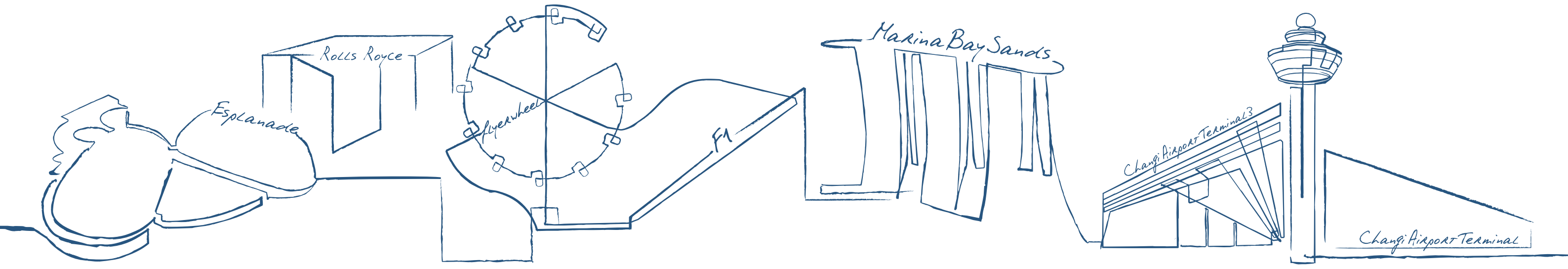


SUNLIGHT

Sunlight Group Hldg Ltd

Annual Report 2016

CONTENTS

This Annual Report has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's Sponsor has not independently verified the contents of this Annual Report.

This Annual Report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The details of the contact person for the Sponsor are:
Name: Ms. Amanda Chen, Registered Professional, RHT Capital Pte. Ltd.
Address: Six Battery Road #10-01, Singapore 049909 Tel: (65) 6381 6757

CORPORATE INFORMATION

Board of Directors
Lim Kwang Joo *(Executive Chairman)*
Lim Fong Yee Roland *(Chief Executive Officer)*
Tan Boon Seng *(Executive Director)*
Sung Puay Kiang *(Executive Director)*
Tan Kok Keng *(Executive Director)*
Eng Ek Phang *(Lead Independent Director)*
Koh Beng Leong *(Independent Director)*
Phoon Han Meng Linus *(Independent Director)*

Audit Committee
Eng Ek Phang *(Chairman)*
Koh Beng Leong
Phoon Han Meng Linus

Nominating Committee
Eng Ek Phang *(Chairman)*
Koh Beng Leong
Phoon Han Meng Linus

Remuneration Committee
Koh Beng Leong *(Chairman)*
Eng Ek Phang
Phoon Han Meng Linus

Company Secretaries
Ong Bee Hoon, CA (Singapore)
Teo Chin Kee, ACIS

Registered Office
1 Third Chin Bee Road Singapore 618679
Tel: (65) 6741 9055
Fax: (65) 6741 5587
Email: info@sunlightgroup.com

Registrar and Share Transfer Office
M & C Services Private Limited
112 Robinson Road #05-01 Singapore 068902

Auditors
KPMG LLP
Public Accountants and Chartered Accountants
16 Raffles Quay #22-00
Hong Leong Building Singapore 048581
Partner-in-charge: Chiang Yong Torng
Date of appointment: FY 2014

Continuing Sponsor
RHT Capital Pte Ltd
Six Battery Road #10-01 Singapore 049909
(Appointed on 22 March 2012)

Principal Bankers
United Overseas Bank Limited
80 Raffles Place UOB Plaza 1 Singapore 048624

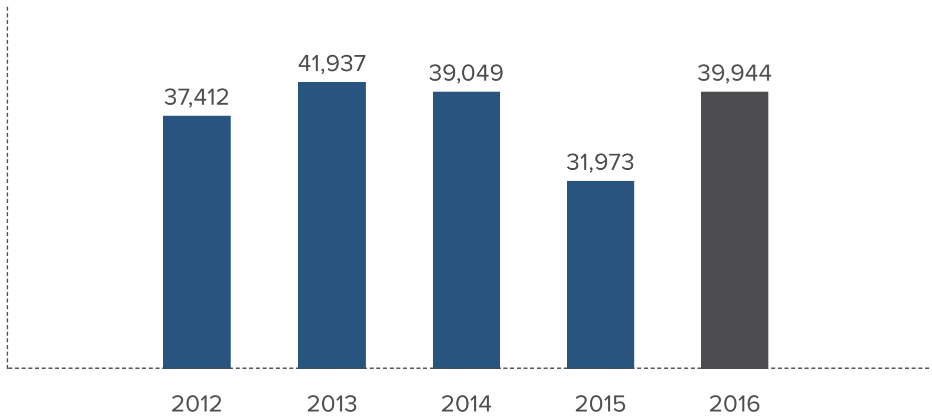
DBS Bank
12 Marina Boulevard #43-04
DBS Asia Central @ MBFC Tower 3
Singapore 018982

GROUP PROPERTIES

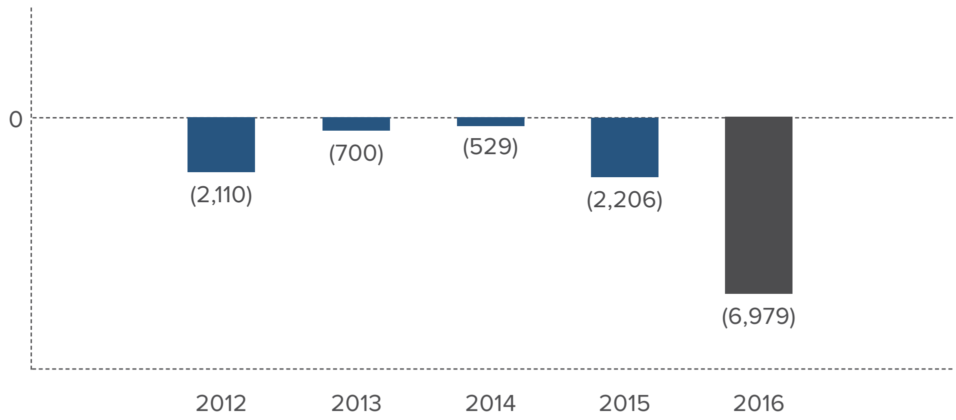
Factory/Location	Tenure	Land area / Built-in area
1 Third Chin Bee Road Singapore 618679	16 March 1997 to 15 March 2025	7,898 sq.m/5,498 sq.m
PTD 37437, off Jalan Perindustrian Senai 3 Kawasan Perindustrian Senai Fasa 2 81400 Senai Johor, Malaysia	Freehold	4,771 sq.m/3,002 sq.m
20 Dai Lo Doc Lap Vietnam-Singapore Industrial Park (Thuan An District, Binh Duong Province, Socialist Republic of Vietnam)	14 May 1998 to 11 February 2046	4,284 sq.m/2,519 sq.m

FINANCIAL HIGHLIGHTS

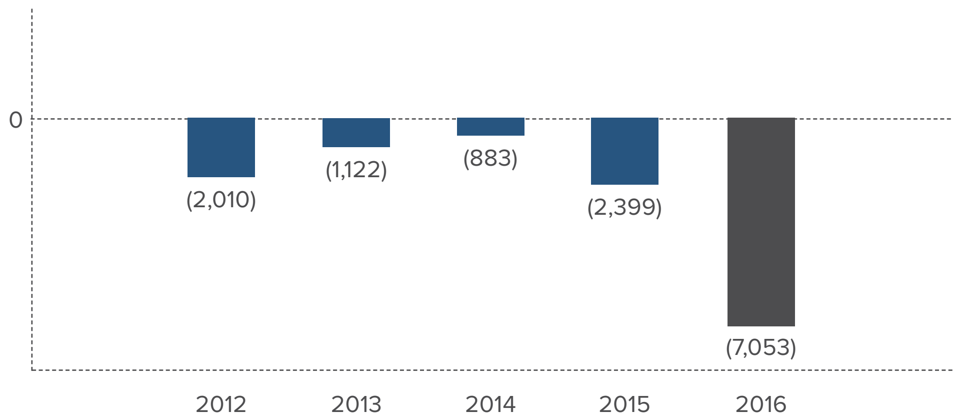
TURNOVER ($'000)



PROFIT/(LOSS) BEFORE TAX ($'000)



PROFIT/(LOSS) AFTER TAX & MINORITY INTEREST ($'000)



CHAIRMAN'S STATEMENT

GROUP RESULTS

The turnover of the Group for the financial year ended 31 March 2016 ("FY 2016") was $39.9 million, an increase of $8.0 million or approximately 25% from the last financial year ended 31 March 2015 ("FY 2015"). Some major projects undertaken in FY 2016 included Kingsland Data Center, Afton Chemical Plant, Motor Workshop at Sin Ming Road, the supply of large service boards to SP PowerAssets and Pasir Panjang Terminal Phase 3. The increase in the Group's turnover led to a corresponding increase in the gross profit of $1.6 million. This reduces the Group's operating loss before tax of S$2.2 million in FY 2015 to an operating loss before tax of S$0.5 million in FY 2016 excluding the ARPL adjustment as defined in the next paragraph.

As announced on 1 September 2015, Alexander Resources Pte Ltd ("ARPL") had informed the Company that it had become technically insolvent and that the advances to ARPL for exploration and evaluation activities had been fully utilized. The Group had written off such advances to ARPL and incurred professional fees, the total of which amounted to S$6.45 million in FY 2016 ("ARPL adjustment"). As a result, the Group incurred a loss before income tax of approximately $7.0 million in FY 2016.

CHAIRMAN'S STATEMENT

BUSINESS OUTLOOK AND FUTURE PLANS

The Group will be executing and delivering major projects in the financial year ending 31 March 2017 ("FY 2017"). Significant and iconic projects like an integrated regional hospital, a community hospital and specialist outpatient clinics at Sengkang East Way, SLNG Terminal-Phase 3 Expansion and Junction City in Myanmar will be entering crucial phases of manufacturing, delivery and commissioning within the next 6-12 months. Despite an increase in the major ongoing projects, Sunlight is actively pursuing a few fast-track jobs to be delivered in FY 2017. On-going efforts to penetrate new markets, sharpen competitiveness, simplify in-house processes and improve clients' experience remain the cornerstone of Sunlight's restructuring program. The Group remains committed to foster closer and strategic alliances with key business partners to widen market and client base, both locally and regionally.

APPRECIATION

On behalf of the Board, I would like to thank all our shareholders, customers, suppliers, partners and bankers for their many years of support and confidence in us. In addition, I would like to thank my fellow directors, management and staff for their dedication, commitment and hard work.

Mr Lim Kwang Joo
Chairman

BOARD OF DIRECTORS

MR. LIM KWANG JOO

As the Executive Chairman of the Group, Mr. Lim Kwang Joo brings with him over 40 years of experience in the electrical industry. He started his career as an electrical apprentice in 1956. In 1963, he was with Fitzpatrick Supermarket as an electrician cum refrigeration mechanic. Subsequently, in 1967, he joined the Public Utilities Board (now known as "SP Services Ltd") and rose to the position of senior installation inspector. He joined the Group in 1976 when he identified opportunities in the electrical industry. Under his leadership, the Group's business expanded and diversified from the provision of electrical installation services to the manufacture of LV switchgear. Currently, he is responsible for overall strategic planning and corporate business development.

MR. LIM FONG YEE ROLAND

Mr. Lim Fong Yee Roland was appointed as the Chief Executive Officer of the Group on 28 February 2007. He has been part of the management team since 1994 and serves as its Executive Director. He played a key role in restructuring the Company and taking it to a successful IPO. Mr. Lim graduated from the National University of Singapore with a Bachelor of Business Administration. He is currently responsible for the strategic direction and business development of the Group.

MR. TAN BOON SENG

Mr. Tan Boon Seng is an Executive Director and has been with the Group since 1975. He has more than 39 years of experience in the LV switchgear industry. In 1997, he assisted the Group in the start-up factory operations in the Vietnam-Singapore Industrial Park. Currently, Mr. Tan is responsible for sales, project management and technical aspects of the Group's core business.

MR. SUNG PUAY KIANG

Mr. Sung Puay Kiang joined the Board and was appointed as an Executive Director on 9 September 2010. He is also an Executive Director of Sunlight Electrical Pte Ltd and the Managing Director of Sunlight Switchgear Sdn Bhd. Mr. Sung graduated from the National University of Singapore in 1994 with a Bachelor of Business Administration. He joined Sunlight Electrical Pte Ltd in the same year as a quality and human resource manager. In 1997, he became the factory manager and integrated manufacturing, QC/QA and servicing departments. In 2001, Mr. Sung set up Sunlight Switchgear Sdn Bhd, an overseas production facility to support local production. He is currently involved in strategic planning, policy formulation and business development for the Asia Pacific and Middle East regions.

MR. TAN KOK KENG

Mr. Tan Kok Keng Ken joined the Board and was appointed as an Executive Director on 9 September 2010. He is also an Executive Director of Sunlight Electrical Pte Ltd and the General Director of Sunlight Electrical (Vietnam) Co., Ltd. He is stationed in Vietnam, Ho Chi Minh City and has been responsible for the entire operation in Vietnam since March 2006. Mr. Tan brings with him more than 20 years of experience in the field of electrical distribution. He has built a strong reputation in the industry with a vast experience in the local and regional market. Mr. Tan holds a Bachelor of Science in Business and Management Studies from University of Bradford (UK), Graduate Diploma in Business Administration from Singapore Institute of Management (SIM), Diploma in Marketing from The Chartered Institute of Marketing UK (CIM-UK) and Diploma in Sales & Marketing from Marketing Institute of Singapore (MIS).

MR. ENG EK PHANG

Mr. Eng Ek Phang was appointed as Independent Director of the Group on 12 August 2005. He is also the Chairman of the Nominating and Audit Committees and a member of the Remuneration Committee as well as the Lead Independent Director. He is a FCPA (Singapore), FCCA (U.K.), C.A. (Malaysia) and a FCPA (Australia). He is currently the Managing Partner of the audit firm, Bob Eng & Partners Public Accountants and Chartered Accountants Singapore, a director of several consulting companies, the honorary treasurer of Seletar Country Club, an audit committee member of Management Development Institute of Singapore, the First Vice Chairman of the Lions Home for the Elders and Second Adviser to the LBSA Tampines Senior Activity Centre.

MR. KOH BENG LEONG

Mr. Koh Beng Leong was appointed as an Independent Director of the Group on 12 August 2005. He is currently the Chairman of Remuneration Committee and a member of the Nominating and Audit Committees. He is a member of Certified Practising Accountant (Australia) and Kampuchea Institute of Certified Public Accountants & Auditors. He holds a Master of Professional Accounting and a Bachelor of Economics. He is currently an Executive Director of Annaik Limited, a SGX Mainboard listed company, assisting the Executive Chairman cum CEO and COO in operation and business development. Prior to his current appointment, he held key management positions in various companies in Singapore and Vietnam overseeing businesses in the South East Asia region.

MR. PHOON HAN MENG LINUS

Mr. Phoon Han Meng Linus was appointed as an Independent Director of the Group on 30 March 2009. He is also a member of the Nominating, Remuneration and Audit Committees. He graduated from the National University of Singapore in 1995 with a Bachelor of Social Science (Honours 2nd Class Upper in Economics) and a Bachelor of Science (Faculty of Science Dean's List 1994). He is currently the CEO of Canopius Asia Pte Ltd since 2008. Prior to that, he spent 7 years in Converium Ltd where he acted as the Principal Officer and General Manager, in charge of the Singapore branch with responsibility for business in the whole of Asia region excluding Japan, Australia and New Zealand, including offices in Kuala Lumpur and Labuan.

KEY MANAGEMENT

MS. ONG BEE HOON

Ms. Ong Bee Hoon is the Group Finance Manager and Company Secretary. She is responsible for financial and management reporting of the Group and compliance with the regulations of the Singapore Exchange Securities Trading Limited. She graduated from the National University of Singapore with a Bachelor of Accountancy in 1991. Upon graduation, she joined DBS Bank as a bank officer in the finance and tax department. In 1995, she joined Banque Nationale de Paris as an accounts officer in the accounts and financial control department. Her duties included head office reporting, management reporting and reporting to the Monetary Authority of Singapore. Ms. Ong joined the Group in 1999 and assisted in the Company's IPO. She is a Chartered Accountant and a member of the Institute of Singapore Chartered Accountants.

MR. KOH NAI PUAY

Mr. Koh Nai Puay is the Vice President for Procurement. Mr. Koh has more than 22 years of experience in building services for commercial, industrial and residential projects. Prior to joining the Group, Mr. Koh was a technical officer with the electrical engineering department in Jurong Town Corporation. In 1981, he joined Sunlight Electrical and was assigned to head the M & E engineering arm of the Group. Mr. Koh holds a Diploma in Electrical Engineering from Singapore Polytechnic.

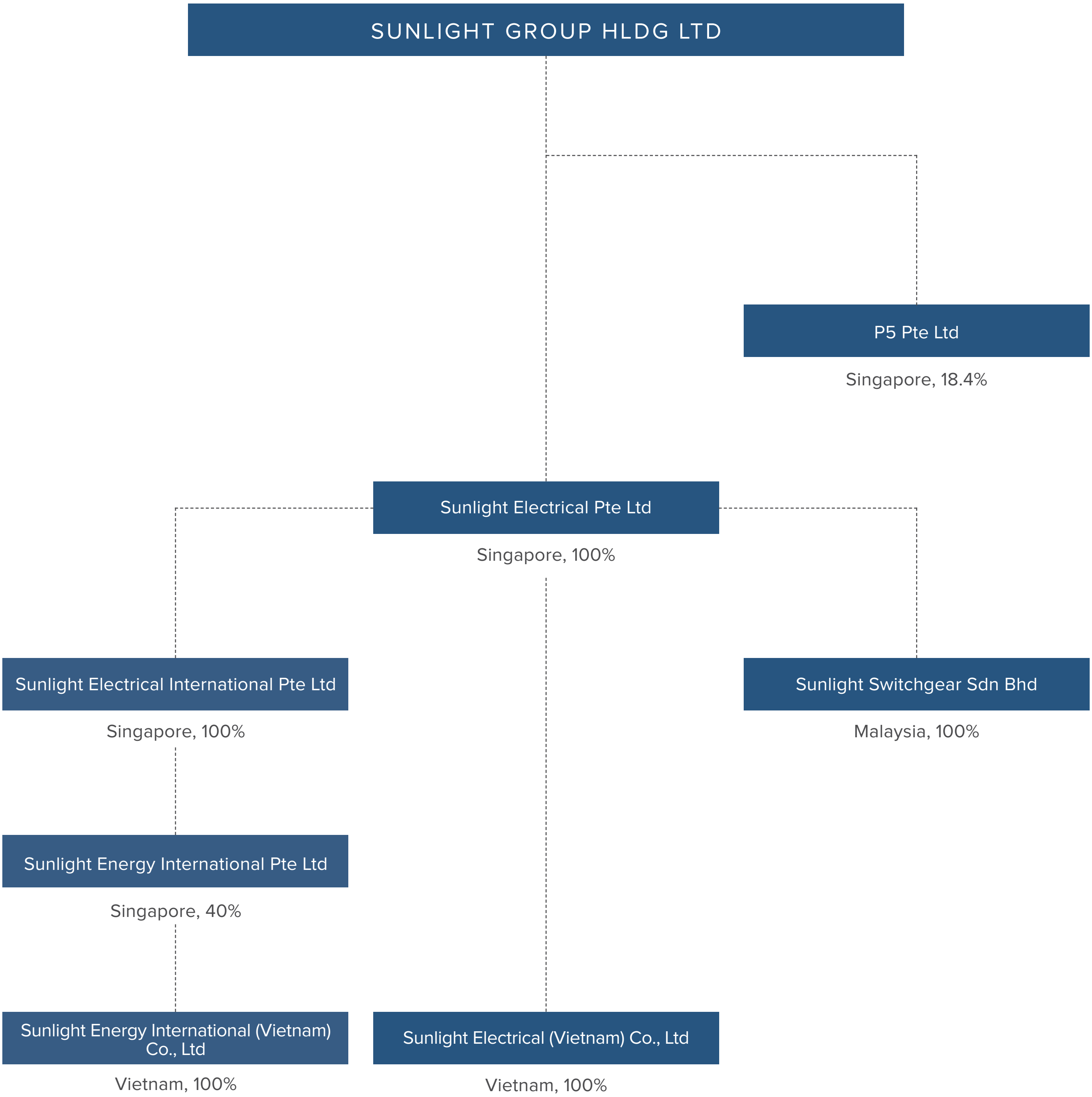
MR. LIM LEK HWEE JOHN

Mr. Lim Lek Hwee John joined Sunlight Electrical in September 2003 and is currently the General Manager of the lighting division, Sunlight Luminaire which is involved in lighting design consultancy, project management, tender and supply. Mr. Lim has more than 20 years of sales and marketing experience which includes 17 years in the lighting industry, where he built up his knowledge in architectural lightings, lighting design, specifications, LED technology and KNX control systems. He is currently responsible for the overall sales, marketing, operations and management of Sunlight Luminaire in Singapore, Malaysia and Vietnam. He holds a Diploma in Electrical Engineering from Singapore Polytechnic, Postgraduate Diploma in Marketing from Chartered Institute of Marketing in United Kingdom, Professional Diploma in Asia Pacific Marketing from National University of Singapore Extension and is a Professional Marketer (Asia Pacific) qualifier.

MR. TAN TIONG PENG

Mr. Tan Tiong Peng joined Sunlight Electrical in September 2007 as a Technical Manager. He was subsequently re-designated as the Engineering & Design Manager overseeing the design and R&D team responsible for improving, developing and implementing new switchboard designs. Mr. Tan has more than 23 years of experience in the switchboard industry in the area of sales and engineering. He holds a Diploma in Electrical Engineering from Singapore Polytechnic.

ORGANISATION STRUCTURE



OPERATIONS REVIEW

FINANCIAL PERFORMANCE

The turnover of the Group for the financial year ended 31 March 2016 ("**FY 2016**") increased by S$8.0 million or approximately 25% from the last financial year ended 31 March 2015 ("**FY 2015**"). In FY 2015, the top 5 projects undertaken were Airport Pump House, Novartis-Meccano, Big Box, E U Habitat and NRP Batch 4 at Bukit Panjang. In FY 2016, the top 5 projects undertaken were Kingsland Data Center, Afton Chemical Plant, Motor Workshop at Sin Ming Road, the supply of large service boards to SP PowerAssets and Pasir Panjang Terminal Phase 3.

The increase in the Group's turnover led to a corresponding increase in the gross profit of $1.6 million. This reduces the Group's operating loss before tax of S$2.2 million in FY 2015 to an operating loss before tax of S$0.5 million in FY 2016 excluding the ARPL adjustment as defined in the next paragraph.

As announced on 1 September 2015, Alexander Resources Pte Ltd ("**ARPL**") had informed the Company that it had become technically insolvent and that the advances to ARPL for exploration and evaluation activities had been fully utilised. The Group had written off such advances to ARPL and incurred professional fees, the total of which amounted to $6.45 million in FY 2016 ("**ARPL adjustment**").

As a result, the Group incurred a loss before income tax of approximately S$7.0 million in FY 2016.

PROPOSED ACQUISITION OF ALEXANDER RESOURCE LIMITED

On 6 May 2013, the Company entered into a non-binding term sheet (the "**Term Sheet**") with Alexander Resources Pte. Ltd. (the "**Vendor**"), pursuant to which it was proposed that the Vendor will sell, and the Company will acquire, 1,000 ordinary shares of par value of US$1.00 each (the "**Sale Shares**") representing the entire issued and paid-up share capital of Alexander Resource Limited ("**ARL**"), a company incorporated in the Cayman Islands (the "**Proposed Acquisition**"). ARL, in turn, held the entire share capital of Alexander Mining Limited (AML). AML held an Exploration Licence (No.: 1857) (the "EL 1857 Licence") in northern Papua New Guinea covering an area of 222 square kilometres (renewed up to 20 January 2016). In addition, AML had also been awarded an Exploration Licence (No.: EL 2212) (the "EL 2212 Licence") over an area near Wewak – East Sepik Province of Papua New Guinea, covering 525 square kilometres. On the Vendor's recommendation, the Group had directed the Vendor to engage PT GMT Indonesia to prepare an independent technical report to ascertain the indicated resources contained within the areas covered by the EL 1857 Licence ("EL 1857 ITR"). In the event that the indicated resources contained within the areas covered by the EL 1857 Licence is not less than 800,000 ounces of gold, the Group will continue further due diligence work on the Proposed Acquisition.

OPERATIONS REVIEW

As announced on 27 February 2015, the Company has signed a second letter of extension with the Vendor to further extend the expiry of the Term Sheet to 31 August 2015. On 28 August 2015, ARPL informed the Company that it had become technically insolvent and that the advances to ARPL for exploration and evaluation activities had been fully utilised. As a result, the Company did not enter into any further extension of the Term Sheet and the Term Sheet expired accordingly. The Company had written off such advances to ARPL and incurred professional fees, the total of which amounted to $6.45 million in FY 2016.

PLACEMENT OF 130,000,000 NEW ORDINARY SHARES

During FY 2014, the Company completed a share placement of 130,000,000 new ordinary shares in the capital of the Company (the "**Placement Shares**") at an issue price of $0.038 for each Placement Share (the "**Placement Price**") to raise net proceeds of $4,714,029 (the "**Placement**").

Use of Proceeds

As announced on 27 May 2013 and 14 October 2013, the Group had fully utilised the net proceeds from the Placement as follows:

(1) To partially fund the costs associated with the due diligence for the Proposed Acquisition by engaging an independent qualified person and other relevant specialists or professionals in association with the preparation of the independent technical report ("**ITR**") and other ancillary expenses associated with the ITR, the Company had disbursed $3.00 million as at 27 May 2013 and the remaining $0.77 million as at 14 October 2013.

(2) On 27 May 2013, the Company paid $0.94 million to the suppliers of Sunlight Electrical Pte Ltd (its wholly-owned subsidiary) for its purchase of raw materials in the ordinary course of business.

RIGHTS ISSUE

During FY 2014, the Company completed a rights issue of 130,311,666 new ordinary shares in the capital of the Company (the "**Rights Shares**") at an issue price of $0.05 for each Rights Share, on the basis of one (1) Rights Share for every three (3) existing ordinary shares held by shareholders of the Company to raise net proceeds of approximately $6,145,544 (the "**Rights Issue**").

OPERATIONS REVIEW

Use of Proceeds

As announced on 14 October 2013, 30 October 2013, 31 December 2015, 4 March 2016 and 29 April 2016, the Group had partially utilised the net proceeds from the Rights Issue ("**Net Proceeds**") as follows:

Use of Net Proceeds	Amount allocated (as disclosed in the OIS dated 10 September 2013) (S$' million)	Reallocation amount (as disclosed in the announcement dated 31 December 2015) (S$' million)	Amount utilised as at 30 June 2016 (S$' million)	Balance of Net Proceeds as at 30 June 2016 (S$' million)
To partially fund the professional costs and expenses associated with the Proposed Acquisition, including the costs of engaging an independent qualified person and other relevant specialists or professionals in association with the preparation of the ITR and other ancillary expenses associated with the ITR	5.48	2.48	2.48[1]	0
For general working capital purposes	0.67	3.67	2.67[2]	1.00
Total	6.15	6.15	5.15	1.00

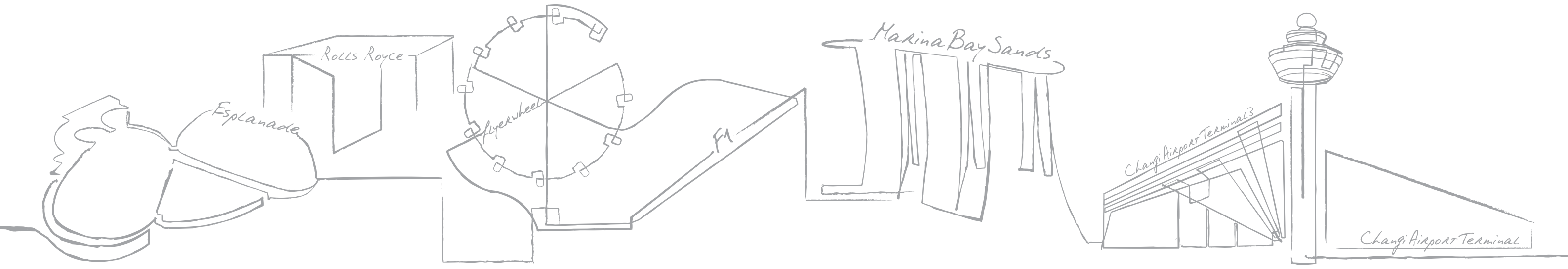
Note:

(1) The Company had disbursed S$2.48 million from the net proceeds of the Rights Issue as at 14 October for the ITR Costs. As such, the Company had fully disbursed an aggregate of S$6.25 million (equivalent to US$5.0 million) for the ITR Costs from the net proceeds of the Placement and the Rights Issue.

(2) On 30 October 2013, 31 December 2015, 4 March 2016 and 29 April 2016, the Company paid a total of S$2.67 million to the suppliers of Sunlight Electrical Pte Ltd (its wholly-owned subsidiary) for its purchase of raw materials in the ordinary course of business.

ACQUISITION OF SHARES IN P5 PTE. LTD.

On 31 May 2016, the Company entered into a conditional sale and purchase agreement with Tan Ghin Chwee, Ngo Wei-Tze Calvin, Ang Leng Hong and Poo Chooi Yee (collectively, the "**P5 Vendors**") in relation to the purchase by the Company of all the shares held by the P5 Vendors in P5 Pte. Ltd. (the "**Acquisition**"). The consideration for the Acquisition is to be satisfied by the issue of such number of shares in the Company, the aggregate value of which is S$550,050 (the "**Consideration Shares**"). The completion of the Acquisition will take place on such date as may be mutually agreed between the Company and the P5 Vendors, subject to fulfilment of certain conditions precedent, which include, among others, the receipt by the Company of the approval in principle from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Consideration Shares. On 24 June 2016, the Company received the in-principle approval of the SGX-ST for the listing and quotation of the Consideration Shares, subject to compliance with the SGX-ST's listing requirements. Upon completion of the Acquisition, P5 Pte Ltd will become a wholly-owned subsidiary of the Company. The Acquisition will allow the Company to augment the Group's current business portfolio from being primarily focused on the manufacturing line to also include the trading of lighting products (decorative), furniture and other interior related products to retail customers.



CORPORATE GOVERNANCE & FINANCIAL CONTENTS

CORPORATE GOVERNANCE

The Board of Directors (the "Board") of Sunlight Group Hldg Ltd ("Sunlight" or the "Company") is committed and dedicated to maintaining high standards of corporate governance and endorses the recommendations of the Singapore Code of Corporate Governance 2012 ("Code"), in order to protect the interests of its shareholders. This Report describes the Company's corporate governance processes and practices with specific reference to the principles of the Code. The Company confirms that it has adhered to the principles and guidelines as set out in the Code, where applicable, and has specified and explained the areas of non-compliance.

For effective corporate governance, the Company has put in place the following self-regulatory and monitoring mechanisms:

BOARD MATTERS

Principle 1 The Board's Conduct of Affairs

The Board comprises:

Lim Kwang Joo	*(Executive Chairman)*
Lim Fong Yee Roland	*(Chief Executive Officer & Executive Director)*
Tan Boon Seng	*(Executive Director)*
Sung Puay Kiang	*(Executive Director)*
Tan Kok Keng	*(Executive Director)*
Eng Ek Phang	*(Lead Independent Director)*
Koh Beng Leong	*(Independent Director)*
Phoon Han Meng Linus	*(Independent Director)*

The Board's role is to:

(a) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;

(b) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;

(c) review management performance;

(d) identify the key stakeholder groups and recognize that their perceptions affect the Company's reputation;

(e) set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and

(f) discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

The Company has a set of terms of reference setting out the powers and authority of the Board and the Executive Committee. The matters reserved for the Board's decision are as follows:

(i) corporate restructuring or investment/divestment decisions relating to its principal subsidiaries and associates;

(ii) purchase/disposal of material assets;

(iii) approval for new business investment and budget / divestment or aborting of venture;

(iv) approval of annual budgets;

(v) material financing/borrowing not in the ordinary course of business;

(vi) appointment/termination of directors/CEO/company secretary;

(vii) service agreement of directors/CEO and its terms and conditions;

(viii) determination of annual increment/bonus of directors and CEO and directors' fees;

(ix) approval for full year and half year reporting of the Group's results; and

(x) shareholders' matters (including adopting the audited accounts of the Group, dividend proposal, amendments to the Company's Constitution)

To assist in the execution of its responsibilities, the Board has established a number of committees, including an Executive Committee, a Nominating Committee, a Remuneration Committee and an Audit Committee. These committees have written mandates and operating procedures, which were approved by the Board.

In the year under review, the number of Board meetings (including committee meetings) held and attended by each member are as follows:

Name of Director	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	4	3	1	1
No of meetings attended				
Lim Kwang Joo	4	3	1	1
Lim Fong Yee Roland	4	3	1	1
Tan Boon Seng	3	2	-	-
Sung Puay Kiang	4	2	-	-
Tan Kok Keng	3	2	-	-
Eng Ek Phang	4	3	1	1
Koh Beng Leong	4	3	1	1
Phoon Han Meng Linus	2	2	0	0

New directors are strongly encouraged to attend external courses on directors' duties and responsibilities and corporate governance. Any updates relating to changes in the listing rules and/or corporate governance guidelines are circulated to Directors from time to time. Periodic briefings on developments in corporate, financial, legal and other compliance requirements conducted by our Sponsor and auditors are also attended by some of the Directors.

Principle 2 Board Composition and Guidance

The Board comprises eight Directors of whom five are executive and three are non-executive and independent. The board composition complies with the Code's requirement that at least one-third of the Board should be made up of independent directors.

The Board comprises business leaders and professionals with financial (including audit and accounting), engineering, insurance and management backgrounds. The members of the Board with their combined business, management and professional experience, industry knowledge and expertise, provide an objective perspective for the Board to discharge their duties. Taking into account the scope and nature of the operations of the Group, the Board is satisfied that the current composition and size of the Board provide for effective decision making. With three of the directors being independent one of whom is the lead independent director, the Board is able to exercise independent and objective judgment in key issues and discussions.

The Board and Nominating Committee ("NC") determine the independence of directors based on the criteria defined in the criteria of independence as defined in the Code. The NC is satisfied that the independent Directors comply with the guidelines 2.3.

Each independent Director exercises his own judgment independently and none of the independent Director has any relationship with the Company, its subsidiaries, its related corporations, its 10% shareholders or its officers that could interfere, or reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company. The independent Directors also do not receive any remuneration, significant payments or material services payments from the Company and its subsidiaries apart from the directors' fees which is subject to shareholders' approval in annual general meeting. In addition, none of the independent Directors or its immediate family members are or were 10% shareholders of the Company as defined in the Code.

The independent Directors provide, amongst other things, strategic guidance to the Group based on their professional knowledge, in particular, assisting to constructively challenge and develop proposals on strategies.

The Independent Directors can meet among themselves at any time without the presence of Management.

Principle 3 Chairman and Chief Executive Officer

There is clear separation of roles and responsibilities between Chairman and Chief Executive Officer ("CEO"). Mr. Lim Fong Yee Roland, the CEO, is the son of the Executive Chairman, Mr. Lim Kwang Joo. The Code recommends that where the Chairman and CEO are related by close family ties, the Company may appoint an independent non-executive director to be the lead independent director. To enhance the independence of the Board as well as to provide an additional channel of communication to shareholders, the Company has appointed Mr. Eng Ek Phang as the lead independent director.

As the Executive Chairman, Mr Lim Kwang Joo is responsible for ensuring that Board meetings are held when necessary, scheduling and preparing agendas and exercising control over the information flow between the Board and Management.

As the CEO, Mr Lim Fong Yee Roland is responsible for the Group's business strategy and direction including all executive decision-makings.

The Lead Independent Director can meet with the other Independent Directors at any time without the presence of other Directors and he can then provide feedback to the Chairman after such meetings.

Throughout the years, the Independent Directors constructively challenge and assist to develop both the Group's short term and long term strategies and the implementation by the Management was monitored closely. The Independent Directors also review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

The Independent Directors are constantly encouraged to meet among themselves without the presence of the Management so as to facilitate a more effective check on Management.

Mr Eng Ek Phang and Mr Koh Beng Leong had served as independent directors of the Company for more than 9 years. Based on the assessment and particularly rigorous review of the NC, the NC's view is that the directors are able to exercise independent and objective judgment and that there are no relationships or circumstances which will affect their judgment and ability to discharge their duties and responsibilities as independent directors. The Nominating Committee therefore recommended to the Board that they can remain as independent directors of the Company. The Board also concurred with the Nominating Committee's review and findings.

Principle 4 Board Membership

Principle 5 Board Performance

Nominating Committee

We have established a Nominating Committee ("**NC**") and it comprises the following directors:

Eng Ek Phang (Chairman)	*(Lead Independent Director)*
Koh Beng Leong	*(Independent Director)*
Phoon Han Meng Linus	*(Independent Director)*

The Company complies with the Code which requires the NC to comprise at least three directors, the majority of whom, including the Chairman, should be independent.

The NC pursuant to its written terms of reference shall:-

- regularly review the structure, size and composition of the Board and make recommendations to the Board with regards to any adjustments that are deemed necessary;
- annually review whether or not a director is independent, in accordance to Guideline 2.3 and 2.4 of the Code and other salient factors;
- be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- review and recommend to the Board for re-election of the directors due for renewal by rotation;
- review and decide whether or not a director is able to and has been adequately carrying out his / her duties as director of the Company;
- decide how the Board's performance may be evaluated and propose objective performance criteria;
- decide on the performance evaluation process;
- assess the effectiveness of the Board as a whole and for assessing the contribution by each individual director to the effectiveness of the Board; and
- make recommendations for succession planning, in particular, of the Executive Chairman and the Chief Executive Officer.

In assessing the suitability of a candidate to be appointed or to be re-elected to the Board, the NC will consider if he is able to make the appropriate contributions to the Board and the Group. The key factors which the NC will take into consideration are:

- qualifications, industry knowledge and functional expertise which are relevant and beneficial to the Group; and
- extensive experience and business contacts in the industry in which the Group operates

When a vacancy arises under any circumstances or where it is considered that the Board would benefit from the services of a new director with some particular skills, the NC would review and nominate the most suitable candidate to the Board. The Board then selects the candidates that possess the appropriate qualifications and experience.

CORPORATE GOVERNANCE

In accordance with the Company's Constitution, at least one-third of the Board, or if the number is not a multiple of three, the number nearest to one third but not greater than one-third is required to retire from office at each annual general meeting ("AGM") and by rotation. Mr Lim Kwang Joo, the Executive Chairman who holds office until the forthcoming AGM, will have to be re-appointed as a Director of the Company at the Company's forthcoming AGM. Mr Eng Ek Phang, Mr Koh Beng Leong and Mr Phoon Han Meng Linus, who have been in office for three years since their last re-election will be due for retirement by rotation at the Company's AGM pursuant to Regulation 103 of the Company's Constitution. All the retiring Directors, Mr Lim Kwang Joo, Mr Eng Ek Phang, Mr Koh Beng Leong and Mr Phoon Han Meng Linus, have expressed their willingness to be re-appointed/re-elected as Directors and the Nominating Committee has recommended the re-appointment/re-election of all the retiring Directors.

The dates of initial appointment and last re-election of each Director are set out as follows:

Name of Director	Appointment	Date of initial appointment	Date of last re-election
Lim Kwang Joo	Executive Chairman	6 March 2000	30 July 2015
Lim Fong Yee Roland	Chief Executive Officer & Executive Director	6 March 2000	30 July 2015
Tan Boon Seng	Executive Director	17 July 2000	30 July 2013
Sung Puay Kiang	Executive Director	9 September 2010	30 July 2014
Tan Kok Keng	Executive Director	9 September 2010	30 July 2015
Eng Ek Phang	Lead Independent Director	12 August 2005	30 July 2012
Koh Beng Leong	Independent Director	12 August 2005	30 July 2012
Phoon Han Meng Linus	Independent Director	30 March 2009	30 July 2012

The Board recognises the merit of having some degree of formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board. The evaluation of the Board and each Director are performed annually by having all members to complete a questionnaire individually which are submitted to the Nominating Committee for review.

The Directors declare their board representations as and when there are changes. Annually, each Director declares that they have devoted sufficient time and attention to the affairs of the Company. Based on the knowledge of the directorships held by the Directors and their declarations, the Nominating Committee is satisfied that all Directors are able to carry out their duties as Directors of the Company. The Board is of the view that setting a maximum number of listed company board representations would not be meaningful as the contributions of the Directors would depend on many factors such as whether they were in full time employment and their other responsibilities.

The key information of each Director is set out on pages 10 to 11 of the Annual Report.

Executive Committee

The Executive Committee comprises the following executive directors:

Lim Kwang Joo (Chairman)
Lim Fong Yee Roland (CEO)
Tan Boon Seng
Sung Puay Kiang
Tan Kok Keng

The Executive Committee acts for the Board in supervising the management of the Company's business and affairs within the limits of authority delegated by the Board and approve routine and other operational matters of the Company.

CORPORATE GOVERNANCE

The Nominating Committee has worked out the criteria with regards to the assessment of its Audit Committee, Nominating Committee and Remuneration Committee. The assessment of each committee will be performed annually by having all members of the Nominating Committee to complete a questionnaire which are submitted to the Board for review.

Principle 6 Access to information

The members of the Board have access to timely information necessary for their decision-making. In particular, board papers are prepared and circulated to members of the Board before each Board meeting and committee meeting.

All Directors have separate and independent access to the company secretaries. The company secretaries administer, attend and prepare minutes of Board meetings, and assist the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively, and all rules and regulations applicable to the Company, including its memorandum and articles of association and the Rules of Catalist of the SGX-ST, are complied with.

The Directors have access to the professional corporate secretarial services firm and they can seek independent professional advice when required. The appointment and removal of the company secretaries are subject to the approval of the Board.

REMUNERATION MATTERS

Principle 7 Procedures for Developing Remuneration Policies

Principle 8 Level and Mix of Remuneration

Remuneration Committee

The Company complies with the Code which requires the Remuneration Committee ("**RC**") to comprise at least three Directors, all members to be non-executive, a majority of whom, including the Chairman, should be independent, as follows:

Koh Beng Leong (Chairman) *(Independent Director)*
Eng Ek Phang *(Lead Independent Director)*
Phoon Han Meng Linus *(Independent Director)*

The RC shall:-

- determine and agree with the Board the framework or broad policy for the remuneration of the Company's Board and to determine specific remuneration packages for the executive directors and the key management executives;
- in determining such policy, take into account all factors which it deems necessary. The objective of such policy shall be to ensure that the Group provides the appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group;
- determine targets for any performance related pay schemes operated by the Group, taking into account pay and employment conditions within the industry and in comparable companies;
- within the terms of the agreed policy, determine the total individual remuneration package of each executive director including, where appropriate, allowances, bonuses, benefits in kind, incentive payments and share options;
- determine the policy for and scope of service agreements including fixing appointment period for the executive directors and in the event of early termination the compensation commitments; and
- determine whether directors and key management should be eligible for benefits under the long-term incentive schemes.

In recommending the Directors' remuneration packages, consideration is given to ensure that the remuneration is competitive in attracting and retaining talent, commensurate with the Directors' scope of work and responsibilities and sufficient to reward them for achieving corporate performance targets.

No individual director is involved in deciding his own remuneration or the remuneration of another director related to him. Non-executive directors are paid directors' fees annually after approval by shareholders at the AGM.

The RC is not assisted by any remuneration consultants during FY 2016.

Principle 9 Disclosure on Remuneration

Breakdown of remuneration of each Director by % (financial year ended 31 March 2016)

Remuneration Band	Name of Director	Salary and CPF	Fees
$250,000 to below $500,000	Lim Kwang Joo	100%	-
	Tan Kok Keng	100%	-
Below $250,000	Lim Fong Yee Roland	100%	-
	Tan Boon Seng	100%	-
	Sung Puay Kiang	100%	-
	Eng Ek Phang	-	100%
	Koh Beng Leong	-	100%
	Phoon Han Meng Linus	-	100%

In addition to the base/fixed salary, the Executive Directors are entitled to a profit sharing incentive based on the following formula:

Name of Director	Group's audited consolidated profit before tax and minority interest, excluding exceptional items ("Profit")	Percentage to be applied on the Profit
Lim Kwang Joo	Less than S$3 million Equal or above S$3 million	2% of Profit 3% of Profit
Lim Fong Yee Roland, Tan Boon Seng, Sung Puay Kiang and Tan Kok Keng	Less than S$3 million Equal or above S$3 million	1% of Profit 2% of Profit

As the Group incurred a loss in FY 2016, no such profit sharing incentive was paid/payable.

For the financial year ended 31 March 2016, the top 4 key executives (who are not Directors) of the Group are Ms Ong Bee Hoon (Group Finance Manager and Company Secretary), Mr. Koh Nai Puay (Vice President for Procurement), Mr. Lim Lek Hwee John (General Manager) and Mr. Tan Tiong Peng (Engineering & Design Manager). The remuneration of each of these 4 key executives did not exceed $250,000. 100% of their remuneration are earned through base/fixed salary.

The Board is of the opinion that the information disclosed above would be sufficient to the shareholders for their understanding of the Company's compensation policies as remuneration matters are commercially sensitive information and further disclosure is prejudicial to the Group's interests and may hamper its ability to retain the Group's talent pool.

Save for Mr. Lim Kwang Joo and Mr. Lim Fong Yee Roland who are immediate family members, there is no immediate family member of a Director or the CEO who is an employee of the Group whose remuneration has exceeded $50,000 for the financial year ended 31 March 2016.

CORPORATE GOVERNANCE

The Company does not have any employee share scheme in place.

ACCOUNTABILITY AND AUDIT

Principle 10 Accountability

The Board fully recognises that it has a responsibility to provide timely, reliable and fair disclosure of material information to the shareholders.

In order to ensure that the Board is able to fulfill its responsibilities, the Management provides the Board with management accounts on a monthly basis, which present a balanced and understandable assessment of the Company's performance, position and prospects.

Principle 11 Risk Management and Internal Controls

The Board acknowledges that risk is inherent in business and there are commercial risks to be taken in the course of generating a return on business activities. The Board's policy is that risks should be managed within the Group's overall risk tolerance.

Risk Management and Processes

Management assesses the key risks facing the Group and formulates plans to mitigate such risks. The management of principal subsidiaries also reported on any exceptions on compliance to regulatory authorities for the financial year. These are submitted to the Audit Committee and the Board.

Information relating to financial risk management objective and processes are set out on page 78 of the Annual Report.

In addition, the Group is also subjected to other business risks. The Group's core business is dependent on local construction industry. Any decline in the local construction industry will result in a decrease in demand for LV switchgear and increase price competition which will in turn affect turnover and profitability. The Group continues to maintain good relationships and work closely with its customers. There is also constant monitoring on collection of debts.

The Group also faces a shortage of local and foreign skilled labour for manufacturing operations. The LV switchgear is generally labour intensive and dependent on skilled and semi-skilled workers.

The Group's success is dependent on the continued services of our key management personnel. The Group provided ample training to general staff to upgrade their skills and opportunities for identified management staff to take up more responsibilities as part of the succession plan.

The Company maintains a system of internal controls for all companies within the Group. The internal controls are designed to provide reasonable assurance that proper accounting records are maintained, assets are adequately safeguarded, operational controls are in place and business risks are suitably addressed.

The Board has received assurance from the CEO and Group Finance Manager:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
(b) regarding the effectiveness of the Company's risk management and internal control systems.

The Board, with the concurrence of the Audit Committee, is of the opinion that the risk management and internal controls of the Group are adequate and effective to address operational, financial, compliance and information technology controls of the Group. In arriving at the opinion, the Audit Committee and the Board reviewed the work performed by the internal and external auditors as well as discussions with management on the risks identified by internal audit as well as significant issues arising from internal and external audits.

CORPORATE GOVERNANCE

Principle 12 Audit Committee

The Audit Committee comprises:

Eng Ek Phang (Chairman) *(Lead Independent Director)*
Koh Beng Leong *(Independent Director)*
Phoon Han Meng Linus *(Independent Director)*

The Company complies with the Code which requires the Audit Committee to comprise at least three directors, all members to be non-executive, the majority of whom, including the Chairman, should be independent.

In considering appointing an independent director to the Audit Committee, the Board will consider the qualification of the person and that at least two members should have accounting or related financial management experience.

The Audit Committee performs the following functions: -

- review with the external auditors the audit plan, the external auditors' evaluation of the internal accounting controls, the assistance given by the Company's officers to the external auditors and the audit report;

- review of the half-year and full year consolidated financial statements of the Group and the announcements prior to submission to the Board for approval;

- review the adequacy of the Company's internal controls, as set out in Principle 11;

- review and recommend to the Board the appointment or re-appointment of external auditors, taking into consideration the non-audit services rendered by the external auditors and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors; and

- review interested person transactions.

The Audit Committee meets the external and internal auditors at least once a year and may meet them at any time, without the presence of the Company's Management.

In reviewing the re-appointment of external auditors for the financial year ended 31 March 2016, the Audit Committee considered the adequacy of the resources, experience and competence of the external auditors. Consideration was also given to the working relationship and familiarity of the Group's business of the engagement partner and the key audit team.

The Audit Committee has reviewed the volume of non-audit services (FY2016: $54,188) provided to the Group by the external auditors and was satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. Please refer to Page 73 for the audit fees paid or payable to external auditors by the Group.

KPMG LLP has also confirmed that they are registered with the Accounting and Corporate Regulatory Authority and hence, the Company is in compliance with Rule 712 and Rule 715 (read with Rule 716) of the Listing Manual in relation to the appointment of its auditors.

Accordingly, the Audit Committee has recommended to the Board that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

The Audit Committee has the authority to investigate any matters within its terms of reference, full access to and co-operation by Management and is authorized to seek independent professional advice to enable it to discharge its functions properly.

The Company has put in place a whistle-blowing framework, which provides staff with accessible channels within the Group for reporting possible improprieties in matters of financial reporting or other matters in confidence so that appropriate follow-up action will be taken. The contact numbers and email addresses of the whistle-blowing committee members are provided for reports to be made by staff and external parties.

The external auditors regularly update the AC on the changes to accounting standards and issues which will have a direct impact on financial statements.

Principle 13 Internal Audit

The Company has outsourced the internal audit review to an internal audit service provider, One e-Risk Services Pte Ltd. The Audit Committee is responsible for the adequacy of the internal audit function, its resources and its standing within the Group to perform its functions properly. The internal auditors report primarily to the Chairman of the Audit Committee and propose the annual internal audit plan in consultation with the Audit Committee. An internal audit review was performed in February 2016 on a principal subsidiary. The Audit Committee oversees and monitors if the improvements suggested on internal controls are implemented.

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Principle 14 Shareholder Rights
Principle 15 Communication with Shareholders
Principle 16 Conduct of Shareholder Meetings

In line with continuous disclosure obligations of the Company pursuant to the Catalist Rules and the Singapore Companies Act, the Company endeavours to maintain constant and effective communications with shareholders through timely and comprehensive announcements. Material information that could have a material impact on the share price of the Company is released on a timely basis.

The Company disseminates latest corporate news, strategies, announcements and notices of meetings promptly through SGXNET, annual reports, circulars and press releases. The Group's corporate governance practices are disclosed in annual reports of the Company to enable the shareholders to have a better understanding of the Group's stewardship role.

At the AGM and any other general meetings of the Company, shareholders are given the opportunities to express their views and ask the Board questions regarding the operations of the Company.

The Chairman of the Audit Committee, Nominating Committee and Remuneration Committee were present and available to address questions at the AGM. The external auditors were also present to address any shareholders queries about the auditor's report.

In addition to the half yearly, full year financial results and material information announcements, annual reports that provide information on the prospects of the Company, Board of Directors, Management, report on Corporate Governance practices and Audited Financial Statements for the past financial year were circulated to the shareholders prior to the AGM. Shareholders were encouraged to share their views on the company's past year performance during the AGM. The annual report was uploaded to the Company's website for shareholders' viewing in addition to circulation and SGXNET announcement.

There is no formal dividend policy adopted by the Company. The Board, having considered the financial performance of the Group for the financial year ended 31 March 2016, did not recommend any dividend payment.

The Company currently does not have investor relations policy but considers advice from corporate lawyers and its Sponsor on appropriate disclosure requirements before announcing material information to the shareholders. The Company will consider appointing professional investor relations officer to manage the function should the need arises.

CORPORATE GOVERNANCE

Dealings in Securities

Under the Code of Best Practices on Securities Transactions adopted by the Company, an officer should not deal in his company's securities on short-term considerations. The Company and its officers should not deal in the Company's securities during the period commencing one month before the announcement of the Company's half-year and full year financial statements. In addition, the officers are also reminded that the law on insider dealing is applicable at all times, notwithstanding the window periods.

Interested Person Transaction

There were no interested person transactions entered into under shareholders' mandate or otherwise during the year under review that were $100,000 or more.

Non-sponsor Fees

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The continuing sponsor of the Company is RHT Capital Pte. Ltd. In compliance to Rule 1204 (21) of the rules of Catalist, there were no non-sponsor fees paid to RHT Capital Pte. Ltd. by the Company for the year ended 31 March 2016.

Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving the interest of the CEO, each Director or Controlling Shareholder which were either subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Treasury Shares

There are no treasury shares held at the end of the financial year ended 31 March 2016.

DIRECTORS' STATEMENT

Year ended 31 March 2016

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2016.

In our opinion:

(a) the financial statements set out on pages 34 to 87 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Lim Kwang Joo
Tan Boon Seng
Lim Fong Yee Roland
Sung Puay Kiang
Tan Kok Keng
Eng Ek Phang
Koh Beng Leong
Phoon Han Meng Linus

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

DIRECTORS' STATEMENT

Year ended 31 March 2016

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Lim Kwang Joo		
Sunlight Group Hldg Ltd		
- ordinary shares	78,833,333	78,833,333
Tan Boon Seng		
Sunlight Group Hldg Ltd		
- ordinary shares	14,666,666	14,666,666
Lim Fong Yee Roland		
Sunlight Group Hldg Ltd		
- ordinary shares	35,000,000	35,000,000
Phoon Han Meng Linus		
Sunlight Group Hldg Ltd		
- ordinary shares	4,278,000	4,278,000
Tan Kok Keng		
Sunlight Group Hldg Ltd		
- ordinary shares	4,025,000	4,025,000

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Except as disclosed above, there were no other changes in the interests in the Company between the end of the financial year and 21 April 2016.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in Note 31 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share options

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

Audit Committee

The members of the Audit Committee during the year and at the date of this report are:

Eng Ek Phang (Chairman)	Independent director
Koh Beng Leong	Independent director
Phoon Han Meng Linus	Independent director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held two meetings since the last directors' report. In performing its functions, the Audit Committee met with the Company's external auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

(i) assistance provided by the Company's officers to the external auditors;

(ii) half yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and

(iii) interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditor of the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' STATEMENT

Year ended 31 March 2016

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Lim Kwang Joo
Director

Tan Boon Seng
Director

30 June 2016

INDEPENDENT AUDITORS' REPORT

Members of the Company
Sunlight Group Hldg Ltd

Report on the financial statements

We have audited the accompanying financial statements of Sunlight Group Hldg Ltd (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, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 87.

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, Chapter 50 (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 judgment, 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 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 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.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
30 June 2016

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2016

		Group		Company	
	Note	2016	2015	2016	2015
		$	$	$	$
Assets					
Property, plant and equipment	4	4,488,293	5,070,561	–	–
Lease prepayment	5	151,859	165,342	–	–
Intangible assets	6	189,846	320,219	–	–
Subsidiaries	7	–	–	4,235,988	4,235,988
Associates	8	–	108,189	–	108,000
Other investment	9	108,189	–	108,000	–
Deferred tax assets	10	43,886	44,343	–	–
Long-term trade receivables	11	439,466	348,342	–	–
Non-current assets		5,421,539	6,056,996	4,343,988	4,343,988
Inventories	12	6,442,877	6,738,826	–	–
Trade and other receivables	13	12,019,707	9,151,159	5,531,876	4,122,078
Advances for exploration and evaluation activities	14	–	6,335,854	–	6,335,854
Cash and cash held with financial institutions	15	3,646,695	5,284,794	1,399,587	3,073,910
Other financial assets		1,893	6,736	–	–
Current assets		22,111,172	27,517,369	6,931,463	13,531,842
Total assets		27,532,711	33,574,365	11,275,451	17,875,830
Equity					
Share capital	16	18,708,641	18,708,641	18,708,641	18,708,641
Reserves	17	(4,672,505)	2,588,303	(7,677,722)	(958,589)
Total equity		14,036,136	21,296,944	11,030,919	17,750,052
Liabilities					
Deferred tax liabilities	10	–	13,712	–	–
Finance lease liabilities	18	4,402	15,076	–	–
Loans and borrowings	19	845,651	1,134,345	–	–
Non-current liabilities		850,053	1,163,133	–	–
Trade and other payables	20	7,892,756	8,009,454	244,532	125,778
Finance lease liabilities	18	10,674	10,674	–	–
Loans and borrowings	19	4,524,437	2,899,774	–	–
Current tax payable		218,655	194,386	–	–
Current liabilities		12,646,522	11,114,288	244,532	125,778
Total liabilities		13,496,575	12,277,421	244,532	125,778
Total equity and liabilities		27,532,711	33,574,365	11,275,451	17,875,830

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2016

	Note	2016 $	2015 $
Revenue	21	39,943,951	31,972,966
Cost of sales		(32,119,389)	(25,730,935)
Gross profit		7,824,562	6,242,031
Other operating income	22	680,000	689,459
Distribution expenses		(2,419,548)	(2,339,856)
Administrative expenses		(6,221,506)	(6,194,145)
Other operating expenses		(6,673,790)	(406,984)
Results from operating activities		(6,810,282)	(2,009,495)
Finance expense	23	(168,736)	(147,424)
Share of losses of associates, net of tax		–	(49,236)
Loss before income tax		(6,979,018)	(2,206,155)
Income tax expense	25	(73,489)	(192,753)
Loss for the year		(7,052,507)	(2,398,908)
Loss per share			
Basic loss and diluted loss per share (cents)	26	(1.35)	(0.46)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2016

	2016 $	2015 $
Loss for the year	(7,052,507)	(2,398,908)
Other comprehensive income comprising items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences – foreign operations	(208,301)	250,420
Other comprehensive (expense)/income for the year, net of tax	(208,301)	250,420
Total comprehensive expense for the year	(7,260,808)	(2,148,488)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2016

	Share capital $	Translation reserve $	Accumulated profits/(losses) $	Total equity $
At 1 April 2014	18,708,641	(2,271,739)	7,008,530	23,445,432
Total comprehensive expense for the year				
Loss for the year	–	–	(2,398,908)	(2,398,908)
Other comprehensive income				
Foreign currency translation differences – foreign operations	–	250,420	–	250,420
Total comprehensive expense for the year	–	250,420	(2,398,908)	(2,148,488)
At 31 March 2015	18,708,641	(2,021,319)	4,609,622	21,296,944
At 1 April 2015	18,708,641	(2,021,319)	4,609,622	21,296,944
Total comprehensive expense for the year				
Loss for the year	–	–	(7,052,507)	(7,052,507)
Other comprehensive income				
Foreign currency translation differences – foreign operations	–	(208,301)	–	(208,301)
Total comprehensive expense for the year	–	(208,301)	(7,052,507)	(7,260,808)
At 31 March 2016	18,708,641	(2,229,620)	(2,442,885)	14,036,136

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2016

	Note	2016 $	2015 $
Cash flows from operating activities			
Loss for the year		(7,052,507)	(2,398,908)
Adjustments for:			
Advances for exploration and evaluation written off		6,335,854	–
Allowance of inventories obsolescence		22,774	26,982
Allowance for impairment loss on non-trade receivables		–	158,581
Allowance for impairment loss on trade receivables		237,558	–
Amortisation for lease prepayment		5,299	5,255
Amortisation of intangible assets		130,373	153,568
Depreciation of property, plant and equipment		575,892	593,195
Impairment loss on investments in associates		–	136,000
Income tax expense		73,489	192,753
Interest expense		168,736	147,424
Inventories written down		42,621	72,730
Net change in fair value of quoted equity securities, held for trading		4,843	2,242
Share of losses of associates, net of tax		–	49,236
Write off of property, plant and equipment		35,133	116
		580,065	(860,826)
Change in inventories		249,623	487,807
Change in trade and other receivables		(3,243,710)	2,942,071
Change in trade and other payables		(72,342)	(1,432,130)
Cash (used in)/generated from operations		(2,486,364)	1,136,922
Income taxes paid		(60,273)	(131,446)
Net cash (used in)/generated from operating activities		(2,546,637)	1,005,476
Cash flows from investing activities			
Acquisition of intangible assets		–	(24,000)
Acquisition of property, plant and equipment		(89,132)	(179,017)
Net cash used in investing activities		(89,132)	(203,017)
Cash flows from financing activities			
Fixed deposits with banks pledged as security		(76,728)	(327,243)
Payment of finance lease liabilities		(10,674)	(16,694)
Proceeds from loans and borrowings		2,036,708	914,684
Repayment of bank borrowings		(1,307,655)	(1,533,232)
Interest paid		(168,736)	(147,424)
Net cash generated from/(used in) financing activities		472,915	(1,109,909)
Net decrease in cash and cash equivalents		(2,162,854)	(307,450)
Cash and cash equivalents at beginning of the year		2,672,360	2,822,561
Effect of exchange rate fluctuations on cash held		(145,588)	157,249
Cash and cash equivalents at end of the year	15	363,918	2,672,360

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2016

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 June 2016.

1 Domicile and activities

Sunlight Group Hldg Ltd (the "Company") is incorporated in the Republic of Singapore and has its registered office and principal place of business at 1 Third Chin Bee Road Singapore 618679.

The financial statements of the Group as at and for the year ended 31 March 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

The principal activities of the Company are those of investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in note 7 to the financial statements.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise stated below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.4 Use of estimates and judgments

The preparation of the financial statements in conformity with FRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2 Basis of preparation (cont'd)

2.4 Use of estimates and judgments (cont'd)

In particular, the information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amount recognised in the financial statements and that have a significant risk or resulting in a material adjustment within the next financial year are described in the following notes:

Note 4 – assumptions of recoverable amounts relating to property, plant and equipment;

Note 7 – assumptions of recoverable amounts relating to investment in and loans to subsidiaries;

Note 9 – assumptions of recoverable amounts relating to investments available-for-sale;

Note 12 – assessment of the allowance for inventory obsolescence or slow-moving inventories or for any shortfall in net realisable value of inventories;

Note 13 – assessment of the recoverability of trade and other receivables;

Note 25 – estimation of provisions for current and deferred taxation.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

Further information about the assumptions made in measuring fair values is included in the note 28 – Financial risk management.

2.5 Changes in accounting policies

The Company has adopted all the relevant new/revised accounting standards and interpretations becoming effective from 1 April 2015. The adoption did not have a material impact on the Company's and Group's financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group entities, except as explained in Note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Investments in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investments in associates are accounted for using the equity method and are recognised initially at cost. The cost of the investments includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in associates, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

Accounting for subsidiaries and associates in the separate financial statements

Investments in subsidiaries and associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve ("translation reserve") in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3.3 Financial instruments

Non-derivative financial assets

The Group initially recognises financial assets on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

Non-derivative financial assets (cont'd)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, which takes into account any dividend income are recognised in profit or loss.

Financial assets classified as held for trading comprise equity securities.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised costs using effective interest method, less any impairment losses.

Loan and receivables comprise cash and cash equivalents, long-term trade receivables, advances for exploration and evaluation activities, and trade and other receivables, excluding prepayments.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

Available-for-sale financial assets

Available-for-sale financial assets may include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for a indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value unless it is not reliably measurable in which case the asset is measured at cost less impairment. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are recognised at cost less impairment loss.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

Non-derivative financial liabilities

The Group initially recognises financial liabilities (including liabilities designated at fair value through profit or loss) on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: finance lease liabilities, loans and borrowings, trade and other payables, excluding advances from customers.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Intra-group financial guarantees

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantee is transferred to profit or loss.

3.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

3 Significant accounting policies (cont'd)

3.4 Property, plant and equipment (cont'd)

Recognition and measurement (cont'd)

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Disposals

Gain or loss arising on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other operating income/other operating expenses in profit or loss on the date of disposal.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, the component is depreciated separately.

No depreciation is provided on assets under construction. Depreciation on other property, plant and equipment is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives are as follows:

Leasehold building	15 to 47 years
Freehold building	30 years
Plant and machinery	5 to 10 years
Renovation, furniture and fittings	4 to 8 years
Office equipment	1 to 10 years
Motor vehicles	5 to 6 years

Freehold land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3 Significant accounting policies (cont'd)

3.5 Lease prepayment

Lease prepayment for land use rights is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the profit or loss on a straight-line basis over the period of 47 years commencing from the date of land use rights approval.

3.6 Intangible assets

Technical know-how

Technical know-how that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Technical know-how is amortised in profit or loss on a straight-line basis over the estimated useful life of five years from the date they are available for use.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to make the sale.

3.8 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

Non-derivative financial assets (cont'd)

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

Non-financial assets (cont'd)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Leases

Leased assets

Leases, in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the Group's statement of financial position.

Lease payments

When entities within the Group are lessees of an operating lease

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expenses, over the term of the lease. Contingent rentals are charged to the income statement in the financial year in which they are incurred.

When entities within the Group are lessors of an operating lease

Assets leased out under operating leases are included in leasehold buildings and are depreciated over the period of the land lease. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term of the operating lease with the lessee.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3 Significant accounting policies (cont'd)

3.9 Leases (cont'd)

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

3.10 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3 Significant accounting policies (cont'd)

3.12 Revenue recognition

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Transfers of risks and rewards usually occur when the goods are delivered and installed at the customer's premises and the costs of the transaction can be measured reliably.

Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted equity securities is the ex-dividend date.

Rental income

Rental income from subleased property is recognised in profit or loss as other operating income on a straight-line basis over the term of the lease.

3.13 Government grants

Cash grants received from the government are recognised as income upon receipt. Such grants are provided to help companies cope with the rising costs of doing business.

3.14 Finance expense

Finance expenses comprise interest expense on borrowings and are recognised in profit or loss using the effective interest method.

3.15 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3 Significant accounting policies (cont'd)

3.15 Income tax (cont'd)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.16 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer ("CEO") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets.

3 Significant accounting policies (cont'd)

3.18 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2015, and have not been applied in preparing these financial statements.

These new standards include, among other FRS 115 Revenue from Contracts with Customers and FRS 109 Financial Instruments which are mandatory for adoption by the Company on 1 April 2018.

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*. INT FRS 115 *Agreement for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services.*

- FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group and the Company in accounting for revenue and financial instruments, these standards are expected to be relevant to the Company. The Group is currently assessing the potential impact to the Group and the Company upon adoption of this standard in financial year ending 31 March 2018. The Company does not plan to adopt these standards early.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2016

4 Property, plant and equipment

	Leasehold building $	Freehold land $	Freehold building $	Plant and machinery $	Renovation, furniture and fittings $	Office equipment $	Motor vehicles $	Total $
Group								
Cost								
At 1 April 2014	4,364,570	444,692	960,456	2,172,903	711,503	1,177,809	381,850	10,213,783
Additions	–	–	–	7,800	86,642	84,575	–	179,017
Disposals/Write off	–	–	–	–	–	(1,000)	–	(1,000)
Effect of movements in exchange rates	45,891	–	–	46,422	–	6,813	1,829	100,955
At 31 March 2015	4,410,461	444,692	960,456	2,227,125	798,145	1,268,197	383,679	10,492,755
Additions	–	–	–	40,692	–	48,440	–	89,132
Disposals/Write off	–	–	–	(9,804)	(240,362)	(45,144)	–	(295,310)
Effect of movements in exchange rates	(35,163)	–	–	(35,408)	–	(4,381)	(1,401)	(76,353)
At 31 March 2016	4,375,298	444,692	960,456	2,222,605	557,783	1,267,112	382,278	10,210,224
Accumulated depreciation and impairment losses								
At 1 April 2014	1,233,733	–	253,459	1,436,526	464,399	1,079,268	311,386	4,778,771
Depreciation for the year	249,220	–	32,015	132,585	74,016	78,333	33,391	599,560
Disposals/Write off	–	–	–	–	–	(884)	–	(884)
Effect of movements in exchange rates	16,835	–	–	20,482	–	5,601	1,829	44,747
At 31 March 2015	1,499,788	–	285,474	1,589,593	538,415	1,162,318	346,606	5,422,194
Depreciation for the year	249,363	–	32,016	137,149	57,413	76,370	25,167	577,478
Disposals/Write off	–	–	–	(9,802)	(187,086)	(42,883)	–	(239,771)
Effect of movements in exchange rates	(13,756)	–	–	(18,860)	–	(3,953)	(1,401)	(37,970)
At 31 March 2016	1,735,395	–	317,490	1,698,080	408,742	1,191,852	370,372	5,721,931
Carrying amounts								
At 1 April 2014	3,130,837	444,692	706,997	736,377	247,104	98,541	70,464	5,435,012
At 31 March 2015	2,910,673	444,692	674,982	637,532	259,730	105,879	37,073	5,070,561
At 31 March 2016	2,639,903	444,692	642,966	524,525	149,041	75,260	11,906	4,488,293

4 Property, plant and equipment (cont'd)

The depreciation charge for the year as shown in profit or loss is arrived at as follows:

	Group	
	2016	2015
	$	$
Charge for the year	577,478	599,560
Included in work-in-progress and finished goods	(1,586)	(6,365)
Depreciation charge recognised in profit or loss (Note 24)	575,892	593,195

At 31 March 2016, the carrying amount of property, plant and equipment of the Group under finance lease arrangements as disclosed in Note 18 amounted to $45,007 (2015: $70,685).

The carrying amount of property, plant and equipment of the Group pledged as security to secure bank loans as disclosed in Note 19 are as follows:

	Group	
	2016	2015
	$	$
Freehold land	444,692	444,692
Freehold and leasehold building	2,887,265	3,151,541
	3,331,957	3,596,233

Source of estimation uncertainty

The Group assessed the carrying amount of its property, plant and equipment against their recoverable amounts at each reporting date to determine whether there is an indication of impairment. The estimated recoverable amounts are based on market data, being the estimated amount for which property, plant and equipment could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The recoverable amounts could change significantly as a result of changes in market conditions and the assumptions used in determining the market value.

5 Lease prepayment

	Land use rights
	$
Group	
Cost	
At 1 April 2014	238,860
Effect of movements in exchange rates	16,783
At 31 March 2015	255,643
Effect of movements in exchange rates	(12,860)
At 31 March 2016	242,783

5 Lease prepayment (cont'd)

	Land use rights $
Group	
Accumulated amortisation	
At 1 April 2014	79,290
Amortisation for the year	5,255
Effect of movements in exchange rates	5,756
At 31 March 2015	90,301
Amortisation for the year	5,299
Effect of movements in exchange rates	(4,676)
At 31 March 2016	90,924
Carrying amounts	
At 1 April 2014	159,570
At 31 March 2015	165,342
At 31 March 2016	151,859

Amortisation charge is recognised in the following accounts:

	Group	
	2016 $	**2015** $
Cost of sales	1,766	3,503
Administrative expenses	3,533	1,752
	5,299	5,255

6 Intangible assets

	Technical know-how $
Group	
Cost	
At 1 April 2014	948,560
Additions	24,000
At 31 March 2015	972,560
Additions	–
At 31 March 2016	972,560

6 Intangible assets (cont'd)

	Technical know-how $
Group	
Accumulated amortisation and impairment losses	
At 1 April 2014	498,773
Amortisation for the year	153,568
At 31 March 2015	652,341
Amortisation for the year	130,373
At 31 March 2016	782,714
Carrying amounts	
At 1 April 2014	449,787
At 31 March 2015	320,219
At 31 March 2016	189,846

Amortisation charge is recognised in the cost of sales.

7 Subsidiaries

	Company 2016 $	Company 2015 $
Investments in subsidiaries, at cost	9,899,998	9,899,998
Impairment losses	(5,664,010)	(5,664,010)
	4,235,988	4,235,988
Interest-free quasi-equity loans to subsidiaries, at cost	5,454,756	5,454,756
Impairment losses	(5,454,756)	(5,454,756)
	–	–
	4,235,988	4,235,988

The loans to subsidiaries are mainly denominated in Singapore dollars, unsecured and interest-free. The settlement of these loans is neither planned nor likely to occur in the foreseeable future. These loans form part of the Company's net investments in the subsidiaries and are stated at cost less accumulated impairment losses.

Impairment

There is no movement in allowance for impairment in respect of investments in and loans to subsidiaries during the year (2015: Nil).

7 Subsidiaries (cont'd)

Source of estimation uncertainty

The Company maintains impairment losses at a level considered adequate to provide for potential non-recoverability of the investments in and loans to subsidiaries. The level of allowance is evaluated by the Company on the basis of factors that affect the recoverability of the investments and loans. These factors include, but are not limited to, the activities and financial position of the entities and market factors. The Company reviews and identifies balances that are to be impaired on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Company made different judgement or utilised different estimates. An increase in the Company's impairment losses would increase the Company's recorded other operating expenses and decrease the carrying value of the investments in and/or loans to subsidiaries.

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity held by the Group	
			2016	2015
			%	%
Sunlight Electrical Pte Ltd[1]	Fabrication and manufacturing of low voltage switchgear and provision of automation and lighting products	Singapore	100	100
Sunlight Electrical (Vietnam) Co., Ltd.[2]	Manufacturing and assembly of low voltage switchgear and provision of related services	Vietnam	100	100
Sunlight Switchgear Sdn. Bhd.[2]	Manufacturing of low voltage switchgear	Malaysia	100	100
Sunlight Electrical International Pte Ltd[1]	Investment holding	Singapore	100	100

1 Audited by KPMG LLP Singapore.
2 Audited by member firm of KPMG International.

8 Associates

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Investments in associates	40	244,229	–	294,000
Impairment losses	(40)	(136,040)	–	(186,000)
	–	108,189	–	108,000

The movement in the impairment losses is as follows:

	2016	2015
	$	$
Group		
At 1 April	136,040	–
Impairment losses	–	136,040
At 31 March	136,040	136,040

	2016	2015
	$	$
Company		
At 1 April	186,000	–
Impairment losses	–	186,000
At 31 March	186,000	186,000

Details of the associates are as follows:

Name of associates	Principal activities	Country of incorporation	Ownership 2016	Ownership 2015
			%	%
P5 Pte. Ltd. ("P5")	Trading of decorative lighting, furniture and other interior related products	Singapore	-	37.5
Sunlight Energy International Pte. Ltd. and its subsidiaries ("SLE Group")	Manufacture and assemble medium and low-voltage electric circuit breakers and related devices	Singapore	40	40

8 Associates (cont'd)

The associates are audited by other certified public accountants. These associates are not significant as defined under Listing Rule 718 of the Singapore Exchange Listing Manual. For this purpose, an associate company is considered significant if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profits.

The following tables summarise the financial information of the associates, as adjusted for any differences in accounting policies and fair value adjustments. The tables also reconcile the summarised financial information to the carrying amount of the Group's interest in the associates, which is accounted for using the equity method.

	P5 $	SLE Group $	Total $
Group			
2016			
Percentage of interest	–	40%	
Assets and liabilities			
Non-current assets	–	177,113	177,113
Cash and cash equivalents	–	774	774
Current assets, excluding cash and cash equivalents	–	94,231	94,231
Current trade and other payables	–	(1,388,889)	(1,388,889)
Net assets	–	(1,116,771)	(1,116,771)
Group's share of net assets	–	(446,708)	(446,708)
Impairment losses	–	(40)	(40)
Associates losses in excess of equity interest	–	446,748	446,748
Other adjustments	–	–	–
Carrying amounts in the statement of financial position	–	–	–
Percentage of interest	–	40%	
Results			
Revenue	–	83,304	83,304
Depreciation and amortisation	–	–	–
Loss before tax	–	(312,322)	(312,322)
Tax expense	–	–	–
Loss after tax	–	(312,322)	(312,322)
Other comprehensive income	–	–	–
Total comprehensive expense	–	(312,322)	(312,322)
Total comprehensive expense attributable to owners	–	(312,322)	(312,322)
Group's share of total comprehensive expense	–	(124,929)	(124,929)
Associates losses in excess of equity interest	–	124,929	124,929
Other adjustments	–	–	–
Group's share of results of associates (net of tax)	–	–	–

8 Associates (cont'd)

	P5 $	SLE Group $	Total $
Group			
2015			
Percentage of interest	37.5%	40%	
Assets and liabilities			
Non-current assets	31,854	271,688	303,542
Cash and cash equivalents	44,452	8,248	52,700
Current assets, excluding cash and cash equivalents	786,970	35,320	822,290
Current trade and other payables	(237,285)	(1,137,660)	(1,374,945)
Net assets	625,991	(822,404)	(196,413)
Group's share of net assets	234,747	(328,962)	(94,215)
Impairment losses	(136,000)	(40)	(136,040)
Associates losses in excess of equity interest	–	329,002	329,002
Other adjustments	9,442	–	9,442
Carrying amounts in the statement of financial position	108,189	–	108,189
Percentage of interest	37.5%	40%	
Results			
Revenue	733,729	–	733,729
Depreciation and amortisation	(5,942)	–	(5,942)
Loss before tax	(126,888)	(536,649)	(663,537)
Tax expense	–	–	–
Loss after tax	(126,888)	(536,649)	(663,537)
Other comprehensive income	–	–	–
Total comprehensive expense	(126,888)	(536,649)	(663,537)
Total comprehensive expense attributable to owners	(126,888)	(536,649)	(663,537)
Group's share of total comprehensive expense	(47,583)	(214,660)	(262,243)
Associates losses in excess of equity interest	–	214,660	214,660
Other adjustments	(1,653)	–	(1,653)
Group's share of results of associates (net of tax)	(49,236)	–	(49,236)

There were no significant capital commitments and contingent liabilities as at the reporting date.

8 Associates (cont'd)

Impairment of investment in associates

Group and Company

On 25 May 2015, an associate, P5 Pte. Ltd. ("P5"), issued 816,000 new ordinary shares to other shareholders for a cash consideration of $300,000, arrived at on a willing buyer, willing seller basis. As a result, the Company's interest in P5 was diluted from 37.5% to 18.4%. Management has assessed the fair value of its investment in P5 as at 31 March 2015 by reference to the latest transacted price per share injected by the new shareholders. Accordingly, an impairment loss of $136,000 and $186,000 was recognised in the income statement of the Group and the Company, respectively in 2015.

P5 ceased to be an associate, and the carrying value of investment has been reclassified to other investment - available-for-sale during the year (Refer note 9).

9 Other investment

	Group		Company	
	2016 $	2015 $	2016 $	2015 $
Available-for-sale financial assets measured at cost less impairment				
Unquoted equity securities, at cost	108,189	–	108,000	–
	108,189	–	108,000	–

The Company's investment in P5 has been reclassified from investment in an associate due to dilution in equity interest from 37.5% to 18.4%. The investment is measured at cost considering that the fair value of the investment is not readily determinable.

Source of estimation uncertainty

The Company assesses at the end of each reporting period whether there is any objective evidence that unquoted equity instrument classified as available-for-sale is impaired. If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the impairment loss incurred will be recognised in profit or loss.

For impairment testing, the carrying value of investments in unquoted equity instrument is compared to the underlying recoverable amounts. There is no requirement for impairment in the current year.

10 Deferred tax assets / (liabilities)

Movements in net deferred tax assets/(liabilities) during the year after appropriate set-off are as follows:

Deferred tax assets

	Property, plant and equipment $	Inventories $	Others $	Total $
At 1 April 2014	(34,433)	84,425	29,956	79,948
Recognised in profit or loss (Note 25)	11,573	(47,480)	–	(35,907)
Effect of movement in exchange rates	–	(439)	741	302
At 31 March 2015	(22,860)	36,506	30,697	44,343
Recognised in profit or loss (Note 25)	–	–	715	715
Effect of movement in exchange rates	–	(481)	(691)	(1,172)
At 31 March 2016	(22,860)	36,025	30,721	43,886

Deferred tax liabilities

	Property, plant and equipment $	Others $	Total $
At 1 April 2014	–	–	–
Recognised in profit or loss (Note 25)	(11,950)	(2,284)	(14,234)
Effect of movement in exchange rates	462	60	522
At 31 March 2015	(11,488)	(2,224)	(13,712)
Recognised in profit or loss (Note 25)	11,074	2,144	13,218
Effect of movement in exchange rates	414	80	494
At 31 March 2016	–	–	–

10 Deferred tax assets / (liabilities) (cont'd)

Movements in deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year were as follows:

	At 1 April 2014	Charged to statement of profit or loss (Note 25)	At 31 March 2015	Charged to statement of profit or loss (Note 25)	At 31 March 2016
	$	$	$	$	$
Deferred tax assets					
Property, plant and equipment	(34,433)	11,573	(22,860)	–	(22,860)
Inventories	84,425	(47,919)	36,506	(481)	36,025
Others	29,956	741	30,697	24	30,721
Deferred tax liabilities					
Property, plant and equipment	–	(11,488)	(11,488)	11,488	–
Others	–	(2,224)	(2,224)	2,224	–
	79,948	49,317	30,631	13,255	43,886

Deferred tax assets have not been recognised in respect of the following:

	Group	
	2016	2015
	$	$
Unutilised tax losses	6,191,609	6,469,594

Deferred tax assets for the Group have not been recognised in respect of the above items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits. The capital allowances and tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the Group operates. The capital allowances and tax losses do not expire under current tax legislation.

11 Long-term trade receivables

Long-term trade receivables relate to retention sums withheld by customers and are only payable upon completion of the construction contract, which normally takes longer than a year to complete. The implicit discount on the long-term trade receivables is not material.

12 Inventories

	Group	
	2016	2015
	$	$
Raw materials	4,012,322	3,899,990
Work-in-progress	980,102	731,207
Finished goods	697,657	2,005,277
Goods in transit	752,796	102,352
	6,442,877	6,738,826

The cost of inventories included in the Group's cost of sales amounted to $25,511,356 (2015: $20,210,428). In 2016, the write-down of inventories to net realisable value which are included in cost of sales amounted to $42,621 (2015: $72,730).

The movement in allowance for inventory obsolescence during the year is as follows:

		Group	
	Note	2016	2015
		$	$
At 1 April		705,631	662,286
Allowance for inventory obsolescence (net)	24	22,774	26,982
Effect of movements in exchange rate		(2,923)	16,363
At 31 March		725,482	705,631

Allowance for stock obsolescence of $22,774 and $26,982 were made in 2016 and 2015, respectively based on management's assessment of future demand of certain aged products.

Source of estimation uncertainty

The Group has assessed the net realisable value of its inventories on an annual basis. Inventories have been written down to net realisable value to be consistent with the view that assets should not be carried in excess of amounts expected to be realised from their sale or use. Estimates of net realisable value are based on the most reliable evidence available at the balance sheet date. These estimates take into consideration market demand, competition, selling price and cost directly relating to events occurring after the end of the financial year, to the extent that such events confirm conditions existing at the end of the financial year.

13 Trade and other receivables

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Trade receivables	10,813,161	8,567,921	–	–
Impairment losses	(665,602)	(433,802)	–	–
	10,147,559	8,134,119	–	–
Unbilled trade receivables	1,479,563	792,983	–	–
	11,627,122	8,927,102	–	–
Amounts due from subsidiaries				
Interest-free loans	–	–	5,517,752	4,107,752
Non-trade	–	–	–	845
Amounts due from an associate				
Non-trade	158,581	158,581	–	–
Impairment losses	(158,581)	(158,581)	–	–
	–	–	5,517,752	4,108,597
	11,627,122	8,927,102	5,517,752	4,108,597
Other receivables	65,986	37,459	–	–
Deposits	60,786	72,184	–	–
	11,753,894	9,036,745	5,517,752	4,108,597
Prepayments	265,813	114,414	14,124	13,481
	12,019,707	9,151,159	5,531,876	4,122,078

The loans to subsidiaries are unsecured, interest free and repayable on demand.

The non-trade amounts due from subsidiaries and an associate are unsecured, interest-free and repayable on demand.

The Group and the Company's exposure to credit and foreign currency risks and the sensitivity analysis for trade and other receivables is disclosed in Note 28.

Concentration of credit risk relating to trade and other receivables is limited due to the Group's many varied customers. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade and other receivables.

13 Trade and other receivables (cont'd)

The maximum exposure to credit risk for the Group's trade and other receivables (including long term receivables) net of impairment losses by type of counter parties at the reporting date was:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Subsidiaries	–	–	5,517,752	4,108,597
Constructions customers	11,041,155	8,580,393	–	–
Lighting customers	1,152,205	804,694	–	–
	12,193,360	9,385,087	5,517,752	4,108,597

Impairment losses

The ageing of trade and other receivables at the reporting date was:

	2016		2015	
	Gross	Impairment losses	Gross	Impairment losses
	$	$	$	$
Group				
Not past due	6,700,521	(8,800)	4,443,144	(735)
Past due 0 to 30 days	1,578,736	–	1,775,021	(3,790)
Past due 31 to 90 days	1,734,422	–	1,142,620	(535)
More than 90 days*	3,003,864	(815,383)	2,616,685	(587,323)
	13,017,543	(824,183)	9,977,470	(592,383)
Company				
Not past due	5,517,752	–	4,108,597	–

* Long-term trade receivables of $439,466 (2015: $348,342) are included as part of receivables not passed due.

The movement in the allowance for impairment in respect of trade and other receivables during the year is as follows:

	Group	
	2016	2015
	$	$
At 1 April	592,383	426,128
Impairment loss recognised, net of write back	237,558	160,062
Allowance utilised	(1,013)	–
Effect of movements in exchange rates	(4,745)	6,193
At 31 March	824,183	592,383

Based on historical default rates, the Group and Company believe that, apart from the above, no impairment allowance is necessary in respect of trade and other receivables not past due or past due. These receivables are mainly from customers that have a good payment record with the Group and Company.

13 Trade and other receivables (cont'd)

Source of estimation uncertainty

The Group monitors its trade and other receivables periodically for collectability. The Group evaluates whether there is any objective evidence that the trade and other receivables are impaired and determines the amount of impairment loss as a result of the inability of the customers to make required payments. Based on past repayment trends and the nature of the receivables, the Group believes that no additional impairment losses beyond amounts provided is necessary in respect of trade and other receivables neither past due nor impaired because there is no significant change in credit quality and the amounts are still considered recoverable.

14 Advances for exploration and evaluation activities

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Advances for exploration and evaluation activities	–	6,335,854	–	6,335,854

On 6 May 2013, the Company entered into a non-binding term sheet (the "Term Sheet") with Alexander Resources Pte. Ltd. ("ARPL"), pursuant to which it was proposed that ARPL will sell, and the Company will acquire the entire issued and paid-up share capital of Alexander Resource Limited ("ARL"), a company incorporated in the Cayman Islands (the "Proposed Acquisition"). ARL, in turn, held the entire issued and paid-up share capital of Alexander Mining Limited ("AML"), a company incorporated in Papua New Guinea ("PNG") which was principally engaged in the exploration of gold activities. AML held an Exploration Licence (No.: 1857) ("EL 1857 Licence") in northern PNG covering an area of 222 square kilometres (expiry date: 20 January 2016) and an Exploration Licence (No.: EL 2212) over an area near Wewak – East Sepik Province of PNG covering 525 square kilometres (expiry date: 1 February 2016).

As part of the due diligence by the Company on the Proposed Acquisition, the Company directed ARPL to engage independent qualified person and other relevant specialists or professionals in association with the preparation of the independent technical report ("ITR") in relation to the gold resources under the EL 1857 Licence. The Company disbursed a total of S$6,250,000 to ARPL to fund the costs for the preparation of the ITR and related expenses.

On 28 August 2014, the Group signed a letter of extension with ARPL to extend the Term Sheet from 31 August 2014 to 27 February 2015. A second letter of extension was signed on 27 February 2015 to further extend the Term Sheet from 27 February 2015 to 31 August 2015.

On 28 August 2015, ARPL informed the Company that it had become technically insolvent and that the advances to ARPL for exploration and evaluation activities of $6,335,854 ("Advances") had been fully utilised. As a result, the Company did not enter into any further extension of the Term Sheet and the Term Sheet expired accordingly.

The Company had written off such advances made to ARPL in the financial year ended 31 March 2016.

15 Cash and cash held with financial institutions

	Note	Group 2016 $	Group 2015 $	Company 2016 $	Company 2015 $
Cash at bank and in hand		1,291,147	1,187,486	58,614	250,625
Fixed deposits with banks		2,355,547	4,097,308	1,340,973	2,823,285
		3,646,694	5,284,794	1,399,587	3,073,910
Bank overdrafts	19	(2,200,128)	(1,593,212)	–	–
		1,446,566	3,691,582	1,399,587	3,073,910
Fixed deposits with banks pledged as security		(1,082,648)	(1,019,222)		
Cash and cash equivalents in the statement of cash flows		363,918	2,672,360		

The fixed deposits of $1,082,648 (2015: $1,019,222) is pledged by a subsidiary to banks for banking facilities granted to the subsidiary.

The weighted average effective interest rate per annum relating to fixed deposits with banks at the reporting date for the Group and the Company are 0.61% (2015: 1.15%) and 0.57% (2015: 0.65%), respectively. Interest rates reprice at intervals of one to twelve months.

The Group and the Company's exposure to foreign currency risk for cash and cash held with financial institutions is disclosed in Note 28.

16 Share capital

	2016 No. of shares	2015 No. of shares
Company		
At 1 April and 31 March	521,246,666	521,246,666

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All issued shares are fully paid, with no par value. All ordinary shares rank equally with regard to the Company's residual assets.

Capital management

The Group defines capital as share capital, translation reserve and accumulated profits/(losses).

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity.

16 Share capital (cont'd)

Capital management (cont'd)

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes on the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

17 Reserves

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Translation reserve	(2,229,620)	(2,021,321)	–	–
Accumulated (losses)/profits	(2,442,885)	4,609,624	(7,677,722)	(958,589)
	(4,672,505)	2,588,303	(7,677,722)	(958,589)

Translation reserve

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

Accumulated (losses)/profits

Movements in the Group's accumulated (losses)/profits are set out in the consolidated statement of changes in equity.

18 Finance lease liabilities

	2016			2015		
	Payments	Interest	Principal	Payments	Interest	Principal
	$	$	$	$	$	$
Group						
Within 1 year	12,588	1,914	10,674	12,588	1,914	10,674
After 1 year but within 5 years	5,199	797	4,402	17,787	2,711	15,076
	17,787	2,711	15,076	30,375	4,625	25,750

The finance lease liabilities relate to hire purchase liabilities secured on certain motor vehicles of the Group (see Note 5). Under the terms of the finance lease agreements, no contingent rents are payable. Interest is charged at the rate of 2.99% (2015: 2.99%) per annum.

19 Loans and borrowings

		2016			2015		
	Note	Due within one year $	Due after one year $	Total $	Due within one year $	Due after one year $	Total $
Group							
Secured bank loans	(i)	287,601	845,651	1,133,252	391,878	1,134,345	1,526,223
Unsecured bank loans	(ii)	2,036,708	–	2,036,708	914,684	–	914,684
Bank overdrafts (unsecured)	(iii)	2,200,128	–	2,200,128	1,593,212	–	1,593,212
		4,524,437	845,651	5,370,088	2,899,774	1,134,345	4,034,119

The amounts due to financial institutions comprise:

(i) Bank loans of $1,120,334 (2015: $1,404,493) secured on a subsidiary's leasehold building with a carrying amount of $2,244,300 (2015: $2,476,559) and guaranteed up to $1,593,000 (2015: $1,593,000) by the Company. The long-term loan is repayable in monthly instalments over a period of 10 years commencing December 2009 and bears interest of 2.18% to 6.50% (2015: 1.28% to 5.25%) per annum. Interest rates reprice annually.

Bank loan of $12,918 (2015: $121,730) secured on a subsidiary's freehold land and building with a carrying amount of $1,087,656 (2015: $1,119,674) and guaranteed by the Company. The long-term loan is repayable in monthly instalments over a period of 10 years commencing January 2007 and bears interest of 7.15% (2015: 6.90% to 7.15%) per annum. Interest rates reprice annually.

(ii) Unsecured short-term borrowings of $2,036,708 (2015: $914,684) was guaranteed by the Company. The weighted average effective interest rate of the unsecured short-term borrowings is 5.00% (2015: 5.00%) per annum.

(iii) The unsecured bank overdrafts of $2,200,128 (2015: $1,593,212) were guaranteed by the Company. The weighted average effective interest rate of the bank overdrafts is 5.15% (2015: 5.14%) per annum. Interest rates reprice at intervals of one month.

19 Loans and borrowings (cont'd)

Term and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	2016 Face value $	2016 Carrying amount $	2015 Face value $	2015 Carrying amount $
Group							
Secured bank loans	SGD	BCFR[1] - 3.22%/2.92%/1.82%, BCFR + 0.75%	2019	1,120,334	1,120,334	1,404,493	1,404,493
Secured bank loans	MYR	BLR[2] + 0.3%	2017	12,918	12,918	121,730	121,730
Unsecured bank loans	SGD	prime / prime + 0.75%	2015 - 2016	2,036,708	2,036,708	914,684	914,684
Bank overdrafts	SGD	prime / prime + 1.25%	2015 - 2016	2,171,992	2,171,992	1,593,212	1,593,212
Bank overdrafts	MYR	BLR[2] + 1.5%	2015 - 2016	28,136	28,136	–	–
				5,370,088	5,370,088	4,034,119	4,034,119

1 BCFR: Bank's Commercial Financing Rate

2 BLR: Base Lending Rate

The Group and the Company's exposure to liquidity risk, interest rate risk and foreign currency risk for loans and borrowings is disclosed in Note 28.

20 Trade and other payables

	Group 2016 $	Group 2015 $	Company 2016 $	Company 2015 $
Trade payables and accruals	7,207,748	7,158,335	244,532	125,778
Deposits received	–	49,760	–	–
Other payables	204,442	238,021	–	–
Accruals of employee benefits	83,043	100,112	–	–
Amount due to an associate (trade)	–	331	–	–
	7,495,233	7,546,559	244,532	125,778
Advances from customers	397,523	462,895	–	–
	7,892,756	8,009,454	244,532	125,778

The Group and the Company's exposure to liquidity risk and foreign currency risk for trade and other payables is disclosed in Note 28.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2016

21 Revenue

Revenue represents the net invoiced value of sales and services rendered. Transactions within the Group have been excluded in arriving at the revenue for the Group. The amount of each significant category of revenue recognised during the year was as follows:

	Group	
	2016	2015
	$	$
Sales of low voltage switchgear and generator control panels	36,916,910	29,114,733
Sales of automation and lighting products	3,027,041	2,858,233
	39,943,951	31,972,966

22 Other operating income

	Group	
	2016	2015
	$	$
Government grants	243,215	237,150
Interest income	46,795	63,241
Rental income	136,700	201,318
Sales of scrap	129,279	158,917
Miscellaneous income	124,011	28,833
	680,000	689,459

23 Finance expense

	Group	
	2016	2015
	$	$
Interest paid and payable to		
- financial institutions	166,822	144,446
- finance lease creditors	1,914	2,978
	168,736	147,424

24 Expenses by nature

The following items have been included in arriving at loss for the year:

		Group	
	Note	2016	2015
		$	$
Inventories used		25,511,356	20,210,428
Staff costs		8,658,862	8,317,305
Contributions to defined contribution plans included in staff costs		577,442	552,045
Transportation expenses		1,393,490	1,052,659
Advances for exploration and evaluation written off		6,335,854	–
Advertising expenses		130,296	186,371
Allowance for inventories obsolescence	12	22,774	26,982
Amortisation for lease prepayment	5	5,299	5,255
Amortisation of intangible assets	6	130,373	153,568
Depreciation of property, plant and equipment	4	575,892	593,195
Exchange (gain)/loss (net)		(62,989)	81,698
Factory supplies		382,556	295,792
Impairment loss on investment in associate	8	–	136,000
Impairment loss on receivables	13	237,558	160,062
Inventories written down	12	42,621	72,730
Net change in fair value of quoted equity securities, held for trading		4,843	2,242
Audit fees paid and payable to:			
- auditors of the Company		105,000	100,000
- other auditors		33,466	33,638
Non-audit fees paid and payable to:			
- auditors of the Company		51,900	23,747
- other auditors		2,288	2,604
Operating lease expenses		688,389	670,291
Product testing charges		349,497	258,891
Repair and maintenance expenses		630,739	617,112
Sub-contractor charges		845,329	348,773
Write off of property, plant and equipment		35,131	116
Other expenses		746,267	770,416
Total cost of sales, distribution, administrative and other operating expenses		47,434,233	34,671,920

25 Income tax expense

	Group	
	2016	2015
	$	$
Current tax expense		
Current year	85,873	113,954
Under provision in respect of previous year	1,549	28,658
	87,422	142,612
Deferred tax expense		
Movements in temporary differences	(13,933)	50,141
Total income tax expense	73,489	192,753
Reconciliation of effective tax		
Loss before income tax	(6,979,018)	(2,206,155)
Tax calculated using Singapore tax rate of 17% (2015: 17%)	(1,186,433)	(375,046)
Effect of different tax rate in other countries	(292)	(4,481)
Expenses not deductible for tax purposes	1,146,202	172,814
Current year losses for which no deferred tax asset was recognised	112,463	370,808
Under provision in respect of previous year	1,549	28,658
	73,489	192,753

Source of estimation uncertainty

The Group is subject to income tax in several jurisdictions. Significant judgment is required in determining the capital allowances, the types and rates of tax payable, deductibility of certain expenses, and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax 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 recorded, such differences will impact the provision for income tax and deferred income tax provisions in the period in which such determination is made.

26 Loss per share

Basic loss per share

The calculation of basic earnings per share at 31 March 2016 was based on the loss attributable to ordinary shareholders of $7,052,507 (2015: $2,398,908), and a weighted average number of ordinary shares outstanding of 521,246,666 (2015: 521,246,666), calculated as follows:

	Group	
	2016	**2015**
	$	**$**
Basic loss per share is based on:		
Loss attributable to ordinary shareholders	(7,052,507)	(2,398,908)
Number of ordinary shares in issue at 1 April and weighted average number of ordinary shares during the year	521,246,666	521,246,666

Diluted loss per share

There were no instruments that would have an effect of diluting the earnings of the Group that existed during or as at the end of the financial year.

27 Operating segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's CEO (the chief operating decision maker) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Low voltage switchgear	:	The manufacture and sale of electrical switchboards and generator control panels
Automation and lighting products	:	The provision of automation and lighting products

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

27 Operating segments (cont'd)

Information about reportable segments

	Low voltage switchgear		Automation & lighting products		Total	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**	**$**	**$**
Group						
External revenue	36,951,302	29,114,013	2,992,649	2,858,953	39,943,951	31,972,966
Depreciation and amortisation	(690,563)	(714,582)	(21,001)	(37,436)	(711,564)	(752,018)
Reportable segment loss before income tax	(12,969)	(1,424,288)	(240,206)	(267,330)	(253,175)	(1,691,618)
Other material non-cash items:						
(Reversal)/allowance for inventory obsolescence	(41,097)	6,261	63,871	20,721	22,774	26,982
Impairment/(reversal) loss on receivables	210,183	178,318	26,362	(18,256)	236,545	160,062
Capital expenditure	89,132	91,081	–	87,936	89,132	179,017
Reportable segment assets	23,990,524	22,387,087	2,000,221	1,633,406	25,990,745	24,020,493
Reportable segment liabilities	12,624,716	11,543,844	623,495	552,703	13,248,211	12,096,547

27 Operating segments (cont'd)

Information about reportable segments (cont'd)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2016 $	2015 $
Revenue		
Total revenue for reportable segments	39,943,951	31,972,966
Consolidated revenue	39,943,951	31,972,966
Loss before income tax		
Total loss for reportable segments	(253,175)	(1,691,618)
Impairment loss on investment in associate	–	(136,000)
Share of loss of associates, net of tax	–	(49,236)
Unallocated amounts:		
- Other corporate expenses	(278,967)	(329,301)
Advances for exploration and evaluation written off / other professional expenses	(6,446,876)	–
Consolidated loss before income tax	(6,979,018)	(2,206,155)
Assets		
Total assets for reportable segments	25,990,745	24,020,493
Advances for exploration and evaluation activities	–	6,335,854
Balance of net proceeds from shares issue not utilised	1,500,000	3,000,000
Other unallocated amounts	41,966	218,018
Consolidated total assets	27,532,711	33,574,365
Liabilities		
Total liabilities for reportable segments	13,248,211	12,096,547
Other unallocated amounts	248,364	180,874
Consolidated total liabilities	13,496,575	12,277,421

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of business operations. Segment total assets are based on the geographical location of the assets.

	2016		2015	
	External revenues $	Non-current assets $	External revenues $	Non-current assets $
Singapore	37,145,885	3,386,407	26,213,891	3,814,036
Vietnam	2,798,066	855,177	5,759,075	997,743
Malaysia	–	1,179,955	–	1,245,217
Total	39,943,951	5,421,539	31,972,966	6,056,996

28 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group activities.

The Group's Audit Committee oversees how management monitors the compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade and other receivables

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's customers operate primarily in the construction industry.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit facilities. The Group does not require collateral in respect of financial assets.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the amounts are considered irrecoverable and are written off against the financial asset directly. At 31 March 2016, the Group and the Company does not have any collective impairment on its trade and other receivables (2015: Nil).

28 Financial risk management (cont'd)

Credit risk (cont'd)

Trade and other receivables (cont'd)

At the reporting date, the Group's credit risk is mainly from trade receivables due from two (2015: two) customers amounting to $2,023,682 (2015: $946,858) or 19% (2015: 11%) of trade receivables but no significant credit risk is expected to rise. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Cash and fixed deposits are placed with banks and approved financial institutions. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities.

Guarantee

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries.

The maximum exposure of the Company in respect of the intra-group financial guarantee at the end of the reporting period is if the facility is drawn down by the subsidiary in the amount of $5,370,089 (2015: $4,034,119). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantee.

Liquidity risk

Liquidity risk is the risk that the Group or the Company encounters difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. Short-term funding is obtained from bank borrowings. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

28 Financial risk management (cont'd)

Liquidity risk (cont'd)

The following are the expected contractual undiscounted cash outflows of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

		Cash outflows			
	Carrying amount	Contractual cash flows	Within one year	Within one to five years	More than five years
	$	$	$	$	$
Group					
2016					
Non-derivative financial liabilities					
Secured bank loans	1,133,252	(1,252,379)	(323,973)	(928,406)	–
Unsecured bank loans	2,036,708	(2,065,455)	(2,065,455)	–	–
Bank overdrafts	2,200,128	(2,313,435)	(2,313,435)	–	–
Trade and other payables*	7,713,888	(7,713,888)	(7,713,888)	–	–
Finance lease liabilities	15,076	(17,787)	(12,588)	(5,199)	–
	13,099,052	(13,362,944)	(12,429,339)	(933,605)	–
2015					
Non-derivative financial liabilities					
Secured bank loans	1,526,223	(1,643,546)	(416,835)	(1,226,711)	–
Unsecured bank loans	914,684	(925,696)	(925,696)	–	–
Bank overdrafts	1,593,212	(1,675,103)	(1,675,103)	–	–
Trade and other payables*	7,546,559	(7,546,559)	(7,546,559)	–	–
Finance lease liabilities	25,750	(30,375)	(12,588)	(17,787)	–
	11,606,428	(11,821,279)	(10,576,781)	(1,244,498)	–
Company					
2016					
Non-derivative financial liabilities					
Trade and other payables	244,532	(244,532)	(244,532)	–	–
Intra-group guarantee	–	(5,370,089)	(5,370,089)	–	–
	244,532	(5,614,621)	(5,614,621)	–	–
2015					
Non-derivative financial liabilities					
Trade and other payables	125,778	(125,778)	(125,778)	–	–
Intra-group guarantee	–	(4,034,119)	(4,034,119)	–	–
	125,778	(4,159,897)	(4,159,897)	–	–

* Excludes advances from customers.

28 Financial risk management (cont'd)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to its interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group does not use any derivative financial instruments to hedge its interest rate risk.

Profile

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	Group	
	Carrying amount	
	2016	**2015**
	$	**$**
Variable rate instruments		
Loans and borrowings	5,370,089	4,034,119

Sensitivity analysis

For variable rate financial liabilities, a change of 100 basis points (bp) in interest rate at the reporting date would have increased/(decreased) the Group's loss before taxes by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2015.

	Group			
	Loss before tax			
	2016		**2015**	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
	$	**$**	**$**	**$**
Group				
Variable rate instruments	53,701	(53,701)	40,341	(40,341)

28 Financial risk management (cont'd)

Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings, including inter-company sales, purchases and inter-company balances that are denominated in currencies other than the respective functional currencies of the Group's entities. The currencies giving rise to this risk are primarily Singapore dollar, US dollar, Euro, Malaysia Ringgit and others.

There is no formal hedging policy with respect to foreign currency exposure. Exposure to currency risk is monitored on an on-going basis and the Group endeavours to keep the net exposures at an acceptable level.

The Group's exposure to foreign currency risk was as follows:

	Singapore dollar	US dollar	Euro	Malaysia Ringgit	Others
	$	$	$	$	$
Group					
2016					
Trade and other receivables	1,527,575	352,180	103,137	–	(1,698)
Cash and cash held with financial institutions	181,537	537,532	11,309	5,672	–
Trade and other payables	(401,799)	(397,726)	(252,564)	(144,193)	(69,372)
Loans and borrowings	–	–	–	(12,918)	–
Net financial assets/(liabilities)	1,307,313	491,986	(138,118)	(151,439)	(71,070)
2015					
Trade and other receivables	645,747	49,698	285,032	–	9,404
Cash and cash held with financial institutions	2,058	527,293	161,797	–	–
Trade and other payables	(291,651)	(587,909)	(200,195)	–	(55,852)
Loans and borrowings	–	–	–	(121,730)	–
Net financial assets/(liabilities)	356,154	(10,918)	246,634	(121,730)	(46,448)

Sensitivity analysis

A 5% strengthening of the Singapore dollar against the following currencies at the reporting date would increase/(decrease) the Group's loss before tax by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2015, that the reasonably possible foreign exchange rate variances were different, as indicated below:

	Group	
	Increase/(Decrease)	
	2016	2015
	$	$
Singapore dollar	65,366	17,808
US dollar	24,599	(546)
Euro	(6,906)	12,332
Malaysia Ringgit	(7,572)	(6,087)
Others	(3,554)	(2,322)

28 Financial risk management (cont'd)

Sensitivity analysis (cont'd)

A 5% weakening of Singapore dollar against the above currencies at the reporting date would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables, in particular interest rates, remain constant.

As all the Company's transactions are denominated in Singapore dollar, the Company is not exposed to currency risk.

Equity price risk - sensitivity analysis

The Group is not significantly exposed to equity price risk.

Determination of fair values

A number of the Group's accounting and disclosures require the determination of fair value, for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Equity securities

The fair value of equity securities is determined by reference to their quoted closing bid price at the reporting date, or if unquoted, determined using a valuation technique.

Long-term trade receivables

The fair value of long-term trade receivables is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Finance lease liabilities

The fair value of finance lease liabilities is estimated as the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date for homogeneous lease agreements.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash held with financial institutions, and trade and other payables) are assumed to approximate their fair values. Other financial assets and liabilities are discounted to determine their fair values.

28 Financial risk management (cont'd)

Accounting classifications and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Designated at fair value $	Loans and receivables $	Other financial liabilities $	Total carrying amount $	Fair value $
Group						
31 March 2016						
Long-term receivables		–	439,466	–	439,466	395,519
Other financial assets		1,893	–	–	1,893	1,893
Trade and other receivables#		–	11,753,894	–	11,753,894	11,753,894
Cash and cash held with financial institutions		–	3,646,695	–	3,646,695	3,646,695
		1,893	15,840,055	–	15,841,948	15,798,001
Trade and other payables*		–	–	(7,713,888)	(7,713,888)	(7,713,888)
Loans and borrowings		–	–	(5,370,088)	(5,370,088)	(5,370,088)
Finance lease liabilities		–	–	(15,076)	(15,076)	(15,076)
		–	–	(13,099,052)	(13,099,052)	(13,099,052)
31 March 2015						
Long-term receivables	11	–	348,342	–	348,342	317,486
Other financial assets		6,736	–	–	6,736	6,736
Trade and other receivables#	13	–	9,036,745	–	9,036,745	9,036,745
Advances for exploration and evaluation activities	14	–	6,335,854	–	6,335,854	6,335,854
Cash and cash held with financial institutions	15	–	5,284,794	–	5,284,794	5,284,794
		6,736	21,005,735	–	21,012,471	20,981,615
Trade and other payables*	20	–	–	(7,546,559)	(7,546,559)	(7,546,559)
Loans and borrowings	19	–	–	(4,034,119)	(4,034,119)	(4,034,119)
Finance lease liabilities	18	–	–	(25,750)	(25,750)	(25,750)
		–	–	(11,606,428)	(11,606,428)	(11,606,428)

* Excludes advances from customers.
\# Excludes prepayments

28 Financial risk management (cont'd)

Accounting classifications and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

	Note	Loans and receivables $	Other financial liabilities $	Total carrying amount $	Fair value $
Company					
31 March 2016					
Trade and other receivables#		5,517,752	–	5,517,752	5,517,752
Advances for exploration and evaluation activities		–	–	–	–
Cash and cash held with financial institutions		1,399,587	–	1,399,587	1,399,587
		6,917,339	–	6,917,339	6,917,339
Trade and other payables		–	(244,532)	(244,532)	(244,532)
31 March 2015					
Trade and other receivables#	13	4,108,597	–	4,108,597	4,108,597
Advances for exploration and evaluation activities	14	6,335,854	–	6,335,854	6,335,854
Cash and cash held with financial institutions	15	3,073,910	–	3,073,910	3,073,910
		13,518,361	–	13,518,361	13,518,361
Trade and other payables	20	–	(125,778)	(125,778)	(125,778)

Excludes prepayments

Discount rates used in determining fair value

The interest rates used to discount estimated cash flows, where applicable, are based on the market interest rates provided by financial institutions at the reporting date and were as follows:

	2016 %	2015 %
Long-term trade receivables	5.00	5.35

Fair value hierarchy

	Level 1 $	Level 3 $
31 March 2016		
Quoted equity securities, held for trading	1,893	–
Long-term trade receivables	–	439,466
31 March 2015		
Quoted equity securities, held for trading	6,736	–
Long-term trade receivables	–	348,342

29 Operating leases

At 31 March, the Group has the following commitments for future minimum lease payments under non-cancellable operating leases:

	2016 $	2015 $
Within one year	377,297	601,741
After one year but within five years	1,055,450	905,575
After five years	1,181,262	1,439,118
	2,614,009	2,946,434

The Group leases office equipment and premises for production, warehouse, office premises and staff accommodation under operating leases.

A subsidiary leased one storey in respect of its former leasehold building through a sale and leaseback arrangement with effect from 27 March 2006. The lease period of ten years expired on 26 March 2016. The lease rentals are subject to an annual increase by the higher rate of 2.5% per annum or a rate equivalent to the Consumer Price Index Percentage Variation over the preceding year's rent, capped at 5.5% per annum.

Leases as lessor

A subsidiary leases out its leased property. The future minimum lease payments under non-cancellable leases are as follows:

	2016 $	2015 $
Within one year	–	21,000

30 Contingent liabilities

As at reporting date:

(i) the Company has given unsecured guarantees of $4,236,837 (2015: $2,507,896) to banks in respect of banking facilities extended to wholly-owned subsidiaries; and

(ii) the Group has outstanding unsecured bankers' guarantees of approximately $1,081,700 (2015: $960,580) and secured bankers' guarantees of $388,714 (2015: $379,233), issued in favour of third parties in the ordinary course of business and for the security deposit required under a lease agreement.

31 Related parties

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The directors and senior management team are considered as key management personnel of the Group.

31 Related parties (cont'd)

Key management personnel compensation (cont'd)

Key management personnel compensation comprised:

	Group	
	2016	2015
	$	$
Short-term employee benefits paid/payable to		
- directors of the Company	1,213,819	1,211,634
- other key executives	448,925	441,599
	1,662,744	1,653,233

The Company's directors receiving remuneration and fees from the Group:

	Number of directors	
	2016	2015
$250,000 to $499,999	2	2
Below $250,000	6	6
	8	8

Other related party transactions

Other than disclosed elsewhere in the financial statements, the transactions with related parties are as follows:

	2016	2015
	$	$
Associate		
Purchase of goods	(43,705)	(49,410)
Sales of goods	–	4,812

32 Subsequent event

On 31 May 2016, the Company entered into a conditional sale and purchase agreement with Tan Ghin Chwee, Ngo Wei-Tze Calvin, Ang Leng Hong and Poo Chooi Yee (collectively, the "**Vendors**") in relation to the purchase by the Company of all the shares held by the Vendors in P5 Pte. Ltd. (the "**Acquisition**"). The consideration for the Acquisition is to be satisfied by the issue of such number of shares in the Company, the aggregate value of which is S$550,050 (the "**Consideration Shares**"). The completion of the Acquisition will take place on such date as may be mutually agreed between the Company and the Vendors, subject to fulfilment of certain conditions precedent, which include, among others, the receipt by the Company of the approval in principle from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Consideration Shares. On 24 June 2016, the Company received the in-principle approval of the SGX-ST for the listing and quotation of the Consideration Shares, subject to compliance with the SGX-ST's listing requirements. Upon completion of the Acquisition, P5 Pte Ltd will become a wholly-owned subsidiary of the Company.

SHAREHOLDINGS STATISTICS

As at 15 June 2016

No of Issued Share	:	521,246,666
Class of shares	:	Ordinary shares
Voting rights	:	1 vote for each ordinary share (excluding treasury shares)

There are no treasury shares held by the Company as at 15 June 2016.

Shareholdings Held in Hands of Public

Based on information available to the Company as at 15 June 2016, 51.5 % of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited has been complied with.

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	17	1.57	852	0.00
100 - 1,000	84	7.75	59,786	0.01
1,001 - 10,000	183	16.88	956,500	0.18
10,001 - 1,000,000	744	68.63	108,738,621	20.86
1,000,001 and above	56	5.17	411,490,907	78.94
	1,084	100.00	521,246,666	100.00

TOP 20 SHAREHOLDERS

S/No.	Name of Shareholder	No. of Shares	%
1	Lim Kwang Joo	78,833,333	15.12
2	Song Poo Hok	48,000,000	9.21
3	Citibank Nominees Singapore Pte Ltd	44,726,666	8.58
4	Lim Fong Yee Roland	35,000,000	6.71
5	DBS Nominees Pte Ltd	29,886,166	5.73
6	Yao Hsiao Tung	25,866,666	4.96
7	Tan Boon Seng	14,666,666	2.81
8	Stott James Ian	6,727,000	1.29
9	Lim Chye Huat @ Bobby Lim Chye Huat	6,163,800	1.18
10	Maybank Nominees (S) Pte Ltd	5,536,681	1.06
11	Tan Yow Tong	5,500,000	1.06
12	Han Wee Too @ Han Wee Choo	5,273,000	1.01
13	Tjioe Tjiong Bin	5,200,000	1.00
14	Pek Siew Yen @ Pek Jai Jai	4,659,000	0.89
15	Aw Tiew Kin	4,577,333	0.88
16	Phoon Han Meng Linus	4,278,000	0.82
17	Foo Moo Pao	4,100,000	0.79
18	Tan Kok Keng	4,025,000	0.77
19	OCBC Securities Private Ltd	4,008,932	0.77
20	Ang Jui Khoon	3,962,933	0.76
		340,991,176	65.40

SHAREHOLDINGS STATISTICS

As at 15 June 2016

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholder	Number of shares registered in the name of the substantial shareholder	Number of shares in which the substantial shareholder is deemed to have an interest	Total	Percentage (%)
Lim Kwang Joo	78,833,333	-	78,833,333	15.12
Song Poo Hok	48,000,000	-	48,000,000	9.21
Song Wei Ming[1]	-	41,333,333	41,333,333	7.93
Lim Fong Yee Roland	35,000,000	-	35,000,000	6.71
GM Capital Management Pte Ltd[2]	-	26,666,666	26,666,666	5.12

Note:

(1) Mr Song Wei Ming's deemed interest arises from the 41,333,333 shares held by Citibank Nominees Singapore Pte Ltd.

(2) GM Capital Management Pte Ltd's deemed interest arises from the 26,666,666 shares held by DBS Nominees Pte Ltd. GM Capital Management Pte Ltd acts as an investment manager for various clients/funds and has the power to exercise, or control the exercise of, a right to vote attached to the securities and has the power to dispose of, or control the disposal of, the securities. The registered holder(s) of the securities is the client's or fund's custodian.

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

SUNLIGHT GROUP HLDG LTD
(Incorporated in the Republic of Singapore under the Companies Act, Cap. 50)
Company Registration No. 199806046G

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of the Company will be held at 1 Third Chin Bee Road, Singapore 618679 on 28 July 2016, Thursday, at 11.00 a.m. to transact the following business: -

Ordinary Business

1 To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2016 and the Auditors' Report thereon. **[Resolution 1]**

2 To re-appoint Mr Lim Kwang Joo as a Director of the Company. **[Resolution 2]**
[See Explanatory Note (i)]

3(a) To re-elect Mr Eng Ek Phang who is retiring in accordance with Regulation 103 of the Company's Constitution, as Director of the Company. **[Resolution 3(a)]**
[See Explanatory Note (ii)]

3(b) To re-elect Mr Koh Beng Leong who is retiring in accordance with Regulation 103 of the Company's Constitution, as Director of the Company. **[Resolution 3(b)]**
[See Explanatory Note (iii)]

3(c) To re-elect Mr Phoon Han Meng Linus who is retiring in accordance with Regulation 103 of the Company's Constitution, as Director of the Company. **[Resolution 3(c)]**
[See Explanatory Note (iv)]

4 To approve the sum of S$67,000 as Directors' fees for the financial year ended 31 March 2016. (2015: S$67,000) **[Resolution 4]**

5 To re-appoint KPMG LLP as Auditors and to authorise the Directors to fix their remuneration. **[Resolution 5]**

Special Business

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:-

6 Authority to allot and issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual – Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual - Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per cent (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued (including shares to be issued pursuant to the Instruments) other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares (including shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

   (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;

   (b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and

   (c) any subsequent consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual – Section B: Rules of Catalist of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting ("**AGM**") of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (v)] [**Resolution 6**]

7 To transact any other business that may be properly transacted at an AGM.

By Order of the Board

Ong Bee Hoon
Company Secretary

Singapore

13 July 2016

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

Explanatory Note:

(i) Ordinary Resolution 2, if passed, is to re-appoint Mr Lim Kwang Joo as director of the Company to continue in office of the Company. With the repeal of Section 153(6) of the Companies Act, Cap. 50 with effect from 3 January 2016, upon re-appointment, Mr Lim Kwang Joo will thereafter, be subject to retirement by rotation under the Company's Constitution. Mr Lim Kwang Joo will upon re-appointment as a director of the Company remain as a director and Executive Chairman of the Company.

(ii) Mr Eng Ek Phang, if re-elected, will remain the Lead Independent Director of the Company and chairman of the audit and nominating committees and member of the remuneration committee and will be considered as an independent director.

(iii) Mr Koh Beng Leong, if re-elected, will remain a director of the Company and chairman of the remuneration committee and member of the audit and nominating committees and will be considered as an independent director.

(iv) Mr Phoon Han Meng Linus, if re-elected, will remain a director of the Company and member of the audit, remuneration and nominating committees and will be considered as an independent director.

(v) The Resolution 6, if passed, will empower the Directors of the Company, from the date of the above AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per cent (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to fifty per cent (50%) may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Proxies:

1 (a) A member who is not a relevant intermediary is not entitled to appoint more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap 50.

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

3 The instrument appointing a proxy must be deposited at the registered office of the Company at 1 Third Chin Bee Road, Singapore 618679, not less than 48 hours before the time appointed for the holding of the AGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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SUNLIGHT GROUP HLDG LTD

(Incorporated in the Republic of Singapore
under the Companies Act, Cap 50)
Company Registration No. 199806046G

Important:

1 An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM - ANNUAL GENERAL MEETING

I/We ______________________________ NRIC/Passport/Co. Reg. No. ______________________

of ____

being a member/members of SUNLIGHT GROUP HLDG LTD hereby appoint

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)	
			No. of Shares	%

and/or *(delete as appropriate)*

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)	
			No. of Shares	%

as my/our proxy/proxies to attend, speak and to vote for me/us on my/our behalf at the Annual General Meeting of SUNLIGHT GROUP HLDG LTD to be held at 1 Third Chin Bee Road, Singapore 618679 on Thursday, 28 July 2016 at 11.00 a.m. and at any adjournment thereof.

(Please indicate with an "√" in the spaces provided whether you wish your vote(s) to be cast for or against the Ordinary Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

NO	ORDINARY RESOLUTIONS	*NO. OF VOTES FOR	*NO. OF VOTES AGAINST
	Ordinary Business :		
1.	Adoption of Reports and Accounts		
2.	Re-appointment of Mr Lim Kwang Joo		
3.	Re-election of Directors:		
	(a) Mr Eng Ek Phang		
	(b) Mr Koh Beng Leong		
	(c) Mr Phoon Han Meng Linus		
4.	Approval of Directors' fees		
5.	Re-appointment of Auditors		
	Special Business :		
6.	Authority for Directors to allot and issue shares and convertible securities pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual – Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited		

* If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (√) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this ________ day of ____________________ 2016.

Total Number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of member(s) or Common Seal of Corporate Member

IMPORTANT :-
PLEASE READ NOTES OVERLEAF

SUNLIGHT GROUP HLDG LTD
PROXY FORM

Continuation Sheet 1

Notes :-

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1 Third Chin Bee Road Singapore 618679 not less than 48 hours before the time appointed for the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorized. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
9. An investor who holds shares under the Central Provident Fund Investment Scheme (“CPF Investor”) and/or the Supplementary Retirement Scheme (“SRS Investors”) (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

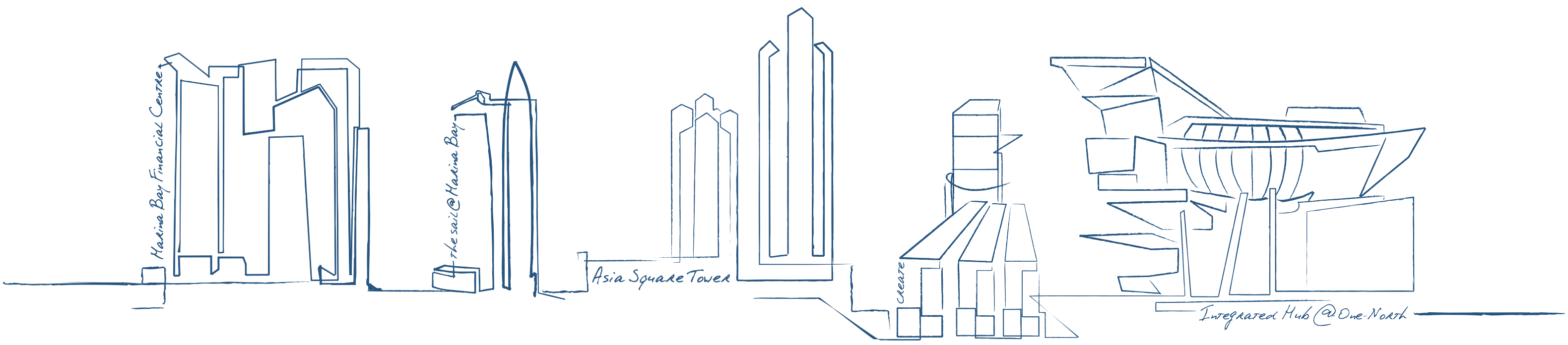
General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Company’s Notice of Annual General Meeting.

Designed and Produced by **Rockstar Atelier**



SUNLIGHT

Sunlight Group Hldg Ltd
(Incorporated In Singapore)
Reg. No.: 199806046G
1 Third Chin Bee Road, Singapore 618679
Tel: (65) 6741 9055, Fax: (65) 6741 5587
www.sunlightgroup.com

Annual Report 2016