMH Shares. The basis of conversion is determined as eight times of the audited net profit after tax of GSMH attributable to the owners of GSMH divided by the total number of issued and fully paid shares of GSMH on the date of conversion ("Conversion Price"). In addition, the Supplemental Deed also clarified that the Group shall not be entitled to convert any part of the Convertible Note into GSMH Shares during the Conversion Period if the applicable Conversion Price, derived pursuant to the Subscription Agreement, shall be nil or is a negative figure.

During the financial year ended 31 March 2015 and 2014, the conversion option of the Convertible Note was not exercisable and the Group did not convert any part of the Convertible Note into GSMH shares.

The investment in Convertible Note is designated as a financial asset at fair value through profit or loss as the Convertible Note contains embedded derivative. During the financial year ended 31 March 2014, a fair value loss of S$6,840,000 was included in exceptional items (Note 7).

During the financial year, the management based on the latest available financial information of GSMH and considered it unlikely that GSMH is able to repay the Convertible Note on the date of maturity (i.e. 21 April 2016). As a result, no fair value adjustment was made during the financial year. As at 31 March 2014, the fair value of the embedded conversion option was determined using binomial model by a firm of professional valuers, RHL Appraisal Limited. Key inputs of the valuation were: (i) expected volatility of 21.70%; (ii) risk free rate of 0.48%; (iii) dividend yield of 0.00%; and (iv) discount for lack of marketability of 50.00%. The fair value of the debt component of the Convertible Note was estimated by computing present value of future cash flows discounted by the pre-tax discount rate used for the debt component of 19.90% which was based on the credit spreads of comparable bonds with similar credit rating.

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15. Financial asset at fair value through profit or loss (cont'd)

The following describes how the fair value of the financial asset at fair value through profit or loss is determined (in particular, the valuation technique(s) and input used) as at 31 March 2014:

Fair value hierarchy	Valuation techniques	Unobservable inputs	Relationship of unobservable inputs to fair value
Level 3	Discounted cash flow and binomial model. The fair value of loan component of the convertible note was estimated by computing present value of future cash flows discounted by the discount rate based on the credit spreads of comparable bonds with similar credit rating. The future cash flows were based on the forecasted residual loan proceed available on the date of maturity (i.e. 21 April 2016). The fair value of embedded conversion option was determined using binomial models with key inputs (i) expected volatility; (ii) risk-free rate; (iii) dividend yield; and (iv) discount for lack of marketability.	Long term revenue growth rate taking into account management's experience and knowledge of market condition of the industry. Discount rate, determined by the return of equity and debt of the investment. Discount for lack of marketability.	The significant increase or decrease in the long term revenue growth rate, the significant increase or decrease in the fair value. The significant increase or decrease in the discount rate, the significant decrease or increase in fair value. The significant increase or decrease in the discount rate, the significant decrease or increase in fair value.

There were no transfers into or out of level 3 of the fair value hierarchy during the financial year ended 31 March 2015 and 2014.

16. Non-current receivables

	The Group	
	2015	2014
	S$'000	S$'000
Secured non-current receivable	**158**	-
Unsecured non-current receivables:		
Amounts due from GSMH (note a)	**7,238**	6,297
Others	**659**	735
Allowance for doubtful unsecured non-current receivables	**(7,897)**	(7,032)
	-	-
	158	-
Movements in the allowance for doubtful non-current receivables during the financial year are as follows:		
Balance at beginning of the financial year	**7,032**	6,711
Charge for the financial year	**346**	319
Currency realignment	**519**	2
Balance at end of the financial year	**7,897**	7,032

16. Non-current receivables (cont'd)

Note:

a) The amounts are interest bearing at 5.25% (2014: 5.25%) per annum. During the financial year, related allowance for impairment loss amounted to S$346,000 (2014: S$319,000).

17. Intangible assets

	The Group	
	2015	2014
	S$'000	S$'000
Goodwill	**15,022**	15,191
Other intangible assets	**31**	49
	15,053	15,240
Goodwill		
Cost:		
Balance at beginning of the financial year	**24,028**	23,751
Disposal of a subsidiary	**(4,092)**	-
Currency realignment	**1,809**	277
Balance at end of the financial year	**21,745**	24,028
Accumulated impairment loss:		
Balance at beginning of the financial year	**8,837**	3,704
Disposal of a subsidiary	**(2,673)**	-
Charge for the financial year	**-**	5,085
Currency realignment	**559**	48
Balance at end of the financial year	**6,723**	8,837
Net book value:		
Balance at end of the financial year	**15,022**	15,191

17. Intangible assets (cont'd)

The recoverable amount of goodwill is determined based on value in use calculations. The key assumptions for value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and risks specific to the business unit. Growth rate and changes in selling prices and direct costs are based on past performance of the business unit and expected market development. The results of assessment of significant goodwill are as follows:

a) The aggregate recoverable amount of goodwill attributable to the cash generating units of the Batteries business amounted to S$14,709,000 (2014: S$13,485,000) is determined based on the value in use calculations using cash flow projections derived from most recent financial budget approved by management for the next year (2014: one year) and extrapolates for the following four years (2014: four years) based on average growth rates of approximately 0% to 23.6% (2014: 3% to 16%). Pre-tax discount rates ranged from 12.9% to 16.1% (2014: 13% to 17%) were used to discount the cash flow forecast. Based on the result of the assessment, no impairment loss allowance was required as at 31 March 2015 (2014: an allowance for impairment loss of S$3,512,000 was provided).

   A change in the estimated discount rates may affect the aggregate result of the value in use calculations as follows:

   i) an 1% increase in the estimated discount rates would decrease the aggregate result of the value in use calculations by S$5,156,000 (2014: S$4,340,000).

   ii) an 1% decrease in the estimated discount rates would increase the aggregate result of the value in use calculations by S$5,984,000 (2014: S$5,002,000).

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

b) The recoverable amount of goodwill allocated to other investments of S$1,419,000 as at 31 March 2014 was dealt with in the profit or loss during the financial year upon disposal of a subsidiary which held such investments (Note 39).

The remaining amount of goodwill of S$313,000 (2014: S$287,000), mainly attributable to the automotive wire harness business, is insignificant.

The Group did not recognise any allowance for impairment loss for the financial year. During the financial year ended 31 March 2014, the Group recognised an allowance for impairment loss of S$5,085,000 which was included in exceptional items (Note 7).

17. **Intangible assets** (cont'd)

Other Intangible Assets

	The Group				
	Corporate club membership	Product development expenditure	Technical knowhow	Customer relationship	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Cost:					
Balance at 1 April 2014	194	21,056	8,268	1,631	31,149
Amount written-off during the financial year	-	(21,529)	(8,432)	(1,668)	(31,629)
Currency realignment	-	473	164	37	674
Balance at 31 March 2015	194	-	-	-	194
Accumulated amortisation:					
Balance at 1 April 2014	-	21,056	8,268	1,631	30,955
Amount written-off during the financial year	-	(21,529)	(8,432)	(1,668)	(31,629)
Currency realignment	-	473	164	37	674
Balance at 31 March 2015	-	-	-	-	-
Accumulated impairment loss:					
Balance at 1 April 2014	145	-	-	-	145
Charge for the financial year	18	-	-	-	18
Balance at 31 March 2015	163	-	-	-	163
Net book value:					
Balance at 31 March 2015	31	-	-	-	31
Cost:					
Balance at 1 April 2013	194	20,764	8,169	1,608	30,735
Currency realignment	-	292	99	23	414
Balance at 31 March 2014	194	21,056	8,268	1,631	31,149
Accumulated amortisation:					
Balance at 1 April 2013	-	20,764	8,169	1,528	30,461
Amortisation for the financial year	-	-	-	81	81
Currency realignment	-	292	99	22	413
Balance at 31 March 2014	-	21,056	8,268	1,631	30,955
Accumulated impairment loss:					
Balance at 1 April 2013	127	-	-	-	127
Charge for the financial year	18	-	-	-	18
Balance at 31 March 2014	145	-	-	-	145
Net book value:					
Balance at 31 March 2014	49	-	-	-	49

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18. Inventories

	The Group	
	2015	2014
	S$'000	S$'000
Raw materials	**32,641**	29,909
Work-in-progress	**41,422**	32,086
Finished goods	**65,935**	72,791
	139,998	134,786

19. Receivables and prepayments

	The Group		The Company	
	2015	2014	**2015**	2014
	S$'000	S$'000	**S$'000**	S$'000
Trade receivables:				
Third parties	**142,640**	133,470	**-**	-
Associates (note a)	**12,907**	15,639	**-**	-
Less: Allowance for doubtful receivables:				
Third parties	**(8,388)**	(11,743)	**-**	-
Associates	**(2,281)**	(3,588)	**-**	-
	144,878	133,778	**-**	-
Other receivables:				
Third parties	**19,119**	18,858	**12**	9
Associates (note a)	**30,119**	35,012	**-**	-
Subsidiaries	**-**	-	**41,872**	31,172
Less: Allowance for doubtful receivables:				
Third parties	**(2,172)**	(2,426)	**-**	-
Associates	**(25,832)**	(30,479)	**-**	-
	21,234	20,965	**41,884**	31,181
Deposits and prepayments	**17,071**	14,466	**1,894**	1,123
	183,183	169,209	**43,778**	32,304

Note:

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

	The Group	
	2015	2014
	S$'000	S$'000
Movements in the allowance for doubtful receivables during the financial year are as follows:		
Balance at beginning of the financial year	**48,236**	23,675
Charge for the financial year, net	**2,126**	26,714
Amount utilised	**(14,537)**	(2,561)
Currency realignment	**2,848**	408
Balance at end of the financial year	**38,673**	48,236

19. **Receivables and prepayments** (cont'd)

	The Group	
	2015	2014
	S$'000	S$'000
Allowance for doubtful receivables at the end of the financial year comprises:		
Doubtful trade receivables	**10,669**	15,331
Doubtful other receivables	**28,004**	32,905
	38,673	48,236

Included in allowance for doubtful receivables were specific allowance against trade receivables and other receivables of S$2,958,000 and S$28,004,000 respectively (2014: S$4,848,000 and S$38,269,000 respectively). The allowance for doubtful receivables recognised represented the difference between the carrying amount of the related receivables and the present value of the collectible amount. Such receivables were individually impaired either because a debt was significantly past due and the debtor did not respond to repayment demands, or there were circumstances that indicated a debtor might not be able to honour its obligations when the debt was due. The Group does not hold any collateral over these receivables.

Trade receivables are generally non-interest bearing with credit terms of up to 90 days (2014: 90 days). The Group closely monitors the credit quality of its trade receivables. For receivables that are not past due, they are considered collectible and accordingly not impaired. Interest may be charged on past due trade receivables.

The age analysis of trade receivables that are past due but not impaired is as follows:

	The Group	
	2015	2014
	S$'000	S$'000
Past due 1 to 60 days	**24,098**	24,890
Past due 61 to 90 days	**5,162**	4,128
Past due 91 to 120 days	**3,253**	3,714
Past due more than 120 days	**5,415**	11,823
	37,928	44,555

The Group has not provided for any impairment loss allowance in respect of the above-mentioned receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

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19. Receivables and prepayments (cont'd)

The age analysis of non-trade related receivables that are past due but not impaired is as follows:

	The Group	
	2015	2014
	S$'000	S$'000
Past due 1 to 60 days	**2,950**	1,726
Past due 61 to 90 days	**946**	328
Past due 91 to 120 days	**52**	404
Past due more than 120 days	**4,944**	3,474
	8,892	5,932

The Group has not provided for any impairment loss allowance in respect of the above-mentioned receivables as the amounts are still considered recoverable. The Group does not hold any collateral over these receivables.

20. Bank balances, deposits and cash

	The Group		The Company	
	2015	2014	**2015**	2014
	S$'000	S$'000	**S$'000**	S$'000
Cash and bank balances	**124,411**	121,117	**5,614**	712
Fixed deposits	**12,260**	36,347	**-**	7,350
	136,671	157,464	**5,614**	8,062

The carrying amounts of these assets approximate their fair values. Fixed deposits generally comprise deposits with an original maturity period of three months or less.

21. Trade and other payables

	The Group		The Company	
	2015	2014	**2015**	2014
	S$'000	S$'000	**S$'000**	S$'000
Trade payables:				
Third parties	**119,884**	130,624	**-**	-
Associates	**22,434**	19,112	**-**	-
Other payables:				
Third parties	**6,508**	4,211	**725**	11
Associates	**3,048**	2,666	**-**	-
Subsidiaries	**-**	-	**9,314**	23,660
Accrued charges	**38,508**	40,748	**1,321**	1,176
	190,382	197,361	**11,360**	24,847

Trade payables have credit terms of up to 90 days (2014: 90 days).

22. Obligations under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2015	2014	**2015**	2014
	S$'000	S$'000	**S$'000**	S$'000
The Group				
Amounts payable under finance leases:				
Within one year	**280**	450	**199**	295
Within two to five years	**159**	118	**121**	111
	439	568	**320**	406
Less: Future finance lease charges	**(119)**	(162)	**-**	-
Present value of finance lease obligations	**320**	406	**320**	406
Less: Amount due within twelve months as shown under current liabilities			**(199)**	(295)
Amount due for settlement after twelve months			**121**	111

Certain finance leases of the Group bear interest on a floating interest rate basis. The initial lease terms are between three to five years (2014: two to five years).

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

23. Derivative financial instruments

	The Group	
	2015	2014
	S$'000	S$'000
Forward commodity contracts	**195**	-
Forward foreign exchange contracts	**-**	679
	195	679

Forward commodity contracts

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

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

Commodity	Quantity (in metric tonnes)	Maturity	Commodity price
Nickel	15	May 2015	USD 15,790 / metric tonne
Nickel	30	September 2015	USD 13,030 / metric tonne
Nickel	42	December 2016	USD 14,335 / metric tonne

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

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23. Derivative financial instruments (cont'd)

Forward foreign exchange contracts

The Group uses forward foreign exchange contracts and options in managing its exchange rate exposures. The instruments involved are primarily denominated in the currencies of the Group's principal markets.

The aggregate notional amount of major outstanding forward foreign exchange contracts are as follows:

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

As at 31 March 2014, the fair values were measured based on estimated valuation derived from market quotations and an estimated loss of S$679,000 was recognised.

24. Amounts due from and to ultimate holding company

The Company's immediate and ultimate holding company is Gold Peak Industries (Holdings) Limited ("Gold Peak"), a company incorporated in Hong Kong and listed on The Stock Exchange of Hong Kong Limited. The amounts due from and to Gold Peak are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

25. Bank and other loans

	The Group		The Company	
	2015	2014	**2015**	2014
	S$'000	S$'000	**S$'000**	S$'000
Current liabilities (unsecured)				
Current portion of long-term bank loans	**22,406**	45,012	**16,000**	16,000
Short-term bank loans	**130,835**	137,482	**10,075**	10,621
Current portion of loan from an equipment lease company	**1,784**	461	**-**	-
Import and export loans	**13,634**	14,788	**-**	-
	168,659	197,743	**26,075**	26,621
Non-current liabilities (unsecured)				
Long-term bank loans due after one year	**60,000**	49,902	**60,000**	43,000
Loan from an equipment lease company due after one year	**4,431**	1,120	**-**	-
	64,431	51,022	**60,000**	43,000
	233,090	248,765	**86,075**	69,621

As at 31 March 2015, bank loans of the Company amounting to S$76,000,000 (2014: S$59,000,000) were guaranteed by certain subsidiaries of the Company.

26. Deferred tax assets and liabilities

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

	Accelerated tax depreciation S$'000	Revaluation of investment property S$'000	Tax losses S$'000	Other temporary differences, net S$'000	Total S$'000
The Group					
Deferred tax assets					
Balance at 1 April 2013	784	-	1,366	2,485	4,635
(Charge) Credit to profit or loss					
for the financial year	-	-	(816)	1,843	1,027
Currency realignment	(29)	-	24	56	51
Balance at 31 March 2014	755	-	574	4,384	5,713
Credit (Charge) to profit or loss					
for the financial year	564	-	(316)	(2,559)	(2,311)
Currency realignment	101	-	(79)	238	260
Balance at 31 March 2015	1,420	-	179	2,063	3,662
Deferred tax liabilities					
Balance at 1 April 2013	3,016	58	-	2,999	6,073
(Credit) Charge to profit or loss					
for the financial year	(77)	46	-	242	211
Currency realignment	(104)	-	-	28	(76)
Balance at 31 March 2014	2,835	104	-	3,269	6,208
(Credit) Charge to profit or loss					
for the financial year	(639)	-	-	(1,219)	(1,858)
Currency realignment	(76)	9	-	150	83
Balance at 31 March 2015	2,120	113	-	2,200	4,433

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26. Deferred tax assets and liabilities (cont'd)

Movements in the deferred tax liabilities recognised by the Company are as follows:

	Accelerated tax depreciation S$'000	Other temporary differences, net S$'000	Total S$'000
The Company			
Deferred tax liabilities			
Balance at 1 April 2013	7	72	79
(Credit) Charge to profit or loss for the financial year	(3)	3	-
Balance at 31 March 2014	4	75	79
Charge (Credit) to profit or loss for the financial year	4	(4)	-
Balance at 31 March 2015	8	71	79

As at 31 March 2015, subsidiaries of the Group had potential tax benefits of approximately S$40,914,000 (2014: S$41,336,000) arising from unutilised tax losses, unabsorbed wear and tear allowances and other temporary differences, which were available for set off against future taxable profits. These potential tax benefits were not recognised in the financial statements due to the uncertainty of its recoverability. The use of these potential tax benefits is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

27. Issued capital, treasury shares, share-based payments and dividends

a) Issued capital

	Group and Company			
	2015	2014	**2015**	2014
	Number of ordinary shares		**S$'000**	S$'000
Issued and fully paid up:				
At beginning and end of the financial year	**521,358,482**	521,358,482	**286,307**	286,307

Fully paid ordinary shares of the Company ("Shares"), other than those held by the Company as treasury shares, carry one vote per share and carry a right to dividends as and when declared by the Company.

b) Treasury shares

	Group and Company			
	2015	2014	**2015**	2014
	Number of ordinary shares		**S$'000**	S$'000
At beginning of the financial year	**22,045,000**	12,499,000	**11,770**	6,932
On-market purchases	**11,874,100**	9,546,000	**6,778**	4,838
At end of the financial year	**33,919,100**	22,045,000	**18,548**	11,770

Treasury shares are Shares that are held by the Company.

27. Issued capital, treasury shares, share-based payments and dividends (cont'd)

During the financial year, the Company purchased 11,874,100 (2014: 9,546,000) of its Shares by way of on-market purchases at share prices ranging from S$0.470 to S$0.670 (2014: S$0.480 to S$0.520).

c) Share-based payments

i) Equity-settled share option scheme of the Company

The Company offered options to eligible grantees to subscribe for the Shares under the Share Option Scheme 1999 (the "1999 Scheme"). The duration of the 1999 Scheme reached its maximum period of ten years on 31 March 2010 and ceased to operate accordingly. However, options previously granted under the 1999 Scheme continued to be exercisable in accordance with the regulations of the 1999 Scheme.

The 1999 Scheme was administered by the Remuneration Committee. Exercise price of options equals the average of the last dealt prices for the Shares on the SGX-ST for the last three market days for which there was trading in the Shares, immediately preceding the date of offer. The Remuneration Committee had discretion to fix the exercise price at a discount not exceeding 20% of the above price. The vesting period was one year from the date of offer for options granted without discount, or two years for options granted at a discount. The expiry date for options offered to eligible grantees that hold executive positions, including the executive directors, is ten years from the date of offer, or five years for other eligible grantees. Unexercised options are cancelled upon occurrence of certain events, including when the option holder ceases to be employed by the Group.

During the financial year, all the unexercised options under the 1999 Scheme had expired on 4 July 2014 and the related share-based payment reserve of S$388,000 had been transferred to retained earnings.

Details of the Company's options outstanding during the financial year are as follows:

	2015		2014	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
	'000	**S$**	'000	S$
Outstanding at beginning of the financial year	**2,821**	**1.030**	5,423	0.960
Cancelled / Lapsed	**(2,821)**	**1.030**	(2,602)	0.884
Outstanding at end of the financial year	**-**	**-**	2,821	1.030
Exercisable at end of the financial year	**-**	**-**	2,821	1.030

As at 31 March 2014, the options outstanding had a weighted average remaining contractual life of 0.3 year.

ii) During the financial year, the Group and the Company did not recognise any expense related to equity-settled share-based payment transactions (2014: S$Nil).

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27. Issued capital, treasury shares, share-based payments and dividends (cont'd)

d) Dividends

	Group and Company	
	2015	2014
	S$'000	S$'000
i) Dividends paid during the financial year are as follows:		
Final tax-exempt (1-tier) dividend of 1.60 Singapore cents ("S cents") per Share for the financial year ended 31 March 2014	**7,941**	-
Final tax-exempt (1-tier) dividend of 1.50 S cents per Share for the financial year ended 31 March 2013	**-**	7,579
Special tax-exempt (1-tier) dividend of 1.50 S cents per Share for the financial year ended 31 March 2013	**-**	7,580
Interim tax-exempt (1-tier) dividend of 1.60 S cents per Share for the financial year ended 31 March 2015	**7,883**	-
Interim tax-exempt (1-tier) dividend of 1.60 S cents per Share for the financial year ended 31 March 2014	**-**	7,989
	15,824	23,148
ii) Dividends proposed before these financial statements were authorised and not included as liabilities in these financial statements are as follows:		
Final tax-exempt (1-tier) dividend of 1.80 S cents per Share for the financial year ended 31 March 2015 (2014: 1.60 S cents)	**8,766**	7,985

The proposed dividend amount in respect of the financial year ended 31 March 2015 of S$8,766,000 was based on 486,990,182 issued Shares (excluding treasury shares) as at 28 May 2015. The proposed dividend is subject to shareholders' approval at the forthcoming annual general meeting of the Company.

The proposed dividend amount in respect of the financial year ended 31 March 2014 of S$7,985,000 was based on 499,073,482 issued Shares (excluding treasury shares) as at 30 May 2014. The said dividend was approved by the shareholders at the annual general meeting of the Company held on 30 July 2014 and was paid in August 2014.

28. Lease commitments

The Group as lessee

	The Group		The Company	
	2015	2014	**2015**	2014
	S$'000	S$'000	**S$'000**	S$'000
Minimum lease payments paid under operating leases recognised as an expense:				
Subsidiaries	**-**	-	**11**	48
Related companies	**3,052**	1,968	**-**	-
Third parties	**8,351**	8,215	**167**	-
	11,403	10,183	**178**	48
Outstanding commitments under non-cancellable operating leases falling due:				
Within one year	**11,118**	4,457	**393**	372
Within two to five years	**15,886**	12,623	**426**	819
After five years	**3,113**	4,361	**-**	-
	30,117	21,441	**819**	1,191

Operating lease payments represent rentals payable by the Group for rental of office and factory premises, motor vehicles and plant and machinery. Leases are negotiated for lease terms of between one year and twenty years.

The Group as lessor

The Group rents out certain of its properties and investment properties under operating leases. The Group has contracted with tenants for the following future minimum lease payments:

	The Group	
	2015	2014
	S$'000	S$'000
Within one year	**473**	317
Within two to five years	**1,601**	927
After five years	**1,118**	163
	3,192	1,407

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29. Capital and other commitments

a) Capital commitments

	The Group		The Company	
	2015	2014	**2015**	2014
	S$'000	S$'000	**S$'000**	S$'000
Capital expenditure:				
Commitments for the acquisition of property, plant and equipment	**11,725**	1,260	**-**	-

b) Trust fund

In 2005, the Group 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. Management is of the view that there is no likelihood that the balance needs to be provided for. As a result, this balance had not been provided for in the financial statements.

30. Contingent liabilities (unsecured)

	The Group		The Company	
	2015	2014	**2015**	2014
	S$'000	S$'000	**S$'000**	S$'000
Export bills discounted with recourse	**259**	-	**-**	-
Guarantees given to certain banks in respect of banking facilities utilised by subsidiaries	**-**	-	**22,352**	27,280

The maximum amount the Group and the Company could become liable is as shown above.

The financial effects relating to financial guarantee contracts issued by the Company are insignificant to the financial statements of the Company and therefore are not recognised.

31. Segment information

The Group's businesses are organised into four segments based on the types of products that they provide, as follows:

Electronics and acoustics

The Group designs, manufactures and sells professional audio products and "*KEF*" brand loudspeakers. Associates of this business segment are mainly engaged in the manufacturing of high precision parts and components used in electronics products.

Automotive wire harness

The Group manufactures and sells automotive wire harness products.

Batteries

GP Batteries manufactures, develops and markets batteries and battery-related products.

Other industrial investments

Comprises the Group's non-core investments and assets, including available-for-sale financial assets and financial asset at fair value through profit or loss and the Group's associates, Linkz Industries Limited and Meiloon.

The executive directors of the Company, who are the chief operating decision makers, and management monitor the results of these business segments for the purpose of making decisions about resource allocation and performance assessment. The reportable segments apply the Group's accounting policies as described in Note 2. Segment performance is evaluated based on the Group's share of profit before taxation contributed by each business segment and after allocation of central administrative costs. Investment related finance cost and income taxes, which are managed on a group basis, are not allocated to the business segments.

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31. Segment information (cont'd)

Information regarding the Group's operating segments is presented below.

a) Operating segments

	Electronics and acoustics S$'000	Automotive wire harness S$'000	Batteries S$'000	Other industrial investments S$'000	Less: discontinued operations S$'000	Adjustment and elimination S$'000	Per consolidated financial statements S$'000
2015							
Revenue							
External revenue	213,197	41,238	719,335	-	-	-	973,770
Inter-segment revenue	72	-	-	-	-	(72)	-
Total revenue	213,269	41,238	719,335	-	-	(72)	973,770
Results							
Contribution before exceptional items and taxation	18,665	6,095	12,905	4,105	-	-	41,770
Exceptional items	(338)	-	2,675	(994)	-	-	1,343
Contribution after exceptional items and before taxation	18,327	6,095	15,580	3,111	-	-	43,113
Assets and liabilities							
Assets	200,557	31,208	601,783	133,676	-	(5,975)	961,249
Liabilities	71,413	11,449	261,359	646	-	(5,975)	338,892
Other information							
Interest income	408	3	1,008	640	-	-	2,059
Finance costs	744	147	5,438	2	-	(1,338)	4,993
Share of results of associates	12,199	-	741	6,217	-	-	19,157
Depreciation and amortisation	4,470	575	19,044	1	-	-	24,090
Impairment loss on:							
Property, plant and equipment	-	-	2,494	-	-	-	2,494
Investment in associates	-	-	524	-	-	-	524
Intangible assets	-	-	-	18	-	-	18
Assets classified as held for sale	-	-	-	994	-	-	994
Fair value gain on investment properties	-	-	-	(56)	-	-	(56)
Interest in associates	50,524	-	46,606	132,076	-	-	229,206
Additions of property, plant and equipment	10,870	908	15,626	-	-	-	27,404

31. Segment information (cont'd)

	Electronics and acoustics	Automotive wire harness (including discontinued operations)	Batteries	Other industrial investments	Less: discontinued operations	Adjustment and elimination	Per consolidated financial statements
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2014							
Revenue							
External revenue	224,100	35,579	695,401	-	(6,822)	-	948,258
Inter-segment revenue	290	-	6	-	-	(296)	-
Total revenue	224,390	35,579	695,407	-	(6,822)	(296)	948,258
Results							
Contribution before exceptional items and taxation	20,989	6,983	4,566	11,510	(3,137)	-	40,911
Exceptional items	(1,222)	6,574	(26,362)	(16,085)	(6,574)	-	(43,669)
Contribution after exceptional items and before taxation	19,767	13,557	(21,796)	(4,575)	(9,711)	-	(2,758)
Assets and liabilities							
Assets	179,020	53,698	609,058	132,836	-	(22,872)	951,740
Liabilities	80,494	20,211	299,307	1,281	-	(22,872)	378,421
Other information							
Interest income	287	2	715	592	-	-	1,596
Finance costs	740	96	7,362	4	-	(668)	7,534
Share of results of associates	12,493	1,844	(4,681)	14,893	(1,844)	-	22,705
Depreciation and amortisation	4,244	429	21,705	1	-	-	26,379
Impairment loss on:							
Property, plant and equipment	-	-	16,787	-	-	-	16,787
Investment in associates	-	-	1,688	2,200	-	-	3,888
Intangible assets	-	-	3,512	1,591	-	-	5,103
Fair value (gain) loss on:							
Investment properties	-	-	(460)	498	-	-	38
Financial asset at fair value through profit or loss	-	-	-	6,840	-	-	6,840
Interest in associates	40,534	-	52,066	121,974	-	-	214,574
Additions of property, plant and equipment	3,832	1,020	26,305	-	-	-	31,157

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31. Segment information (cont'd)

Reconciliation of the operating segment results, assets, liabilities, interest income and finance costs are provided as follows:

	2015	2014
	S$'000	S$'000
Results		
Continuing operations		
Contribution after exceptional items and before taxation per reportable segments	**43,113**	(2,758)
Unallocated finance costs, net	**(3,556)**	(2,511)
Taxation	**(21,982)**	(17,208)
Taxation attributable to non-controlling interests' share of results	**7,897**	5,860
Profit (Loss) attributable to equity holders of the Company	**25,472**	(16,617)
Discontinued operations		
Contribution after exceptional items and before taxation per reportable segments	**-**	9,711
Taxation	**-**	(2,781)
Profit attributable to equity holders of the Company	**-**	6,930
Assets		
Per reportable segments	**961,249**	951,740
Other unallocated assets	**7,968**	6,952
Per consolidated financial statements	**969,217**	958,692
Liabilities		
Per reportable segments	**338,892**	378,421
Unallocated bank loans and finance lease obligations	**86,075**	69,621
Other unallocated liabilities	**8,697**	10,443
Per consolidated financial statements	**433,664**	458,485
Interest income		
Continuing operations		
Per reportable segments	**2,059**	1,596
Unallocated interest income	**351**	656
Per consolidated financial statements	**2,410**	2,252
Finance costs		
Continuing operations		
Per reportable segments	**4,993**	7,534
Unallocated finance costs	**3,907**	3,167
Per consolidated financial statements	**8,900**	10,701

31. Segment information (cont'd)

b) Geographical information

Revenue analysed by the location of the customers or the shipment destination, where appropriate, is as follows:

	2015	2014
	S$'000	S$'000
Singapore	**6,083**	6,159
The People's Republic of China ("PRC"), Hong Kong and Taiwan	**394,232**	396,568
Other Asian countries	**86,131**	79,558
Asia	**486,446**	482,285
Germany, Netherlands, Russia and United Kingdom	**116,388**	125,191
Other European countries	**81,160**	84,446
Europe	**197,548**	209,637
United States of America	**244,165**	214,860
Other American countries	**29,097**	24,898
America	**273,262**	239,758
Others	**16,514**	23,400
Less: discontinued operations	**-**	(6,822)
Revenue from continuing operations	**973,770**	948,258

Non-current assets analysed by the geographical location in which the assets are located is as follows:

	2015	2014
	S$'000	S$'000
Singapore	**852**	637
PRC, Hong Kong and Taiwan	**457,040**	422,201
Other Asian countries	**15,881**	20,037
Europe	**19,309**	23,674
America and others	**589**	12,391
	493,671	478,940

Non-current assets comprise investment properties, property, plant and equipment, interest in associates, deposits and prepayments and intangible assets.

c) No customer individually contributed more than 10% of the Group's revenue for the financial year ended 31 March 2015 and 2014.

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32. Related party transactions, commitments and balances

Related companies in these financial statements refer to members of the ultimate holding company's group of companies, other than the Company and its subsidiaries.

Transactions between the Company and its subsidiaries, and among its subsidiaries, have been eliminated on consolidation and are not disclosed in this note.

In addition to the related party information disclosed elsewhere in the financial statements, the Group has significant transactions and commitments with related parties on terms agreed between the parties as follows:

	The Group			
	Associates		Related companies	
	2015	2014	**2015**	2014
	S$'000	S$'000	**S$'000**	S$'000
Sales	**25,263**	36,812	**256**	-
Licence fee	**-**	-	**(910)**	(962)
Purchases	**(80,333)**	(83,636)	**-**	-
Building management fee	**-**	-	**(699)**	(339)
Rental income	**254**	305	**-**	-
Royalty income	**63**	150	**-**	-
Sundry income	**310**	267	**-**	-
Rental commitments as lessee under non-cancellable operating leases falling due:				
Within one year	**-**	-	**4,433**	-
Within two to five years	**-**	-	**1,673**	-
Rental commitments as lessor under non-cancellable operating leases falling due:				
Within one year	**473**	308	**-**	-
Within two to five years	**1,601**	924	**-**	-
After five years	**1,118**	162	**-**	-

In addition to the related party information disclosed elsewhere in the financial statements, the Group and the Company have dividend receivable from related parties as at the end of the financial year as follows:

	The Group		The Company	
	2015	2014	**2015**	2014
	S$'000	S$'000	**S$'000**	S$'000
Associates	**1,650**	-	**1,650**	-
Subsidiaries	**-**	-	**27,340**	51,427
	1,650	-	**28,990**	51,427

32. Related party transactions, commitments and balances (cont'd)

The remuneration of key management personnel is as follows:

	The Group	
	2015	2014
	S$'000	S$'000
Short-term benefits (including directors' fees)	**6,454**	6,872
Post-employment benefits	**276**	209
	6,730	7,081

33. FRS yet to be adopted

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

- FRS 109 *Financial Instruments*
- FRS 115 *Revenue from Contracts with Customers*
- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*
- Improvements to Financial Reporting Standards (January 2014, February 2014 and November 2014)

Management anticipates that the adoption of the above FRSs and amendments to FRSs that were issued but not effective until future periods will not have a material impact on the financial statements of the Group and of 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 of 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.

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33. FRS yet to be adopted (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.

FRS 109 will take effect from financial years beginning on or after 1 January 2018, with retrospective application subject to transitional provisions. The Group is currently estimating the effects of FRS 109 in the period of initial adoption.

<u>FRS 115 *Revenue from Contracts with Customers*</u>

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.

33. FRS yet to be adopted (cont'd)

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. In addition, extensive disclosures are required by FRS 115.

FRS 115 will take effect from financial years beginning on or after 1 January 2017, with retrospective application subject to transitional provisions. The Group is currently estimating the effects of FRS 115 in the period of initial adoption.

<u>Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*</u>

The amendments have been made to the following:

- Materiality and aggregation - An entity shall not obscure useful information by aggregating or disaggregating information and materiality considerations apply to the primary statements, notes and any specific disclosure requirements in FRSs.
- Statement of financial position and statement of profit or loss and other comprehensive income - The list of line items to be presented in these statements can be aggregated or disaggregated as relevant. Guidance on subtotals in these statements has also been included.
- Presentation of items of other comprehensive income ("OCI") arising from equity-accounted investments - An entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single items based on whether or not it will subsequently be reclassified to profit or loss.
- Notes - Entities have flexibility when designing the structure of the notes and guidance is introduced on how to determine a systematic order of the notes.

The amendments to FRS 1 are effective for annual periods beginning on or after 1 January 2016, with retrospective application subject to transitional provisions. The Group is currently assessing the effects of amendments to FRS 1 in the period of initial adoption.

34. Critical accounting judgements and key sources of estimation 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.

34. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

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

In addition to the estimates and underlying assumptions mentioned elsewhere in the financial statements, the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the 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.

Depreciation of Property, Plant and Equipment

Depreciation is provided to write off the cost or valuation of property, plant and equipment over their useful lives, estimated by management, using the straight-line method or reducing balance method. Details of the carrying amount of property, plant and equipment are stated in Note 11.

Impairment of Property, Plant and Equipment

Property, plant and equipment are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the impairment loss. Details of the carrying amount of property, plant and equipment are stated in Note 11.

Impairment of the Company's Investment in Subsidiaries and Associates

The Company's investment in subsidiaries and associates is reviewed for impairment whenever there is any indication that the investment may be impaired. The amount of impairment loss allowance provided during the financial year, the basis of estimating the recoverable amount and the carrying value of the investment in subsidiaries and associates are stated in Notes 12 and 13 respectively.

Fair Value of the Convertible Note

The fair value of the Convertible Note, which is unquoted, is established using a valuation technique. The valuation technique involves a degree of estimation, the extent of which depends on, *inter alia*, the availability of non-market based data. The valuation of the debt component of the Convertible Note requires the Group to estimate the future cash flows to be generated by GSMH and an appropriate discount rate in order to calculate the present value of the future cash flows. Details of the key inputs to the valuation model and the discounted cash flow analysis are stated in Note 15.

34. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Allowance for Bad and Doubtful Debts

The policy for allowances for bad and doubtful debts of the Group is based on the evaluation of collectibility and aging analysis of receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate recoverability of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in the impairment of their ability to make payments, additional allowances may be required. Details of the carrying amount of the receivables are stated in Notes 16 and 19.

Impairment of Goodwill

The Group estimates the value in use of the cash-generating units to which the goodwill is allocated in determining whether goodwill requires any impairment. This requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Details of the carrying value of goodwill are stated in Note 17.

Allowance for Inventory Obsolescence

The carrying amount of inventories, stated in Note 18, is progressively reduced based on the age and type of inventories. These estimates of realisable values are made by management after taking into account historical and forecast selling prices.

Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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35. Financial instruments, financial risk and capital risk management

a) Categories of financial instruments

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

	The Group		The Company	
	2015	2014	**2015**	2014
	S$'000	S$'000	**S$'000**	S$'000
Financial assets				
Loans and receivables (including cash and bank balances)	**304,740**	312,242	**76,488**	90,670
Available-for-sale financial assets	**5,699**	7,618	**-**	-
Financial liabilities				
Fair value through profit or loss	**195**	679	**-**	-
Amortised cost	**424,772**	447,363	**97,443**	237,605

b) Financial risk management policies and objectives

The Group's major financial instruments include trade and other receivables, trade and other payables, bank balances and bank and other loans. The Group's holding of available-for-sale financial assets and financial asset at fair value through profit or loss are held for long-term investment purposes. Details of these financial instruments are disclosed in the respective notes. The Group's financial instruments held for trading are used to manage the Group's exchange rate and raw material price exposures and are not for speculative purposes.

The risks associated with the Group's major financial instruments include credit risk, interest rate risk, foreign currency risk and liquidity risk. The policies on how to manage these risks are set out in this Note 35.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and an effective manner. The Group's overall strategy remains unchanged from prior year.

35. **Financial instruments, financial risk and capital risk management** (cont'd)

c) Credit risk management

The Group manages credit risk by evaluating the counterparties' creditworthiness before any transaction takes place, ongoing credit evaluation of the counterparties' financial position, limiting the aggregate financial exposure to any individual counterparty and requiring counterparties to provide letters of credit or other forms of security, if considered necessary.

The Group places its cash and fixed deposits with reputable financial institutions.

The Group has no major concentration of credit risk in respect of its trade and other receivables.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral or other security obtained.

d) Interest rate risk management

The interest rate risk exposure of the Group mainly arises from its interest bearing debts and interest bearing assets, which are substantially bearing interest at floating rates. The Group considers, where appropriate, to use derivative financial instruments to mitigate the financial impact associated with interest rates fluctuations relating to certain forecasted transactions.

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

i) consolidated interest income for the financial year would increase or decrease by S$150,000 (2014: S$243,000).

ii) consolidated finance costs for the financial year would increase or decrease by S$1,134,000 (2014: S$1,254,000).

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35. Financial instruments, financial risk and capital risk management (cont'd)

e) Foreign currency risk management

The Group's monetary assets and liabilities are mainly denominated in United States dollar, Euro, Hong Kong dollar, Renminbi, Australian dollar and Singapore dollar. Exposures to foreign currency risks are managed as far as possible by matching monetary assets and liabilities in the same currency denomination and supplemented with appropriate financial instruments where necessary. The Group considers, where appropriate, to use derivative financial instruments to mitigate the financial impact associated with foreign currency fluctuations relating to certain forecasted transactions.

The Group's significant net foreign currency denominated monetary assets exposures relative to the respective functional currency of the Company and its subsidiaries at the end of the reporting period are summarised below:

	The Group	
	2015	2014
	S$'000	S$'000
Australian dollar	**3,804**	3,515
Euro	**3,500**	4,333
Hong Kong dollar	**14,467**	37,852
Renminbi	**6,939**	31,001
Singapore dollar	**1,997**	2,286
United States dollar	**6,364**	16,486

The Company's significant net foreign currency denominated monetary assets exposures relative to its functional currency at the end of the reporting period are summarised below:

	The Company	
	2015	2014
	S$'000	S$'000
Australian dollar	**3,803**	3,515
Hong Kong dollar	**19,845**	34,808
United States dollar	**22,563**	15,672

35. **Financial instruments, financial risk and capital risk management** (cont'd)

If the respective functional currency of the Company and its subsidiaries strengthens or weakens by 5% (2014: 5%) against the following major relevant foreign currencies with all other variables held constant, the Group would record additional exchange gain (loss) as follows:

	The Group			
		2015		2014
	Strengthen	**Weaken**	Strengthen	Weaken
	S$'000	**S$'000**	S$'000	S$'000
Australian dollar	**(190)**	**190**	(176)	176
Euro	**(163)**	**163**	(200)	200
Hong Kong dollar	**(686)**	**785**	(1,799)	1,998
Renminbi	**(328)**	**328**	(1,546)	1,546
Singapore dollar	**(97)**	**97**	(114)	114
United States dollar	**(266)**	**266**	(811)	811

If the functional currency of the Company strengthens or weakens by 5% (2014: 5%) against the following major relevant foreign currencies with all other variables held constant, the Company would record additional exchange gain (loss) as follows:

	The Company			
		2015		2014
	Strengthen	**Weaken**	Strengthen	Weaken
	S$'000	**S$'000**	S$'000	S$'000
Australian dollar	**(190)**	**190**	(176)	176
Hong Kong dollar	**(945)**	**1,044**	(1,658)	1,832
United States dollar	**(1,128)**	**1,128**	(784)	784

Exchange differences attributable to certain intercompany monetary items which in substance are part of the Group's net investment in overseas operations are directly dealt with in the Group's equity. If the respective functional currency of the Company and its subsidiaries strengthens or weakens by 5% (2014: 5%) against the following relevant foreign currencies with all other variables held constant, the Group's equity would increase (decrease) by:

	The Group			
		2015		2014
	Strengthen	**Weaken**	Strengthen	Weaken
	S$'000	**S$'000**	S$'000	S$'000
Australian dollar	**4,038**	**(4,038)**	3,945	(3,945)

35. Financial instruments, financial risk and capital risk management (cont'd)

In management's opinion, the sensitivity analyses are unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year due to seasonal effects of its business activities.

The Group's foreign currency translation risk arises mainly from the Company's foreign incorporated subsidiaries and associates, whose net assets are denominated in currencies other than Singapore dollar, the Company's reporting currency.

f) Liquidity risk management

The Group finances its operations by a combination of borrowings and equity. Adequate lines of credit are maintained to ensure the necessary liquidity is available when required. The Company may be in a net current liabilities position from time to time but funds will be available from its subsidiaries when required.

The remaining contractual maturity for non-derivative financial liabilities at the end of the reporting period is as follows:

	The Group					
	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustments	Total
	%	S$'000	S$'000	S$'000	S$'000	S$'000
2015						
Non-interest bearing		191,362	-	-	-	191,362
Finance lease obligations (fixed rate)	4.7	280	159	-	(119)	320
Variable interest rate instruments	3.7	176,250	67,305	-	(10,465)	233,090
		367,892	67,464	-	(10,584)	424,772
2014						
Non-interest bearing		198,192	-	-	-	198,192
Finance lease obligations (fixed rate)	3.8	448	118	-	(162)	404
Finance lease obligations (floating rate)	2.2	2	-	-	-	2
Variable interest rate instruments	3.7	205,644	55,983	170	(13,032)	248,765
		404,286	56,101	170	(13,194)	447,363

35. **Financial instruments, financial risk and capital risk management** (cont'd)

	The Company				
	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustments	Total
	%	S$'000	S$'000	S$'000	S$'000
2015					
Non-interest bearing		11,368	-	-	11,368
Variable interest rate instruments	3.6	28,604	62,736	(5,265)	86,075
Financial guarantee contracts		22,352	-	(22,352)	-
		62,324	62,736	(27,617)	97,443
2014					
Non-interest bearing		24,886	-	-	24,886
Variable interest rate instruments	3.4	28,574	47,784	(6,737)	69,621
Subordinated Debt	3.3	-	150,000	(6,902)	143,098
Financial guarantee contracts		27,280	-	(27,280)	-
		80,740	197,784	(40,919)	237,605

Liabilities pertaining to financial guarantee contracts are the Company's contingent liabilities arising from guarantees given to banks (Note 30).

g) Capital risk management

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 its 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 Note 25, and equity attributable to the equity holders of the Company.

Management reviews the Group's capital structure from time to time and recommends to the Board of Directors appropriate actions such as payment of dividend, new share issues, share buy-back and utilisation of available banking facilities.

The Group's overall strategy remains unchanged from the financial year ended 31 March 2014. The Group and the Company were 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 certain financial institutions for the facilities granted as at 31 March 2015 and 2014.

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35. Financial instruments, financial risk and capital risk management (cont'd)

h) Fair values of financial assets and financial liabilities

The fair values of financial assets and financial liabilities approximate their respective carrying amounts recorded in the financial statements, determined in accordance with the accounting policies disclosed in Note 2 except for available-for-sale financial assets carried at cost less impairment.

The financial instruments carried at fair value, analysed by valuation method, are as follows:

	The Group			
	Level 1	Level 2	Level 3	Total
	S$'000	S$'000	S$'000	S$'000
2015				
Financial assets				
Available-for-sale financial assets	2,914	-	-	2,914
Financial asset at fair value through profit or loss	-	-	-	-
	2,914	-	-	2,914
Financial liabilities				
Derivative financial instruments	-	195	-	195
2014				
Financial assets				
Available-for-sale financial assets	2,844	-	-	2,844
Financial asset at fair value through profit or loss	-	-	-	-
	2,844	-	-	2,844
Financial liabilities				
Derivative financial instruments	-	679	-	679

There were no transfers between the different level of fair value hierarchy during the financial year ended 31 March 2015 and 2014.

As at 31 March 2015, the Group's available-for-sale financial assets comprising investment in unquoted equity shares with a total net carrying value of S$2,785,000 (2014: S$4,774,000) were measured at cost less impairment. The fair values of these available-for-sale financial assets cannot be determined reliably as the variability in the range of reasonable fair value estimates derived from valuation techniques can vary significantly.

Impairment losses on available-for-sale financial assets are recognised when there is a significant or prolonged decline in the fair value of such investments below their cost.

36. Subsidiaries

Significant subsidiaries of the Group are as follows:

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held	
			2015	2014
			%	%
Bowden Industries Limited [1] [b]	Hong Kong	Investment holding, manufacturing and trading of electrical wiring accessories, electronic control devices and related products	**100**	100
CIH Limited [a]	Singapore	Investment holding	**100**	100
Coudrey Investments Limited [1] [6]	Seychelles	Investment holding	**-**	100
Dragon Star Enterprises Limited [1] [3]	British Virgin Islands	Investment holding	**100**	100
Ever Grace Capital Investment Limited [b]	Hong Kong	Investment holding	**100**	100
Famingo Pte Ltd [a]	Singapore	Investment holding	**100**	100
Fancy Luck Investment Limited [1] [b]	Hong Kong	Investment holding	**100**	100
Giant Fair Investment Limited [1] [b]	Hong Kong	Investment holding	**100**	100
GP Acoustics France SAS [1] [c] [7]	France	Marketing and distribution of acoustic and electronic products	**-**	100
GP Acoustics GmbH [1] [c]	Germany	Marketing and distribution of acoustic and electronic products	**100**	100
GP Acoustics (HK) Limited [1] [b]	Hong Kong	Marketing, retailing and distribution of acoustic and electronic products	**100**	100
GP Acoustics International Limited [1] [b]	Hong Kong	Investment holding, design, marketing and distribution of acoustic and electronic products	**100**	100
GP Acoustics Limited [3]	British Virgin Islands	Investment holding	**100**	100
GP Acoustics (Middle East) DWC-LLC [1] [8]	United Arab Emirates	Marketing and distribution of acoustic and electronic products	**100**	-
GP Acoustics (Singapore) Pte Limited [a]	Singapore	Marketing and retailing of acoustic and electronic products	**100**	100

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36. **Subsidiaries** (cont'd)

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held 2015 %	2014 %
GP Acoustics (Taiwan) Limited (1) (b)	Taiwan	Marketing and distribution of acoustic and electronic products	**100**	100
GP Acoustics (UK) Limited (1) (b)	England and Wales	Investment holding, design, marketing and distribution of acoustic and electronic products	**100**	100
GP Acoustics (US), Inc. (1) (c)	United States of America	Marketing and distribution of acoustic and electronic products	**100**	100
GP Auto Parts Limited (b)	Hong Kong	Investment holding	**100**	100
GP Electronics (China) Limited (b)	Hong Kong	Investment holding	**100**	100
GP Electronics (HK) Limited (b)	Hong Kong	Marketing and trading of audio products	**100**	100
GP Electronics (Huizhou) Co., Ltd. (2) (d)	The People's Republic of China	Manufacturing of acoustic and electronic products	**95.00**	95.00
金柏電子有限公司 (1) (2) (4) (f)	The People's Republic of China	Marketing and distribution of acoustic and electronic products	**100**	100
GP Electronics (SZ) Limited (2) (f)	The People's Republic of China	Development of electronic products	**100**	100
GP Industries Marketing Limited (b)	Hong Kong	Marketing and trading of quality parts and components and hygienic and health care products	**100**	100
GP Precision Parts (Huizhou) Co., Ltd. (1) (2) (d)	The People's Republic of China	Manufacturing of metal parts and personal health care products	**100**	100
GPE International Limited (b)	Hong Kong	Investment holding	**100**	100
Huizhou GP Wiring Technology Ltd. (2) (e)	The People's Republic of China	Manufacturing of automotive wire harness, transformers and switching mode power supply	**100**	100
Key Win Industrial Limited (b)	Hong Kong	Investment holding	**100**	100
King Bright Capital Investment Limited (b)	Hong Kong	Investment holding	**100**	100

36. Subsidiaries (cont'd)

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held 2015 %	2014 %
Nike Enterprises Limited [b]	Hong Kong	Investment holding	**100**	100
Pinberry Investments Limited [1] [3]	British Virgin Islands	Investment holding	**100**	100
Whitehill Industries Limited [1] [b]	Hong Kong	Investment holding	**100**	100
GP Batteries and its principal subsidiaries				
GP Batteries International Limited [5]	Singapore	Manufacture, development and marketing of batteries and battery-related products	**61.17**	53.11
Bolder Technologies Pte Ltd	Singapore	Investment holding	**48.94**	42.49
Dongguan Chao Ba Batteries Co Ltd	The People's Republic of China	Manufacturing of batteries	**61.17**	53.11
Gold Peak Industries (Taiwan) Limited	Taiwan	Manufacturing of batteries	**48.94**	42.49
GP Batteries (China) Limited	The People's Republic of China	Manufacturing of batteries	**61.17**	53.11
GP Batteries Europe B.V.	Netherlands	Marketing and trading in batteries	**61.17**	53.11
GP Batteries (Malaysia) Sdn Bhd	Malaysia	Manufacturing of batteries	**61.17**	53.11
GP Batteries (Shenzhen) Co., Ltd	The People's Republic of China	Manufacturing of batteries	**61.17**	53.11
GP Batteries (U.K.) Limited	England and Wales	Marketing and trading in batteries	**61.17**	53.11
GP Battery Marketing (H.K.) Limited	Hong Kong	Marketing and trading in batteries	**61.17**	53.11
GP Battery Marketing (Korea) Limited	South Korea	Marketing and trading in batteries	**55.05**	47.80
GP Batteries (Americas) Inc (formerly known as GP Battery Marketing (Latin America) Inc.)	United States of America	Marketing and trading in batteries	**61.17**	53.11
GP Battery Marketing (Malaysia) Sdn Bhd	Malaysia	Marketing and trading in batteries	**61.17**	53.11

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36. Subsidiaries (cont'd)

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held 2015 %	2014 %
GP Battery Marketing (Middle East) Limited (FZC) [(9)]	United Arab Emirates	Marketing and trading in batteries	-	31.87
GP Battery Marketing (Singapore) Pte Ltd	Singapore	Marketing and trading in batteries	**61.17**	53.11
GP Battery (Poland) Sp. z.o.o.	Poland	Marketing and trading in batteries	**61.17**	53.11
GP Battery Technology (HK) Limited	Hong Kong	Investment holding	**61.17**	53.11
GPI International Limited	Hong Kong	Marketing and trading in batteries	**61.17**	53.11
Huizhou Chao Ba Batteries Co Ltd	The People's Republic of China	Marketing and trading in batteries	**55.05**	47.80
Huizhou Modern Battery Limited	The People's Republic of China	Manufacturing of batteries	**61.17**	53.11
Ningbo Fubang Battery Co Ltd	The People's Republic of China	Manufacturing of batteries	**44.04**	38.24
Ningbo GP Energy Co., Ltd	The People's Republic of China	Manufacturing of batteries	**55.05**	47.80
Shanghai Bi Ba Batteries Co Ltd	The People's Republic of China	Manufacturing of batteries	**61.17**	53.11
Sylva Industries (China) Limited	Hong Kong	Investment holding	**61.17**	53.11
Sylva Industries Limited	Hong Kong	Manufacturing of batteries	**61.17**	53.11
Whitehill Electrochemical Company Limited	Hong Kong	Investment holding and provision of logistic support	**61.17**	53.11
Zhongyin (Ningbo) Battery Co. Ltd	The People's Republic of China	Manufacturing of batteries	**42.82**	37.18

36. Subsidiaries (cont'd)

Note:

[1] Equity interest is held by subsidiaries of the Company.

[2] These subsidiaries, in compliance with their local statutory requirement, adopt 31 December as their financial year end. Such financial year end is not co-terminous with that of the Company. Adjustments are made for the effect of any significant transactions that occur between 1 January and 31 March. A member firm of Deloitte Touche Tohmatsu Limited has audited the financial statements of these subsidiaries, with the exception of GP Acoustics (China) Limited, GP Electronics (SZ) Limited, GP Precision Parts (Huizhou) Co., Ltd. and Huizhou GP Wiring Technology Ltd., for the purposes of the Group's consolidated financial statements for the financial year ended and as at 31 March 2015 ("2015 Consolidated Financial Statements").

[3] The financial statements of these subsidiaries are not audited as there are no statutory audit requirements in their countries of incorporation. The financial statements have been audited by Deloitte & Touche LLP, Singapore or a member firm of Deloitte Touche Tohmatsu Limited for the purposes of the 2015 Consolidated Financial Statements.

[4] For identification purpose, the translated name for this subsidiary is "GP Acoustics (China) Limited".

[5] GP Batteries is listed on the Mainboard of SGX-ST. The consolidated financial statements of GP Batteries are audited by Deloitte & Touche LLP, Singapore.

[6] Disposed of during the financial year.

[7] Dissolved during the financial year.

[8] Incorporated during the financial year.

[9] During the financial year, GP Batteries lost its control in GP Batteries Marketing (Middle East) Limited (FZC) ("GPBMME") as a result of new shares allotted by GPBMME to its non-controlling interests. GPBMME was classified as an associate as at 31 March 2015.

[a] Audited by Deloitte & Touche LLP, Singapore, which are the auditors of all Singapore incorporated subsidiaries.

[b] Audited by member firms of Deloitte Touche Tohmatsu Limited.

[c] Subsidiary of GP Acoustics (UK) Limited. The consolidated financial statements of GP Acoustics (UK) Limited are audited by a member firm of Deloitte Touche Tohmatsu Limited.

[d] Local statutory audit performed by HuizhouShuLunPan Yangcheng C.P.A. Partnership.

[e] Local statutory audit performed by Huizhou Eastern Accounting Firm Ltd.

[f] Local statutory audit performed by Shenzhen Zheng Feng Li Fu Certified Public Accountants.

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37. Associates

Significant associates of the Group are as follows:

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held 2015 %	2014 %
Dongguan Jifu Metallic Products Ltd. (1) (2)	The People's Republic of China	Manufacturing of metallic products	**30.00**	30.00
Kunshan TIME Interconnect Limited (1) (3)	The People's Republic of China	Manufacturing of cable assemblies	**38.13**	38.08
Linkz Industries Limited (a)	Hong Kong	Investment holding	**38.13**	38.08
Linkz Industries (Shanghai) Ltd. (1) (3)	The People's Republic of China	Manufacturing of cables	**36.22**	36.18
Linkz Industries (Suzhou) Limited (1) (3)	The People's Republic of China	Manufacturing of local area network cables	**38.13**	38.08
Linkz International Limited (1) (3)	Hong Kong	Trading of electronic cables and wires and cable assemblies	**38.13**	38.08
Meiloon Industrial Co., Ltd. (1) (5)	Taiwan	Development, manufacturing and marketing of acoustic and audio-visual equipment	**20.27**	20.27
Shinwa Industries (China) Ltd. (1) (4)	The People's Republic of China	Manufacturing of electronic components	**10.50**	10.50
Shinwa Industries (Hangzhou) Limited (1) (4)	The People's Republic of China	Manufacturing of electronic components	**10.50**	10.50
Shinwa Industries (H.K.) Limited (6) (b)	Hong Kong	Trading of electronic components	**15.00**	15.00
Time Interconnect, Inc. (1) (3)	United States of America	Trading of electronic cables and wires and cable assemblies	**38.13**	38.08
Wisefull Technology Limited (1) (b)	Hong Kong	Investment holding and trading of metallic products	**30.00**	30.00
<u>Principal associates of GP Batteries</u> (7) (c)				
AZ Limited	Russia	Marketing and trading in batteries	**24.47**	21.24
Changzhou Lithium Batteries Ltd	The People's Republic of China	Manufacturing of batteries	**24.47**	21.24

37. **Associates** (cont'd)

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held **2015** %	2014 %
Gold Yi Industry Company Limited	The People's Republic of China	Marketing and trading in batteries	**18.35**	15.93
GP Battery Marketing (Germany) GmbH	Germany	Marketing and trading in batteries	**30.59**	26.56
GP Battery Marketing (Middle East) Limited (FZC) [(8)]	United Arab Emirates	Marketing and trading in batteries	**30.59**	-
GP Battery Marketing (Thailand) Co Ltd	Thailand	Marketing and trading in batteries	**29.97**	26.02
GWA Energy, Inc	Taiwan	Marketing and trading in batteries	**25.08**	21.78
Hanoi Battery Joint Stock Company	Vietnam	Manufacturing of batteries	**18.35**	15.93
Lichton International Limited	Hong Kong	Marketing and trading in lighting products	**20.39**	17.70
Ningbo Fengyin Battery Co., Ltd	The People's Republic of China	Marketing and trading of battery materials	**19.57**	17.00
STL Technology Co., Ltd	Taiwan	Manufacturing of battery packs and products	**21.08**	18.30
STL Technology (SIP) Co., Ltd	The People's Republic of China	Manufacturing of battery packs and products	**21.08**	18.30
T.G. Battery Co (China) Ltd	The People's Republic of China	Manufacturing of batteries	**26.00**	22.57
T.G. Battery Co (Hong Kong) Limited	Hong Kong	Investment holding and provision of logistic support	**30.59**	26.56
Vectrix International Limited	Hong Kong	Trading of electric motorcycles	**27.53**	23.90

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37. Associates (cont'd)

Note:

(1) Equity interest is held by subsidiaries or associates of the Company.

(2) Subsidiary of Wisefull Technology Limited.

(3) Subsidiary of Linkz Industries Limited.

(4) Subsidiary of Shinwa Industries (H.K.) Limited.

(5) Meiloon is listed on the Taiwan Stock Exchange Corporation. The consolidated financial statements of Meiloon are audited by PKF Taiwan. Meiloon has been equity accounted for in the consolidated financial statements based on results ended 31 December, the financial year end of Meiloon.

(6) The Group has significant influence in Shinwa Industries (H.K.) Limited ("Shinwa") through the Company's representation on Shinwa's board of directors.

(7) Equity interest is held by GP Batteries, its subsidiaries or associates.

(8) During the financial year, GP Batteries lost its control in GPBMME as a result of new shares allotted by GPBMME to its non-controlling interests.

(a) Audited by a member firm of Deloitte Touche Tohmatsu Limited.

(b) These associates adopt a different financial year end from that of the Group. For the purposes of applying the equity method of accounting, the financial statements of these associates for the twelve months period ended 31 March have been used. The local statutory consolidated financial statements of Shinwa Industries (H.K.) Limited and Wisefull Technology Limited are audited by PricewaterhouseCoopers Ltd. and Au Choi Yuen & Co., respectively.

(c) The consolidated financial statements of GP Batteries are audited by Deloitte & Touche LLP, Singapore.

38. Discontinued operations, assets and liabilities classified as held for sale

a) Assets classified as held for sale

	The Group	
	2015	2014
	S$'000	S$'000
Reclassified from property, plant and equipment (note i)	**70**	1,847
Reclassified from investment properties (note ii)	**-**	1,841
Assets classified as held for sale	**70**	3,688

Note:

i) During the financial year, the Group entered into a sale and purchase agreement to dispose of certain leasehold land and building for a consideration of RMB19,000,000 (approximately S$4,100,000). The disposal is expected to complete in the first half of the financial year ending 31 March 2016.

During the financial year ended 31 March 2014, the Group entered into a sale and purchase agreement to dispose of certain leasehold land and building for a consideration of S$11,180,000. The disposal was completed in July 2014.

ii) During the financial year ended 31 March 2014, the Group entered into a sale and purchase agreement to dispose of certain of its investment properties at a cash consideration of A$1,581,000 (net of direct cost) (approximately S$1,841,000). The disposal was completed in May 2014.

b) Discontinued operations for the financial year ended 31 March 2014

The Company's wholly owned subsidiary, GP Auto Parts Limited, held a 50% equity interest in Shanghai Jinting Automobile Harness Limited ("Jinting"). Jinting is incorporated in PRC and its principal business is the manufacture and supply of automotive wire harness. On 21 December 2012, the Group entered into a conditional equity transfer agreement pursuant to which the Group agreed to dispose of its entire 50% equity interest in Jinting for a cash consideration of RMB195 million (the "Jinting Disposal"). The Jinting Disposal was completed on 20 May 2013.

Pursuant to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* ("FRS 105"), *inter alia*, profit after taxation attributable to Jinting during the financial year ended 31 March 2014 and gain from disposal of Jinting, net of taxation, were presented under profit after taxation from discontinued operations in the profit or loss for the financial year ended 31 March 2014.

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38. Discontinued operations, assets and liabilities classified as held for sale (cont'd)

The results of discontinued operations are as follows:

	The Group 2014 S$'000
Revenue	6,822
Net expenses	(5,529)
Share of results of an associate	1,844
Profit before taxation	3,137
Income tax expense	(461)
Profit after taxation	2,676
Gain on disposal of Jinting, net of taxation	4,254
Profit after taxation from discontinued operations	6,930

Proceeds from disposal of Jinting received during the financial year ended 31 March 2014 is arrived as follows:

	The Group 2014 S$'000
Net assets attributable to Jinting as at 31 March 2013	51,743
Profit after taxation attributable to discontinued operations	2,676
Dividend paid by Jinting	(25,244)
Withholding tax paid on dividend from Jinting	1,262
Net assets attributable to Jinting disposed	30,437
Cumulative exchange differences reclassified from equity to profit or loss in respect of disposal of Jinting	(443)
Accrued disposal cost	1,152
Gain on disposal, net of taxation paid	4,254
Proceeds from disposal of Jinting	35,400

39. Changes in ownership interest in subsidiaries

a) Changes in ownership interest in subsidiaries that resulted in a loss of control:

i) During the financial year, the Group disposed of its entire 100% equity interest in Coudrey Investments Limited ("Coudrey").

The assets and liabilities attributable to Coudrey as at the date of disposal were as follows:

	The Group 2015 S$'000
Available-for-sale financial assets	2,896
Goodwill on consolidation	1,419
Allowance for impairment loss recognised on assets classified as held for sale	(994)
Net assets disposed	3,321
Transaction costs	16
Cumulative exchange differences reclassified from equity to profit or loss in respect of disposal of Coudrey	388
Proceeds from disposal of Coudrey	3,725
Net present value of instalments receivable after 31 March 2015	(1,944)
Cash inflow from disposal of Coudrey during the financial year	1,781

ii) During the financial year, the equity interest of GP Batteries in GP Battery Marketing (Middle East) Limited (FZC) ("GPBMME") was diluted from 60% to 50% as a result of issue and allotment of new shares by GPBMME to its non-controlling interests. This change in the Group's interest in GPBMME resulted in a loss of control in GPBMME and a gain on disposal of subsidiary of S$10,000 was included in other operating income.

iii) During the financial year ended 31 March 2015 and 2014, the Group dissolved certain subsidiaries which did not result in any gain or loss on dissolution or cash outflow.

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39. Changes in ownership interest in subsidiaries (cont'd)

b) Changes in ownership interest in subsidiaries that did not result in a loss of control:

i) During the financial year, the Company acquired 13,280,100 issued ordinary shares in GP Batteries shares by way of open market purchases from the Mainboard of SGX-ST for an aggregate consideration of S$10,854,000. As a result, the Group's shareholding in GP Batteries increased from 53.11% as at 1 April 2014 to 61.17% as at 31 March 2015.

During the financial year ended 31 March 2014, the Group increased its shareholding in GP Batteries from 49.71% as at 1 April 2013 to 53.11% as at 31 March 2014 as a result of the following:

1. On 23 December 2013, GP Batteries announced a proposed offering of 54,935,584 new ordinary shares in its capital (the "GPB Rights Shares") by way of a renounceable non-underwritten rights issue. In March 2014, the Company fully subscribed for its pro-rata entitlement of the GPB Rights Shares. In addition, the Company also subscribed for 2,068,000 provisional allotments of GPB Rights Shares acquired by way of open market purchases on the Mainboard of the SGX-ST.

2. During the period from 17 February 2014 to 31 March 2014, the Company acquired 3,541,000 issued ordinary shares in GP Batteries by way of open market purchases on the Mainboard of the SGX-ST.

Total consideration for the purchase of the 2,068,000 provisional allotments of GPB Rights Shares and open market purchases of 3,541,000 issued ordinary shares in GP Batteries was S$2,264,000.

ii) During the financial year ended 31 March 2014, the Company's subsidiary, GP Batteries, disposed of a 5% equity interest in Zhongyin (Ningbo) Battery Co. Ltd for a consideration of S$9,709,000.

The difference between the amount by which the non-controlling interests were adjusted and the consideration paid or received was recognised to equity.

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Introduction

This Statement describes how GP Industries Limited (the "Company") applied the principles of the Code of Corporate Governance 2012 (the "Code") to its corporate governance processes and activities with specific reference to the Code and any deviations from the Code are explained.

Board Matters

Principle 1: Effective Board to lead and control

The principal functions of the Board of Directors of the Company (the "Board") are:

(i) supervising the overall management of the business and affairs of the Company and its subsidiaries (collectively the "Group");

(ii) approving the Group's strategic plans, significant investment and divestment proposals and funding decisions;

(iii) reviewing the Group's financial performance and key operational initiatives;

(iv) implementing risk management policies and practices;

(v) approving nominations to the Board of Directors;

(vi) reviewing and endorsing the recommended framework of remuneration for the Board and Key Management Personnel by the Remuneration Committee; and

(vii) assuming responsibility for corporate governance.

The Board conducts regular meetings on a quarterly basis and *ad hoc* meetings as and when required. Article 100(2) of the Company's Articles of Association allows Board meetings to be conducted by way of telephone or video conferencing or by other audio or audio-visual communications equipment. The attendance of the Directors at meetings of the Board and Board Committees (as described below), as well as the frequency of such meetings, are disclosed in this Statement. The Company, however, believes that the contributions of the Directors can be reflected in means other than by the attendance at such meetings. A Director is appointed on the strength of his / her calibre, experience and his / her potential to contribute to the proper guidance of the Company and its businesses in forms such as management's access to him / her for guidance or exchange of views outside the formal environment of Board meetings and also his / her ability to bring relations which are strategic to the interests of the Group.

The Board has delegated specific responsibilities to the following Board Committees (the "Committees"):

(i) Audit Committe, which was renamed as Audit and Risk Committee ("ARC") with effect from 11 February 2015;

(ii) Nominating Committee ("NC"); and

(iii) Remuneration Committee ("RC").

Further information on the Committees, including their respective composition and terms of reference are set out in this Statement.

The Board accepts that the ultimate responsibility on the matters delegated to the Committees lies with the Board.

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In addition to the Committees, the Board has also delegated some of its authority to the Executive Committee, which comprises the Executive Directors, and Management. The Group's Risk Governance and Internal Control Manual sets out, *inter alia*, the Group's approval guidelines, which describe the principles when delegating the authority to the Executive Committee and Management. Matters that are specifically reserved for the Board's decision include material acquisitions and disposal of assets, corporate or financial restructuring, share issuance and dividend payment to shareholders, and other transactions of a material nature requiring announcement under the rules of the Listing Manual (the "Rules") of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Company provides facilities for new Directors to meet their relevant training needs as well as orientation programmes to familiarise them with the business of the Group and governance practices. Such orientation programmes includes visiting the Group's principal factories and meeting with the management team of the Group's various business units. All Directors are routinely updated on developments in the Group's operating environment, particularly on relevant new laws and regulations and changing commercial risks.

Principle 2: Strong and independent element on the Board

The Board currently consists of nine Directors, of whom three are Independent (as defined in the Code) Non-Executive Directors.

Other key information regarding the Directors is provided under the "Board of Directors and Senior Management" section of the Annual Report.

The NC is of the view that the current Board comprises persons who, as a group, provides core competencies necessary to meet the Company's objectives.

As at the date of this Statement, both Mr Lim Ah Doo and Mr Lim Hock Beng have served on the Board as Independent Non-Executive Directors for more than nine years from the date of their respective first appointment. The Board concurred with the NC's view that both Mr Lim Ah Doo and Mr Lim Hock Beng, who have served on the Board for more than nine years, remain independent in their exercise of judgement and objectivity in Board matters despite their length of service. In reviewing their independence, the Board and the NC have determined that both Mr Lim Ah Doo and Mr Lim Hock Beng have continued to demonstrate the essential characteristics of independence expected by the Board by exercising independent judgment in the Group's best interests in the discharge of their duties. The independence of character and judgment of each of Mr Lim Ah Doo and Mr Lim Hock Beng was not in any way affected or impaired by their length of service. There are also no relationships or circumstances which would likely to affect, or could appear to affect, their judgments.

The Board has reviewed its composition of Directors and is satisfied that such composition is appropriate for the nature and scope of the Group's operations and facilitates effective decision-making. The Board will constantly examine its size with a view to determining its impact upon its effectiveness.

The Independent Non-Executive Directors meet amongst themselves at least once in a year without the presence of Management.

Principle 3: Clear division of responsibilities between leadership of the Board and managing the Group's business

The Chairman of the Company bears responsibility for the overall functioning of the Board. The Executive Vice Chairman and the Managing Director are responsible for the daily running of the Group's business. The Chairman, the Executive Vice Chairman and the Managing Director are not related.

Mr Lim Ah Doo has been appointed as the Lead Independent Director since 14 August 2013. As Lead Independent Director, Mr Lim Ah Doo is the contact person for shareholders when the shareholders have concerns and for which contact through the normal channels of the Chairman, the Executive Vice Chairman, the Managing Director or the chief financial officer (or its equivalent) has failed to resolve or is inappropriate. In addition, Mr Lim Ah Doo would lead the periodic meetings of the Independent Non-Executive Directors and provide feedback to the Chairman after such meetings.

Principle 4: Formal and transparent process for appointment and re-appointment of Directors

The NC currently comprises five Directors, three of whom, including the Chairman of the NC, are Independent Non-Executive Directors. The Lead Independent Director, Mr Lim Ah Doo, is a member of NC. The composition of the NC is as follows:

Mr Lim Hock Beng (Chairman)
Mr Lim Ah Doo (Member)
Mr Victor Lo Chung Wing (Member)
Mr Leung Pak Chuen (Member)
Mr Allan Choy Kam Wing (Member)

The NC is guided by its terms of reference that set out its responsibilities, which includes consideration of salient factors for the purposes of Directors' re-nomination and determination of independence.

The duties and responsibilities of the NC are to:

(i) review, assess and make recommendations to the Board on the appointment of Directors, including making recommendations to the composition of the Board generally and the balance between Executive and Non-Executive Directors appointed to the Board;
(ii) regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;

(iii) determine on an annual basis and as and when circumstances arise, if a Director is independent bearing in mind the circumstances set forth in the Code and other salient factors. If the NC determines that a Director, who has one or more of the relationships mentioned in the Code that could interfere with his / her exercise of independent business judgement, or who has served on the Board beyond nine years, can be considered independent, it would provide its views to the Board for the Board's consideration. Conversely, the NC has the discretion to consider that a Director is not independent even if the circumstances set forth in the Code are not applicable, and should provide its views to the Board for the Board's consideration;

(iv) review, assess and recommend nominee(s) or candidate(s) for re-appointment or re-election to the Board and to consider his / her competence, commitment, contribution, performance and whether or not he / she is independent;

(v) make recommendations to the Board for the continuation (or not) in services of any Director who has reached the age of 70;

(vi) recommend Directors who are retiring by rotation to be put forward for re-election. All Directors are required to submit themselves for re-nomination and re-election at regular intervals and at least once every three years;

(vii) assess the effectiveness of the Board as a whole and assess the contribution by each individual Director to the effectiveness of the Board. Although the Directors are not evaluated individually, the factors taken into consideration for the re-nomination of the Directors for the year are based on the contribution of each individual Director to the effectiveness of the Board and whether each Director continues to demonstrate his / her commitment to the role (including commitment of time for the Board and the meetings of the Committees, and any other duties) particularly when a Director has multiple board representations;

(viii) decide whether or not a Director is able to and has been adequately carrying out his / her duties as a Director, particularly when he / she has multiple board representations, and / or other principal commitments;

(ix) recommend to the Board internal guidelines to address the competing time commitments faced by Directors who serve on multiple boards and the maximum number of listed company board representations which any Director may hold;

(x) make plans for succession, in particular for the Chairman of the Board, the Executive Vice Chairman and the Managing Director; and

(xi) recommend to the Board the training and professional development programmes for the Board.

The NC has determined that the Directors have been adequately discharging their duties as Directors, notwithstanding some of the Directors have multiple listed company board representations. The Company does not have a formal guideline on the maximum number of listed company board representations which any Director may hold, as the NC and the Board consider such a number may not fairly reflect whether a Director can timely and diligently attend to the Company's matters and discharge his / her duties as a Director.

Key information on each Director's qualifications, directorships and other principal commitments as at 30 June 2015 is as follows:

Name of Director	Victor Lo Chung Wing	Leung Pak Chuen	Brian Li Yiu Cheung
Role	Chairman Executive Director	Executive Vice Chairman Executive Director	Managing Director 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 from The Hong Kong Polytechnic University.	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 Institute of Management.	Dr Li is a fellow of The Hong Kong Institution of Engineers. He holds a Bachelor's degree in Electrical Engineering from the University of British Columbia, Canada, a Master's degree in Global Business with Dean's Honour from The Chinese University of Hong Kong and a Doctor of Business Administration degree from the City University of Hong Kong.
Board Committee(s) served on	Nominating Committee (Member)	Nominating Committee (Member)	None
Date of first appointment as a Director	18 October 1995	18 October 1995	18 October 1995
Date of last re-election / re-appointment as a Director	30 July 2014	31 July 2013	30 July 2014
Present directorships in other listed companies	Gold Peak Industries (Holdings) Limited *Chairman and Chief Executive* GP Batteries International Limited *Chairman and Chief Executive Officer*	Gold Peak Industries (Holdings) Limited *Deputy Chief Executive and Executive Director* GP Batteries International Limited *Executive Director* Meiloon Industrial Co., Ltd. *Executive Director*	Gold Peak Industries (Holdings) Limited *Executive Director*
Past directorships in other listed companies over the preceding three years	None	None	None

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Name of Director	Victor Lo Chung Wing	Leung Pak Chuen	Brian Li Yiu Cheung
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 *Non-official Member* CreateSmart Initiative Vetting Committee of Hong Kong SAR Government *Chairman* PMQ Management Co. Ltd *Director* The Hotel ICON Limited *Chairman of Board of Directors*	None	None

Name of Director	Andrew Chuang Siu Leung	Wong Man Kit	Eric Ng Siu Kai
Role	Chief Risk Officer Executive Director	Executive Director	General Manager, Finance Executive Director
Academic and professional qualifications	Dr Chuang graduated from Queen Mary College of the University of London and holds a first class honour in Bachelor's degree in Electrical (Electronics) Engineering and a Doctoral degree in Microwave Engineering.	Mr Wong is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He holds an MBA degree from The Chinese University of Hong Kong.	Mr Ng is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He holds an MBA degree with Dean's Honour from the Executive MBA Programme of The Chinese University of Hong Kong.
Board Committee(s) served on	None	None	None
Date of first appointment as a Director	18 October 1995	26 May 2006	1 April 2010
Date of last re-election / re-appointment as a Director	30 July 2014	31 July 2012	31 July 2013
Present directorships in other listed companies	Gold Peak Industries (Holdings) Limited *Executive Director*	None	None

Name of Director	Andrew Chuang Siu Leung	Wong Man Kit	Eric Ng Siu Kai
Past directorships in other listed companies over the preceding three years	None	None	None
Other principal commitments	None	Gold Peak Industries (Holdings) Limited *General Manager and Company Secretary*	None

Name of Director	Lim Ah Doo	Lim Hock Beng	Allan Choy Kam Wing
Role	Lead Independent Director Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
Academic and professional qualifications	Mr Lim graduated from Queen Mary College of the University of London with a Bachelor of Science degree in Engineering and holds an MBA degree from Cranfield School of Management, UK.	Mr Lim holds a Diploma in Management Accounting and Finance and is a fellow member of the Singapore Institute of Directors.	Mr Choy holds a Diploma in Management Studies from the University of Hong Kong and an MBA degree from University of Macau.
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)
Date of first appointment as a Director	15 May 1997	2 January 1998	1 October 2012
Date of last re-election / re-appointment as a Director	31 July 2013	30 July 2014	30 July 2014
Present directorships in other listed companies	ARA-CWT Trust Management (Cache) Limited (trustee manager of listed Cache Logistics Trust) *Independent Director* Bracell Limited *Independent Director* Sembcorp Marine Ltd *Independent Director* SM Investments Corporation *Independent Director*	Colex Holdings Limited *Independent Director* Huan Hsin Holdings Ltd *Independent Director* King Wan Corporation Limited *Independent Director* TA Corporation Ltd *Independent Director*	GP Batteries International Limited *Independent Non-Executive Director*
Past directorships in other listed companies over the preceding three years	Linc Energy Ltd. *Independent Director*	LMA International N.V. *Independent Director*	None
Other principal commitments	None	None	None

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The details of the Directors' shareholdings are disclosed on page 18 of the Annual Report under "Directors' interest in shares and debentures" section of the Report of the Directors.

The Company has not appointed any alternate Director.

Through its regular review of the Board structure, size and compositions, and in consultation with Management, the NC assesses whether new Director(s) with certain desired experience and knowledge is / are required to further enhance the effectiveness of the Board. If there is such a need, a search will be conducted to identify suitable candidates for the NC's consideration. Upon identification of a candidate with the desired attributes, the NC will then make recommendation to the Board for the proposed appointment of Director.

In proposing the re-appointment or re-election of Directors, the NC takes into consideration, *inter alia*, contributions made by the Directors to the effectiveness of the Board and their commitment to their role.

The Articles of Association of the Company requires one-third of the Directors to retire from office at the Company's Annual General Meeting ("AGM") and a Director appointed by the Board during a financial year to submit himself / herself for re-election at the AGM immediately following his / her appointment.

Principle 5: Formal annual assessment of the effectiveness of the Board and its Committees and contribution by each Director

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possess the background, experience and knowledge in technology, business, finance and management skills critical to the Group's business and that each Director, through his unique contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made. In the event that the appointment of a new Board member is required, the criteria for the appointment will be driven by the need to position and shape the Board in line with the medium-term needs of the Group and its business.

The NC has decided, in consultation with the Board, on how the Board should be evaluated and has selected a set of performance criteria that is linked to long-term shareholders' value, for evaluation of the Board's performance. The NC has set up a formal assessment process to evaluate the effectiveness of the Board as a whole. The assessment, which is conducted annually, includes evaluation of the following:

(i) composition of the Board;

(ii) information provided to the Board;

(iii) conduct of Board meetings;

(iv) accountability of the Board, including whether the various Committees are functioning properly; and

(v) the Board's standards of conduct.

Although the Directors are not evaluated individually, the factors taken into consideration for the re-election or re-appointment of the Directors are, *inter alia*, contributions by the Directors to the effectiveness of the Board and their commitment to their role.

Principle 6: Complete, adequate and timely information for the Directors

Management provides the Board and the Committees with relevant information and reports prior to their respective meetings. In addition, Management also provides the Board with further information or *ad hoc* reports as and when required. Board members are also consulted or updated with latest developments of the Group with regular management meetings, circulation of discussion papers and informal meetings such as discussions via tele-communications. At the quarterly Board meetings for reviewing the draft announcements of the Group's quarterly or full year results, the actual results are compared against the budget and explanations are provided by Management on the variances.

Directors have separate and independent access to the Company's senior management and the Company Secretaries for additional information. In addition, should Directors, whether as a group or individually, need independent professional advice, Management will, upon direction by the Board, appoint a professional advisor selected by the group or the individual, to render the advice. The cost of such professional advice will be borne by the Company.

At least one of the Company Secretaries attends Board meetings, particularly the meetings for reviewing the draft announcements of the Group's quarterly or full year results, and the meetings of the NC and the RC. The Company Secretaries are responsible for ensuring that Board procedures are followed and that the Company complies with the requirements of the Singapore Companies Act, Cap. 50. Together with the management staff of the Company, the Company Secretaries are also responsible for the Company's compliance with all SGX-ST's rules and regulations, which are applicable to the Company.

The appointment and the removal of the Company Secretaries require the Board's approval.

Remuneration Matters

Principle 7: Formal and transparent procedures for developing executive remuneration policies and fixing remuneration packages of individual Director

Principle 8: Appropriate level and structure of remuneration to attract, retain and motivate Directors and Key Management Personnel which is aligned with the long-term interest and risk policies of the Group

Principle 9: Clear disclosure of remuneration policies, level and mix of remuneration and the procedure for setting remuneration

The RC currently consists of three Independent Non-Executive Directors, who are knowledgeable with executive compensation, as follows:

Mr Allan Choy Kam Wing (Chairman)
Mr Lim Ah Doo (Member)
Mr Lim Hock Beng (Member)

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The RC's terms of reference are primarily to:

(i) review and recommend to the Board in consultation with Management and the Chairman of the Board, a framework of remuneration for the Board and Key Management Personnel (as defined in the Code) and to determine the specific remuneration packages and terms of employment for each of the Directors and Key Management Personnel and employees who are immediate family members (as defined in the SGX-ST Rules) of a Director, the chief executive officer or a substantial shareholder / controlling shareholder of the Company;

(ii) recommend to the Board in consultation with Management and the Chairman of the Board, any share option schemes, share-based incentives or awards or any other long-term incentive schemes which may be set up from time to time, in particular to review whether Directors, Key Management Personnel and senior executives 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; and

(iii) 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.

As part of its review, the RC shall ensure that:

(i) all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind are covered;

(ii) the remuneration packages should be comparable within the industry and in comparable companies and shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual executive Directors' and Key Management Personnel's performances. A significant and appropriate proportion of the remuneration of the Executive Directors and Key Management Personnel should be structured so as to link rewards to corporate and individual performance;

(iii) the remuneration package of employees who are immediate family members of a Director, the chief executive officer or a substantial shareholder / controlling shareholder of the Company are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities;

(iv) the level and structure of remuneration should be aligned with the long-term interests and risk policies of the Company and Guidelines 8.1 to 8.4 of the Code; and

(v) the contracts of service of the Executive Directors and Key Management Personnel should contain fair and reasonable termination clauses which are not overly generous.

The remuneration policy for the Executive Directors and other executives adopted by the Company generally comprises a basic salary and a variable bonus that is linked to the performance of the Company and individual Executive Director or executive. During the financial year, all unexercised options offered pursuant to the Company's Share Option Scheme 1999 (the "1999 Scheme") had lapsed. Currently, the Company does not have any share option or incentive share scheme. Information regarding the 1999 Scheme is disclosed in the Report of the Directors.

The Company does not use contractual provisions to allow the Group to reclaim incentive components of remuneration from the Executive Directors and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Company should be able to avail itself to remedies against these personnel in the event of such breach of fiduciary duties.

The remuneration structure of the Executive Directors and Key Management Personnel is reviewed annually by the RC to determine whether it is effective in attracting, retaining and motivating them. The review includes comparisons against available industry information compiled by the Group's human resource department.

The fee structure for the Independent Non-Executive Directors is determined after taking into account factors such as increased focus on risk and governance issues, responsibilities and level of contributions including attendance and time spent at and outside the formal environment of the Board and Committee meetings. Currently, the fee includes the following components:

(i) a base fee;
(ii) fee for acting as the Lead Independent Director;
(iii) fee for acting as the Chairman or a member of the ARC, NC or RC; and
(iv) fee for attending additional Board, ARC, NC or RC meetings when the number of such meetings attended exceeded the respective pre-determined number.

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The remuneration of the Directors, top five Key Management Personnel and a senior management personnel who is an immediate family member of a Director is disclosed as follows:

1. Table below shows breakdown of Directors' remuneration for the financial year ended 31 March 2015 (in percentage terms):

Name of Director [1]	Salary [2]	Bonus [2]	Fees	Other benefits	Total
	%	%	%	%	%
S$1,250,001 to S$1,500,000					
Victor Lo Chung Wing	79	21	-	-	100
S$1,000,001 to S$1,250,000					
Leung Pak Chuen	53	47	-	-	100
Brian Li Yiu Cheung	53	47	-	-	100
S$250,001 to S$500,000					
Andrew Chuang Siu Leung	90	10	-	-	100
Eric Ng Siu Kai	87	13	-	-	100
Below S$250,000					
Allan Choy Kam Wing	-	-	100	-	100
Lim Ah Doo	-	-	100	-	100
Lim Hock Beng	-	-	100	-	100
Wong Man Kit	-	-	-	-	-

Total Directors' remuneration for the financial year ended 31 March 2015 amounted to S$4,503,000. The Board believes that the disclosure in bands of S$250,000 provides sufficient overview of the remuneration of the Directors.

2. Table below shows breakdown of top five Key Management Personnel's remuneration, which are within the S$250,001 to S$500,000 band, for the financial year ended 31 March 2015 (in percentage terms):

Name of Key Management Personnel [1]	Salary [2]	Bonus [2]	Fees	Other benefits	Total
	%	%	%	%	%
John Simon Davies	89	5	-	6	100
Michael Lam Hin Lap	88	11	-	1	100
Dave Tan Chin Hui	62	5	-	33	100
Tong Tak Fai	75	24	-	1	100
Nigel Keith Wood	62	26	-	12	100

Total top five Key Management Personnel's remuneration for the financial year ended 31 March 2015 amounted to S$2,227,000.

Note:

[1] In alphabetical order of the Directors' or Key Management Personnel's last names.

[2] Include contributions to post-retirement benefits.

3. During the financial year ended 31 March 2015, Ms Grace Lo Kit Yee, daughter of Mr Victor Lo Chung Wing, received a remuneration which was more than S$150,000 but less than S$200,000. Save as aforementioned, no employee of the Group was an immediate family member of a Director and whose remuneration exceeded S$50,000 during the financial year ended 31 March 2015. "Immediate family" means, in relation to a person, the person's spouse, child, adopted child, stepchild, brother, sister and parent.

Accountability and Audit

Principle 10: Balanced and understandable assessment of the Group's performance, position and prospects

The Board is accountable to the shareholders. It is the aim of the Board to provide a balanced and understandable assessment of the Group's performance, position and prospects when presenting the quarterly and annual financial statements, and price sensitive public reports, and reports to regulators (if required).

Management is accountable to the Board. Management prepares monthly management accounts, which is reviewed by the Executive Committee. Management provides the Board with the quarterly and full year results together with other relevant information, including comparison with budget, to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospect.

Management is delegated with the responsibility of ensuring compliance with legislative and regulatory requirements, including requirements under the SGX-ST Rules. In this connection, Management is encouraged to seek necessary professional advice from the Company Secretaries or legal advisors if necessary.

Principle 11: Sound system of risk management and internal controls

The Board is responsible for risk governance. The Group has established terms of reference within the ARC to provide oversight for enterprise risk. The ARC is responsible for defining the level of risk which the business can take in pursuit of its strategic objectives. The ARC also has direct oversight for the proper setting up and maintenance of an enterprise risk management ("ERM") programme which is managed by the Chief Risk Officer ("CRO").

The Board has already defined a proper framework of assurance for risk management and internal control. This has been in place since December 2014. This contains a Risk Governance and Internal Control Manual and an ERM Programme, which provides the appropriate level of risk consideration and mitigation between executive and non-executive positions. These documents are also considered in light of the leading elements for proper internal control established by the Committee of Sponsoring Organisations for the Treadway Commission ("COSO") as well as the work performed across the financial period by the Internal Audit Department ("IAD") and other assurance providers. These documents are reviewed by the ARC and the Board annually and any decision making which entails going beyond the risk boundaries established under the defined risk governance of the Group is to obtain explicit Board approval.

The Board establishes the level of risk appetite and risk tolerance which is to be conformed with in the pursuit of the business objectives. The Group has risk policies which define how ERM is operationalised within the Group and cover responsibilities for ERM, reporting requirements and the risk assessment process.

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The ARC with their direct oversight for ERM across the Group, ensures that Management devises, implements and maintains adequate and effective internal control systems, including financial, operational, compliance and information technology controls, that are relevant to the various businesses within the Group and address the risk exposures accordingly. The Group takes a stance to mitigate and reduce the level of risk exposure for preventable risks. This is done by providing direct accountability to the risk owners and the CRO to track and manage the residual risk to acceptable levels. The ERM programme caters for this and ensures that regular monitoring of risk management activities are in place.

The CRO is responsible for ensuring that the Group risk profile is up to date and reflects the potential and relevant risk exposures to the business. Strategic risks are considered during the risk governance exercise and the Board takes an active role in determining how to manage, avoid or build contingencies for such external and strategic matters. All other risks are considered during periodic risk assessment exercises. In such exercises, prevailing and potential risks are reviewed and the risk profile is adjusted based on a collective assessment of the impact and likelihood of these risks (conducted in accordance with the Group's risk management programme for the financial year), as well as the effectiveness of controls in place to address them. The ARC is periodically apprised of the changes to risk profile and any major risk exposures that are insufficiently covered by existing business practices or future strategic initiatives.

The Group does not have a separate risk committee. However all matters pertaining to the management of strategic, external and preventable risks are the responsibility of the ARC.

The Board is of the view that this arrangement suffices, as the members of the ARC have recent and relevant expertise in the various business units (i.e. battery, electronics and acoustics and automotive wire harness businesses). Furthermore, the battery business (which is conducted through a separate subsidiary, GP Batteries International Limited ("GP Batteries"), which is also listed on the SGX-ST) has their own audit and risk committee which oversees business risk. Significant matters are discussed (where relevant) across both groups by way of common directorships and presentation by the Chief Operating Officer and Chief Financial Officer of GP Batteries.

The overall objective of the ARC is to provide oversight that:

(i) Management has created and maintained an effective risk management and control environment in the Company;

(ii) Management demonstrates the necessary aspect of the internal control structure among all parties; and

(iii) there is a sound internal control system and risk management practices in the Company.

The ARC is governed by a terms of reference and its responsibilities relating to risk management and internal controls largely cover:

(i) review with the external auditors, *inter alia*, their evaluation of the system of internal accounting controls;

(ii) review at least once annually the adequacy and the effectiveness of the Company's internal controls, including the overall risk assessment process;

(iii) review the assurance provided by the chief executive officer and chief financial officer (or their equivalents) regarding, *inter alia*, the effectiveness of the Company's risk management and internal control systems;

(iv) review reports by the Chief Risk Officer ("CRO") and prepare ARC report regarding the adequacy and effectiveness of risk management and internal control systems to the Board; and

(v) ensure the head of the internal audit and CRO has direct and unrestricted access to the Chairman of the Board and ARC.

The Group appointed Mr Andrew Chuang Siu Leung, an Executive Director, as the CRO. The CRO is responsible for reporting to the ARC on any and all significant matters relating to risk management. The CRO not only performs a coordination and facilitation role between the ARC and the risk owners, but also drives any initiatives to further reduce risk exposure and to set out action plans in line with the annual ERM programme for the Group. The terms of reference for the CRO include:

(i) advising and reporting to the ARC and Board on major risk areas for public announcements related to quarterly and annual reporting;

(ii) reviewing and advising ARC in formulating its risk policies, including the parameters for risk assessments and methodology to be adopted;

(iii) overseeing Management in the design, development, implementation and monitoring of the risk management and internal control systems;

(iv) advising the ARC on the Company's level of risk tolerance;

(v) developing and guiding the ARC and Board in establishing a process of effectively identifying and managing the implications of risks tolerance in internal controls and strategic transactions to be undertaken by the Company;

(vi) overseeing and advising the Board on the current risk exposures, overall risk tolerance, and overall risk strategy of the Company;

(vi) reviewing the Company's risk profile / risk dashboard on a regular basis;

(vii) reviewing, at least annually, the effectiveness of the Company's internal controls and risk management systems; and

(viii) submitting reports to the ARC and assist in the preparation of ARC reporting regarding adequacy and effectiveness of risk management and internal control systems.

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The Board has with the assistance of the ARC, evaluated the adequacy and effectiveness of the Group's risk management and internal control system. There is already an established process in place for the Board to drive the Group's propensity for taking risk and the minimum risk management activities that are expected to be conducted. There is also a formal ERM programme which allows Management to communicate the key changes to business risk to the ARC and thereon the Board. This enables the prioritisation of resources and efforts to address the more pertinent and critical risks to the business.

Aside to this, the Board works with the ARC to define the established lines of defense. This facilitates an understanding of the various parties / functions and mechanisms in place to detect, counter and address risk.

The first line of defense is that of the Management team, who have established minimum controls and management assurance activities. These operate on a day to day basis, to handle matters pertaining to business activities and operational needs. The second line of defense is that of risk management, which in being headed by the CRO, facilitates monitoring and early detection of plausible risks. These are brought to the attention of the ARC where needed, to assign and re-deploy resources to counter the risk exposure. As a final line of defense, the Group also maintains an in-house internal audit function. They form an independent and objective assurance function, which assess the two lines of defense described earlier.

The ARC seeks assurance from all the above mentioned parties and holistically assesses if there are any material gaps or concerns and highlights which would impact the ability of the Board to opine on the state of internal control. Such an exercise is conducted annually.

During the financial year, the Board received written assurance from the Executive Vice Chairman, the Managing Director and the Executive Director responsible for the Group's finance (herein collectively referred to as the "Key Senior Management") that (a) the Group's financial records have been properly maintained and the consolidated financial statements give a true and fair view of the Group's operations and finances; and (b) the Group's risk management and internal control systems are adequate and effective to address the financial, operational, compliance and information technology risks.

The Key Senior Management are involved in the assurance activities described above. Specifically, they are engaged in the development of the Group's Risk Governance and Internal Control Manual, the profiling of the enterprise risks, as well as the first and second lines of defense. Their active involvement in charting out the management responses as well as their interaction with the ARC and Board, provide further grounds for their assurance over operational (including technology), financial and compliance risk matters.

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:

(i) the changes to the business strategy and accompanying changes to the risk profile, risk appetite and tolerance limits;

(ii) the changes to the Board authority and authorisation responsibilities delegated to Management in respect of the changes to the key business strategies;

(iii) the policies and authorisation responsibilities of the Company;

(iv) the adequacy and effectiveness of risk management activities to address the pertinent risks;

(v) 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

(vi) 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 to manage them.

In addition to the above, the Board has also sought assurance from the internal audit function on the effectiveness of the risk management programme and the state of internal control for the areas covered under their internal audit plan for the financial period.

Based on the internal controls and risk governance practices established and maintained by the Group, work performed by the internal and external auditors, assurance from Management and reviews performed by the Audit and Risk Committee and Management, the Board of Directors with the concurrence of the Audit and Risk Committee is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks, were adequate as at 31 March 2015.

Notwithstanding the above, the system of internal controls and risk governance practices does not provide absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

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Principle 12: Audit and Risk Committee with written terms of reference

The Board has established the ARC to provide oversight for financial and audit related matters of the Group. The ARC has a formalised terms of reference which sets out the membership, administration, duties, reporting arrangement and remuneration of the members of the ARC. In addition to the responsibilities relating to risk management and internal controls as discussed under Principle 11 of the Code, the responsibilities of the ARC also include:

(i) reviewing with external auditors, the scope and nature of the audit plan, evaluation of internal controls and the external audit report;

(ii) reviewing quarterly and annual results to ensure integrity before submission of Board approval, with specific focus on significant financial reporting issues and judgements, changes in accounting policies and practices, significant adjustments, going concern, compliance with accounting standards, stock exchange and regulatory requirements, and major risk areas;

(iii) discussing issues and any concerns arising during the course of the audit;

(iv) reviewing the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors annually;

(v) reviewing the internal audit programme and the adequacy and effectiveness of the Company's internal audit function, and ensuring the internal audit function is independent of the activities it audits;

(vi) approving the hiring, removal, evaluation and compensation of the head of internal audit;

(vii) recommending the appointment / re-appointment of external auditors and the audit fees;

(viii) ensuring external auditors have direct and unrestricted access to the Chairman of the ARC and the Chairman of the Board;

(ix) reviewing the assurance provided by the chief executive officer and chief financial officer (or their equivalents) regarding, *inter alia*, the financial records being properly maintained and the financial statements give a true and fair view of the Company's operations;

(x) reviewing the Group's interested person transactions; and

(xi) investigating matters within its terms of reference and undertake reviews requested by the Board, and such other functions and duties as required by statute or the SGX-ST Rules.

Currently the ARC comprises three members who are Independent Non-Executive Directors, as follows:
Mr Lim Ah Doo (Chairman)
Mr Lim Hock Beng (Member)
Mr Allan Choy Kam Wing (Member)

All three members of the ARC are experienced professionals and businessmen. They all have recent and relevant experience and knowledgeable in accounting, banking and financial management. The three members have been elected also on the basis that they possess extensive general related business knowledge. The Board is of the view that all members of the ARC have sufficient financial management expertise, commercial and business experience to discharge their duties and responsibilities adequately and effectively.

The ARC convened four times across the financial year ended 31 March 2015. During these meetings, the ARC reviewed, *inter alia*, the unaudited quarterly and full year financial results, received the reports by the IAD and was briefed by the external auditors on their Professional Service Planning Memorandum ("PSPM") prepared in connection with the annual statutory audit.

The members of the ARC have therefore been apprised of the relevant new or changes to financial reporting standards and relevant laws and regulations via their review of the PSPM.

Based on the terms of reference, the ARC has full and unfettered access to and co-operation by Management. The ARC is able to draw on independent professional advice at the Company's expense, to enable it to discharge its function properly.

ARC meetings are held with the internal and external auditors and by invitation, any Director and Management representative.

The ARC and the Board noted that the Company's external auditors are engaged to audit the financial statements of the Company and its Singapore-incorporated subsidiaries and significant associated companies. The ARC and Board are satisfied that suitable auditing firms are engaged for its significant foreign-incorporated subsidiaries and associated companies. Accordingly, the Company complies with Rule 712 and Rule 715 of the Listing Manual of SGX-ST.

The ARC conducted a review of the Group's Interested Person Transactions ("IPT") to ensure that the transactions were in accordance with the Shareholders' Mandate and complied with Chapter 9 of the Listing Manual of SGX-ST. The ARC is satisfied that there were no material contracts involving the interests of the Key Executives of the Group, Directors or the controlling shareholders and their subsidiaries. The ARC is therefore satisfied over the adequacy of internal controls relating to the identification, evaluation, review, approval and reporting of IPTs.

The ARC also meets annually with the external and internal auditors, without the presence of Management.

The ARC has reviewed all non-audit services rendered by the external auditors of the Company, Deloitte & Touche LLP ("DT") and is of the opinion that such services received would not affect the auditor's independence. During the financial year ended 31 March 2015, the aggregate amount of fees paid and payable to DT and its member firms is as follows:

Type of service	S$'000
Audit	1,700
Non-audit	106
Total	1,806

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The ARC has established a Whistle-Blowing Policy, whereby staff may, in strictest confidence, raise concerns about possible improprieties relating to financial reporting, fraudulent acts and other matters and ensure that arrangements are in place for independent investigations of such matters and review of the outcome of the follow-up actions.

Neither any member of the ARC nor the ARC Chairman are former partners or directors of the Group's external audit firm.

Principle 13: Effective and independent internal audit function that is adequately resourced

The Group's internal audit function is performed by the in-house IAD which presently has a staff strength of five. The IAD is headed by a Director of Internal Audit (the "IA Director"). The internal audit function is independent of Management.

To further facilitate the independence of the IAD, the IA Director has a direct and primary reporting line to the ARC Chairman. The IA Director also reports administratively to the Managing Director.

The ARC assesses on a regular basis, the resourcing adequacy of the IAD, remuneration, performance evaluation and all outsourcing arrangements entered into with external professional services providers (if any).

All members of IAD including the IA Director are suitably qualified and the IA Director holds professional certifications in internal auditing issued by the Institute of Internal Auditors. The IAD is given sufficient time and resources dedicated by the Management to facilitate the proper completion of internal audits and reporting of any material matters to the ARC.

The IAD adopts the internal control framework established by COSO when performing its work and the internal audit plan is developed through a risk centric approach. The IAD has adopted and conducts its internal audit reviews based on the established IPPD Standards for Professional Practice of Internal Auditing set by the Institute of Internal Auditors. This ensures that the IAD maintains the appropriate level of conformance to the attribute and performance standards of an internal audit function. Members of the IAD also undergo continuous professional training through attendance at professional technical training sessions organised by qualified external institutions and bodies.

The IAD formally reports the findings from the internal audit reviews conducted at the quarterly ARC meetings. On an annual basis, the ARC reviews and approves annual internal audit plan as well as any further requirements in professional resources to conduct the required internal audit reviews. The key findings from the internal audit reviews are also shared with the risk management team and the CRO, to facilitate the necessary inclusion in the consideration of the Group's risks during the risk assessment process.

As part of the work done to provide the basis for the opinion on internal control, the ARC also assesses the findings of:

(i) the internal audit visits performed on the activities or entities within scope;
(ii) the evaluation of the framework of risk governance; and
(iii) the assessment of adequacy of risk management and internal controls over financial, operational and compliance risk as principally managed by the first and second lines of defence (i.e. management and the Group risk management function).

The ARC also evaluates any weaknesses or material non-compliance identified by the external auditors during the course of their financial audit, and the effectiveness of remediation actions taken to address the issues reported (if any).

Shareholder Rights and Responsibilities

Principle 14: Fair and equitable treatment of all shareholders and protection of shareholders' rights

Principle 15: Active engagement of shareholders and promotion of regular, effective and fair communication with shareholders

Principle 16: Greater shareholder participation at general meetings

Announcements of results are released through the SGXNET. The Company also updates such information on the Company's website.

The Company does not practise selective disclosure. Price sensitive information is first publicly released, either before the Company meets with any group of investors or investment analysts or simultaneously with such meetings, if necessary. Results and Annual Reports are announced or issued within the mandatory periods and are available on the Company's website.

All shareholders of the Company receive a copy of the Annual Report and notice of AGM. The notice of the AGM is also advertised in a newspaper. The Notice of AGM and other notice of general meeting of shareholders include information on, *inter alia*, the effect of the proposed resolutions in respect of the non-routine businesses. In addition, at a general meeting of shareholders, the Company Secretaries and representatives from the share registrar's office are also available to provide shareholders with information on the rules, including voting procedures, that govern the meeting.

Currently, the Company's Articles of Association allows a shareholder of the Company to appoint one or two proxies to attend and vote at all general meetings on his / her behalf.

At AGMs, shareholders are given the opportunity to communicate their views and ask questions regarding the Group. Board members, Chairman of the ARC, NC and RC and the external auditors are also available to address questions raised at AGMs.

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In addition, the Company can also be contacted through electronic mails, written correspondences and telephone through which investors can share their views on the Group with the Management.

The Company does not have a formal dividend policy. Dividends are declared by the Board after considering the Group's results of operations and financial position taking into consideration the Group's business plans. Final dividend proposed by the Board is subject to approval by the shareholders at an AGM.

Currently, the Company conducts voting by show of hands at its general meetings, unless a poll has been validly demanded according to the Articles of Association of the Company. Voting on show of hands enables the Company and shareholders to deal with the businesses of general meetings expeditiously as the result of the vote is instantly available. Nevertheless, the Company will comply with Rule 730A(2) of the Listing Manual of SGX-ST which requires all resolutions be voted by poll at general meetings to be held on or after 1 August 2015.

Dealing in Securities

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

Directors and officers of the Group are prohibited from dealing in the Company's securities during the period commencing two weeks before the announcement of the Company's results for each of the first three quarters of its financial year, and one month before the announcement of the Company's full year results, ending on the date of the relevant announcement of the results. Directors and officers are also prohibited from dealing in the Company's securities when they are in possession of potentially price sensitive information.

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

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

Material Contracts

Save as disclosed in the Report of the Directors and the financial statements and under the section on Interested Person Transactions below, there were no material contracts entered into by the Company or any of its subsidiaries, involving the interests of the Chairman, Executive Vice Chairman, Managing Director, Directors or the 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 persons 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 the SGX-ST Listing Manual 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)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 during the financial year under review (excluding transactions less than S$100,000)	
	2015	2014	**2015**	2014
	S$'000	S$'000	**S$'000**	S$'000
Licence fee expense:				
KH Technology Corporation	**910**	962	**-**	-
Sales:				
Light Engine Ltd	**-**	-	**496**	1,953
Gold Peak Industries (Holdings) Limited	**-**	-	**256**	-
Rental expenses and building management fee:				
Gold Peak Industries (Holdings) Limited	**1,350**	574	**-**	-
Peak Power Investment Limited	**120**	108	**-**	-
Rental expenses and building management fee paid and payable under rental reimbursement agreements [1]:				
Gold Peak Industries (Holdings) Limited	**4,281**	-	**-**	-

Note:

[1] During the financial year ended 31 March 2015, certain subsidiaries of the Company have entered into several rental reimbursement agreements with Gold Peak Industries (Holdings) Limited regarding certain office spaces, for a period of 14 months commenced on 1 February 2015 in respect of one location, and for a period of 26 months commenced on 1 February 2015 in respect of another location. Prior to 1 February 2015, no formal agreement was entered into for such arrangements.

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Directors' Attendance at Board and Committee Meetings

The attendance of each Director at Board and Committee meetings during the financial year ended 31 March 2015 is as follows:

Board composition and Committees	Board		Audit and Risk Committee		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
Leung Pak Chuen	4	4	NA	NA	1	1	NA	NA
Brian Li Yiu Cheung	4	4	NA	NA	NA	NA	NA	NA
Andrew Chuang Siu Leung	4	4	NA	NA	NA	NA	NA	NA
Wong Man Kit	4	4	NA	NA	NA	NA	NA	NA
Eric Ng Siu Kai	4	4	NA	NA	NA	NA	NA	NA
Lim Ah Doo	4	4	4	4	1	1	1	1
Lim Hock Beng	4	4	4	4	1	1	1	1
Allan Choy Kam Wing	4	4	4	4	1	1	1	1

NA – not applicable

SHAREHOLDINGS STATISTICS

As at 18 June 2015

Class of equity securities	:	Ordinary shares
Number of issued shares	:	521,358,482
Number of issued shares excluding treasury shares	:	486,214,082*
Voting rights	:	One vote per share

Treasury shares

Number of treasury shares	:	35,144,400*
Percentage of treasury shares against the total number of issued shares excluding treasury shares	:	7.23%

* *Excluding 25,900 treasury shares bought back on 17 June 2015, which have not been entered in the Depository Register.*

Analysis of size of shareholdings

Size of shareholdings	Number of shareholders	%	Number of shares	%
1 - 99	34	2.17	1,206	0.00
100 - 1,000	256	16.33	222,202	0.05
1,001 - 10,000	770	49.11	3,715,471	0.76
10,001 - 1,000,000	497	31.69	32,205,293	6.62
1,000,001 and above	11	0.70	450,069,910	92.57
	1,568	100.00	486,214,082	100.00

Public float

As at 18 June 2015, approximately 13.78% of the Company's issued shares (excluding treasury 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.

Substantial shareholders

(as recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
Name of substantial shareholder	Number of shares	%#	Number of shares	%#
Gold Peak Industries (Holdings) Limited	414,098,443	85.17	-	-
Victor Lo Chung Wing (1)	300,000	0.06	414,098,443	85.17
Andrew Ng Sung On (deceased) (2)	378,412	0.08	414,098,443	85.17

The percentage is calculated based on the Company's total number of issued shares (excluding treasury shares) of 486,214,082.

Note:

(1) Mr Victor Lo Chung Wing's deemed interest in 414,098,443 issued shares of the Company arises pursuant to his aggregate direct and deemed interests in the issued shares of Gold Peak Industries (Holdings) Limited ("Gold Peak") of approximately 29.68%, and Gold Peak's direct interest in 414,098,443 issued shares of the Company.

(2) Mr Andrew Ng Sung On (deceased)'s deemed interest in 414,098,443 issued shares of the Company arises pursuant to his aggregate direct and deemed interests in the issued shares of Gold Peak of approximately 28.81%, and Gold Peak's direct interest in 414,098,443 issued shares of the Company.

As at 18 June 2015

Twenty largest shareholders

No.	Name of shareholder	Number of shares	%#
1	Gold Peak Industries (Holdings) Limited	414,098,443	85.17
2	Mighty Holdings Limited	7,315,000	1.51
3	Diamond Coin Holdings Limited	6,870,000	1.41
4	Ablewood International Limited	5,830,000	1.20
5	Citibank Nominees Singapore Pte Ltd	5,239,655	1.08
6	Artful Enterprises Limited	3,974,000	0.82
7	Leung Pak Chuen	1,608,000	0.33
8	DBS Nominees (Private) Limited	1,557,020	0.32
9	Brian Li Yiu Cheung	1,465,000	0.30
10	HSBC (Singapore) Nominees Pte Ltd	1,092,896	0.22
11	Chiam Toon Chew	1,019,896	0.21
12	Tan Yong Chiang or Tan Hui Liang	746,000	0.16
13	Tan Seok Ling	673,409	0.14
14	Woo Koon Chee	650,000	0.13
15	Hobee Print Pte Ltd	520,000	0.11
16	Quah Biow Chye	505,940	0.10
17	Koh Family Trading Pte Ltd	500,000	0.10
18	Yong Kheng Leong or Lim Ai Cheng	500,000	0.10
19	Zen Property Management Pte Ltd	500,000	0.10
20	Ng Poh Mui	490,000	0.10
		455,155,259	93.61

The percentage is calculated based on the Company's total number of issued shares (excluding treasury shares) of 486,214,082.

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