GP INDUSTRIES

GP Industries Limited

Annual Report 2015–2016

FINANCIAL CALENDAR

Announcement of First Quarter Results		6 August 2015
Announcement of Second Quarter Results		6 November 2015
Announcement of Third Quarter Results		3 February 2016
Announcement of Full Year Results		27 May 2016
Dispatch of Annual Report to Shareholders		14 July 2016
Annual General Meeting		29 July 2016
Dividends	Interim	Paid on 30 November 2015
	Final	Payable in August 2016

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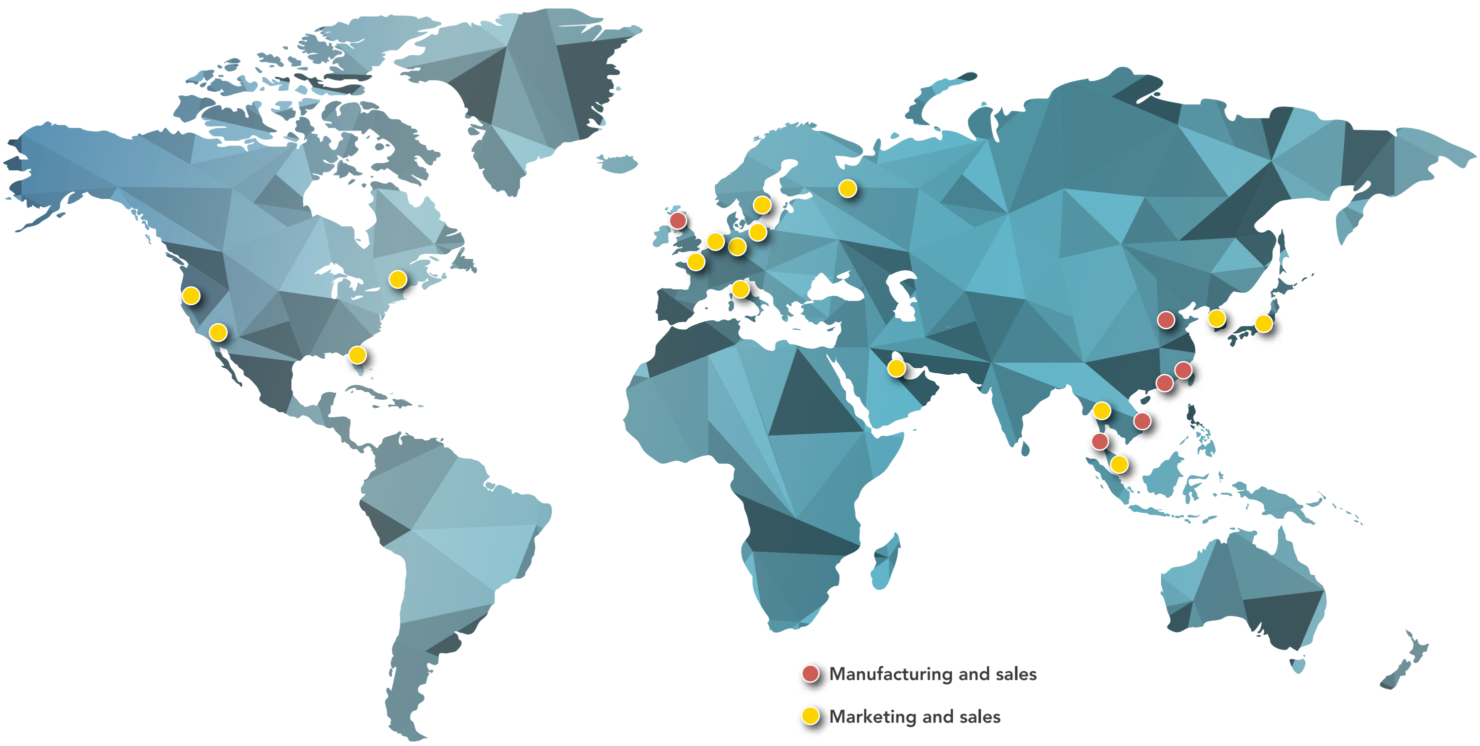

CORPORATE INFORMATION

Board of Directors

Executive

Victor LO Chung Wing
Chairman and Chief Executive Officer

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

Registered Address

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#06-11 Nexus @one-north
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Tel : (65) 6395 0850
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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 85.5%* interest in the Company.

The Company currently holds a 64.7%* 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 349,000 square metres.

* as at 17 June 2016

64.7%*

GP Batteries International Ltd

(Singapore-listed)

- Primary specialty
- Primary cylindrical
- Rechargeable & others

Electronics & acoustics

Automotive wire harness and other industrial investments

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Back (left to right): Andrew CHUANG Siu Leung, Allan CHOY Kam Wing, WONG Man Kit, LIM Hock Beng, Eric NG Siu Kai
Front (left to right): Victor LO Chung Wing, Brian LI Yiu Cheung, LIM Ah Doo, LEUNG Pak Chuen

Executive Directors

Victor LO Chung Wing

Aged 66, appointed the Chairman and an executive director since 18 October 1995. He was appointed a member of the Nominating Committee on 28 August 2002 and Chief Executive Officer on 3 Feb 2016.

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 a member of the board of directors of Hong Kong Design Centre. 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 M Plus Museum Limited. 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 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 66, 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 45 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

Aged 63, appointed an executive director since 18 October 1995. He is currently 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 and council member of the Hong Kong Electronics Industry Council of the Federation of Hong Kong Industries. He is also an honorary advisor of the Institute for Supply Management Hong Kong. Dr. Li serves as the chairman of the Advisory Committee for the Department of Electronic Engineering, a member of the Advisory Committee for the Department of System Engineering and Engineering Management and the Co-operative Education Centre of the City University of Hong Kong, a member of the Electronic and Information Engineering Programme Board of the Hong Kong Institute of Vocational Education, a member of the Electronics Cluster Expert Panel and a member of the Evaluation Panel for Soft-landing Programme of Hong Kong Science and Technology Parks Corporation.

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

Aged 68, 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 56, 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 56, 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 67, 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 and Risk Committee since 2 January 1998 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, Singapore Technologies Engineering Ltd and SM Investments Corporation and serves on some of the board committees of these companies. He is also a director of GDS Holdings Limited, Singapore Technologies Marine Ltd. and U Mobile Sdn. Bhd. Mr Lim was previously president and vice chairman of RGM International Pte. Ltd., and among other past directorships, an independent director of EDB Investments Pte. Ltd. and chairman of its Audit Committee. Prior to that, he held various senior positions in an international investment banking group and was chairman of a leading regional investment bank based in Singapore from 1993 to 1995. He was 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 76, 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 and Risk Committee since 2 January 1998.

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 principal 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 72, appointed an independent non-executive director since 1 October 2012 and was appointed a member of the Audit and Risk, Nominating, and Remuneration Committees on the same date. 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 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 Chartered Secretaries Institute of Singapore. He holds a MBA degree from Nanyang Technological University, Singapore.

LEUNG Chi Cheong

Joined the Group in 1984 and is currently the General Manager of GP Electronics (Huizhou) Co., Ltd. He has more than 45 years' experience in factory management, of which 25 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.

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 Hong Kong Polytechnic) and an International MBA degree from Victoria University of Wellington, New Zealand.

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 35 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.

Grace LO Kit Yee

Joined Gold Peak Group in 2002 and is currently Marketing Director of KEF Audio Group, GP Acoustics International Limited. 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.

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.

Michael LAM Hin Lap

Joined the Group in 2014 and is currently the Group General Manager, Business Development and Assistant to Chairman of the Company. 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 been in senior management positions for over 15 years. He holds a Bachelor's degree in Electrical Engineering from The University of New South Wales, Australia.

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.

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	2016	2015
Revenue	**1,038.3**	973.8
Profit after taxation	**37.3**	43.7
Non-controlling interests	**(14.5)**	(18.2)
Profit attributable to equity holders	**22.8**	25.5
Basic earnings per share (cents)	**4.70**	5.16
Tax-exempt (1-tier) dividend per share (cents)	**3.20**	3.40

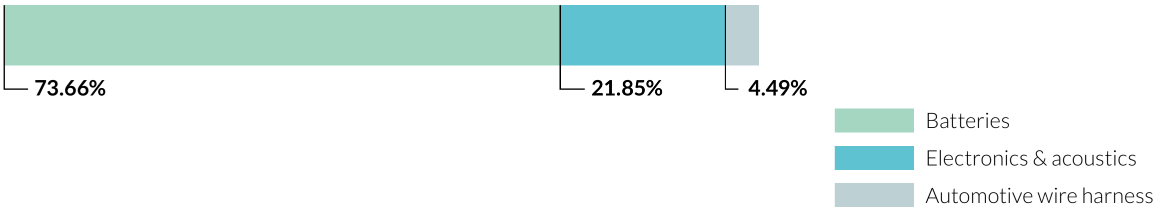
Consolidated Statement of Financial Position (S$ million) As at 31 March	2016	2015
Shareholders' funds	**337.5**	353.4
Total equity	**502.1**	535.6
Total assets	**998.4**	969.2

Ratios As at 31 March	2016	2015
Current assets : Current liabilities	**1.29**	1.28
Inventory turnover period (months)	**1.81**	1.73
Net bank borrowings : Total equity	**0.25**	0.18

Other Information As at 31 March	2016	2015
Number of employees (approx) - The Company and its subsidiaries	**8,200**	8,200
Total floor area (sq m) (approx) - The Company and its subsidiaries	**349,000**	360,000

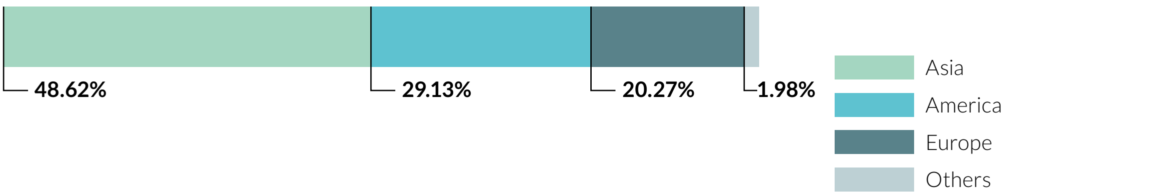
Revenue by Business Segments

Year ended 31 March 2016



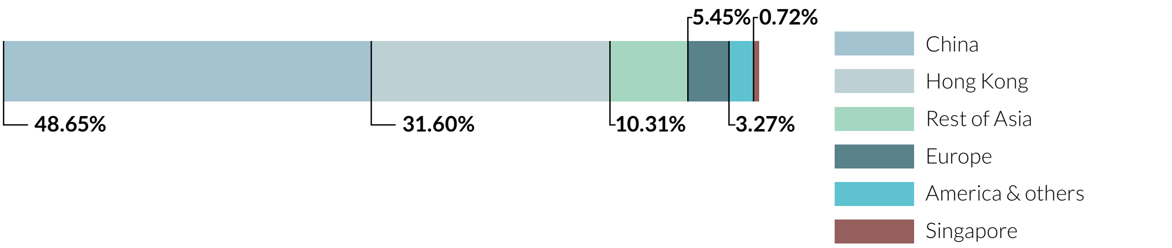
Revenue by Locations

Year ended 31 March 2016



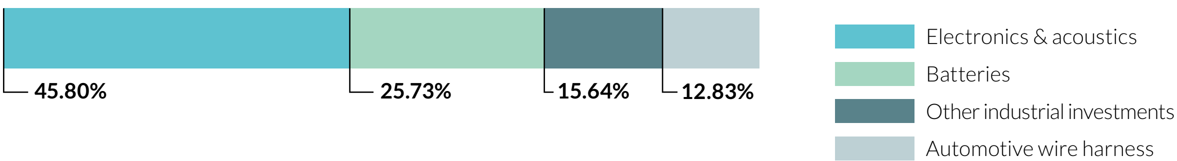
Assets by Locations

As at 31 March 2016



Contribution by Business Segments (before exceptional items)

Year ended 31 March 2016



Consolidated Income Statement Year ended 31 March	**2016** S$'000	**2015** S$'000	**2014** S$'000	**2013** S$'000 (Restated)	**2012** S$'000 (Restated)
Revenue - Continuing operations	**1,038,335**	973,770	948,258	963,849	1,008,081
Profit (Loss) after taxation					
- Continuing operations	**37,314**	43,673	(38,203)	7,504	1,387
- Discontinued operations	**-**	-	6,930	10,007	11,981
	37,314	43,673	(31,273)	17,511	13,368
Non-controlling interests	**(14,478)**	(18,201)	21,586	(1,086)	(8,101)
Profit (Loss) attributable to equity holders	**22,836**	25,472	(9,687)	16,425	5,267

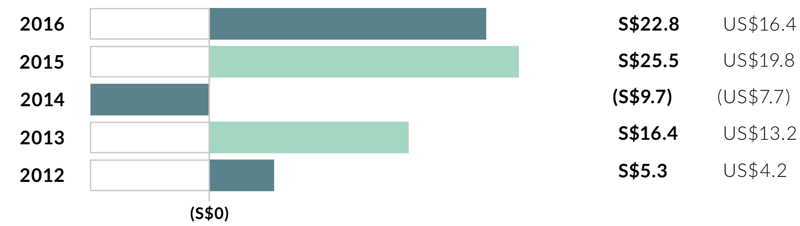
Consolidated Statement of Financial Position As at 31 March	**2016**	**2015**	**2014**	**2013**	**2012**
Investment properties	**1,672**	1,747	6,678	9,367	12,020
Property, plant and equipment	**237,507**	246,960	242,292	255,401	277,665
Interest in associates	**226,787**	229,206	214,574	203,989	219,645
Available-for-sale financial assets	**5,777**	5,699	7,618	6,560	7,140
Other non-current assets	**3,648**	705	156	6,994	9,385
Non-current receivables	**-**	158	-	-	4,724
Deferred tax assets	**3,729**	3,662	5,713	4,635	3,785
Intangible assets	**17,960**	15,053	15,240	20,194	22,259
Current assets	**501,292**	466,027	466,421	542,891	550,926
Total assets	**998,372**	969,217	958,692	1,050,031	1,107,549
Non-current liabilities	**106,943**	68,985	57,341	106,421	90,082
Current liabilities	**389,356**	364,679	401,144	406,601	470,787
Total liabilities	**496,299**	433,664	458,485	513,022	560,869
Net assets	**502,073**	535,553	500,207	537,009	546,680
Shareholders' funds	**337,546**	353,425	320,847	347,246	352,325
Non-controlling interests	**164,527**	182,128	179,360	189,763	194,355
Total equity	**502,073**	535,553	500,207	537,009	546,680

Revenue - Continuing Operations

Year ended 31 March (million)

Profit (Loss) Attributable to Equity Holders

Year ended 31 March (million)

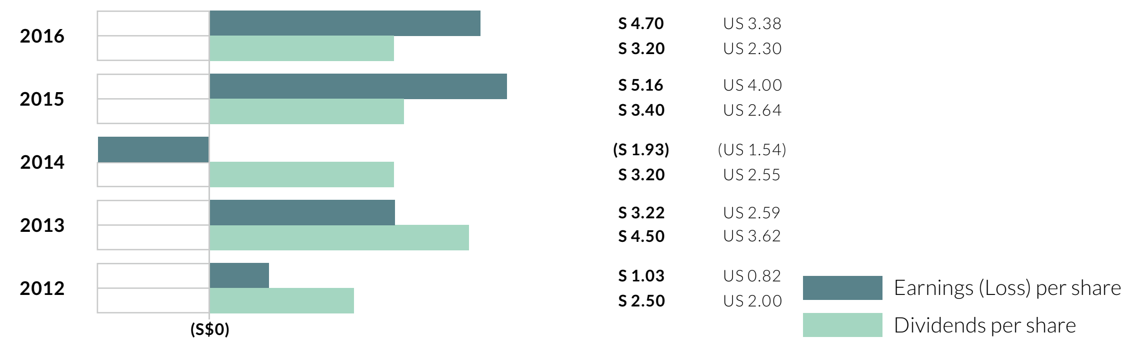


Total Assets

As at 31 March (million)

Earnings (Loss) Per Share & Dividends Per Share

Year ended 31 March (cents)



In the financial year 2015-2016 ("FY2016"), global markets were mainly slow-growing. One exception was the US market which remained mostly stable. Volatilities in foreign exchange made the business environment more complex and unpredictable. The Group maintained its strategy to actively invest into strengthening the Group's brands and to expand their sales networks, especially in the emerging markets in Asia, in order to seek growth in the challenging business environment. Investments into new technology and new product development also continued.

Results and Dividend

Revenue for FY2016 increased by 6.6% to S$1,038 million. Profit before finance costs, exceptional items and share of results of associates decreased by 14.3% to S$42.7 million.

In the financial quarter from January to March 2016, the Group registered an exchange loss of S$6.6 million, mainly due to the appreciation of the Singapore dollar against the US dollar. As a result, the Group reported an exchange gain of S$4.2 million for FY2016, compared to an exchange gain of S$9.9 million last year.

Pre-tax profit contributed by associates in aggregate increased by 41.7% from S$19.2 million last year to S$27.1 million. Profit before taxation decreased by 13.2% to S$57.0 million. Total profit after taxation attributable to equity holders was S$22.8 million, a 10.3% drop from S$25.5 million last year.

The Board has recommended a final dividend of 1.6 Singapore cents per share. Together with the interim dividend of 1.6 Singapore cents, the total dividend per share for FY2016 was 3.2 Singapore cents, compared to the total dividend of 3.4 Singapore cents last year.

Business Highlights

Electronics and acoustics

Revenue from this business segment increased by 6.4%. Sales of electronics products increased by 4.8% while sales of acoustics products increased by 11.7%. Sales in the Asian and the US markets grew steadily but sales in Europe suffered from the weak local market demand.

The Group continued to invest into building the KEF brand and its sales networks. "MUO", the new KEF portable Bluetooth loudspeaker launched during the year, received very positive reception from the market. Portable wireless loudspeakers will continue to be a growth driver for KEF's business. The Group's professional audio business continued to achieve solid performance despite the challenging market. Softening raw material prices and the weaker Renminbi alleviated the effects of rapidly increasing labour costs in China.

Automotive wire harness

The automotive wire harness business recorded a revenue growth of 12.9%. As the demand for automotive camera harnesses in the US was levelling off, the management stepped up its efforts in improving sales in China. In FY2016, sales in China grew by 38.9%.

Huizhou GP Wiring Technologies Ltd. ("GPWT") has been investing on smart automation and component localization to improve competitiveness, reduce lead-time and further enhance the quality of products to meet the zero defect requirement from customers. The electric vehicle industry offers promising growth opportunities for the wire harness business. GPWT is supplying lighting harnesses for ultimate use by a leading US electric vehicle manufacturer and the business is expected to continue to grow. The mid-term strategy for the wire harness business is to gradually become a Tier 1 parts supplier while expanding the higher value-added product business in the Tier 2 market.

GP Batteries

Revenue for the year increased by 6.4% to S$765 million. Gross profit margin improved by 0.1% to 23.2%. Profit after income tax declined from S$25.2 million to S$15.7 million this year. Earnings per share were 1.49 Singapore cents compared to 7.88 Singapore cents last year.

Market slowdown and volatile foreign currency exchange rates have negatively affected sales. The emergence of more energy efficient hardware contributed to curtail consumption growth and keen price competition has added challenges to the business. However, lower raw material prices and progress made in automation of production helped to control costs and improve productivity.

GP Batteries has restructured its production facilities in Taiwan and China to increase productivity and efficiency. A new battery factory is under construction in Vietnam and the existing factory in Malaysia is being expanded. Meanwhile, GP Batteries will continue to expand its global distribution network including online platforms to reach out for business growth.

Other industrial investments

In this segment, the business of Meiloon Industrial Co., Ltd. turned around and returned to profit. Linkz Industries Limited, however, faced severe competition and reported a lower profit for the financial year. Excluding exceptional items, this business segment reported a 59.6% increase in profit contribution.

Outlook

The global economy and consumer demand is expected to remain slow-growing. Volatile foreign currency exchange rates, especially in new emerging markets, could add more uncertainties to the Group's performance. Although raw material prices have become more stable, the rising production costs in China could still put some pressure on the Group's profit margin.

For the battery business, GP Batteries is restructuring its production and further automating its production facilities to improve efficiency and enhance competitiveness. In the longer term, rechargeable batteries will drive the growth of the battery business and GP Batteries will further invest into developing technologies and new products for its rechargeable batteries business. The policy of combining smaller plants into bigger and more efficient plants will continue.

KEF's portable wireless loudspeakers opened new market opportunities and the Group will develop new products to strengthen its business in this segment in addition to the premium loudspeaker business. Celestion will continue to focus its research and development efforts on high performance professional loudspeaker drivers to seek growth in the high performance professional speaker market.

The Group will continue to build and promote its brands. Technology and innovation will continue to be the key growth drivers for the Group's business, as, in the current business environment, growth will likely come from increasing market share and new applications.

Vote of thanks

On behalf of the Board, I would like to extend my appreciation to our employees for their diligence and my fellow directors and management team for their devotion and dedication during the year. I also thank our shareholders, customers, suppliers and partners for their continuous support.

Victor LO Chung Wing
Chairman and Chief Executive Officer
17 June 2016

Obsessed with High Resolution

The 2015-2016 financial year ("FY2016") was a challenging year for the Group. The European market remained soft and depreciation of the Euro reduced the Group's revenue when reported in Singapore dollars. Markets in China, Japan and the rest of Asia also weakened and the volatilities of the Asian currencies further complicated the market challenges. The only bright spot was the US market which remained relatively flat.

Despite challenging market conditions, the Group's revenue for the financial year increased by 6.6% to S$1,038 million, or in US dollar terms, declined marginally by 1.0%. This was accomplished primarily through the introduction of new products and distribution network expansion in Europe and Asia.

Weak market demand and volatility of certain trading currencies also adversely affected the Group's results for the financial year. During the fourth quarter of FY2016, the Group reported an exchange loss of S$6.6 million, compared to an exchange gain of S$4.4 million reported in the same quarter last year. For FY2016, the Group reported an exchange gain of S$4.2 million against the exchange gain of S$9.9 million last year. GP Batteries International Limited also recorded goodwill impairment charges of S$2.9 million relating to its operations in Europe.

For FY2016, profit after taxation attributable to equity holders was S$22.8 million, a 10.3% decrease from the S$25.5 million reported last year. Excluding exceptional items, profit after taxation attributable to equity holders of the Company was S$23.7 million, a decrease of 1.7% from the S$24.1 million recorded last year.

Basic earnings per share for the financial year was 4.70 Singapore cents, compared to 5.16 Singapore cents per share last year. Total dividend per share was 3.2 Singapore cents for the financial year, compared to 3.4 Singapore cents last year.

Customer-Centered Innovation

Electronics and acoustics business

In FY2016, revenue from the electronics and acoustics business increased by 6.4% in Singapore dollar terms. In US dollar, which is the main trading currency of this business, revenue declined by 1.2% from the revenue reported last year, with sales of electronics products decreased by 2.7% while that of acoustics products increased by 3.7%.

Weak market demand affected the sales of professional audio products during the first half of FY2016 although sales recovered during the second half of FY2016. Sales to the US and Europe both increased while sales to Asia declined.

In US dollar terms, sales of acoustics products increased by 12.2% and 10.5% to the US and Asia respectively while sales to Europe declined by 8.4%. During the year, new *KEF* brand Bluetooth loudspeakers launched and subsequent expansion of distribution network contributed to the sales increase. Weak market demand in Europe and the depreciated Euro continued to adversely affect the Group's sales.

The Group continued to make progress in the professional audio business. GP Electronics, the group of subsidiaries engaged in the professional audio business received, for the third time in four years, "Supplier of the Year Award" from Fender Musical Instruments Corporation, a long-term customer in the professional audio business. During the financial year, GP Electronics' Hong Kong office moved its headquarters to the Hong Kong Science Park and expanded its engineering and technical sourcing teams. GP Electronics' Product Safety Laboratory in Shenzhen, China also received accreditation from UL, Intertek and TUV for achieving ISO 17025 standard and has been qualified as a witness laboratory for various safety and compliance tests, which will speed up the safety approbation process for the development of new products. Extension work of the Huizhou factory in China has been completed and it is expected to commence operation in September 2016. This new highly-automated factory will strengthen the Group's capabilities in developing and better protecting its proprietary technologies and speed up manufacturing process for its acoustics products.

The associates contributed more profit in FY2016 in aggregate despite demand for certain matured electronic products decreased.

Profit contribution after exceptional items and before taxation from the electronics and acoustics business in FY2016 increased by 4.7% over last year.

Automative wire harness business

Revenue from the automotive wire harness business grew by 12.9% during FY2016. Sales growth was driven mainly by a strong growth in sales to China despite a slight drop in sales to the US. Sales increase in China was driven by the supply of wire harness with safety & lighting features to the new customers.

Huizhou GP Wiring Technology Ltd. ("GPWT"), the Group's subsidiary responsible for the automotive wire harness business, has started offering turnkey design solutions incorporating localized components to its customers. In FY2016, the company also received a "Supplier of Excellence" award from Decofinmex S.A. de C.V., its long-term business partner in Canada. In addition, GPWT received approval to supply wire harnesses for ultimate use by a leading electric vehicle manufacturer in the US. However, managing the increasing manufacturing costs in China continued to be a major challenge to this relatively labour-intensive business.

During FY2016, this business segment wrote back S$1.3 million, being the unclaimed warranty cost provision relating to the disposal of the previously 50%-owned automotive wire harness joint venture in China in 2013. As a result, profit contribution after exceptional item and before taxation from the automotive wire harness business for FY2016 increased by 9.8%.

Battery Experts

GP Batteries

The revenue of GP Batteries for FY2016 was S$765 million, 6.4% higher than that for last year in Singapore dollar terms, or 1.3% lower in US dollar terms. GP Batteries reported a profit after taxation attributable to its equity holders of S$2.4 million, compared to that of S$13.0 million for last year.

Overall battery consumption has been dropping as new electronic products become more energy efficient. Despite the tough market, sales of primary batteries increased by 6.1%. Sales of primary alkaline and carbon zinc batteries grew slightly while sales of primary lithium batteries recorded a more significant growth.

Sales of rechargeable batteries increased by 8.2%. Sales of rechargeable nickel metal hydride batteries in consumer market continued to be challenging while targeted industrial applications ramped up and filled the gap. Sales of rechargeable lithium batteries reported significant growth while sales of Portable PowerBank dropped due to rapid price erosion in the market.

Other industrial investments

This business segment includes the Group's investments in Meiloon Industrial Co., Ltd. ("Meiloon") and Linkz Industries Limited ("Linkz"). During FY2016, profit contribution after exceptional item and before taxation from this segment increased by 110.6%. Meiloon's revenue increased and reported a profit before taxation during FY2016, compared to a loss last year. Linkz, on the other hand, contributed less profit as competition for its cable products intensified.

Investment in brands and further brand building

In July 2015, the Group acquired the *GP*, *KEF* and *Celestion* brands from the Group's holding company, Gold Peak Industries (Holdings) Limited ("Gold Peak"). The *GP* and *KEF* brands have a history of more than 40 years and *Celestion* has more than 90 years' history. Prior to the acquisitions, the Group licensed the *KEF* and the *Celestion* brands from Gold Peak for

Building Our Brand and Global Reach

Championing Greener Rechargeables

its electronics and acoustics business, while the *GP* brand was licensed by Gold Peak to GP Batteries for its batteries business. Acquiring these brands has enabled the Group to secure ownership of the brands which further strengthened its confidence in investing in the development and value enhancement of these brands.

Outlook

Consumer demand for many key markets is expected to remain weak although some of the Group's businesses in the US are expected to remain more stable. To further enhance competitiveness, the Group will continue to invest in technology, product development and to further enhance the value of its brands.

Following the commencement of operation of the highly automated factory in Huizhou in September 2016, the development of propriety technologies and efficiency of manufacturing processes will be further improved for enhancement of the competitiveness of the acoustics business.

GP Batteries' new factory in Vietnam is under construction and the production capacity of the Malaysian plant will be expanded. GP Batteries will continue to invest into the automation and technology development of its rechargeable batteries to improve product performance and competitiveness.

Brian LI Yiu Cheung
Managing Director
17 June 2016

GP Industries Limited

2015 Jul GP Industries Limited acquired the KEF, Celestion and GP brands and all related intellectual property in respect of such brands from Gold Peak Industries (Holdings) Limited.

Electronics & Acoustics

2015 Jun KEF's BLADE TWO speaker was named "Product of the Year" by Stereophile Magazine, USA.

Jul KEF's M100 headphone won the "Red Dot Award 2015" presented by Red Dot Design Museum, Germany.

Aug KEF's Reference 3 speaker was presented the "Diapason d'Or 2015 Hi-Fi Award" by Diapason, France.

Oct EGG wireless digital music system, R100 5.1 speaker package and MUO wireless speaker were named "Best Desktop Speakers £200+", "Best Traditional Speaker Package £2000+" and "Best Portable Wireless Speaker £200+" respectively by What Hi-Fi? Sound & Vision, UK.

MUO wireless speaker was the winner of "Best Bluetooth Speakers" by STUFF, UK.

Dec KEF's BLADE TWO and Reference 1 speakers won "HiVi Best Buy 2015 First Place (Speaker ¥1M+)" and "HiVi Best Buy 2015 First Place (Speaker ¥700K+)" by HiVi Magazine, Japan.

2016 Feb KEF's M400 headphone was given the "iF Product Design Award" by iF Online Exhibition, Germany.

Batteries

2015 Jun GP Batteries entered into a facility agreement with five banks in respect of an S$85 million three-year term loan facility.

Oct A factory in Shenzhen, China was awarded "Hong Kong – Guangdong Cleaner Production Partner (Manufacturing)" by the Environment Bureau of Hong Kong and the Economic and Information Commission of Guangdong Province, China.

Dec GP Batteries entered into a joint venture agreement with Hanoi Battery Joint Stock Company to undertake an investment project in Vietnam.

2016 Feb 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 twelfth consecutive year.

May Two factories in China were presented "Shenzhen Corporate Social Responsibility Rating Certificate" in recognition of fulfillment of social responsibility in development and production of batteries as well as logistics solutions and packaging services.

Jun Four factories in China were named "EcoChallenger / EcoPartner" of the BOCHK Corporate Environmental Leadership Awards by Federation of Hong Kong Industries to recognize their contribution and achievement in environmental protection and minimizing pollution in the Pan Pearl River Delta Region.

The directors of GP Industries Limited (the "Company") present their statement together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2016.

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 25 to 115 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016, and the financial performance, 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.

1. Directors

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

Executive:

Victor Lo Chung Wing, Chairman and Chief Executive Officer
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.

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, Chapter 50, the undermentioned persons who were directors of the Company as at 31 March 2016 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 2016	At beginning of financial year	At end of financial year	At 21 April 2016
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	-	-	-
Interest in Gold Peak's ordinary shares						
Victor Lo Chung Wing	6,141,945	69,045,825	69,045,825	226,747,823	100,940,063	100,940,063
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	-	-	-	-	-
Leung Pak Chuen	700,000	-	-	-	-	-
Brian Li Yiu Cheung	700,000	-	-	-	-	-
Andrew Chuang Siu Leung	700,000	-	-	-	-	-
Wong Man Kit	700,000	-	-	-	-	-
Eric Ng Siu Kai	700,000	-	-	-	-	-
Interest in GP Batteries' ordinary shares						
Victor Lo Chung Wing	300,000	300,000	300,000	100,813,244	102,274,444	102,274,444

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, 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. Share options

a) During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

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

c) At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

5. Audit and Risk Committee

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50, 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, *inter alia*, 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;

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;

5. Audit and Risk Committee (cont'd)

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 of the Company or executive officer of the Group 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.

6. Auditors

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

7. 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 and effective as at 31 March 2016.

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 governance practices 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 and Chief Executive Officer

Leung Pak Chuen
Executive Vice Chairman

17 June 2016

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 2016, 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 25 to 115.

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 financial statements 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 financial position of the Group and of the Company as at 31 March 2016 and the financial performance, 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 subsidiary corporations 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 2016

Financial year ended 31 March 2016

	Note	The Group	
		2016	2015
		S$'000	S$'000
Revenue	3	**1,038,335**	973,770
Cost of sales		**(772,141)**	(724,126)
Gross profit		**266,194**	249,644
Other operating income	4	**7,750**	7,724
Distribution costs		**(100,302)**	(94,447)
Administrative expenses		**(130,021)**	(115,344)
Exchange gain		**4,203**	9,878
Other operating expenses		**(5,156)**	(7,662)
Profit before finance costs, exceptional items and share of results of associates	5	**42,668**	49,793
Finance costs	6	**(10,823)**	(8,900)
Exceptional items	7	**(1,985)**	5,605
Share of results of associates	13	**27,144**	19,157
Profit before taxation		**57,004**	65,655
Income tax expense	8	**(19,690)**	(21,982)
Profit for the financial year		**37,314**	43,673
Attributable to:			
Equity holders of the Company		**22,836**	25,472
Non-controlling interests		**14,478**	18,201
		37,314	43,673
Earnings per share (Singapore cents):			
Basic	9	**4.70**	5.16
Diluted	9	**4.70**	5.16

See accompanying notes to the financial statements.

Financial year ended 31 March 2016

	The Group	
	2016	2015
	S$'000	S$'000
Profit for the financial year	**37,314**	43,673
Other comprehensive income (loss):		
Exchange translation deficit reclassified to profit or loss upon disposal of a subsidiary	**-**	388
Items that will not be reclassified subsequently to profit or loss:		
Share of other comprehensive loss of associates	**(138)**	-
Items that may be reclassified subsequently to profit or loss:		
Exchange translation (deficit) surplus	**(25,217)**	20,458
Fair value loss on available-for-sale financial assets	**(486)**	(176)
Share of other comprehensive (loss) income of associates	**(10,803)**	8,676
Other comprehensive (loss) income for the financial year, net of tax	**(36,644)**	29,346
Total comprehensive income for the financial year	**670**	73,019
Attributable to:		
Equity holders of the Company	**(1,246)**	45,006
Non-controlling interests	**1,916**	28,013
	670	73,019

See accompanying notes to the financial statements.

As at 31 March 2016

	Note	The Group		The Company	
		2016	2015	**2016**	2015
		S$'000	S$'000	**S$'000**	S$'000
Non-current Assets					
Investment properties	10	**1,672**	1,747	**-**	-
Property, plant and equipment	11	**237,507**	246,960	**232**	279
Interest in subsidiaries	12	**-**	-	**323,964**	290,552
Interest in associates	13	**226,787**	229,206	**29,031**	29,031
Available-for-sale financial assets	14	**5,777**	5,699	**-**	-
Financial asset at fair value through profit or loss	15	**-**	-	**-**	-
Non-current receivables	16	**-**	158	**-**	-
Deferred tax assets	26	**3,729**	3,662	**-**	-
Deposits and prepayments		**3,648**	705	**-**	-
Intangible assets	17	**17,960**	15,053	**-**	-
		497,080	503,190	**353,227**	319,862
Current Assets					
Inventories	18	**156,923**	139,998	**-**	-
Receivables and prepayments	19	**173,568**	183,183	**5,791**	43,778
Dividend receivable	32	**6,821**	1,650	**19,360**	28,990
Taxation recoverable		**872**	4,306	**-**	-
Amount due from ultimate holding company	24	**43**	149	**-**	-
Bank balances, deposits and cash	20	**163,065**	136,671	**1,830**	5,614
		501,292	465,957	**26,981**	78,382
Assets classified as held for sale	38	**-**	70	**-**	-
		501,292	466,027	**26,981**	78,382
Current Liabilities					
Trade and other payables	21	**198,472**	190,382	**2,534**	11,360
Obligations under finance leases	22	**113**	199	**-**	-
Income tax payable		**4,826**	4,264	**532**	1,296
Derivative financial instruments	23	**497**	195	**-**	-
Amount due to ultimate holding company	24	**814**	980	**33**	8
Bank and other loans	25	**184,634**	168,659	**38,410**	26,075
		389,356	364,679	**41,509**	38,739
Net Current Assets (Liabilities)		**111,936**	101,348	**(14,528)**	39,643

See accompanying notes to the financial statements.

As at 31 March 2016

	Note	The Group		The Company	
		2016	2015	**2016**	2015
		S$'000	S$'000	**S$'000**	S$'000
Non-current Liabilities					
Bank and other loans	25	**103,942**	64,431	**44,000**	60,000
Obligations under finance leases	22	**79**	121	**-**	-
Deferred tax liabilities	26	**2,922**	4,433	**-**	79
		106,943	68,985	**44,000**	60,079
Net Assets		**502,073**	535,553	**294,699**	299,426
Represented by:					
Issued capital	27	**286,307**	286,307	**286,307**	286,307
Treasury shares	27	**(20,514)**	(18,548)	**(20,514)**	(18,548)
Reserves		**71,753**	85,666	**28,906**	31,667
Equity attributable to equity holders of the Company		**337,546**	353,425	**294,699**	299,426
Non-controlling interests		**164,527**	182,128	**-**	-
Total Equity		**502,073**	535,553	**294,699**	299,426

See accompanying notes to the financial statements.

Financial year ended 31 March 2016

	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
	Attributable to equity holders of the Company												
The Group													
Balance at 1 April 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
Total comprehensive income (loss)													
Profit for the financial year	-	-	-	-	-	-	-	-	-	22,836	22,836	14,478	37,314
Other comprehensive income (loss):													
Exchange translation deficit	-	-	-	-	-	(13,702)	-	-	-	-	(13,702)	(11,515)	(25,217)
Fair value loss on available-for-sale financial assets	-	-	-	-	-	-	(297)	-	-	-	(297)	(189)	(486)
Share of other comprehensive loss of associates	-	-	-	-	-	(9,945)	-	-	-	(138)	(10,083)	(858)	(10,941)
Other comprehensive loss for the financial year	-	-	-	-	-	(23,647)	(297)	-	-	(138)	(24,082)	(12,562)	(36,644)
Total comprehensive (loss) income for the financial year	-	-	-	-	-	(23,647)	(297)	-	-	22,698	(1,246)	1,916	670
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners:													
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,640	1,640
Purchase of treasury shares (Note 27)	-	(1,966)	-	-	-	-	-	-	-	-	(1,966)	-	(1,966)
Dividends paid (Note 27)	-	-	-	-	-	-	-	-	-	(16,504)	(16,504)	(9,791)	(26,295)
Unclaimed dividends	-	-	-	-	-	-	-	-	-	2	2	-	2
Total contributions by and distributions to owners	-	(1,966)	-	-	-	-	-	-	-	(16,502)	(18,468)	(8,151)	(26,619)
Changes in ownership interests in subsidiaries:													
Acquisition / deemed acquisition of additional interest in a subsidiary	-	-	-	-	3,835	-	-	-	-	-	3,835	(11,366)	(7,531)
Total transactions with owners	-	(1,966)	-	-	3,835	-	-	-	-	(16,502)	(14,633)	(19,517)	(34,150)
Transfer to reserve	-	-	-	797	-	-	-	-	-	(797)	-	-	-
Balance at 31 March 2016	286,307	(20,514)	3,132	14,946	22,236	(104,417)	352	1,467	596	133,441	337,546	164,527	502,073

See accompanying notes to the financial statements.

Financial year ended 31 March 2016

	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
	Attributable to equity holders of the Company												
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.

	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 2015	286,307	(18,548)	614	-	31,053	299,426
Profit and total comprehensive income for the financial year	-	-	-	-	13,741	13,741
Transactions with owners, recognised directly in equity						
Purchase of treasury shares (Note 27)	-	(1,966)	-	-	-	(1,966)
Dividends paid (Note 27)	-	-	-	-	(16,504)	(16,504)
Unclaimed dividends	-	-	-	-	2	2
Total transactions with owners	-	(1,966)	-	-	(16,502)	(18,468)
Balance at 31 March 2016	286,307	(20,514)	614	-	28,292	294,699
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
Transactions with owners, recognised directly in equity						
Purchase of treasury shares (Note 27)	-	(6,778)	-	-	-	(6,778)
Dividends paid (Note 27)	-	-	-	-	(15,824)	(15,824)
Unclaimed dividends	-	-	-	-	25	25
Transfer from reserve upon lapse of share options	-	-	-	(388)	388	-
Total transactions with owners	-	(6,778)	-	(388)	(15,411)	(22,577)
Balance at 31 March 2015	286,307	(18,548)	614	-	31,053	299,426

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.

Financial year ended 31 March 2016

	2016	2015
	S$'000	S$'000
Operating activities		
Profit before taxation	**57,004**	65,655
Adjustments for:		
Share of results of associates	**(27,144)**	(19,157)
Depreciation of property, plant and equipment	**23,278**	24,090
Amortisation of intangible assets	**231**	-
Finance costs	**10,823**	8,900
Interest income	**(1,702)**	(2,410)
Gain on disposal and write-off of property, plant and equipment, net	**(3,385)**	(9,026)
Write-back of unclaimed warranty cost provision relating to the disposal of a joint venture in 2013	**(1,313)**	-
Allowance for impairment loss on intangible assets	**18**	18
Gain on bargain purchase arising from purchase of additional interests in associates	**-**	(9)
Allowance for and write-off of inventory obsolescence, net	**3,765**	2,130
(Write-back of) Allowance for and write-off of bad debt, net	**(76)**	2,505
Restructuring costs	**-**	1,708
Allowance for impairment loss recognised on assets classified as held for sale	**-**	994
Gain on disposal of a subsidiary	**-**	(10)
Gain in fair value of investment properties	**-**	(56)
Unrealised fair value loss on derivative financial instruments	**302**	195
Realised loss (gain) on derivative financial instruments	**387**	(180)
Unrealised exchange loss (gain)	**1,897**	(4,405)
GP Batteries International Limited's:		
Allowance for impairment loss on property, plant and equipment	**4,479**	2,494
Allowance for impairment loss on goodwill	**2,935**	-
Reversal of impairment loss on non-trade receivables due from an associate	**-**	(14)
Allowance for impairment loss on investment in associates	**-**	524
Operating cash flows before movements in working capital	**71,499**	73,946
Inventories	**(24,612)**	960
Receivables and prepayments	**345**	(538)
Trade and other payables	**9,077**	(24,778)
Amount due to ultimate holding company	**(54)**	(18)
Cash generated from operations	**56,255**	49,572
Income tax paid	**(12,987)**	(20,846)
Interest paid	**(9,915)**	(8,748)
Interest received	**1,665**	1,773
Net cash generated from operating activities	**35,018**	21,751

See accompanying notes to the financial statements.

	2016	2015
	S$'000	S$'000
Investing activities		
Instalments received from disposal of a subsidiary in the financial year ended 31 March 2015	**2,153**	-
Acquisition of intangible assets	**(6,522)**	-
Investment / Additional investment in associates	**(40)**	(403)
Deposits paid for investment in a subsidiary	**(555)**	-
Deposits paid for purchase of property, plant and equipment	**(3,051)**	(673)
Purchase of property, plant and equipment (note a)	**(32,496)**	(27,070)
Dividends received from associates	**8,754**	11,825
Proceeds from disposal of property, plant and equipment	**4,783**	21,912
Purchase of available-for-sale financial assets	**(712)**	(680)
Disposal of subsidiaries, net of cash disposed (Note 39)	**-**	1,495
Deposits received for asset classified as held for sale	**-**	754
Proceeds from disposal of investment properties	**-**	6,793
Net cash (used in) generated from investing activities	**(27,686)**	13,953
Financing activities		
Drawdown of long-term bank and other loans	**109,418**	84,989
Repayment of long-term bank and other loans	**(38,730)**	(93,965)
Repayment of short-term bank loans, net	**(10,067)**	(14,813)
Capital contribution by non-controlling interests	**1,640**	653
Acquisition of additional interest in a subsidiary	**(1,447)**	(10,854)
Obligations under finance leases	**(161)**	(287)
Dividends paid	**(16,504)**	(15,824)
Dividend paid to non-controlling interests	**(9,791)**	(4,746)
Unclaimed dividends	**2**	46
Purchase of treasury shares	**(1,966)**	(6,778)
A subsidiary's purchase of its own shares from non-controlling interests	**(6,084)**	-
Net cash generated from (used in) financing activities	**26,310**	(61,579)
Net increase (decrease) in cash and cash equivalents	**33,642**	(25,875)
Cash and cash equivalents at beginning of the financial year	**136,671**	157,464
Effects of exchange rate changes on the balance of cash held in foreign currencies	**(7,248)**	5,082
Cash and cash equivalents at end of the financial year, representing bank balances, deposits and cash (Note 20)	**163,065**	136,671

Note (a):

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S$33,154,000 (2015: S$27,404,000) of which S$658,000 (2015: S$124,000) were transferred from deposits paid for property, plant and equipment and S$Nil (2015: S$210,000) were acquired under finance leases.

See accompanying notes to the financial statements.

31 March 2016

1. General

GP Industries Limited (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 Company and its subsidiaries (collectively, 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 2016 were authorised for issue by the Board of Directors on 17 June 2016.

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, Chapter 50, 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 2015. 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.

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.

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.

31 March 2016

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

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 at fair value, with changes in fair value 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.

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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.

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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 end of the reporting period.

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.

31 March 2016

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. 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.

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

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.

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 instruments.

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

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 fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" ("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.

31 March 2016

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at 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.

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

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

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

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

For certain categories of financial 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 as follows:

Category of property, plant and equipment	Depreciation rates per annum
Furniture, fixtures and equipment	- 5% to 25%
Machinery and equipment	- 10% to 33⅓%
Motor vehicles	- 10% to 33⅓%
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 10% per annum using the straight-line method.

Leasehold improvements are depreciated at the shorter of 10% to 33⅓% 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

Goodwill

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.

Trademarks

Trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives, which are estimated to be twenty years.

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.

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.

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

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.

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.

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

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.

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.

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

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.

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.

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

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.

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	
	2016	2015
	S$'000	S$'000
Product sales	**1,038,335**	973,770

4. Other operating income

	The Group	
	2016	2015
	S$'000	S$'000
Engineering development and design fee income	**414**	453
Interest income:		
Associates	**110**	216
Banks	**685**	1,135
Third parties	**907**	1,059
Loss on disposal of property, plant and equipment, net	**(118)**	(18)
Management fee income from associates	**537**	887
Operating lease income	**769**	870
Tooling income	**905**	141
Government grant	**1,923**	1,350
Gain on bargain purchase arising from purchase of additional interests in associates	**-**	9
Gain on disposal of a subsidiary	**-**	10
Write-back of allowance for bad debt	**-**	116
Realised gain on derivative financial instruments	**-**	180
Others	**1,618**	1,316
	7,750	7,724

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

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

	The Group	
	2016	2015
	S$'000	S$'000
Audit fees:		
Auditors of the Company	**682**	620
Other auditors	**1,280**	1,286
Non-audit fees:		
Auditors of the Company	**55**	51
Other auditors	**249**	161
Depreciation of property, plant and equipment	**23,278**	24,090
Amortisation of intangible assets	**231**	-
Directors' remuneration:		
Fees	**207**	207
Other emoluments	**4,249**	4,296
Employee benefits expense (excluding directors' remuneration)	**187,277**	167,353
Cost of defined contribution plans included in employee benefits expense and directors' remuneration	**9,661**	8,162
Allowance for and write-off of inventory obsolescence, net	**3,765**	2,130
Cost of inventories recognised as expense	**766,145**	719,658
Property, plant and equipment written-off	**613**	2,588

6. Finance costs

	The Group	
	2016	2015
	S$'000	S$'000
Interests on:		
Bank loans, overdrafts and bills payable	**10,602**	8,792
Other loans	**203**	75
Finance leases	**18**	33
	10,823	8,900

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7. Exceptional items

	The Group	
	2016	2015
	S$'000	S$'000
Write-back of unclaimed warranty cost provision relating to the disposal of a joint venture in 2013	**1,313**	-
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)
GP Batteries International Limited's ("GP Batteries"):		
Gain on disposal of property, plant and equipment	**4,116**	10,262
Allowance for impairment loss on property, plant and equipment	**(4,479)**	(2,494)
Allowance for impairment loss on goodwill	**(2,935)**	-
Allowance for inventory obsolescence	**-**	(831)
	(1,985)	5,605

8. Income tax expense

	The Group	
	2016	2015
	S$'000	S$'000
Current taxation:		
Provision for taxation in respect of profit for the financial year	**16,331**	14,076
(Over) Under-provision in respect of prior years	**(1,030)**	884
Withholding tax on overseas income	**1,709**	3,429
Deferred taxation:		
(Credit) Charge for the financial year	**(1,041)**	453
Over-provision in respect of prior years	**(462)**	-
Share of taxation of associates (Note 13)	**4,183**	3,140
	19,690	21,982

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% (2015: 17%) to profit before taxation as a result of the following differences:

	The Group	
	2016	2015
	S$'000	S$'000
Profit before taxation	**57,004**	65,655
Income tax expense at statutory tax rate	**9,691**	11,161
Effect of different tax rates of overseas operations	**1,674**	2,824
Effect of changes in tax rates	**-**	1,625
Income not subject to tax	**(3,379)**	(2,186)
Expenses not deductible for tax purposes	**5,375**	2,268
Deferred tax assets not recognised	**7,839**	6,546
Recognition of previously unrecognised deferred tax assets	**(1,989)**	(2,357)
(Over) Under-provision in prior years, including those of associates	**(1,723)**	180
Withholding tax, including those of associates	**1,766**	3,524
Deferred tax on undistributed profits	**38**	(1,456)
Others	**398**	(147)
Total income tax expense at effective rates	**19,690**	21,982

9. Earnings 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	
	2016	2015
	S$'000	S$'000
Profit attributable to equity holders of the Company	**22,836**	25,472

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9. Earnings per share (cont'd)

b) Number of shares

	The Group	
	2016	2015
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	**485,545,229**	494,104,991

There were no dilutive potential ordinary shares for the financial year ended 31 March 2016 and 2015.

10. Investment properties

	The Group	
	2016	2015
	S$'000	S$'000
Balance at beginning of the financial year	**1,747**	6,678
Disposal	**-**	(4,952)
Fair value gain	**-**	56
Currency realignment	**(75)**	(35)
Balance at end of the financial year	**1,672**	1,747

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

10. Investment properties (cont'd)

During the financial year, rental income from investment properties leased out under operating leases amounted to S$200,000 (2015: S$191,000). Direct operating expenses arising from the rental generating investment properties amounted to S$35,000 (2015: S$132,000). Direct operating expenses arising from the non-rental generating investment properties amounted to S$115,000 for the financial year ended 31 March 2015.

Particulars of the investment property are as follows:

Description	Fair value		Valuation technique	Unobservable inputs	Range of unobservable inputs
	2016	2015			
	S$'000	S$'000			
Factory building and warehouse in China	**1,672**	1,747	Depreciated replacement cost method	Building construction cost	RMB1,000 to RMB1,500 (2015: RMB1,000 to RMB1,500) per square metre

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

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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 2015	27,226	151,788	19,866	54,181	401,012	9,714	43,322	18,578	725,687
Additions	-	1,411	2,541	3,018	4,778	597	1,634	19,175	33,154
Disposals and write-offs	(1,151)	(863)	(1,109)	(6,032)	(5,205)	(1,158)	(6,090)	(3)	(21,611)
Reclassifications	-	808	-	729	5,317	5	1,058	(7,917)	-
Currency realignment	(1,554)	(8,433)	137	(1,562)	(17,584)	(398)	(1,810)	(1,116)	(32,320)
Balance at 31 March 2016	24,521	144,711	21,435	50,334	388,318	8,760	38,114	28,717	704,910
Accumulated depreciation:									
Balance at 1 April 2015	7,398	40,249	12,320	41,017	297,225	7,698	29,971	-	435,878
Charge for the financial year	315	3,782	1,265	2,768	11,946	719	2,483	-	23,278
Eliminated on disposals and write-offs	(518)	(286)	(1,078)	(5,803)	(4,742)	(980)	(5,865)	-	(19,272)
Currency realignment	(382)	(2,339)	160	(1,229)	(12,491)	(328)	(1,155)	-	(17,764)
Balance at 31 March 2016	6,813	41,406	12,667	36,753	291,938	7,109	25,434	-	422,120
Accumulated impairment loss:									
Balance at 1 April 2015	-	5,038	-	755	36,962	8	86	-	42,849
Charge for the financial year	-	-	-	-	4,479	-	-	-	4,479
Currency realignment	-	(358)	-	(9)	(1,678)	-	-	-	(2,045)
Balance at 31 March 2016	-	4,680	-	746	39,763	8	86	-	45,283
Net book value:									
Balance at 31 March 2016	17,708	98,625	8,768	12,835	56,617	1,643	12,594	28,717	237,507

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 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

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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$4,479,000 (2015: S$2,494,000) 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 was 10.4% (2015: 9.7%). The impairment loss was included in exceptional items (Note 7).

	Leasehold improvements S$'000	Furniture, fixtures and equipment S$'000	Motor vehicles S$'000	Total S$'000
The Company				
Cost:				
Balance at 1 April 2015	101	1,245	390	1,736
Additions	-	14	-	14
Disposals and write-offs	-	(8)	-	(8)
Balance at 31 March 2016	101	1,251	390	1,742
Accumulated depreciation:				
Balance at 1 April 2015	17	1,219	221	1,457
Charge for the financial year	20	7	34	61
Eliminated on disposals and write-offs	-	(8)	-	(8)
Balance at 31 March 2016	37	1,218	255	1,510
Net book value:				
Balance at 31 March 2016	64	33	135	232
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

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

	The Group	
	2016	2015
	S$'000	S$'000
Net book value of property, plant and equipment held under finance leases:		
Motor vehicles	**234**	200
Furniture, fixtures and equipment	**1**	3
Machinery and equipment	**-**	356

12. Interest in subsidiaries

	The Company	
	2016	2015
	S$'000	S$'000
Quoted equity shares, at cost	**168,927**	167,480
Unquoted equity shares, at cost	**305,314**	266,068
Allowance for impairment loss	**(150,277)**	(142,996)
	323,964	290,552
Loans to subsidiaries	**-**	830
Allowance for impairment loss	**-**	(830)
	-	-
	323,964	290,552

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

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12. Interest in subsidiaries (cont'd)

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$7,281,000 (2015: S$5,198,000) 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. During the financial year ended 31 March 2015, loans to subsidiaries of S$830,000 were interest bearing at interest rates ranging from 3.59% to 3.97% per annum.

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 allocated to non-controlling interests		Accumulated non-controlling interests	
		2016	2015	**2016**	2015	**2016**	2015
		%	%	**S$'000**	S$'000	**S$'000**	S$'000
GP Batteries International Limited	Singapore	**35.32**	38.83	**14,360**	18,146	**162,561**	180,209
Subsidiary with immaterial non-controlling interests						**1,966**	1,919
						164,527	182,128

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 Group	
	2016	2015
	S$'000	S$'000
Current assets	**356,474**	324,379
Non-current assets	**266,189**	284,680
Current liabilities	**264,513**	263,093
Non-current liabilities	**45,602**	3,437
Equity attributable to equity holders of the Company	**149,987**	162,320
Non-controlling interests	**162,561**	180,209
Revenue	**765,254**	719,335
Profit attributable to:		
Equity holders of the Company	**1,329**	7,088
Non-controlling interests	**14,360**	18,146
Profit for the year	**15,689**	25,234
Total comprehensive income (loss) attributable to:		
Equity holders of the Company	**(11,990)**	11,595
Non-controlling interests	**1,843**	27,812
Total comprehensive (loss) income for the year	**(10,147)**	39,407
Dividends paid to non-controlling interests	**9,765**	4,721
Net cash generated from operating activities	**32,376**	19,811
Net cash (used in) generated from investing activities	**(16,690)**	5,631
Net cash generated from (used in) financing activities	**20,272**	(39,853)
Net increase (decrease) in cash and cash equivalents	**35,958**	(14,411)

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13. Interest in associates

	The Group		The Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Quoted equity shares, at cost	**21,010**	21,337	**-**	-
Unquoted equity shares, at cost	**80,470**	82,215	**29,031**	29,168
	101,480	103,552	**29,031**	29,168
Loan to associate	**13,884**	13,884	**-**	-
Share of post-acquisition reserves, net of dividend declared	**133,637**	134,578	**-**	-
Allowance for impairment loss	**(22,214)**	(22,808)	**-**	(137)
	226,787	229,206	**29,031**	29,031
Market value of quoted equity shares at 31 March	**27,499**	28,925	**-**	-

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.

The market value of the Group's investment in Meiloon was lower than the corresponding carrying value in the Group's financial statements as at 31 March 2016 and 2015. The recoverable amount 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% (2015: 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% (2015: 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% (2015: 1.00%) growth rate. Based on the estimated recoverable amount, no impairment loss allowance was required as at 31 March 2016 and 2015.

During the financial year ended 31 March 2015, 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)

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

	The Group	
	2016	2015
	S$'000	S$'000
Share of results	**27,144**	19,157
Share of taxation (Note 8)	**(4,183)**	(3,140)
Share of attributable profit	**22,961**	16,017

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 S$'000	Meiloon Group S$'000
2016		
Current assets	300,743	141,692
Non-current assets	220,605	96,116
Current liabilities	255,323	60,100
Non-current liabilities	10,389	23,626
Non-controlling interests	1,809	14,291
Equity attributable to equity holders of the associate	253,827	139,791
Revenue	458,262	181,568
Profit for the year	13,174	12,982
Other comprehensive loss for the year	(12,012)	(10,410)
Total comprehensive income for the year	1,162	2,572
Dividend received from the associate during the year	-	2,136

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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
2016		
Equity attributable to equity holders of the associate	253,827	139,791
Proportion of the Group's ownership	38.13%	20.27%
The Group's share of equity attributable to equity holders of the associate	96,784	28,331
Goodwill	-	6,299
Other adjustments	(416)	(36)
Carrying amount of the Group's interest in the associate	96,368	34,594

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

	Linkz Group S$'000	Meiloon Group S$'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) 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

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

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

	2016 S$'000	2015 S$'000
The Group's share of:		
Profit for the year	**14,073**	10,738
Other comprehensive (loss) income for the year	**(3,504)**	589
Total comprehensive income for the year	**10,569**	11,327
Aggregate carrying amount of the Group's interest in these associates	**95,825**	97,130

Unrecognised share of losses of associates are as follows:

	2016 S$'000	2015 S$'000
For the financial year	**(26)**	(751)
At 31 March	**(4,795)**	(4,769)

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14. Available-for-sale financial assets

	The Group	
	2016	2015
	S$'000	S$'000
Investment in quoted equity shares, at fair value	**2,381**	2,914
Investment in unquoted equity shares, at cost	**3,396**	2,785
	5,777	5,699

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 2016 and 2015.

15. Financial asset at fair value through profit or loss

	The Group	
	2016	2015
	S$'000	S$'000
Convertible note	**-**	-

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.

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.

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

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 2016 and 2015, 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.

During the financial year ended 31 March 2016 and 2015, based on the latest available financial information of GSMH, the management considered it unlikely that GSMH was 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 ended 31 March 2016 and 2015.

The Group did not convert any part of the Convertible Note into GSMH Shares during the Conversion Period and at the date of this report, GSMH did not repay the Convertible Note.

16. Non-current receivables

	The Group	
	2016	2015
	S$'000	S$'000
Secured non-current receivable	**-**	158
Unsecured non-current receivables:		
Amounts due from GSMH	**7,081**	7,238
Others	**-**	659
Allowance for doubtful unsecured non-current receivables	**(7,081)**	(7,897)
	-	-
	-	158
Movements in the allowance for doubtful non-current receivables during the financial year are as follows:		
Balance at beginning of the financial year	**7,897**	7,032
Charge for the financial year	**-**	346
Amount utilised	**(646)**	-
Currency realignment	**(170)**	519
Balance at end of the financial year	**7,081**	7,897

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17. Intangible assets

	The Group	
	2016	2015
	S$'000	S$'000
Goodwill	**11,853**	15,022
Other intangible assets	**6,107**	31
	17,960	15,053

Goodwill

	2016	2015
Cost:		
Balance at beginning of the financial year	**21,745**	24,028
Disposal of a subsidiary	**-**	(4,092)
Currency realignment	**(471)**	1,809
Balance at end of the financial year	**21,274**	21,745
Accumulated impairment loss:		
Balance at beginning of the financial year	**6,723**	8,837
Disposal of a subsidiary	**-**	(2,673)
Charge for the financial year	**2,935**	-
Currency realignment	**(237)**	559
Balance at end of the financial year	**9,421**	6,723
Net book value:		
Balance at end of the financial year	**11,853**	15,022

The recoverable amounts of the cash generating units ("CGUs") are determined from 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 during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and risks specific to the CGUs. The growth rates are based on industry growth forecasts or expected market development. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The recoverable amount of goodwill attributable to the CGUs of the Batteries business are 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 (2015: one year) and extrapolates for the following four years (2015: four years) based on average growth rates of approximately 0% to 17.6% (2015: 0% to 23.6%). Pre-tax discount rates ranged from 12.2% to 16.2% (2015: 12.9% to 16.1%) were used to discount the cash flow forecast.

17. Intangible assets (cont'd)

If management's estimate of discount rate increases or decreases by 1%, the aggregate amount of value in use would decrease by S$14,657,000 (2015: S$14,350,000) or increase by S$17,208,000 (2015: S$16,576,000) respectively.

During the financial year, the Group carried out a review of the recoverable amount of the CGUs. The review led to the recognition of allowances for impairment loss on goodwill attributable to the Batteries business of S$2,935,000 (2015: S$Nil), which was included in exceptional items (Note 7). This resulted in an aggregate carrying value of goodwill attributable to the CGUs of the Batteries business as at 31 March 2016 of S$11,548,000 (2015: S$14,709,000). Based on the key assumptions and taking into account the sensitivity analysis above, management has determined that the recoverable amounts of the CGUs are appropriate. Accordingly, no allowance or further allowance for impairment loss is required.

The remaining amount of goodwill of S$305,000 (2015: S$313,000), mainly attributable to the automotive wire harness business, is insignificant.

Other Intangible Assets

	The Group					
	Corporate club membership S$'000	Trademarks S$'000	Product development expenditure S$'000	Technical knowhow S$'000	Customer relationship S$'000	Total S$'000
Cost:						
Balance at 1 April 2015	194	-	-	-	-	194
Additions	-	6,522	-	-	-	6,522
Currency realignment	-	(204)	-	-	-	(204)
Balance at 31 March 2016	194	6,318	-	-	-	6,512
Accumulated amortisation:						
Balance at 1 April 2015	-	-	-	-	-	-
Charge for the financial year	-	231	-	-	-	231
Currency realignment	-	(7)	-	-	-	(7)
Balance at 31 March 2016	-	224	-	-	-	224
Accumulated impairment loss:						
Balance at 1 April 2015	163	-	-	-	-	163
Charge for the financial year	18	-	-	-	-	18
Balance at 31 March 2016	181	-	-	-	-	181
Net book value:						
Balance at 31 March 2016	13	6,094	-	-	-	6,107

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17. Intangible assets (cont'd)

	The Group					
	Corporate club membership S$'000	Trademarks S$'000	Product development expenditure S$'000	Technical knowhow S$'000	Customer relationship S$'000	Total S$'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

18. Inventories

	The Group	
	2016 S$'000	2015 S$'000
Raw materials	**35,904**	32,641
Work-in-progress	**48,755**	41,422
Finished goods	**72,264**	65,935
	156,923	139,998

19. Receivables and prepayments

	The Group		The Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Trade receivables:				
Third parties	**139,886**	142,640	**-**	-
Associates (note a)	**6,677**	12,907	**-**	-
Less: Allowance for doubtful receivables:				
Third parties	**(7,883)**	(8,388)	**-**	-
Associates	**(336)**	(2,281)	**-**	-
	138,344	144,878	**-**	-
Other receivables:				
Third parties	**13,309**	19,119	**-**	12
Associates (note a)	**26,659**	30,119	**-**	-
Subsidiaries	**-**	-	**4,603**	41,872
Less: Allowance for doubtful receivables:				
Third parties	**(33)**	(2,172)	**-**	-
Associates	**(22,521)**	(25,832)	**-**	-
	17,414	21,234	**4,603**	41,884
Deposits and prepayments	**17,810**	17,071	**1,188**	1,894
	173,568	183,183	**5,791**	43,778

Note:

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

	The Group	
	2016	2015
	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	**38,673**	48,236
(Write-back) Charge for the financial year, net	**(151)**	2,126
Amount utilised	**(6,785)**	(14,537)
Currency realignment	**(964)**	2,848
Balance at end of the financial year	**30,773**	38,673

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19. Receivables and prepayments (cont'd)

	The Group	
	2016	2015
	S$'000	S$'000
Allowance for doubtful receivables at the end of the financial year comprises:		
Doubtful trade receivables	**8,219**	10,669
Doubtful other receivables	**22,554**	28,004
	30,773	38,673

Included in allowance for doubtful receivables were specific allowance against trade receivables and other receivables of S$1,176,000 and S$22,554,000 respectively (2015: S$2,958,000 and S$28,004,000 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 (2015: 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	
	2016	2015
	S$'000	S$'000
Past due 1 to 60 days	**21,104**	24,098
Past due 61 to 90 days	**3,703**	5,162
Past due 91 to 120 days	**2,072**	3,253
Past due more than 120 days	**6,003**	5,415
	32,882	37,928

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.

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	
	2016	2015
	S$'000	S$'000
Past due 1 to 60 days	**1,597**	2,950
Past due 61 to 90 days	**284**	946
Past due 91 to 120 days	**43**	52
Past due more than 120 days	**6,095**	4,944
	8,019	8,892

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	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Cash and bank balances	**146,775**	124,411	**893**	5,614
Fixed deposits	**16,290**	12,260	**937**	-
	163,065	136,671	**1,830**	5,614

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.

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21. Trade and other payables

	The Group		The Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Trade payables:				
Third parties	**118,311**	106,853	**-**	-
Associates	**20,875**	22,434	**-**	-
Other payables:				
Third parties	**11,473**	16,049	**84**	725
Associates	**3,274**	3,048	**-**	-
Subsidiaries	**-**	-	**1,111**	9,314
Accrued charges	**44,539**	41,998	**1,339**	1,321
	198,472	190,382	**2,534**	11,360

Trade payables have credit terms of up to 90 days (2015: 90 days).

22. Obligations under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
The Group				
Amounts payable under finance leases:				
Within one year	**211**	280	**113**	199
Within two to five years	**81**	159	**79**	121
	292	439	**192**	320
Less: Future finance lease charges	**(100)**	(119)	**-**	-
Present value of finance lease obligations	**192**	320	**192**	320
Less: Amount due within twelve months as shown under current liabilities			**(113)**	(199)
Amount due for settlement after twelve months			**79**	121

Certain finance leases of the Group bear interest on a floating interest rate basis. The initial lease terms are between three to five years (2015: three to five years).

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

23. Derivative financial instruments

	The Group	
	2016	2015
	S$'000	S$'000
Forward commodity contracts	**497**	195

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

As at 31 March 2016, major terms of these contracts were as follows:

Commodity	Quantity *metric tonnes*	Maturity	Commodity price *per metric tonne*
Nickel	7	July 2016	US$14,335
Nickel	7	August 2016	US$14,335
Nickel	7	September 2016	US$14,335
Nickel	7	October 2016	US$14,335
Nickel	10	October 2016	US$12,800
Nickel	7	November 2016	US$14,335
Nickel	10	November 2016	US$12,800
Nickel	7	December 2016	US$14,335
Nickel	10	December 2016	US$12,800

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

Commodity	Quantity *metric tonnes*	Maturity	Commodity price *per metric tonne*
Nickel	15	May 2015	US$15,790
Nickel	30	September 2015	US$13,030
Nickel	42	December 2016	US$14,335

The Group did not adopt hedge accounting in respect of these commodity contracts. As at 31 March 2016, 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$497,000 (2015: S$195,000) was recognised.

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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	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Current liabilities (unsecured)				
Current portion of long-term bank loans	**49,630**	22,406	**16,000**	16,000
Short-term bank loans	**106,610**	130,835	**22,410**	10,075
Current portion of loan from an equipment lease company	**3,512**	1,784	**-**	-
Import and export loans	**24,882**	13,634	**-**	-
	184,634	168,659	**38,410**	26,075
Non-current liabilities (unsecured)				
Long-term bank loans due after one year	**97,033**	60,000	**44,000**	60,000
Loan from an equipment lease company due after one year	**6,909**	4,431	**-**	-
	103,942	64,431	**44,000**	60,000
	288,576	233,090	**82,410**	86,075

As at 31 March 2016, bank loans of the Company amounting to S$60,000,000 (2015: S$76,000,000) 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 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
Credit to profit or loss for the financial year	-	-	14	203	217
Currency realignment	(89)	-	(3)	(58)	(150)
Balance at 31 March 2016	1,331	-	190	2,208	3,729
Deferred tax liabilities					
Balance at 1 April 2014	2,835	104	-	3,269	6,208
Credit 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
Credit to profit or loss for the financial year	(911)	-	-	(375)	(1,286)
Currency realignment	(137)	(2)	-	(86)	(225)
Balance at 31 March 2016	1,072	111	-	1,739	2,922

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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 2014	4	75	79
Charge (Credit) to profit or loss for the financial year	4	(4)	-
Balance at 31 March 2015	8	71	79
Credit to profit or loss for the financial year	(8)	(71)	(79)
Balance at 31 March 2016	-	-	-

As at 31 March 2016, subsidiaries of the Group had potential tax benefits of approximately S$51,929,000 (2015: S$40,914,000) 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 and dividends

a) Issued capital

	Group and Company			
	2016	2015	**2016**	2015
	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.

27. Issued capital, treasury shares and dividends (cont'd)

b) Treasury shares

	Group and Company			
	2016	2015	**2016**	2015
	Number of ordinary shares		**S$'000**	S$'000
At beginning of the financial year	**33,919,100**	22,045,000	**18,548**	11,770
On-market purchases	**2,854,700**	11,874,100	**1,966**	6,778
At end of the financial year	**36,773,800**	33,919,100	**20,514**	18,548

Treasury shares are Shares that are held by the Company.

During the financial year, the Company purchased 2,854,700 (2015: 11,874,100) of its Shares by way of on-market purchases at share prices ranging from S$0.615 to S$0.745 (2015: S$0.470 to S$0.670).

c) Dividends

	Group and Company	
	2016	2015
	S$'000	S$'000
i) Dividends paid during the financial year are as follows:		
Final tax-exempt (1-tier) dividend of 1.80 Singapore cents ("S cents") per Share for the financial year ended 31 March 2015	**8,745**	-
Final tax-exempt (1-tier) dividend of 1.60 S cents per Share for the financial year ended 31 March 2014	**-**	7,941
Interim tax-exempt (1-tier) dividend of 1.60 S cents per Share for the financial year ended 31 March 2016	**7,759**	-
Interim tax-exempt (1-tier) dividend of 1.60 S cents per Share for the financial year ended 31 March 2015	**-**	7,883
	16,504	15,824
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 1.60 S cents per Share for the financial year ended 31 March 2016 (2015: 1.80 S cents)	**7,752**	8,766

The proposed dividend amount in respect of the financial year ended 31 March 2016 of S$7,752,000 was based on 484,489,182 issued Shares (excluding treasury shares) as at 27 May 2016. The proposed dividend is subject to shareholders' approval at the forthcoming annual general meeting of the Company.

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27. Issued capital, treasury shares and dividends (cont'd)

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 said dividend was approved by the shareholders at the annual general meeting of the Company held on 30 July 2015 and was paid in August 2015.

28. Lease commitments

The Group as lessee

	The Group		The Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Minimum lease payments paid under operating leases recognised as an expense:				
Subsidiaries	**-**	-	**-**	11
Related companies	**5,541**	3,052	**-**	-
Third parties	**9,833**	8,351	**181**	167
	15,374	11,403	**181**	178
Outstanding commitments under non-cancellable operating leases falling due:				
Within one year	**12,493**	11,118	**393**	393
Within two to five years	**30,724**	15,886	**33**	426
After five years	**4,668**	3,113	**-**	-
	47,885	30,117	**426**	819

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	
	2016	2015
	S$'000	S$'000
Within one year	**694**	473
Within two to five years	**1,894**	1,601
After five years	**661**	1,118
	3,249	3,192

29. Capital and other commitments

a) Capital commitments

	The Group		The Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Capital expenditure:				
Commitments for the acquisition of property, plant and equipment	**4,501**	11,725	**-**	-

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	
	2016	2015	**2016**	2015
	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	**-**	-	**44,827**	22,352

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.

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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 and related products. 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.

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	Adjustment and elimination S$'000	Total S$'000
2016						
Revenue						
External revenue	226,903	46,576	764,856	-	-	1,038,335
Inter-segment revenue	7	-	398	-	(405)	-
Total revenue	226,910	46,576	765,254	-	(405)	1,038,335
Results						
Contribution before exceptional items and taxation	19,190	5,377	10,782	6,552	-	41,901
Exceptional items	-	1,313	(2,194)	-	-	(881)
Contribution after exceptional items and before taxation	19,190	6,690	8,588	6,552	-	41,020
Assets and liabilities						
Assets	220,927	26,257	620,087	130,365	(3,865)	993,771
Liabilities	88,887	12,719	307,851	549	(3,865)	406,141
Other information						
Interest income	156	3	1,494	38	-	1,691
Finance costs	915	88	6,353	-	(770)	6,586
Share of results of associates	12,868	-	4,884	9,392	-	27,144
Depreciation and amortisation	3,492	769	19,248	-	-	23,509
Impairment loss on:						
Property, plant and equipment	-	-	4,479	-	-	4,479
Intangible assets	-	-	2,935	18	-	2,953
Interest in associates	49,496	-	46,329	130,962	-	226,787
Additions to:						
Property, plant and equipment	12,795	1,011	19,348	-	-	33,154
Intangibles	4,569	-	1,953	-	-	6,522

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31. Segment information (cont'd)

	Electronics and acoustics S$'000	Automotive wire harness S$'000	Batteries S$'000	Other industrial investments S$'000	Adjustment and elimination S$'000	Total S$'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)

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

	2016 S$'000	2015 S$'000
Results		
Contribution after exceptional items and before taxation per reportable segments	**41,020**	43,113
Unallocated finance costs, net	**(4,226)**	(3,556)
Taxation	**(19,690)**	(21,982)
Taxation attributable to non-controlling interests' share of results	**5,732**	7,897
Profit attributable to equity holders of the Company	**22,836**	25,472
Assets		
Per reportable segments	**993,771**	961,249
Other unallocated assets	**4,601**	7,968
Per consolidated financial statements	**998,372**	969,217
Liabilities		
Per reportable segments	**406,141**	338,892
Unallocated bank loans and finance lease obligations	**82,410**	86,075
Other unallocated liabilities	**7,748**	8,697
Per consolidated financial statements	**496,299**	433,664
Interest income		
Per reportable segments	**1,691**	2,059
Unallocated interest income	**11**	351
Per consolidated financial statements	**1,702**	2,410
Finance costs		
Per reportable segments	**6,586**	4,993
Unallocated finance costs	**4,237**	3,907
Per consolidated financial statements	**10,823**	8,900

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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:

	2016	2015
	S$'000	S$'000
Singapore	**5,036**	6,083
The People's Republic of China ("PRC"), Hong Kong and Taiwan	**402,446**	394,232
Other Asian countries	**97,365**	86,131
Asia	**504,847**	486,446
Germany, Netherlands, Russia and United Kingdom	**128,884**	116,388
Other European countries	**81,584**	81,160
Europe	**210,468**	197,548
United States of America	**263,363**	244,165
Other American countries	**39,119**	29,097
America	**302,482**	273,262
Others	**20,538**	16,514
Revenue	**1,038,335**	973,770

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

	2016	2015
	S$'000	S$'000
Singapore	**701**	852
PRC, Hong Kong and Taiwan	**450,798**	457,040
Other Asian countries	**16,385**	15,881
Europe	**19,161**	19,309
America and others	**529**	589
	487,574	493,671

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 2016 and 2015.

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	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Sales	**23,295**	25,263	**133**	256
Licence fee	**-**	-	**(216)**	(910)
Purchases	**(89,314)**	(80,333)	**-**	-
Building management fee	**-**	-	**-**	(699)
Rental income	**333**	254	**17**	-
Royalty income	**171**	63	**-**	-
Sundry income	**166**	310	**-**	-
Outsourcing fee	**(249)**	-	**-**	-
Acquisition of KEF, Celestion and GP Brands	**-**	-	**(6,522)**	-
Rental commitments as lessee under non-cancellable operating leases falling due:				
Within one year	**-**	-	**1,551**	4,433
Within two to five years	**-**	-	**-**	1,673
Rental commitments as lessor under non-cancellable operating leases falling due:				
Within one year	**436**	473	**-**	-
Within two to five years	**1,298**	1,601	**-**	-
After five years	**564**	1,118	**-**	-

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

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	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Associates	**6,821**	1,650	**1,614**	1,650
Subsidiaries	**-**	-	**17,746**	27,340
	6,821	1,650	**19,360**	28,990

The remuneration of key management personnel is as follows:

	The Group	
	2016	2015
	S$'000	S$'000
Short-term benefits (including directors' fees)	**6,618**	6,454
Post-employment benefits	**317**	276
	6,935	6,730

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*
- Amendments to FRS 7 *Disclosure Initiative*
- Amendments to FRS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*
- Amendments to FRS 27 *Separate Financial Statements: Equity Method in Separate Financial Statements*
- Amendments to FRS 16 *Property, Plant and Equipment* and FRS 38 *Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to FRS 110 *Consolidated Financial Statements* and FRS 28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to FRS 110 *Consolidated Financial Statements*, FRS 112 *Disclosure of Interests in Other Entities*, FRS 28 *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*
- Improvements to Financial Reporting Standards (November 2014)

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

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) general hedge accounting (iii) 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.

- 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 such financial liability that is attributable to changes in the credit risk be 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.

- 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.

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

- 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.

FRS 115 *Revenue from Contracts with Customers*

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

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

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. In addition, extensive disclosures are required by FRS 115.

FRS 115 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 115 in the period of initial adoption.

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

Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*

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.

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.

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

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. Details of the carrying amount of property, plant and equipment are stated in Note 11.

Impairment of Property, Plant and Equipment and Intangible Assets

Property, plant and equipment and intangible assets 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 and intangible assets are stated in Notes 11 and 17 respectively.

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.

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.

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

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.

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	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Financial assets				
Loans and receivables (including cash and bank balances)	**325,687**	304,740	**25,793**	76,488
Available-for-sale financial assets	**5,777**	5,699	**-**	-
Financial liabilities				
Fair value through profit or loss	**497**	195	**-**	-
Amortised cost	**488,054**	424,772	**84,977**	97,443

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.

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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$54,000 (2015: S$150,000).

ii) consolidated finance costs for the financial year would increase or decrease by S$1,399,000 (2015: S$1,134,000).

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.

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

The Group's significant net foreign currency denominated monetary assets (liabilities) 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	
	2016	2015
	S$'000	S$'000
Australian dollar	**1,933**	3,804
Euro	**2,872**	3,496
Hong Kong dollar	**(6,112)**	18,145
Renminbi	**(16,071)**	45
Singapore dollar	**(8,845)**	321
United States dollar	**(3,177)**	16,956

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

	The Company	
	2016	2015
	S$'000	S$'000
Australian dollar	**74**	3,803
Hong Kong dollar	**10,748**	19,845
United States dollar	**(514)**	22,563

If the respective functional currency of the Company and its subsidiaries strengthens or weakens by 5% (2015: 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			
		2016		2015
	Strengthen	**Weaken**	Strengthen	Weaken
	S$'000	**S$'000**	S$'000	S$'000
Australian dollar	**(100)**	**100**	(190)	190
Euro	**(151)**	**151**	(162)	162
Hong Kong dollar	**335**	**(281)**	(870)	969
Renminbi	**813**	**(813)**	17	(17)
Singapore dollar	**442**	**(442)**	(13)	13
United States dollar	**104**	**(104)**	(795)	795

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

If the functional currency of the Company strengthens or weakens by 5% (2015: 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			
	2016		2015	
	Strengthen	**Weaken**	Strengthen	Weaken
	S$'000	**S$'000**	S$'000	S$'000
Australian dollar	**(4)**	**4**	(190)	190
Hong Kong dollar	**(512)**	**566**	(945)	1,044
United States dollar	**26**	**(26)**	(1,128)	1,128

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% (2015: 5%) against the following relevant foreign currencies with all other variables held constant, the Group's equity would increase (decrease) by:

	The Group			
	2016		2015	
	Strengthen	**Weaken**	Strengthen	Weaken
	S$'000	**S$'000**	S$'000	S$'000
Australian dollar	**3,989**	**(3,989)**	4,038	(4,038)

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.

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

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	Adjustments	Total
	%	S$'000	S$'000	S$'000	S$'000
2016					
Non-interest bearing		199,286	-	-	199,286
Finance lease obligations (fixed rate)	5.3	211	81	(100)	192
Variable interest rate instruments	3.8	192,947	107,179	(11,550)	288,576
		392,444	107,260	(11,650)	488,054
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

	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
2016					
Non-interest bearing		2,567	-	-	2,567
Variable interest rate instruments	4.4	40,530	45,410	(3,530)	82,410
Financial guarantee contracts		44,827	-	(44,827)	-
		87,924	45,410	(48,357)	84,977
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

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

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

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 2015. 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 2016 and 2015.

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
2016				
Financial assets				
Available-for-sale financial assets	2,381	-	-	2,381
Financial asset at fair value through profit or loss	-	-	-	-
	2,381	-	-	2,381
Financial liabilities				
Derivative financial instruments	-	497	-	497

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

	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

There were no transfers between the different level of fair value hierarchy during the financial year ended 31 March 2016 and 2015.

As at 31 March 2016, the Group's available-for-sale financial assets comprising investment in unquoted equity shares with a total net carrying value of S$3,396,000 (2015: S$2,785,000) 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.

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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 2016 %	2015 %
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
Dragon Star Enterprises Limited (1) (3)	British Virgin Islands	Investment holding	**100**	100
Faith 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 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) (b)	United Arab Emirates	Marketing and distribution of acoustic and electronic products	**100**	100

36. Subsidiaries (cont'd)

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held 2016 %	2015 %
GP Acoustics (Singapore) Pte Limited [(a)]	Singapore	Marketing and retailing of acoustic and electronic products	**100**	100
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 Global Marketing Corporation [(3) (6)]	Cayman Islands	Holding of trademarks	**100**	-
GP Global Marketing (HK) Limited [(1) (6) (b)]	Hong Kong	Holding of trademarks	**100**	-
GP Industries Marketing Limited [(b)]	Hong Kong	Marketing and trading of quality parts and components and hygienic and health care 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 2016 %	2015 %
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
KEF Celestion Corporation (3) (7)	Cayman Islands	Holding of trademarks	**100**	-
Key Win Industrial Limited (b)	Hong Kong	Investment holding	**100**	100
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	**64.68**	61.17
Dongguan Chao Ba Batteries Co Ltd	The People's Republic of China	Manufacturing of batteries	**64.68**	61.17
Gold Peak Industries (Taiwan) Limited	Taiwan	Manufacturing of batteries	**51.74**	48.94
GP Batteries (Americas) Inc	United States of America	Marketing and trading in batteries	**64.68**	61.17
GP Batteries (China) Limited	The People's Republic of China	Manufacturing of batteries	**64.68**	61.17

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

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held	
			2016	2015
			%	%
GP Batteries (Malaysia) Sdn Bhd	Malaysia	Manufacturing of batteries	**64.68**	61.17
GP Batteries (Shenzhen) Co., Ltd	The People's Republic of China	Manufacturing of batteries	**64.68**	61.17
GP Batteries (U.K.) Limited	England and Wales	Marketing and trading in batteries	**64.68**	61.17
GP Batteries (Vietnam) Limited Liability Company (6)	Vietnam	Manufacturing of batteries	**51.10**	-
GP Battery Marketing (H.K.) Limited	Hong Kong	Marketing and trading in batteries	**64.68**	61.17
GP Battery Marketing (Korea) Limited	South Korea	Marketing and trading in batteries	**58.21**	55.05
GP Battery Marketing (Malaysia) Sdn Bhd	Malaysia	Marketing and trading in batteries	**64.68**	61.17
GP Battery Marketing (Singapore) Pte Ltd	Singapore	Marketing and trading in batteries	**64.68**	61.17
GP Battery (Poland) Sp. z.o.o.	Poland	Marketing and trading in batteries	**64.68**	61.17
GP Battery Technology (HK) Limited	Hong Kong	Investment holding	**64.68**	61.17
GPI International Limited	Hong Kong	Marketing and trading in batteries	**64.68**	61.17
Huizhou Chao Ba Batteries Co Ltd	The People's Republic of China	Marketing and trading in batteries	**58.21**	55.05

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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	
			2016	2015
			%	%
Huizhou Modern Battery Limited	The People's Republic of China	Manufacturing of batteries	**64.68**	61.17
Ningbo Fubang Battery Co Ltd	The People's Republic of China	Manufacturing of batteries	**46.57**	44.04
Ningbo GP Energy Co., Ltd	The People's Republic of China	Manufacturing of batteries	**58.21**	55.05
Shanghai Bi Ba Batteries Co Ltd	The People's Republic of China	Manufacturing of batteries	**64.68**	61.17
Sylva Industries (China) Limited	Hong Kong	Investment holding	**64.68**	61.17
Sylva Industries Limited	Hong Kong	Manufacturing of batteries	**64.68**	61.17
Vectrix International Limited [(7)]	Hong Kong	Holding of intellectual properties	**64.68**	-
Whitehill Electrochemical Company Limited	Hong Kong	Investment holding and provision of logistic support	**64.68**	61.17
Zhongyin (Ningbo) Battery Co. Ltd	The People's Republic of China	Manufacturing of batteries	**45.28**	42.82

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 for the purposes of the Group's consolidated financial statements for the financial year ended and as at 31 March 2016 ("2016 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 2016 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) Incorporated during the financial year.

(7) Acquired during the financial year.

(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 ZhengFengLiFu 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 2016 %	2015 %
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) (8)	The People's Republic of China	Manufacturing of cable assemblies	**-**	38.13
Linkz, Inc. (formerly known as Time Interconnect, Inc.) (1) (3)	United States of America	Trading of electronic cables and wires and cable assemblies	**38.13**	38.13
Linkz Industries Limited (a)	Hong Kong	Investment holding	**38.13**	38.13
Linkz Industries (Shanghai) Ltd. (1) (3)	The People's Republic of China	Manufacturing of cables	**36.22**	36.22
Linkz Industries (Suzhou) Limited (1) (3)	The People's Republic of China	Manufacturing of local area network cables	**38.13**	38.13
Linkz International Limited (1) (3)	Hong Kong	Trading of electronic cables and wires and cable assemblies	**38.13**	38.13
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
Wisefull Technology Limited (1) (b)	Hong Kong	Investment holding and trading of metallic products	**30.00**	30.00

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

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held 2016 %	2015 %
Youjia Technology Limited [(1) (9) (b)]	British Virgin Islands	Investment holding	**30.00**	-
Principal associates of GP Batteries [(7) (c)]				
AZ Limited	Russia	Marketing and trading in batteries	**25.87**	24.47
Changzhou Lithium Batteries Ltd	The People's Republic of China	Manufacturing of batteries	**25.87**	24.47
Gold Yi Industry Company Limited	The People's Republic of China	Marketing and trading in batteries	**19.40**	18.35
GP Battery Marketing (Germany) GmbH	Germany	Marketing and trading in batteries	**32.34**	30.59
GP Battery Marketing (Middle East) Limited (FZC)	United Arab Emirates	Marketing and trading in batteries	**32.34**	30.59
GP Battery Marketing (Thailand) Co Ltd	Thailand	Marketing and trading in batteries	**31.69**	29.97
GWA Energy, Inc	Taiwan	Marketing and trading in batteries	**26.52**	25.08
Hanoi Battery Joint Stock Company	Vietnam	Manufacturing of batteries	**19.40**	18.35
Lichton International Limited	Hong Kong	Marketing and trading in lighting products	**21.56**	20.39
Ningbo Fengyin Battery Co., Ltd	The People's Republic of China	Marketing and trading of battery materials	**20.70**	19.57
STL Technology Co., Ltd	Taiwan	Manufacturing of battery packs and products	**22.29**	21.08
STL Technology (SIP) Co., Ltd	The People's Republic of China	Manufacturing of battery packs and products	**22.29**	21.08

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37. Associates (cont'd)

Name of company	Place of incorporation and business	Principal activities	Effective percentage of equity and voting power held	
			2016	2015
			%	%
T.G. Battery Co (China) Ltd	The People's Republic of China	Manufacturing of batteries	**27.49**	26.00
T.G. Battery Co (Hong Kong) Limited	Hong Kong	Investment holding and provision of logistic support	**32.34**	30.59
Vectrix International Limited [10]	Hong Kong	Trading of electric motorcycles	**-**	27.53

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) Liquidated during the financial year.

(9) Incorporated during the financial year.

(10) Became an indirect wholly owned subsidiary during the financial year.

(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 a member firm of Deloitte Touche Tohmatsu Limited and Au Choi Yuen & Co., respectively. The financial statements of Youjia Technology Limited is not audited as there is no statutory audit requirement in the country of incorporation.

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

38. Assets classified as held for sale

	The Group
	2015
	S$'000
Reclassified from property, plant and equipment	70

During the financial year ended 31 March 2015, 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 was completed during the financial year.

39. Changes in ownership interest in subsidiaries

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

During the financial year,

(i) the Company acquired 1,461,200 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$1,447,000; and

(ii) GP Batteries purchased 6,685,200 of its own issued ordinary shares by way of open market purchases from the Mainboard of SGX-ST.

As a result, the Group's shareholding in GP Batteries increased from 61.17% as at 1 April 2015 to 64.68% as at 31 March 2016.

During the financial year ended 31 March 2015, 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.

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

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

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

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

c) Acquisition of subsidiaries:

i) During the financial year, the Group acquired the entire issued capital of KEF Celestion Corporation ("KEF Celestion") from Gold Peak for a consideration of HK$25.5 million. As at the effective date of acquisition, the equity of KEF Celestion was represented by the intangible assets comprising the KEF and Celestion brands.

ii) During the financial year, the Company's subsidiary, GP Batteries, acquired 30,000 ordinary shares in the capital of Vectrix International Limited ("Vectrix International"), representing the entire issued share capital of Vectrix International, from Vectrix Holdings Limited, an associated company of GP Batteries, for a nominal consideration of HK$1. As a result of the acquisition, Vectrix International became an indirect wholly owned subsidiary of GP Batteries.

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This Statement describes how GP Industries Limited (the "Company") applied the principles and guidelines 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

The Board's Conduct of Affairs

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;
(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 Constitution 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 of the Company (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 "Board Committees"):

(i) Audit and Risk Committee ("ARC");
(ii) Nominating Committee ("NC"); and
(iii) Remuneration Committee ("RC").

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

The number of Board and Board Committees meetings held in the financial year ended 31 March 2016 and the attendance of Directors at these meetings are 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	3	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

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

In addition to the Board 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 set 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 new Directors with 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. During the financial year, the Company did not appoint any new Director.

All Directors are routinely updated on developments in the Group's operating environment, particularly on relevant new laws and regulations and changing commercial risks. The Company Secretaries and Management circulates to the Board important information on new or changes in laws, rules and regulations on matters which are relevant to the Company and / or the Directors. During the financial year, the Company Secretaries briefed the Board on the key amendments in Phase 2 of the Companies (Amendment) Act 2014 which came into effect on 3 January 2016.

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The Company's external auditors, in presenting its annual audit plan to the ARC, also highlights the important changes in relevant financial reporting standards to the attendees of that ARC meeting. In addition, Directors who have professional qualifications also attend trainings in accordance with the continuing professional development or education requirements of the relevant professional bodies.

Board Composition and Guidance

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

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.

All Directors are required to disclose any relationships or appointments which may impair their independence to the Board on a timely basis. The Board, based on the evaluation performed by the NC, is of the view that all Independent Non-Executive Directors of the Company are independent.

The Chairman and the Chief Executive Officer ("CEO") is the same individual. The Chairman and CEO is responsible for the overall operations of the Group as well as ensuring that the principles of the Code are adhered to. The Board is of the view that this arrangement does not impair the effectiveness of decision making. At present, the three Independent Non-Executive Directors, comprising one-third of the Board, exercise objective judgement on corporate affairs independently. The Board will continually evaluate the requirement of Guideline 2.2 of the Code, which requires Independent Non-Executive Directors to make up at least half of the Board in specified circumstances and which will take effect in respect of the Company's Annual General Meeting for its financial year commencing on 1 April 2017.

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 review the Group's performance against its business objectives and provide their views thereon. The Independent Non-Executive Directors also actively participate in deliberation of matters tabled for the Board's decision and engage in constructive dialogue (either as a non-executive group or with Management) in order to proactively provide independent advice.

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

Chairman and Chief Executive Officer

The Chairman is also the CEO of the Company. The role of the Chairman and CEO should principally be separated to maintain an appropriate balance of power, increased accountability and to facilitate independent decision making by the Board. However, the Board is of the view that this arrangement does not impair the effectiveness of independent decision making by the Board in view of the following compensating factors:

(i) the Independent Non-Executive Directors, which comprise one third of the Board, provide an independent and objective element to the Board; and
(ii) the Board Committees, namely ARC, NC and RC, comprises primarily Independent Non-Executive Directors.

The Board believes that there are sufficient safeguards against an uneven concentration of power and authority in a single individual, and that the existing single leadership arrangement is effective. There is sufficiently independent representation in the Board Committees which provide an independent and objective element to the Group and strategic level decision making. The Board continues to review the role of the Chairman and CEO as well as the composition (including the independence) of the Board to ensure that it does not impede the principles of independence and objectivity in decision making.

Mr Victor Lo Chung Wing is the Chairman and the CEO of the Company. He was appointed as the CEO of the Company on 3 February 2016. As the CEO, Mr Victor Lo Chung Wing is responsible for the Group's overall management, including overseeing the Group's operation, setting directions for new growth areas and developing business strategies. He played an instrumental role in developing the busines of the Group and has provided the Group with strong leadership and vision. It is hence the view of the Board that it is currently in the best interests of the Group to adopt a single leadership structure.

The Chairman and CEO remains involved in significant corporate matters, especially those of strategic nature. As the Chairman, Mr Victor Lo Chung Wing is responsible for the effective function of the Board and exercise control over the quality, quantity and timeliness of the flow of information between Management and the Board, these include:

(i) ensuring the Board's effectiveness through his leadership;
(ii) ensuring that Board meetings are held when necessary and to approve the meeting agenda;
(iii) providing oversight on accurate and clear information contained in the Board papers circulated to the Board members;
(iv) allowing sufficient time for the discussion of the agenda items;
(v) monitoring communications and relations within the Board and between the Board and Management to facilitate constructive dialogue;
(vi) facilitating effective contribution of the Independent Non-Executive Directors; and
(vii) ensuring compliance with the guidelines set out in the Code.

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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 and CEO, 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 and CEO after such meetings.

Board Membership

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;

(ii) regularly review the Board structure, size and composition having regard to the scope and nature of the operations, the requirements of the business, the diversity of skills, experience, gender and knowledge of the Company and core competencies of the Directors as a group and make recommendations to the Board with regards to any adjustments that may be 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 or who has served on the Board beyond nine years, can be considered independent. Conversely, the NC has the discretion to consider that a Director is not independent even if the said Director does not fall under the circumstances set forth in the Code. In either case, the NC shall 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 competencies, commitment, contribution, performance and whether or not he / she is independent;

(v) 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;

(vi) assess the effectiveness of the Board as a whole and the Board Committees, and the contribution by each individual Director to the effectiveness of the Board. The NC shall recommend to the Board the development of a process for evaluation and decide how the performance of the Board, Board Committees and individual Directors may be evaluated and proposed objective performance criteria. The NC Chairman should act on the results of the performance evaluation, and where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors, in consultation with the NC;
(vii) 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;
(viii) 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;
(ix) make plans for succession, in particular for the Chairman and CEO; and
(x) recommend to the Board the training and professional development programmes for the Board to keep the Board apprised of relevant new laws, regulations and changing commercial risks.

The NC is also responsible for determining annually, the independence of Directors. In doing so, the NC takes into account the criteria set forth in the Code and any other salient factors. Following its review, the NC has endorsed the independence status of the three Independent Non-Executive Directors, Mr Lim Hock Beng, Mr Lim Ah Doo and Mr Allan Choy Kam Wing. The Independent Non-Executive Directors had also confirmed their independence in accordance with the Code.

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.

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In addition to the information regarding the Directors provided under the "Board of Directors and Senior Management" section of the Annual Report, other information on each Director's qualifications, directorships and other principal commitments as at 30 June 2016 is as follows:

Name of Director	Victor Lo Chung Wing	Leung Pak Chuen	Brian Li Yiu Cheung
Role	Chairman and CEO 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	30 July 2015	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. *Authorised representative of a director (Famingo Pte Ltd)*	Gold Peak Industries (Holdings) Limited *Executive Director*

Name of Director	Victor Lo Chung Wing	Leung Pak Chuen	Brian Li Yiu Cheung
Past directorships in other listed companies over the preceding three years	None	None	None
Other principal commitments	Hong Kong Design Centre *Director* 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* Advisory Committee on Innovation and Technology of Hong Kong SAR Government *Non-official Member* PMQ Management Co. Ltd *Director* 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

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Name of Director	Andrew Chuang Siu Leung	Wong Man Kit	Eric Ng Siu Kai
Date of last re-election / re-appointment as a Director	30 July 2014	30 July 2015	30 July 2015
Present directorships in other listed companies	Gold Peak Industries (Holdings) Limited *Executive Director*	None	None
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

Name of Director	Lim Ah Doo	Lim Hock Beng	Allan Choy Kam Wing
Date of last re-election / re-appointment as a Director	31 July 2013	30 July 2015	30 July 2015
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* Singapore Technologies Engineering 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*	None	None
Other principal commitments	None	None	None

The details of the Directors' shareholdings are disclosed on page 20 of the Annual Report under "Directors' interest in shares and debentures" section of the Directors' Statement.

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.

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The Constitution 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.

Board Performance

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 / her 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 Board 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.

Access to Information

Management provides the Board and Board 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 respectively. 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, Chapter 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

Procedure for Developing Remuneration Policies

The RC currently comprises 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)

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 CEO 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 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 deems 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 CEO or a substantial / 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;

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(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.

In reviewing the remuneration packages, the RC takes into account the current market circumstances and the need to attract and retain the existing Directors of experience and good standing. The RC has full authority to obtain external professional advice on matters relating to remuneration should the need arise.

Level and Mix of Remuneration

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. Currently, the Company does not have any share option or incentive share scheme.

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 Board Committees 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.

Disclosure of Remuneration

The remuneration of the Directors, top five Key Management Personnel and a Key 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 2016 (in percentage terms):

Name of Director [1]	Salary [2]	Bonus [2]	Fees	Other benefits	Total
	%	%	%	%	%
S$1,150,001 to S$1,400,000					
Victor Lo Chung Wing	88	12	-	-	100
S$900,001 to S$1,150,000					
Leung Pak Chuen	59	41	-	-	100
Brian Li Yiu Cheung	63	37	-	-	100
S$300,001 to S$550,000					
Andrew Chuang Siu Leung	89	11	-	-	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 2016 amounted to S$4,456,000. Due to confidentiality and commercial sensitivity of the Directors' remunerations, 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$400,001 to S$650,000 band, for the financial year ended 31 March 2016 (in percentage terms):

Name of Key Management Personnel [1]	Salary [2]	Bonus [2]	Fees	Other benefits	Total
	%	%	%	%	%
Alec Malcolm Chanin	81	10	-	9	100
John Simon Davies	91	3	-	6	100
Michael Lam Hin Lap	78	21	-	1	100
Tong Tak Fai	74	25	-	1	100
Nigel Keith Wood	68	20	-	12	100

Total top five Key Management Personnel's remuneration for the financial year ended 31 March 2016 amounted to S$2,479,000.

Note:

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

(2) Include contributions to post-retirement benefits.

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3. During the financial year ended 31 March 2016, 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 2016. “Immediate family” means, in relation to a person, the person’s spouse, child, adopted child, stepchild, brother, sister and parent.

No remuneration or compensation was paid or is to be paid in the form of share options, since the Company does not currently have any plan to implement share option or share incentive plans. However, this does not rule out the possibility of the Company doing so in the future.

The Executive Directors do not receive any Directors’ fee for their directorship in the Company. The Company advocates a performance-based remuneration system for Executive Directors and Key Management Personnel that is flexible and responsive to the market, comprising a base salary and other fixed allowances, as well as variable performance bonus which is based on the Group’s performance and the individual’s performance such as management skills, process skills, people skills and business planning skills. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

Accountability and Audit

Accountability

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.

Risk Management and Internal Controls

Risk Management Framework

The Board is responsible for risk governance. The Group does not have a separate risk committee. All matters pertaining to the management of strategic, external and preventable risks are the responsibility of the ARC. Further information on the ARC, including its composition, are discussed under the “Audit and Risk Committee” section below.

The Group has established terms of reference within the ARC to oversee 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.

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.

Roles of ARC and CRO

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.

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The ARC is governed by its 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, i.e. the financial, operational, compliance and information technology controls, and risk management systems, including the overall risk assessment process to ensure a robust risk management system is maintained and report to the Board;
(iii) review the assurance provided by the Chairman and CEO and chief financial officer (or their equivalents), as well as the head of IAD regarding, *inter alia*, the effectiveness of the Company's risk management and internal control systems;
(iv) review reports submitted by the CRO and prepare ARC report regarding the adequacy and effectiveness of risk management and internal control systems to the Board;
(v) ensure the head of the internal audit function and CRO has direct and unrestricted access to the Chairman of the Board and ARC; and
(vi) recommend to the Board the statement to be included in the Company's Annual Report relating to the adequacy and effectiveness of the Company's risk management and internal control systems.

Currently, Mr Andrew Chuang Siu Leung, an Executive Director, is the Group's CRO. The role of the CRO is to:

(i) lead, facilitate, integrate and coordinate risk management;
(ii) create a culture of risk awareness and Management's risk responsibilities;
(iii) bring formal consideration of risk into strategic decision making and set financial targets;
(iv) develop a centre of excellence for managing risk; and
(v) assist the Board and ARC to communicate to all stakeholders, internal and external, about risk.

The responsibilities of 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 the 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;
(vii) reviewing the Company's risk profile / risk dashboard on a regular basis;
(viii) reviewing, at least annually, the effectiveness of the Company's internal controls and risk management systems, including the overall risk management;
(ix) reviewing periodically the risk limits established by the Group and where applicable, reporting any material breach of such limits and the adequacy of proposed actions to be taken;
(x) submitting reports to the ARC and assist in the preparation of the ARC reporting regarding adequacy and effectiveness of risk management and internal control systems to the Board; and
(xi) ensuring the independence of the risk management function throughout the Group.

Risk Management and Internal Control Systems

The Board has with the assistance of the ARC, evaluated the adequacy and effectiveness of the Group's risk management and internal control systems. 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 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 CEO, 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's 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.

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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.

Being a SGX-ST listed company, GP Batteries International Limited ("GP Batteries") has its own Audit and Risk Committee which oversees its risk management and internal control matters. There are established protocol for GP Batteries to report significant matters relating to risk management, fraud and internal controls to the Board. In addition, the board of directors of GP Batteries also provide its opinion on the adequacy and effectiveness of GP Batteries' risk management and internal control systems annually.

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 ARC and Management, the Board of Directors with the concurrence of the ARC is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks, were adequate and effective as at 31 March 2016.

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.

Audit and Risk Committee

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 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 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 meetings across the financial year ended 31 March 2016. 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.

In addition to the oversight for risk management matters and internal controls, the ARC also provides 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 procedure, attendance at general meetings and remuneration of the members of the ARC. In addition to the responsibilities relating to risk management and internal controls discussed under the "Risk Management and Internal Controls" section above, the responsibilities of the ARC also include:

(i) reviewing with external auditors, their audit plan, nature and scope of the audit, evaluation of internal controls and audit report;
(ii) reviewing quarterly and annual results for public announcement and annual financial statements to ensure their integrity before submission to the Board for approval, with particular focus on significant financial reporting issues and judgements, changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, going concern statement, compliance with accounting standards, stock exchange and statutory / regulatory requirements;
(iii) discussing problems and concerns, if any, arising from 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 co-ordination between the internal and external auditors and Management;
(vi) ensuring the internal audit function is independent of the activities it audits, has sufficient resources to perform its duties, and has appropriate standing within the Company;

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(vii) approving the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting firm / auditing firm or corporation to which the internal audit function is outsourced;

(viii) recommending to the Board the appointment / re-appointment of the external auditors, the audit fee and matters related to the resignation or dismissal of the auditors;

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

(x) reviewing the assurance provided by the CEO and chief financial officer (or their equivalents) regarding the financial records being properly maintained and the financial statements give a true and fair view of the Company's operations;

(xi) reviewing the Group's interested person transactions and considering whether they are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders; and

(xii) undertaking such other reviews and projects as may be requested by the Board, and such other functions and duties as required by statute or the SGX-ST Listing Manual or the Code.

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.

The 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 other than those reported to the ARC, there were no material contracts involving the interests of the Directors, the controlling shareholders or their associates. 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, as well as only with the external auditors without the presence of the internal auditors and 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 2016, the aggregate amount of fees paid and payable to DT and its member firms is as follows:

Type of service	S$'000
Audit	1,624
Non-audit	122
	1,746

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.

The ARC members are kept abreast of changes of accounting standards and issues which have a direct impact on financial statements through updates from the Group's external auditors.

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

Internal Audit

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 "IIA"). The IAD is given sufficient time and resources dedicated by Management to facilitate the proper completion of internal audits and reporting of any material matters to the ARC.

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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 International Standards for the Professional Practice of Internal Auditing (the "IIA Standards") of the International Professional Practices Framework of the IIA. 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 defense (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).

The quality of the IAD is regularly assessed to ensure compliance with the IIA Standards. During the financial year, the Company engaged one of the big four accounting firms, other than DT, to perform a Quality Assurance Review ("QAR") on the internal audit function, based on Standard 1312 – *External Assessments* of International Professional Practices Framework of the IIA. The QAR covered the attribute standards (attributes of the function and individuals that perform internal audit) and the performance standards (which defines the nature of internal audit and provides quality criteria to measure the performance of these services).

Shareholder Rights and Responsibilities

Shareholder Rights

The Company does not practise selective disclosure. The Company informs shareholders, stakeholders and the public of all material information about the Company and the Group through announcements timely released via the SGXNET. For example, unaudited quarterly financial results, full year financial results and daily share buy back activities are announced within the period stipulated by the relevant rules of the Listing Manual of SGX-ST. 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. The Company's announcements are also 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.

All shareholders, other than the "Interested Persons" of a transaction as defined in the Listing Manual of SGX-ST, are entitled to vote at general meetings. For shareholders who are unable to attend and vote in person, the Company's Constitution allows a shareholder of the Company to appoint one or two proxies to attend and vote at all general meetings on his / her behalf. In addition, pursuant to the prevailing Singapore Companies Act, Chapter 50, specified intermediaries and capital markets services licence holders which provide custodial services, are allowed to appoint more than two proxies. Therefore, indirect investors can be appointed as proxies to participate in general meetings and are given the same right as direct investors in general meetings.

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.

Communication with Shareholders

Pertinent information is communicated to shareholders primarily through timely announcements released via SGXNET. To ensure the announcements are as descriptive, detailed and forthcoming as possible, the announcements are reviewed by the Company Secretaries before they are released. In addition, where appropriate, announcements are prepared with the assistance of other professional advisors, such as legal advisors and financial advisors.

The annual general meeting is the annual forum at which the Company directly communicate with the shareholders, gather their views and input and address their concerns. In addition, shareholders can also contact the Company through electronic mails, written correspondences and telephone through which investors can share their views on the Group with the Management.

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. For the financial year ended 31 March 2016, the Board has declared and paid an interim dividend of 1.60 Singapore cents, and proposed a final dividend of 1.60 Singapore cents for shareholders' approval at the forthcoming AGM.

Conduct of Shareholder Meetings

Shareholders are encouraged to attend the Company's general meetings. As discussed in the "Shareholder Rights" section above, subject to the provisions of the Company's Constitution and Singapore Companies Act, Chapter 50, shareholders who are unable to attend and vote in person or indirect shareholders can appoint proxy or proxies to attend and vote at all general meetings on his / her behalf.

The Company puts substantially separate issues to vote at general meetings as separate resolutions, unless the resolutions are interdependent and linked to form one significant proposal.

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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 are available to address questions raised at AGMs. In addition, the Company's external auditors, DT, are also invited to attend AGMs to address questions which are related to the conduct of the audit. In extraordinary general meetings, external professional advisors engaged in advising the matters being put to vote are invited to attend the meetings, so that the shareholders can seek necessary clarification directly from these professional advisors.

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, and Rule 704(16) of the Listing Manual of SGX-ST which sets out the information to be included in the announcement of the result of resolutions put to a general meeting. The shareholders will be informed of the voting procedures at the commencement of the general meetings.

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 Directors' Statement, the financial statements and under the "Interested Person Transactions" section below, there were no material contracts entered into by the Company or any of its subsidiaries, involving the interests of the Chairman and CEO, 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 IPTs. The Company's disclosure in accordance with Rule 907 of the SGX-ST Listing Manual in respect of IPTs for the financial year ended 31 March 2016 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$100,000)	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Licence fee expense:				
KEF Celestion Corporation (formerly known as KH Technology Corporation)	**216**	910	**-**	-
Sales:				
Light Engine Ltd	**-**	-	**121**	496
Gold Peak Industries (Holdings) Limited	**-**	-	**133**	256
Rental expenses and building management fee:				
Gold Peak Industries (Holdings) Limited	**-**	1,350	**-**	-
Peak Power Investment Limited	**-**	120	**-**	-
Acquisition of KEF, Celestion and GP brands:				
Gold Peak Industries (Holdings) Limited	**6,522**	-	**-**	-
Rental expenses and building management fee paid and payable under rental reimbursement agreements:				
Gold Peak Industries (Holdings) Limited	**-**	4,281	**-**	-

As at 16 June 2016

Class of equity securities	:	Ordinary Shares
Number of issued shares	:	521,358,482
Number of issued shares excluding treasury shares	:	484,489,182
Voting rights	:	One vote per share

Treasury shares

Number of treasury shares	:	36,869,300
Percentage of treasury shares against the total number of issued shares excluding treasury shares	:	7.61%

Distribution of shareholdings

Size of shareholdings	Number of shareholders	%	Number of shares (excluding treasury shares)	%
1 - 99	35	2.29	1,334	0.00
100 - 1,000	255	16.68	220,965	0.05
1,001 - 10,000	753	49.25	3,646,949	0.75
10,001 - 1,000,000	476	31.13	30,748,684	6.35
1,000,001 and above	10	0.65	449,871,250	92.85
	1,529	100.00	484,489,182	100.00

Public float

As at 16 June 2016, approximately 13.55% 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	85.47	-	-
Victor Lo Chung Wing [1]	300,000	0.06	414,098,443	85.47

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 21.66%, and Gold Peak's direct interest in 414,098,443 issued shares of the Company.

Twenty largest shareholders

No.	Name of shareholder	Number of shares	%
1	Gold Peak Industries (Holdings) Limited	414,098,443	85.47
2	Mighty Holdings Limited	7,315,000	1.51
3	Diamond Coin Holdings Limited	6,870,000	1.42
4	Ablewood International Limited	5,830,000	1.20
5	Citibank Nominees Singapore Pte Ltd	5,237,655	1.08
6	Artful Enterprises Limited	3,974,000	0.82
7	DBS Nominees (Private) Limited	2,453,256	0.51
8	Leung Pak Chuen	1,608,000	0.33
9	Brian Li Yiu Cheung	1,465,000	0.30
10	Chiam Toon Chew	1,019,896	0.21
11	Tan Seok Ling	673,409	0.14
12	Woo Koon Chee	655,000	0.14
13	Tan Yong Chiang or Tan Hui Liang	566,000	0.12
14	Hobee Print Pte Ltd	520,000	0.11
15	Quah Biow Chye	505,940	0.10
16	Koh Family Trading Pte Ltd	500,000	0.10
17	Yong Kheng Leong or Lim Ai Cheng	500,000	0.10
18	Zen Property Management Pte Ltd	500,000	0.10
19	Ng Poh Mui	490,000	0.10
20	Suthin Hannirankoor	460,154	0.10
		455,241,753	93.96

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