

GP Batteries International Limited
Annual Report 2015 – 2016





FINANCIAL CALENDAR

**Announcement of
First Quarter Results**

5 August 2015

**Announcement of
Second Quarter Results**

5 November 2015

**Announcement of
Third Quarter Results**

2 February 2016

Announcement of Full Year Results

26 May 2016

**Despatch of Annual Report
to Shareholders**

13 July 2016

Annual General Meeting

28 July 2016

Dividends

Interim –
paid on 26 November 2015

Final –
payable on 21 September 2016

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CORPORATE INFORMATION

Board of Directors

Executive

Victor LO Chung Wing

Chairman and Chief Executive Officer

Richard KU Yuk Hing

Vice Chairman

Henry LEUNG Kwong Hang

Executive Vice President and Chief Risk Officer

LEUNG Pak Chuen

HUI Wing Sun

Brian WONG Tze Hang

Independent Non-Executive

LIM Jiew Keng

Lead Independent Director

Allan CHOY Kam Wing

GOH Boon Seong

Audit and Risk Committee

LIM Jiew Keng

Chairman

Allan CHOY Kam Wing

GOH Boon Seong

Nominating Committee

Allan CHOY Kam Wing

Chairman

LIM Jiew Keng

GOH Boon Seong

Victor LO Chung Wing

Henry LEUNG Kwong Hang

Remuneration Committee

GOH Boon Seong

Chairman

LIM Jiew Keng

Allan CHOY Kam Wing

Registered Office

3 Fusionopolis Link

#06-10 Nexus @one-north

Singapore 138543

Tel: (65) 6559 9800 Fax: (65) 6559 9801

E-mail: gpci@gpbatteries.com.sg

Website: www.gpbatteries.com.sg

Company Secretaries

Lynn WAN Tiew Leng

KIAR Lee Noi

Share Registrar

Boardroom Corporate & Advisory Services Pte Ltd

50 Raffles Place

#32-01 Singapore Land Tower

Singapore 048623

Tel: (65) 6536 5355 Fax: (65) 6536 1360

Auditors

Deloitte & Touche LLP

6 Shenton Way OUE Downtown 2 #33-00

Singapore 068809

Audit Partner-in-charge

LOI Chee Keong

(appointed since financial year ended 31 March 2016)

Principal Bankers

DBS Bank Ltd

Oversea-Chinese Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited

Hang Seng Bank Limited

Bank of China Limited

Solicitors

Allen & Gledhill LLP

One Marina Boulevard #28-00

Singapore 018989

GROUP PROFILE

GP Batteries International Limited

- Listed in 1991 on Mainboard of the Singapore Exchange
- Major global developer, manufacturer and distributor of primary and rechargeable batteries
- The world's largest manufacturer of NiMH rechargeables
- One of the largest consumer battery producers in China
- Global team: approx. 5,800
- Global floor space: approx. 251,000 sqm
- Production plants: Singapore, Hong Kong, China, Taiwan, Malaysia
- Distribution offices: Asia, Europe, North America

FUNCTIONAL STRUCTURE

MANUFACTURING		MARKETING & TRADING	
Primary Specialty	Rechargeable & Others	Asia & Middle East	Europe
Malaysia 100% GP Batteries (Malaysia) Sdn Bhd	China 100% Dongguan Chao Ba Batteries Co Ltd	Hong Kong 100% GPI International Limited	Netherlands 100% GP Batteries Europe B.V.
China 100% GP Batteries (China) Limited	China 100% GP Batteries (Shenzhen) Co., Ltd	Hong Kong 100% GP Battery Marketing (H.K.) Limited	Poland 100% GP Battery (Poland) Sp.z.o.o.
China 100% Shanghai Bi Ba Batteries Co. Ltd	China 100% Huizhou Modern Battery Limited	Malaysia 100% GP Battery Marketing (Malaysia) Sdn Bhd	UK 100% GP Batteries (U.K.) Limited
Primary Cylindrical	Taiwan 80% Gold Peak Industries (Taiwan) Limited	Singapore 100% GP Battery Marketing (Singapore) Pte Ltd	Germany 50% GP Battery Marketing (Germany) GmbH
China 90% Ningbo GP Energy Co., Ltd		South Korea 90% GP Battery Marketing (Korea) Limited	Russia 40% AZ Limited
Vietnam 79% GP Batteries (Vietnam) Limited Liability Company		China 90% Huizhou Chao Ba Batteries Co Ltd	Sweden 25.8% GPBM Nordic AB
China 72% Ningbo Fubang Battery Co Ltd		UAE 50% GP Battery Marketing (Middle East) Limited (FZC)	Italy 25.8% GP Battery Marketing Italy S.r.l
China 70% Zhongyin (Ningbo) Battery Co., Ltd		Thailand 49% GP Battery Marketing (Thailand) Co Ltd	France 24.5% GP Battery Marketing France SA
China 42.5% T.G. Battery Co. (China) Limited			Americas
Vietnam 30% Hanoi Battery Joint Stock Company			US 100% GP Batteries (Americas) Inc



BATTERY EXPERTS

- 4 billion plus primary and rechargeable batteries a year
- Major consumer battery brand of primary and rechargeable batteries
- Largest consumer battery manufacturer in Asia (excluding Japan)
- Distribution streams: GP brand, private label, in-product (industrial)



CHAMPIONING GREENER RECHARGEABLES

- World's largest manufacturer of nickel metal hydride (NiMH) rechargeable batteries
- New generation USB charger for rechargeable batteries
- Save money save planet: sustainable product



BUILDING OUR BRAND AND GLOBAL REACH

- Invest on brand building, product design and innovation
- Expand global presence with focus on emerging markets
- Omnichannel approach

FINANCIAL HIGHLIGHTS

	2016	2015
Consolidated Results		
Year ended 31 March (S\$ million)		
Revenue	765.3	719.3
Profit before income tax	28.6	41.6
Profit attributable to equity holders of the Company	2.4	13.0
Basic earnings per share (cents)	1.49	7.88
Tax-exempt dividend (cents per share)	4.00	3.75
Financial Position		
At 31 March (S\$ million)		
Shareholders' funds	231.9	265.4
Total assets	622.7	609.1
Capital expenditure	19.3	15.6
Ratios		
Current assets : Current liabilities (ratio)	1.3	1.2
Inventory turnover period (months)	1.7	1.6
Net borrowings : Equity (ratio)	0.2	0.2
Other Information		
Subsidiaries		
Number of employees	5,800	5,900
Total floor area (sq.m.)	251,000	262,000



Revenue by Products

Year ended 31 March 2016

- 57.4%** Primary Cylindrical
- 21.7%** Primary Specialty
- 19.3%** Rechargeable
- 1.6%** Others

Revenue by Locations of Customers

Year ended 31 March 2016

- China **35.7%**
- N & S America **19.8%**
- Europe **19.0%**
- Rest of Asia **11.5%**
- Hong Kong **10.3%**
- Others **2.2%**
- ASEAN **1.5%**



Total Assets by Geographical Areas

At 31 March 2016

- 65.0%** China
- 17.2%** Hong Kong
- 5.5%** Taiwan
- 4.1%** Europe
- 3.8%** Singapore & Malaysia
- 3.1%** Others
- 1.3%** N & S America

FIVE-YEAR FINANCIAL SUMMARY

Consolidated Results Year ended 31 March	2016 S\$'000	2015 S\$'000	2014 S\$'000	2013 S\$'000	2012 S\$'000
Revenue	765,254	719,335	695,407	721,071	774,524
Profit (Loss) for the year	15,689	25,234	(47,957)	(7,073)	11,274
Non-controlling interests	(13,292)	(12,253)	(4,000)	(9,109)	(4,762)
Profit (Loss) attributable to equity holders of the Company	2,397	12,981	(51,957)	(16,182)	6,512
Financial Position At 31 March	2016 S\$'000	2015 S\$'000	2014 S\$'000	2013 S\$'000	2012 S\$'000
Investment property	1,672	1,747	1,601	1,123	1,135
Property, plant & equipment	194,039	211,553	215,240	228,543	241,452
Interest in associates	46,329	46,606	52,066	60,410	72,391
Available-for-sale investments	5,777	5,699	4,722	3,664	4,244
Deferred tax assets	3,729	3,661	5,713	4,635	3,785
Intangible assets	0	0	0	80	407
Goodwill on consolidation	11,548	14,709	13,485	16,773	16,944
Non-current deposits	3,095	705	156	445	656
Current assets	356,474	324,379	322,684	335,868	382,918
Total assets	622,663	609,059	615,667	651,541	723,932
Non-current liabilities	45,602	3,437	6,020	35,673	49,374
Current liabilities	264,513	263,093	299,599	293,526	336,485
Total liabilities	310,115	266,530	305,619	329,199	385,859
Net assets	312,548	342,529	310,048	322,342	338,073
Shareholders' funds	231,888	265,357	248,246	268,890	291,146
Non-controlling interests	80,660	77,172	61,802	53,542	46,927
	312,548	342,529	310,048	322,432	338,073

Revenue

Year ended 31 March (million)



Profit (Loss) Attributable to Equity Holders of the Company

Year ended 31 March (million)



Total Assets

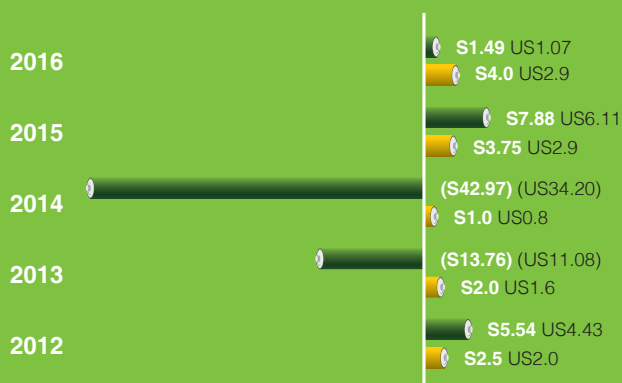
At 31 March (million)



Earnings (Loss) Per Share & Dividends Per Share

Year ended 31 March (cents)

 Earnings (Loss) Per Share
 Dividends Per Share



CHAIRMAN'S STATEMENT

Despite the slow-growing global economy, the Group managed to overcome the keen competition and maintained the margin by expanding new markets and controlling production costs. The Group will continue to strengthen our brands and focus on distribution development in selected regions to grow our businesses.



Financial year 2015-2016 was a challenging year. Market slowdown and volatile exchange rates against US dollars negatively impacted the sales especially in emerging markets. Opportunities from new applications and other battery companies contributed to the sales growth. The prices of raw materials were relatively stable, but margins are still under pressure as a result of wage rise in China together with the drop in average selling price due to keen competition. Automation and rationalization of the manufacturing operations remain the key focus of the Group to counter the pressure.

The Group's financial position remains healthy with a low gearing ratio. During the year, the Group entered into a S\$85 million three-year term loan facility agreement with banks to repay existing short-term borrowings as well as for general corporate and working capital purposes.

Revenue for the year increased by 6.4% to S\$765 million. Gross profit margin improved by 0.1% to 23.2% on account of cost and productivity improvements attained during the year. Profit after income tax declined from S\$25.2 million to S\$15.6 million this year. Earnings per share were 1.49 Singapore cents compared to 7.88 Singapore cents last year.

The Board of Directors recommended a final tax-exempt dividend of 1.0 Singapore cent per share. Together with the interim tax-exempt dividend paid, the total tax-exempt dividend per share for the year amounted to 4.0 Singapore cents.

Looking forward, global demands for primary batteries and nickel metal hydride batteries are expected to be slow-growing. Reduced battery consumption due to more energy efficient applications and keen price competition add challenges to our businesses. Growth has to come mainly from increasing market share and developing new applications. However, with the price of nickel stabilising, the Group has a better control of the manufacturing cost of nickel metal hydride batteries and thus is better prepared to promote this category more aggressively. As consumers are becoming more environmentally conscious, consuming behavior may change towards using more rechargeable batteries.

The Group will continue to strengthen its brand by increasing the brand value and brand awareness globally. It will further enhance its flexibility to be more dynamic and responsive to the market to capture business opportunities.

At the same time, the Group will continue to expand its distribution network. Apart from growing on traditional global channels, e-commerce is also an important platform for reaching out to customers and growing business. Capability to market and sell online will be further enhanced.

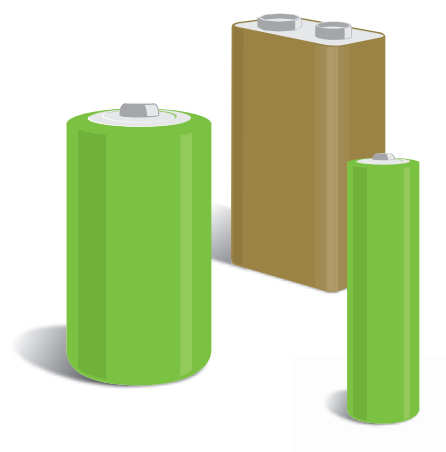
Continuous effort has been made on automation and improving efficiency. On the manufacturing side, a new plant in Vietnam is under construction and the Group is rapidly expanding the Malaysian plant. The Malaysian facilities are expected to become another major manufacturing hub of the Group. Smaller plants in China and Taiwan will be combined to improve efficiency and to accommodate further automation. On the software side, SAP deployment for all the major operations has been completed, which will improve productivity and quality control as well as better management efficiency.

On behalf of the Board of Directors, I would like to express my sincere appreciation to all our shareholders, business partners and customers for their unwavering support. I would also like to thank our employees for their contribution and commitment to the Group during the past year.



Victor C. W. Lo
Chairman and Chief Executive Officer

16 June 2016



REVIEW OF OPERATIONS



GP 超霸

香港銷量第一電池品牌*

Kwun Tong & Hung Hom
日, 觀塘及紅磡





BATTERY
EXPERTS ●

CHAMPIONING
GREENER
RECHARGEABLES ●

BUILDING OUR
BRAND AND
GLOBAL REACH ●

BATTERY EXPERTS



The Group's revenue for the year ended 31 March 2016 was S\$765 million, an increase of 6.4% over last year. As the Singapore dollar has weakened against the US dollar by about 7.7% during the year, the changes in revenue in US dollar terms over last year recorded a decrease of 1.3%.

Sales of primary batteries and rechargeable batteries increased by 6.1% and 8.2% respectively. Sales in Asia and Europe increased by 7.5% and 5.3% respectively over last year.

Profit before income tax for the year was S\$28.6 million as compared to S\$41.6 million last year. Gross profit margin slightly improved from 23.1% last year to 23.2%.

Distribution expenses were S\$61.6 million compared to S\$58.0 million last year due to increase in revenue. Administrative expenses were S\$89.0 million as compared to S\$76.8 million last year mainly due to increases in staff cost, office rental, relocation and IT expenses.

Finance costs for the year were S\$6.4 million as compared to S\$5.4 million over last year mainly due to additional interest expenses incurred after the draw down of the S\$85 million three-year term loan facility in July 2015.

Net operating income was S\$3.0 million as compared to S\$14.7 million last year mainly due to (i) S\$4.5 million of fixed assets impairment in respect of the Group's rechargeable lithium production facilities due to under-utilized production capacity as compared to a fixed asset impairment of S\$2.5 million last year; (ii) a gain of S\$4.0 million arising from the disposal of a factory building in China this year as compared to a gain of S\$9.2 million arising from the disposal of a factory building in Singapore last year; and (iii) a foreign exchange gain of S\$3.5 million this year as compared to that of S\$6.6 million last year.



Share of profits of associates was S\$4.9 million as compared to S\$0.7 million last year mainly due to the improved performance of STL Group and AZ Limited, the Group's 40%-owned associate in Russia.

During the year, the Group has relocated its Hong Kong headquarters to Hong Kong Science Park for long-term business development.

Review by Products

Primary Batteries

With new electronic products becoming more energy efficient, overall battery consumption in the market has been dropping. Despite the tough market, the Group recorded a growth in sales. Sales of primary batteries increased by 6.1%. Sales of alkaline and carbon zinc batteries grew slightly while that of primary lithium batteries reported significant growth over last year.

A new plant in Vietnam is under construction and the Group is planning to increase the production capacity in the Malaysian plant to capture the sales opportunities from other battery companies.

Rechargeable Batteries

Sales of rechargeable batteries increased by 8.2% as compared to last year. Sales of nickel metal hydride batteries in consumer market continued to be challenging while targeted industrial applications ramped up and filled the gap. The Group has continued to fan out the automation and technology development to major product lines to improve product performance and competitiveness.

CHAMPIONING GREENER RECHARGEABLES

Review by Market Segments

Consumer Market

Consumer market segment continued to face fierce competition during the year. Market slowdown and volatile exchange rates against US dollars impacted the business. The Group has developed new distribution channels in selected markets to grow the business.

According to the Nielsen's Report, GP alkaline as well as rechargeable batteries were ranked No. 1 in volume sales in Hong Kong for twelve consecutive years (2004-2015).

Industrial Market

Sales in the industrial market segment grew over last year, mainly in rechargeable battery businesses. Business from cordless phone segment decreased due to drop in demand in the application market. Customer mix has been changed to target the high growth segments for business expansion.





Business Process Re-engineering

SAP deployment for all the major operations was completed enabling a more efficient streamlining of operations and retrieval of real-time information. The Group is also aiming at combining smaller plants in China and Taiwan in order to improve efficiency and to accommodate further automation.

During the year, the Group won the Gold Award of the Asia Quality Best Practice Award 2015 by the International Six Sigma Council, Hong Kong in recognition of its successful practice in quality improvement using Six Sigma methodology.

Sustainability, Health & Safety

The Group's Environment, Health and Safety Joint Committee continued to organize various activities in China to improve the awareness of health and environmental friendliness.

During the year, the Group received numerous awards in recognition of its environment protection efforts.

The Group received the "Hong Kong – Guangdong Cleaner Partner (Manufacturing)" award from the Economic & Information Commission of Guangdong Province, China and the Government of the Hong Kong Special Administrative Region.

Three factories in China were named the "Eco Challenger & 5 Years+ Eco Pioneer" by the Federation of Hong Kong Industries and one factory was named the "Eco Partner & 3 Years+ Eco Pioneer" to recognize their achievement in environmental and economic efficiency.

The Group has also won the third prize in the Shenzhen Public Health Literacy Contest organized by the Health and Family Planning Commission Shenzhen Municipality, China.

REVIEW OF OPERATIONS (cont'd)

BUILDING OUR BRAND AND GLOBAL REACH





Corporate Citizenship

The Group has organized and participated in various social caring events such as blood drive, charity fundraising and visits to elderly community centers. GP warming scarf and foot warmer products were distributed to the elderly in Hong Kong during the winter as a token of love and care.

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

BOARD OF DIRECTORS



Victor LO Chung Wing

Aged 66, appointed as Chairman and Chief Executive Officer and a member of the Nominating Committee since 25 April 2014. He is also the chairman and chief executive of Gold Peak Industries (Holdings) Limited and chairman and chief executive officer of GP Industries Limited.

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

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



Richard KU Yuk Hing

Aged 68, appointed as Vice Chairman since 1993. He is also a board member of Gold Peak Industries (Holdings) Limited and chairman of GPI International Limited.

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



Henry LEUNG Kwong Hang

Aged 64, appointed as an Executive Director since 2008. He is the Executive Vice President and Chief Risk Officer of the Company.

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



LEUNG Pak Chuen

Aged 66, appointed as an Executive Director since May 2014. He is also the deputy chief executive of Gold Peak Industries (Holdings) Limited and the executive vice chairman of GP Industries Limited.

Mr Leung has been in the electronics manufacturing industry for 45 years and has played an important role in setting up the Gold Peak Group's major joint ventures in China in mid 1980s. He is a member of The Chartered Institute of Marketing, UK and The International Institute of Management. He graduated from Chu Hai College, Hong Kong with a Bachelor's degree in Business Administration.



HUI Wing Sun

Aged 70, appointed as an Executive Director since 1991. He is a member of The Hong Kong Institution of Engineers. Mr Hui holds a Higher Diploma in Mechanical Engineering from The Hong Kong Polytechnic University (formerly The Hong Kong Polytechnic) and a Master of Science degree in Applied Mechanics from the Institute of Science and Technology, University of Manchester, UK.



Brian WONG Tze Hang

Aged 53, appointed as an Executive Director since 2009. He is the Head of Finance of the Company.

Mr Wong has over 30 years' experience in the accounting field and is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants of the UK. He holds a Bachelor of Laws degree from the University of London, UK.



LIM Jiew Keng

Aged 76, appointed as a Non-Executive and Independent Director since 2009 and Lead Independent Director in May 2014. He has been the Chairman of the Audit Committee, which was subsequently renamed as Audit and Risk Committee on 27 May 2015, and a member of both the Nominating and Remuneration Committees since 2011.

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

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



Allen CHOY Kam Wing

Aged 72, appointed as a Non-Executive and Independent Director since 2011. He was appointed Chairman of the Nominating Committee and a member of both the Audit Committee, which was subsequently renamed as Audit and Risk Committee on 27 May 2015, and Remuneration Committee in the same year.

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

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



GOH Boon Seong

Aged 62, appointed as a Non-Executive and Independent Director since 2012. He was appointed Chairman of the Remuneration Committee and a member of both the Audit Committee, which was subsequently renamed as Audit and Risk Committee on 27 May 2015, and Nominating Committee in the same year.

Mr Goh has over 30 years of management experience in the private sector and is currently the president and chief executive officer of WhiteRock Medical Company Pte Ltd, a medical device group that provides products and services to institutions and homecare providers engaged in rehabilitation and chronic care. Prior to this, Mr Goh held various senior positions within the Singapore Technologies Group in the areas of corporate development, investment and finance. He also served Morgan Grenfell, PrimeEast Group and Merrill Lynch holding senior management positions.

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

Executive Directors

Independent Non-Executive Directors

SENIOR MANAGEMENT

Percy CHAN Chi Wai

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

Herbert HO Chung Kai

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

Parklin HO Pak Nin

Joined the Group in 1979 and is currently Head of Consumer Division of GPI International Limited. He has over 30 years' experience in the electrical and battery industries. He holds a Bachelor's degree in Social Sciences from The University of Hong Kong.

Edward LAM Wai Man

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

Daniel TONG Shun Yuen

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

William WANG Jian Hao

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

WANG Mingde

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

Richard YEW Cheng Teik

Joined the Group in 2015 and is currently Senior Vice President and Assistant to Chairman of the Company. He has more than 25 years' experience holding management positions in industrial companies in Asia. He holds a Bachelor of Science degree in Electrical Engineering from University of Arkansas, US and an MBA degree from Janus University (formerly known as Newport University), US.

David ZHENG Wei Gong

Joined the Group in 2011 and is currently Head of Technical Operations of the Company. He has been in the energy and battery material field for 15 years holding senior positions. He graduated from Peking University, China with a Bachelor's degree in Chemistry. He also holds a Master's degree in Chemistry from Fujian Institute of Research on the Structure of Matter which is under the Chinese Academy of Science as well as a Doctoral degree in Chemistry from the University of Pennsylvania, US.

EVENTS AND AWARDS

Events	
Jun 2015	The Company entered into a facility agreement with five banks in respect of a S\$85 million three-year term loan facility.
Dec	The Company entered into a joint venture agreement with Hanoi Battery Joint Stock Company to undertake an investment project in Vietnam.
Awards	
Oct 2015	GP Batteries (Shenzhen) Company Limited was awarded “Hong Kong – Guangdong Cleaner Production Partner (Manufacturing)” by the Environment Bureau of Hong Kong and the Economic and Information Commission of Guangdong Province, China.
Feb 2016	Nielsen’s Report ranked GP as the No.1 brand in sales volume in the alkaline battery segment as well as the rechargeable battery segment in Hong Kong for the twelfth consecutive year.
May	GP Batteries (Shenzhen) Company Limited and GP Logistics (Shenzhen) Company Limited were presented “Shenzhen Corporate Social Responsibility Rating Certificate” in recognition of their fulfillment of social responsibility in development and production of batteries as well as logistics solutions and packaging services.
Jun	Four factories in China were named “EcoChallenger / EcoPartner” of the BOCHK Corporate Environmental Leadership Awards by Federation of Hong Kong Industries to recognize their contribution and achievement in environmental protection and minimizing pollutions in the Pan Pearl River Delta Region.

DIRECTORS' STATEMENT

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

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 26 to 81 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

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

Executive:

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

Independent Non-executive:

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

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50, except as follows:

	Shareholdings registered in the name of directors			Shareholdings in which directors are deemed to have an interest		
	At 1 April 2015	At 31 March 2016	At 21 April 2016	At 1 April 2015	At 31 March 2016	At 21 April 2016
Interest in the Company's ordinary shares						
Victor Lo Chung Wing	300,000	300,000	300,000	100,813,244	102,274,444	102,274,444
Richard Ku Yuk Hing	151,500	151,500	151,500	–	–	–
Hui Wing Sun	695,028	695,028	695,028	–	–	–
Ordinary shares of NT\$10 each of Gold Peak Industries (Taiwan) Limited, a subsidiary of the Company						
Richard Ku Yuk Hing	200,000	200,000	200,000	–	–	–
Hui Wing Sun	200,000	200,000	200,000	–	–	–

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

	Shareholdings registered in the name of directors			Shareholdings in which directors are deemed to have an interest		
	At 1 April 2015	At 31 March 2016	At 21 April 2016	At 1 April 2015	At 31 March 2016	At 21 April 2016
Interest in Gold Peak Industries (Holdings) Limited's ordinary shares, ultimate holding company						
Victor Lo Chung Wing	6,141,945	69,045,825	69,045,825	226,747,823	100,940,063	100,940,063
Richard Ku Yuk Hing	2,629,684	2,629,684	2,629,684	–	–	–
Henry Leung Kwong Hang	500,000	500,000	500,000	–	–	–
Leung Pak Chuen	4,575,114	4,575,114	4,575,114	–	–	–
Hui Wing Sun	1,047,956	1,047,956	1,047,956	–	–	–
Options to subscribe for Gold Peak Industries (Holdings) Limited's ordinary shares						
Victor Lo Chung Wing	750,000	–	–	–	–	–
Richard Ku Yuk Hing	700,000	–	–	–	–	–
Leung Pak Chuen	700,000	–	–	–	–	–
Interest in GP Industries Limited's ordinary shares, immediate holding company						
Victor Lo Chung Wing	300,000	300,000	300,000	414,098,443	414,098,443	414,098,443
Richard Ku Yuk Hing	340,000	340,000	340,000	–	–	–
Leung Pak Chuen	1,608,000	1,608,000	1,608,000	–	–	–
Hui Wing Sun	77,430	77,430	77,430	–	–	–

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Mr Victor Lo Chung Wing is deemed to have an interest in all the related corporations of the Company.

4 SHARE OPTIONS

During the financial year,

- (i) no option to take up unissued shares of the Company or any corporation in the Group was granted; and
- (ii) there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

5 UNISSUED SHARES UNDER OPTION

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

DIRECTORS' STATEMENT (cont'd)

6 AUDIT AND RISK COMMITTEE

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

- (a) the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;
- (b) the Group's financial and operating results and accounting policies;
- (c) the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditors' report on those financial statements;
- (d) the quarterly, half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;
- (e) the co-operation and assistance given by the management to the Group's external auditors; and
- (f) the re-appointment of the external auditors of the Group.

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

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

7 AUDITORS

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

ON BEHALF OF THE DIRECTORS

Victor Lo Chung Wing
Chairman and Chief Executive Officer

Richard Ku Yuk Hing
Vice Chairman

Singapore
16 June 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GP BATTERIES INTERNATIONAL LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of GP Batteries International Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2016, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 26 to 81.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016, and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

Deloitte & Touche LLP

Public Accountants and Chartered Accountants
Singapore

Loi Chee Keong
Partner
Appointed since financial year ended 31 March 2016

16 June 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2016

	Note	The Group	
		2016 S\$'000	2015 S\$'000
Revenue	4	765,254	719,335
Cost of sales		(587,601)	(552,963)
Gross profit		177,653	166,372
Other operating income	5	12,875	21,131
Distribution expenses		(61,603)	(57,961)
Administrative expenses		(88,974)	(76,832)
Other operating expenses	6	(9,837)	(6,410)
Finance costs	7	(6,353)	(5,438)
Profit before share of results of associates		23,761	40,862
Share of results of associates		4,884	741
Profit before income tax	8	28,645	41,603
Income tax	10	(12,956)	(16,369)
Profit for the year		15,689	25,234
Profit attributable to:			
Equity holders of the Company		2,397	12,981
Non-controlling interests	31	13,292	12,253
		15,689	25,234
Earnings per share (cents):			
- Basic	12	1.49	7.88
- Diluted	12	1.49	7.88

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2016

	The Group	
	2016	2015
	S\$'000	S\$'000
Profit for the year	15,689	25,234
Other comprehensive income:		
<i>Items that may be subsequently reclassified to Profit or Loss:</i>		
Translation differences arising from consolidation of foreign operations	(25,351)	14,349
Available-for-sale financial assets		
- Fair value loss arising during the year	(485)	(176)
Other comprehensive (loss) income for the year, net of tax	(25,836)	14,173
Total comprehensive (loss) income for the year	(10,147)	39,407
Total comprehensive (loss) income attributable to:		
Equity holders of the Company	(18,519)	20,819
Non-controlling interests	8,372	18,588
	(10,147)	39,407

See accompanying notes to financial statements.

STATEMENTS OF FINANCIAL POSITION

31 March 2016

	Note	The Group		The Company	
		2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Non-current assets					
Investment property	13	1,672	1,747	–	–
Property, plant and equipment	14	194,039	211,553	1,142	787
Interest in subsidiaries	15	–	–	336,614	332,877
Interest in associates	16	46,329	46,606	16,382	16,382
Available-for-sale investments	17	5,777	5,699	–	–
Deferred tax assets	26	3,729	3,661	–	–
Goodwill on consolidation	18	11,548	14,709	–	–
Deposits and prepayments	21	3,095	705	3,046	–
Total non-current assets		266,189	284,680	357,184	350,046
Current assets					
Stocks	19	110,353	101,123	–	–
Debtors	20	123,485	128,782	100,048	105,275
Tax recoverable		754	3,615	–	–
Deposits and prepayments	21	10,904	9,747	1,985	1,086
Bank balances and cash		110,978	81,042	6,797	6,987
		356,474	324,309	108,830	113,348
Assets held for sale	36	–	70	–	–
Total current assets		356,474	324,379	108,830	113,348
Current liabilities					
Creditors and accrued charges	22	143,653	135,922	100,410	139,930
Derivative financial instruments	23	497	195	–	–
Obligations under finance leases	24	113	196	–	–
Income tax payable		2,108	1,854	147	269
Bank loans and overdrafts	25	118,142	124,926	69,336	60,855
Total current liabilities		264,513	263,093	169,893	201,054
Net current assets (liabilities)		91,961	61,286	(61,063)	(87,706)
Non-current liabilities					
Bank loans	25	43,315	–	43,315	–
Obligations under finance leases	24	79	120	–	–
Deferred tax liabilities	26	2,208	3,317	–	–
Total non-current liabilities		45,602	3,437	43,315	–
Net assets		312,548	342,529	252,806	262,340
Represented by					
Share capital	27	257,400	257,400	257,400	257,400
Treasury shares	28	(6,084)	–	(6,084)	–
Reserves		(19,428)	7,957	1,490	4,940
Attributable to equity holders of the Company		231,888	265,357	252,806	262,340
Non-controlling interests	31	80,660	77,172	–	–
		312,548	342,529	252,806	262,340

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 March 2016

	Note	Share capital S\$'000	Treasury shares S\$'000	Capital reserve# S\$'000	Legal reserve S\$'000	Translation reserve S\$'000	Property/ asset revaluation reserve S\$'000	Retained profits S\$'000	Fair value reserve S\$'000	Attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
The Group												
Balance at 1 April 2014		257,400	-	(32,963)	21,778	(131,161)	3,358	128,452	1,382	248,246	61,802	310,048
Total comprehensive income (loss) for the year:												
Profit for the year		-	-	-	-	-	-	12,981	-	12,981	12,253	25,234
Other comprehensive income (loss) for the year		-	-	-	-	8,014	-	-	(176)	7,838	6,335	14,173
Total		-	-	-	-	8,014	-	12,981	(176)	20,819	18,588	39,407
Transactions with owners, recognised directly in equity:												
Capital contributions by non-controlling interests		-	-	-	-	-	-	-	-	-	71	71
Dividends paid	11(a)	-	-	-	-	-	-	(3,708)	-	(3,708)	-	(3,708)
Dividends paid to non-controlling interests in subsidiaries		-	-	-	-	-	-	-	-	-	(3,119)	(3,119)
Effects of changes in shareholdings on non-controlling interests		-	-	-	-	-	-	-	-	-	(170)	(170)
Total		-	-	-	-	-	-	(3,708)	-	(3,708)	(3,218)	(6,926)
Transfer to (from) reserves		-	-	-	223	-	-	(223)	-	-	-	-
Balance at 31 March 2015		257,400	-	(32,963)	22,001	(123,147)	3,358	137,502	1,206	265,357	77,172	342,529
Balance at 1 April 2015		257,400	-	(32,963)	22,001	(123,147)	3,358	137,502	1,206	265,357	77,172	342,529
Total comprehensive income (loss) for the year:												
Profit for the year		-	-	-	-	-	-	2,397	-	2,397	13,292	15,689
Other comprehensive loss for the year		-	-	-	-	(20,431)	-	-	(485)	(20,916)	(4,920)	(25,836)
Total		-	-	-	-	(20,431)	-	2,397	(485)	(18,519)	8,372	(10,147)
Transactions with owners, recognised directly in equity:												
Capital contributions by non-controlling interests		-	-	-	-	-	-	-	-	-	1,640	1,640
Dividends paid	11(a)	-	-	-	-	-	-	(8,866)	-	(8,866)	-	(8,866)
Dividends paid to non-controlling interests in subsidiaries		-	-	-	-	-	-	-	-	-	(6,524)	(6,524)
Purchase of treasury shares	28	-	(6,084)	-	-	-	-	-	-	(6,084)	-	(6,084)
Total		-	(6,084)	-	-	-	-	(8,866)	-	(14,950)	(4,884)	(19,834)
Transfer to (from) reserves		-	-	-	173	-	-	(173)	-	-	-	-
Balance at 31 March 2016		257,400	(6,084)	(32,963)	22,174	(143,578)	3,358	130,860	721	231,888	80,660	312,548

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

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY (cont'd)

Year ended 31 March 2016

	Note	Share capital S\$'000	Treasury shares S\$'000	Retained profits S\$'000	Translation reserve S\$'000	Total S\$'000
The Company						
Balance at 1 April 2014		257,400	–	20,405	(20)	277,785
Total comprehensive loss for the year:						
Loss for the year		–	–	(7,325)	–	(7,325)
Other comprehensive loss for the year		–	–	–	(4,412)	(4,412)
Total		–	–	(7,325)	(4,412)	(11,737)
Transactions with owners, recognised directly in equity:						
Dividends paid	11(a)	–	–	(3,708)	–	(3,708)
Balance at 31 March 2015		257,400	–	9,372	(4,432)	262,340
Balance at 1 April 2015		257,400	–	9,372	(4,432)	262,340
Total comprehensive profit for the year:						
Profit for the year		–	–	3,456	–	3,456
Other comprehensive income for the year		–	–	–	1,960	1,960
Total		–	–	3,456	1,960	5,416
Transactions with owners, recognised directly in equity:						
Dividends paid	11(a)	–	–	(8,866)	–	(8,866)
Purchase of treasury shares	28	–	(6,084)	–	–	(6,084)
Total		–	(6,084)	(8,866)	–	(14,950)
Balance at 31 March 2016		257,400	(6,084)	3,962	(2,472)	252,806

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2016

	The Group	
	2016	2015
	S\$'000	S\$'000
Operating activities		
Profit before income tax	28,645	41,603
Adjustments for:		
Allowance for doubtful debts (trade), net	(263)	1,980
Allowance for stock, net	2,806	1,829
Depreciation of property, plant and equipment	19,179	19,044
Finance costs, net	6,353	5,438
Gain on dilution of interest	–	(10)
Gain on disposal of property, plant and equipment, net	(4,029)	(10,182)
Impairment loss on goodwill	2,935	–
Impairment loss on interest in associates	–	524
Impairment loss on property, plant and equipment	4,479	2,494
Impairment loss on receivables due from an associate		
Non trade	–	(14)
Interest income	(1,494)	(1,008)
Property, plant and equipment written off	611	2,574
Realised loss (gain) on derivative financial instruments	387	(180)
Share of results of associates	(4,884)	(741)
Unrealised fair value loss on derivative financial instruments	302	195
Unrealised foreign exchange loss (gain)	2,387	(1,813)
Operating profit before working capital changes	57,414	61,733
Stocks	(14,638)	746
Debtors	1,559	1,591
Deposits and prepayments	(1,412)	(977)
Creditors and accrued charges	4,853	(23,185)
Cash generated from operations	47,776	39,908
Income tax paid	(9,672)	(16,464)
Net cash from operating activities	38,104	23,444
Investing activities		
Deposits received for asset held for sale	–	754
Deposits paid for purchase of property, plant and equipment	(3,051)	(673)
Divestment of a subsidiary, net of cash disposed	–	(286)
Dividends received from associates	1,193	2,355
Interest received	1,494	1,011
Investment in associates	–	(304)
Proceeds on disposal of property, plant and equipment	4,570	19,757
Purchase of available-for-sale investments	(712)	(680)
Purchase of property, plant and equipment (Note A)	(18,690)	(15,292)
Net cash (used in) from investing activities	(15,196)	6,642

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

Year ended 31 March 2016

	The Group	
	2016	2015
	S\$'000	S\$'000
Financing activities		
Drawdown of term loans	89,710	–
Payment of front end fees	(2,125)	–
Repayment of term loans	(14,759)	(25,111)
Other short term bank loans repaid	(34,687)	(7,703)
Capital contributions from non-controlling shareholders	1,640	71
Dividends paid	(8,866)	(3,708)
Dividends paid to non-controlling interests	(6,524)	(3,119)
Repayment of obligations under finance leases	(158)	(283)
Non trade balances due from associates	56	260
Non trade balances due to associates	293	382
Interest paid	(5,446)	(5,286)
Purchase of treasury shares	(6,084)	–
Net cash from (used in) financing activities	13,050	(44,497)
Net increase (decrease) in cash and cash equivalents	35,958	(14,411)
Cash and cash equivalents at 1 April	81,042	93,979
Effect of exchange rate changes on the balance of cash held in foreign currencies	(6,022)	1,474
Cash and cash equivalents at 31 March	110,978	81,042

A. Property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S\$19,348,000 (2015 : S\$15,626,000) of which:

- S\$Nil (2015 : S\$210,000) were acquired under finance leases;
- S\$658,000 (2015 : S\$124,000) were transferred from deposits paid for property, plant and equipment; and
- S\$18,690,000 (2015 : S\$15,292,000) were acquired with cash.

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2016

1 GENERAL

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

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

The principal activities of its key subsidiaries are as disclosed in Note 31 to the financial statements.

The financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 March 2016 were authorised for issue by the Board of Directors on 16 June 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

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

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

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

ADOPTION OF NEW AND REVISED STANDARDS

The Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2015. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following new/revised FRSs, INT FRSs and amendments to FRS that are relevant to the group and the company were issued but not effective:

- FRS 109 *Financial Instruments*²
- FRS 115 *Revenue from Contracts with Customers*²
- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*¹
- Amendments to FRS 16 *Property, Plant and Equipment* and FRS 38 *Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation*¹
- Amendments to FRS 110 *Consolidated Financial Statements* and FRS 28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*³

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ADOPTION OF NEW AND REVISED STANDARDS (cont'd)

- Amendments to FRS 110 *Consolidated Financial Statements*, FRS 112 *Disclosure of Interests in Other Entities*, FRS 28 *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*¹
- Improvements to Financial Reporting Standards (November 2014)¹
 - (1) Applies to annual periods beginning on or after January 1, 2016, with early application permitted.
 - (2) Applies to annual periods beginning on or after January 1, 2018, with early application permitted.
 - (3) Application has been deferred indefinitely, however, early application is still permitted.

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

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

FRS 109 *Financial Instruments*

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

Key requirements for FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.
- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under FRS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL is presented in profit or loss.
- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ADOPTION OF NEW AND REVISED STANDARDS (cont'd)

FRS 115 *Revenue from Contracts with Customers*

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

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

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

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

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

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

The amendments have been made to the following:

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

BASIS OF CONSOLIDATION

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

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BASIS OF CONSOLIDATION (cont'd)

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

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

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

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

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

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

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

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

BUSINESS COMBINATIONS

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BUSINESS COMBINATIONS (cont'd)

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with FRS 12 Income Taxes and FRS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with FRS102 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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

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

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

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

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

ASSOCIATES

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

GOODWILL

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

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

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

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

INVESTMENT PROPERTY

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

PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

Freehold land is not depreciated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

PROPERTY, PLANT AND EQUIPMENT (cont'd)

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

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

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

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

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

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

IMPAIRMENT OF TANGIBLE ASSETS

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

FINANCIAL INSTRUMENTS

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

Effective interest method

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FINANCIAL INSTRUMENTS (cont'd)

Financial assets

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

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

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

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

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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

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

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

Available-for-sale financial assets

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

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

Loans and receivables

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FINANCIAL INSTRUMENTS (cont'd)

Financial assets (cont'd)

Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

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

Derecognition of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

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

Derecognition of financial liabilities

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

Derivative financial instruments

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

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

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

STOCKS

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

PROVISIONS

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

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

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

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

The Group as lessor

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

LEGAL RESERVE

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

TREASURY SHARES

When the Company purchases its own issued ordinary shares without immediately cancelling them, these shares are held as treasury shares. The consideration paid, including any directly attributable incremental costs is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued. When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account. When treasury shares are subsequently reissued pursuant to the employee Performance Share Plan scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

REVENUE RECOGNITION

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

REVENUE RECOGNITION (cont'd)

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

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

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

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

BORROWING COSTS

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

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

RETIREMENT BENEFIT COSTS

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

EMPLOYEE LEAVE ENTITLEMENT

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

GOVERNMENT GRANTS

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

INCOME TAX

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

INCOME TAX (cont'd)

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

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

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

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

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION (cont'd)

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

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

CASH AND CASH EQUIVALENTS

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

NON-CURRENT ASSETS HELD FOR SALE

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

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

SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

Operating segments are reported in a manner consistent with the internal reporting provided to members of management and the chief operating decision makers who are responsible for allocating resources and assessing performance of the operating segments.

3 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

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

	The Group		The Company	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Loans and receivables (including cash and cash equivalents)	238,744	212,189	108,434	112,928
Available-for-sale financial assets	5,777	5,699	–	–

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

	The Group		The Company	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
Financial liabilities				
Derivative financial instruments	497	195	–	–
Payables at amortised cost	305,302	261,164	213,061	200,785

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

(b) Financial risk management policies and objectives

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

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

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

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

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

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

(i) Foreign exchange risk management

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

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

	The Group				The Company			
	Liabilities		Assets		Liabilities		Assets	
	2016	2015	2016	2015	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
United States dollars	157,490	161,878	119,556	134,767	60,004	55,182	41,105	40,035
Chinese Renminbi	60,525	53,877	50,385	47,843	5	–	14,363	7,772
Hong Kong dollars	77,970	84,708	63,684	86,396	28,696	44,517	45,033	46,567
Japanese Yen	101	582	28	55	–	–	–	–
Euro	1,382	1,861	349	308	35	33	–	–

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

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

Further details on the forward exchange derivative instruments are found in Note 23 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

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

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

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

Foreign currency sensitivity

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

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

	The Group ⁽ⁱ⁾		The Company ⁽ⁱⁱ⁾	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
<i>Gain (Loss):</i>				
United States dollars impact	1,897	1,356	945	757
Chinese Renminbi impact	507	302	(718)	(389)
Hong Kong dollars impact	714	(84)	(817)	(102)
Japanese Yen impact	4	26	–	–
Euro impact	52	78	2	2

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

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

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

(ii) Interest rate risk management

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

Interest rate sensitivity

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

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

- the Group's profit for the year ended 31 March 2016 would decrease/increase by S\$807,000 (2015 : S\$625,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings; and
- the Company's profit for the year ended 31 March 2016 would decrease/increase by S\$563,000 (loss for the year ended 31 March 2015 would increase/decrease by S\$304,000). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

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

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

(iii) Equity price risk management

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

Further details of these equity investments can be found in Note 17 to the financial statements.

Equity price sensitivity

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

In respect of available-for-sale equity investments, if the equity price or valuation had been 5% higher/lower while all other variables were held constant, the Group's fair value reserves would increase/decrease by S\$123,000 (2015 : increase/decrease by S\$137,000).

(iv) Credit risk management

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

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

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

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

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

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

	The Group		The Company	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
<i>By geographical areas</i>				
Asia	70,139	73,192	51,004	50,258
North and South America	8,831	10,543	–	–
Europe and others	27,831	30,294	–	–
	106,801	114,029	51,004	50,258

(v) Liquidity risk management

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

As at 31 March 2016, the Company's current liabilities exceeded its current assets by S\$61,063,000 (2015 : S\$87,706,000). The financial statements of the Company have been prepared on a going concern basis as the management is of the view that its major shareholder will continue to provide financial support to enable the Company to meet its financial obligations as and when they fall due. Its major shareholder has undertaken to provide the Company with sufficient liquidity to enable the Company to meet its funding needs.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

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

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

(v) Liquidity risk management (cont'd)

Liquidity and interest risk analyses

Non-derivative financial liabilities

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

	Weighted average effective interest rate % p.a.	On demand or within 1 year S\$'000	Within 2 to 5 years S\$'000	Adjustment S\$'000	Total S\$'000
The Group					
2016					
Non-interest bearing	–	143,653	–	–	143,653
Finance lease liability (fixed rate)	5.28	211	81	(100)	192
Variable interest rate instruments	3.68	123,588	44,624	(6,755)	161,457
		<u>267,452</u>	<u>44,705</u>	<u>(6,855)</u>	<u>305,302</u>
2015					
Non-interest bearing	–	135,922	–	–	135,922
Finance lease liability (fixed rate)	4.66	277	159	(120)	316
Variable interest rate instruments	3.85	129,711	–	(4,785)	124,926
		<u>265,910</u>	<u>159</u>	<u>(4,905)</u>	<u>261,164</u>
The Company					
2016					
Non-interest bearing	–	100,410	–	–	100,410
Variable interest rate instruments	3.76	73,045	44,624	(5,018)	112,651
Financial guarantees	–	235,258	–	(235,258)	–
		<u>408,713</u>	<u>44,624</u>	<u>(240,276)</u>	<u>213,061</u>
2015					
Non-interest bearing	–	139,930	–	–	139,930
Variable interest rate instruments	3.77	63,135	–	(2,280)	60,855
Financial guarantees	–	232,013	–	(232,013)	–
		<u>435,078</u>	<u>–</u>	<u>(234,293)</u>	<u>200,785</u>

Derivative financial instruments

The liquidity analysis for derivative financial instruments is disclosed in Note 23 to the financial statements.

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

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

(vi) Fair value of financial assets and financial liabilities

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

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

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

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

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

Financial instruments measured at fair value

	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000
The Group				
2016				
Financial assets				
Available-for-sale investments	2,381	2,381	–	–
Financial liabilities				
Derivative financial instruments	497	–	497	–
2015				
Financial assets				
Available-for-sale investments	2,914	2,914	–	–
Financial liabilities				
Derivative financial instruments	195	–	195	–

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

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

(c) Capital risk management policies and objectives

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

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

The Group's overall strategy remains unchanged from 2015.

4 REVENUE

Revenue relates to sales of batteries.

5 OTHER OPERATING INCOME

	The Group	
	2016	2015
	S\$'000	S\$'000
Gain on disposal of property, plant and equipment, net	4,029	10,182
Gain on foreign exchange	3,464	6,631
Government grant	1,923	1,350
Interest income	1,494	1,008
Rental income	815	805
Others	1,150	1,155
	12,875	21,131

6 OTHER OPERATING EXPENSES

	Note	The Group	
		2016	2015
		S\$'000	S\$'000
Impairment loss on receivables due from associates			
Non trade		–	39
Impairment loss on interest in associates		–	524
Impairment loss on goodwill	18	2,935	–
Impairment loss on property, plant and equipment	14	4,479	2,494
Property, plant and equipment written off		611	2,574
Others		1,812	779
		9,837	6,410

7 FINANCE COSTS

	The Group	
	2016 S\$'000	2015 S\$'000
Interest expense on:		
Bank loans	6,336	5,405
Finance leases	17	33
	6,353	5,438

8 PROFIT BEFORE INCOME TAX

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

	Note	The Group	
		2016 S\$'000	2015 S\$'000
Allowance for doubtful debts charged (written back)			
Trade ^(a)	20	(263)	1,980
Non-trade ^(b)	20	–	(14)
Allowance for stock, net		2,806	1,829
Audit fees:			
Auditors of the Company		380	365
Other auditors		687	687
Non-audit fees:			
Auditors of the Company		24	27
Other auditors		227	80
Cost of inventories recognised as expense		587,601	552,963
Operating lease expense		8,954	5,785
Realised loss (gain) on derivative financial instruments ^(b)		387	(180)
Unrealised fair value loss on derivative financial instruments ^(b)		302	195

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

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

9 STAFF COSTS

	The Group	
	2016 S\$'000	2015 S\$'000
Directors' remuneration:		
Fees	193	193
Emoluments		
of the Company	2,964	2,437
of the subsidiaries	–	43
Salaries and wages	114,578	101,568
Defined contribution plans	5,241	4,299
	122,976	108,540

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

10 INCOME TAX

	The Group	
	2016 S\$'000	2015 S\$'000
Current income tax:		
Charge for current year	13,015	11,348
(Over) Under provision in respect of prior years	(1,297)	406
Withholding tax on overseas income	1,027	1,949
	12,745	13,703
Deferred income tax:		
(Write-back) Charge for current year	(1,119)	2,086
Overprovision in respect of prior years	–	(266)
	(1,119)	1,820
Share of taxation of associates:		
Charge for current year	1,330	846
	12,956	16,369

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2015 : 17%) to profit before income tax as a result of the following differences:

	The Group	
	2016 S\$'000	2015 S\$'000
Profit before income tax	28,645	41,603
Income tax expense at statutory rate	4,870	7,073
<i>Add/(Less):</i>		
Effect of different tax rates of overseas operations	(218)	1,452
Effect of change in tax rate	–	1,625
Income not subject to tax	(296)	(97)
Utilisation of previously unrecognised deferred tax benefits	(1,479)	(1,968)
(Over) Under provision in respect of prior years	(1,297)	140
Non-allowable items	3,313	938
Unrecognised deferred tax benefits	7,036	5,257
Withholding tax on overseas income	1,027	1,949
Income tax at effective tax rate	12,956	16,369

11 DIVIDENDS

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

	The Group and the Company	
	2016 S\$'000	2015 S\$'000
2015 final tax-exempt (1-tier) dividend of 2.50 Singapore cents ("S cents") per share	4,073	–
2016 interim tax-exempt (1-tier) dividend of 3.00 S cents (per share)	4,793	–
2014 final tax-exempt (1-tier) dividend of 1.00 S cents per share	–	1,648
2015 interim tax-exempt (1-tier) dividend of 1.25 S cents per share	–	2,060
	8,866	3,708

b) Proposed dividends at 31 March are as follows:

	The Group and the Company	
	2016 S\$'000	2015 S\$'000
Final tax-exempt (1-tier) dividend of 1.0 S cents (2015 : 2.5 S cents) per share	1,581	4,120

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

12 EARNINGS PER SHARE

The following data are used in computing basic and fully diluted earnings per share disclosed in the consolidated statement of profit or loss.

a) Earnings

	The Group	
	2016 S\$'000	2015 S\$'000
Profit attributable to equity holders of the Company	2,397	12,981

b) Number of shares

	The Group	
	2016	2015
Weighted average number of ordinary shares used in calculating basic & diluted earnings per share	161,266,258	164,806,752

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

13 INVESTMENT PROPERTY

	The Group	
	2016 S\$'000	2015 S\$'000
At 1 April	1,747	1,601
Currency realignment	(75)	146
At 31 March	1,672	1,747

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

The property rental income earned by the Group from its investment property which is leased out under operating leases, amounted to S\$200,000 (2015 : S\$181,000). Direct operating expenses arising from the investment property in the year amounted to S\$34,800 (2015 : S\$50,200).

Particulars of the investment property are as follows:

Description	Tenure	Fair value S\$'000	Valuation Technique	Unobservable inputs	Range of unobservable inputs
Pao Lou Keng, Gu Tang Au, Huizhou City, Guangdong, China					
A 10,200 square metre plot of land with a single-storey godown, a 3-storey composite building, a 2-storey workshop and several single-storey industrial buildings with gross floor area of 4,720 square metres	47 years from 2004	1,672	Depreciated replacement cost method	Building construction cost	RMB1,000 to RMB1,500/ square metre (2015: RMB1,000 to RMB1,500/ square metre)

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

14 PROPERTY, PLANT AND EQUIPMENT

Note	Freehold land and buildings S\$'000	Leasehold land, buildings and leasehold improvements S\$'000	Machinery, moulds and equipment S\$'000	Assets under construction S\$'000	Furniture, fixtures, equipment and motor vehicles S\$'000	Total S\$'000
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The Group

Cost/Valuation:

At 1 April 2014	31,462	138,062	393,916	9,830	48,253	621,523
Currency realignment	678	8,785	28,283	1,665	3,773	43,184
Transfer	659	149	8,869	(11,046)	1,369	–
Additions	–	851	2,461	10,758	1,556	15,626
Disposals and write-offs	(8,616)	(4,714)	(30,822)	–	(10,142)	(54,294)
Assets reclassified as held for sale	36	–	(828)	–	–	(828)
At 31 March 2015	24,183	142,305	402,707	11,207	44,809	625,211
Currency realignment	(1,414)	(7,605)	(18,516)	(663)	(1,657)	(29,855)
Transfer	–	808	6,376	(7,918)	734	–
Additions	–	1,724	5,124	9,834	2,666	19,348
Disposals and write-offs	(1,131)	(1,355)	(3,213)	(3)	(3,544)	(9,246)
At 31 March 2016	21,638	135,877	392,478	12,457	43,008	605,458

Represented by:

At 31 March 2016						
Cost	15,678	135,877	392,478	12,457	43,008	599,498
Valuation	5,960	–	–	–	–	5,960
Total	21,638	135,877	392,478	12,457	43,008	605,458

At 31 March 2015						
Cost	17,767	142,305	402,707	11,207	44,809	618,795
Valuation	6,416	–	–	–	–	6,416
Total	24,183	142,305	402,707	11,207	44,809	625,211

Accumulated depreciation:

At 1 April 2014	8,078	37,937	285,591	–	36,022	367,628
Currency realignment	361	1,959	22,374	–	2,947	27,641
Depreciation	326	3,469	12,537	–	2,712	19,044
Disposals and write-offs	(2,203)	(3,788)	(27,357)	–	(9,398)	(42,746)
Asset reclassified as held for sale	36	–	(758)	–	–	(758)
At 31 March 2015	6,562	38,819	293,145	–	32,283	370,809
Currency realignment	(340)	(1,848)	(12,899)	–	(1,296)	(16,383)
Depreciation	274	3,530	12,839	–	2,536	19,179
Disposals and write-offs	(514)	(764)	(3,025)	–	(3,166)	(7,469)
At 31 March 2016	5,982	39,737	290,060	–	30,357	366,136

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

14 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Note	Freehold land and buildings S\$'000	Leasehold land, buildings and leasehold improvements S\$'000	Machinery, moulds and equipment S\$'000	Assets under construction S\$'000	Furniture, fixtures, equipment and motor vehicles S\$'000	Total S\$'000
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The Group

Impairment loss:

At 1 April 2014	–	5,247	32,157	–	1,251	38,655
Currency realignment	–	(204)	2,446	–	113	2,355
Charge for the year	–	–	2,494	–	–	2,494
Disposal	–	(4)	(49)	–	(602)	(655)
At 31 March 2015	–	5,039	37,048	–	762	42,849
Currency realignment	–	(358)	(1,678)	–	(9)	(2,045)
Charge for the year	–	–	4,479	–	–	4,479
At 31 March 2016	–	4,681	39,849	–	753	45,283

Carrying amount:

At 31 March 2016	15,656	91,459	62,569	12,457	11,898	194,039
At 31 March 2015	17,621	98,447	72,514	11,207	11,764	211,553

14 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold Improvement S\$'000	Machinery, moulds and equipment S\$'000	Furniture, fixtures, equipment and motor vehicle S\$'000	Total S\$'000
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The Company

Cost:

At 1 April 2014	358	89	4,223	4,670
Currency realignment	33	–	369	402
Additions	149	21	322	492
At 31 March 2015	540	110	4,914	5,564
Currency realignment	(9)	–	(100)	(109)
Additions	282	10	510	802
Disposals	(403)	–	(27)	(430)
At 31 March 2016	410	120	5,297	5,827

Accumulated depreciation:

At 1 April 2014	358	48	3,492	3,898
Currency realignment	34	–	338	372
Depreciation	41	12	454	507
At 31 March 2015	433	60	4,284	4,777
Currency realignment	(9)	–	(100)	(109)
Depreciation	50	15	363	428
Disposals	(397)	–	(14)	(411)
At 31 March 2016	77	75	4,533	4,685

Carrying amount:

At 31 March 2016	333	45	764	1,142
At 31 March 2015	107	50	630	787

The carrying amount of property, plant and equipment includes an amount of S\$234,000 (2015 :S\$556,000) for the Group in respect of certain equipment and motor vehicles held under finance leases (Note 24).

The freehold land and buildings of the Group amounting to S\$5,960,000 (2015 : S\$6,416,000) stated at valuation were revalued by an independent professional valuer in March 1994 based on the open market value on a willing buyer and willing seller basis for existing use. In accordance with FRS 16 *Property, plant and equipment*, where a one-off revaluation had been performed between 1 January 1984 and 31 December 1996 (both dates inclusive), the Group need not revalue these properties with sufficient regularities. The resulting revaluation surpluses have been credited to the property revaluation reserve and the balance as at year end amounted to S\$892,000 (2015 : S\$892,000) for the Group in respect of the above assets.

If the cost method had been used, the carrying amount of freehold land and building of the Group would have been S\$14,981,000 (2015 : S\$16,901,000).

During the financial year, the Group carried out a review of the recoverable amount on certain property, plant and equipment. Arising from the review, an impairment loss of S\$4,479,000 (2015: S\$2,494,000) was recognised to align the carrying amount of the plant and equipment to their recoverable amount. The recoverable amount of the relevant assets has been determined on the basis of their value in use. The discount rate used in measuring value in use was 10.4% (2015: 9.7%).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

14 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Particulars of major properties included in freehold land, leasehold land and buildings are as follows:

Location	Description	Tenure
<i>China</i>		
No. 128 Xinguang Road Ningbo Science and Technology Park Ningbo City, Zhejiang, China	A 147,282 square metre plot of land for factory and office building	50 years from 2005
365 Jingu Zhong Road (West) Yinzhou Investment and Business Centre Ningbo City, China	A 4-storey factory building with built-up area of 13,320 square metres	50 years from 2006
Road 12, Hong Ye Road Hong Ye Industrial Area (138) Tang Xia, Dongguan, Guangdong, China	A 30,821 square metre plot of land with a factory building and staff quarters with total built-up area of 27,808 square metres	50 years from 1995
99 Dahetou Road Duantang, Ningbo, China	Four factory buildings and office building with built-up area of 33,266 square metres	50 years from 1998
Lot 22, No. 48 Community Ping Nan Industrial Zone, Huizhou City, Guangdong, China	A 8,752 square metre plot of land with two industrial buildings and a staff quarter with total built-up area of 7,837 square metres	48 years from 2000
Gu Tang Au Industrial Development District, Huizhou City, Guangdong, China	A 13,034 square metre plot of land with a factory building and staff quarters with total built-up area of 11,149 square metres	50 years from 1997
	A 2,461 square metre plot of land with a factory building with built-up area of 1,692 square metres	50 years from 2003
	A 13,590 square metre plot of land with factory building, warehouse and staff quarters with a total built-up area of 7,680 square metres	50 years from 1997
<i>Malaysia</i>		
No. 5, Jalan Tampoi Tujuh, Kawasan Perindustrian Tampoi, 81200 Johor Bahru, Johor, Malaysia	A 19,653 square metre plot of land with a factory building with built-up area of 6,450 square metres	Freehold
	A 18,110 square metre plot of land with a warehouse with built-up area of 2,106 square metres	Freehold
Lot 19737, Jalan Tampoi 7/4, Taman Mulia, 81200 Johor Bahru, Johor, Malaysia	A 7,589 square metre plot of land with an office building and factory building with total built-up area of 4,640 square metres	Freehold
<i>Taiwan</i>		
No. 211 Chung Cheng Road, Section 2 Hukow, Hsin-chu 30302, Taiwan	A factory building and warehouse with total built-up area of 6,823 square metres	Freehold

15 INTEREST IN SUBSIDIARIES

	The Company	
	2016 S\$'000	2015 S\$'000
Unquoted equity shares, at cost	216,640	212,620
Less: Impairment loss	(115,356)	(115,356)
	101,284	97,264
Amounts due from subsidiaries (non-trade)	233,010	233,293
Financial guarantee contracts to subsidiaries	2,320	2,320
Total interest in subsidiaries	336,614	332,877

The amounts due from subsidiaries are interest free and form part of the Company's net investment in the subsidiaries. An amount of S\$3,760,000 (2015: S\$3,841,000), included in the amounts due from subsidiaries, is interest bearing at interest rate of 5% per annum. These amounts are unsecured and there are no contractual obligations to repay the Company given that the eventual return of the capital contribution is at the discretion and ability of the subsidiaries.

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

16 INTEREST IN ASSOCIATES

	The Group		The Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Cost of investment	62,665	62,665	16,382	16,382
Loan to associate	13,884	13,884	7,349	7,349
Share of post-acquisition reserves, net of dividends received	(10,206)	(9,929)	–	–
	66,343	66,620	23,731	23,731
Accumulated impairment loss	(20,014)	(20,014)	(7,349)	(7,349)
Total	46,329	46,606	16,382	16,382

The Group reviewed the recoverable amount of the Group's investment in and amounts due from associate. Arising from the review, an impairment loss of S\$Nil (2015: S\$524,000) was recognised in the statement of profit or loss.

Details of the associates are set out in Note 32 to the financial statements.

17 AVAILABLE-FOR-SALE INVESTMENTS

	The Group	
	2016 S\$'000	2015 S\$'000
Equity shares:		
Quoted, at fair value	2,381	2,914
Unquoted, at cost	3,396	2,785
Total available-for-sale investments	5,777	5,699

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

18 GOODWILL ON CONSOLIDATION

	The Group	
	2016 S\$'000	2015 S\$'000
Cost:		
At 1 April	18,552	16,997
Currency realignment	(401)	1,555
At 31 March	18,151	18,552
Impairment:		
At 1 April	3,843	3,512
Currency realignment	(175)	331
Charge for the year	2,935	–
At 31 March	6,603	3,843
Carrying amount:		
At 31 March	11,548	14,709

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

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

	The Group Carrying amount	
	2016 S\$'000	2015 S\$'000
Zhongyin (Ningbo) Battery Co. Ltd	6,318	6,453
GP Batteries (U.K.) Limited	–	1,192
Eastern Europe marketing and distribution network	3,992	5,799
GP Batteries (China) Limited	1,230	1,257
Others	8	8
	11,548	14,709

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

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next year and extrapolates cash flows for the following four years based on average growth rates of approximately 0% to 17.6% (2015: 0% to 23.6%). The rates used to discount the cash flow forecasts ranges from approximately 12.2% to 16.2% (2015: 12.9% to 16.1%).

18 GOODWILL ON CONSOLIDATION (cont'd)

Sensitivity analysis

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

	2016		2015	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
	S\$'000	S\$'000	S\$'000	S\$'000
Zhongyin (Ningbo) Battery Co. Ltd	(12,052)	14,186	(11,143)	12,868
GP Batteries (U.K.) Limited	(348)	417	(974)	1,148
Eastern Europe marketing and distribution network	(1,331)	1,517	(1,461)	1,661
GP Batteries (China) Limited	(926)	1,088	(772)	899

During the year, the Group carried out a review of the recoverable amount of the CGUs. The review led to the recognition of an impairment loss on goodwill of S\$2,935,000¹ (2015: S\$Nil). Based on the key assumptions and taking into account the sensitivity analysis above, management has determined that the recoverable amounts of the CGUs are appropriate. Accordingly, no allowance or further allowance impairment loss is required.

¹ An impairment loss of S\$1,731,000 (2015 : Nil) has been recognised in the consolidated statement of profit or loss in regards to the Eastern Europe marketing and distribution network resulting in carrying amounts approximate its recoverable amounts.

19 STOCKS

	The Group	
	2016	2015
	S\$'000	S\$'000
Raw materials		
At cost	19,949	19,203
At net realisable value	99	19
Work in progress		
At cost	45,892	38,207
Finished goods		
At cost	43,870	41,897
At net realisable value	543	1,797
	110,353	101,123

The cost of inventories recognised as an expense includes S\$2,922,000 (2015 : S\$2,115,000) in respect of write-downs of inventory to net realisable value, and has been reduced by S\$116,000 (2015 : S\$286,000) in respect of the reversal of such write-downs. Previous write-downs have been reversed as a result of increased sales price in certain markets.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

20 DEBTORS

	Note	The Group		The Company	
		2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Trade					
Outside parties		107,648	111,284	–	–
Amounts due from:					
Associates	32	6,671	12,895	17	–
Subsidiaries	31	–	–	50,987	50,258
Related parties	33	96	–	–	–
		114,415	124,179	51,004	50,258
Less:					
Allowance for doubtful debts					
Outside parties		(7,278)	(7,870)	–	–
Associates		(336)	(2,280)	–	–
		106,801	114,029	51,004	50,258
Non-trade					
Outside parties		12,504	10,427	304	484
Amounts due from:					
Associates	32	26,659	30,119	4,641	6,650
Subsidiaries	31	–	–	86,463	92,639
Related parties	33	42	39	2	1
		39,205	40,585	91,410	99,774
Less:					
Allowance for doubtful debts					
Associates		(22,521)	(25,832)	(4,558)	(6,604)
Subsidiaries		–	–	(37,808)	(38,153)
		16,684	14,753	49,044	55,017
Total		123,485	128,782	100,048	105,275

The amounts due from subsidiaries, associates and related parties are unsecured and repayable on demand. The average credit period on sale of goods ranges from 60 to 90 days (2015: 60 to 90 days). Allowances made in respect of estimated irrecoverable amounts are determined by reference to past default experience.

The Group and the Company closely monitor the credit quality of its debtors (both trade and non-trade) and consider the debtors that are neither past due nor impaired to be of a good credit quality. Based on the payment pattern of the Group and the Company, debtors that are past due but not impaired are generally collectible. Included in the Group's trade debtors are debtors with a carrying amount of S\$29,762,000 (2015: S\$35,829,000) which are past due at the reporting date for which the Group has not made any allowance given that there has not been a significant change in credit quality and the amounts are still considered recoverable. The average past due of these receivables are 2 months (2015: 2 months).

Included in allowance for doubtful debts were (a) specific allowance against trade debtors of S\$573,000 and S\$ Nil for the Group and Company respectively (2015: S\$2,546,000 and S\$Nil respectively); and (b) specific allowance against non-trade debtors of S\$22,521,000 and S\$42,366,000 for the Group and Company respectively (2015: S\$25,832,000 and S\$44,757,000 respectively). Such balances were individually assessed either because they were significantly past due and the debtor did not respond to repayment demands, or there were circumstances that indicate a debtor may not be able to honour its obligations when the debt is due. The remaining allowance for doubtful debts arose from collective assessment.

20 DEBTORS (cont'd)

Movements in the allowance for doubtful debts (trade):

	The Group	
	2016 S\$'000	2015 S\$'000
Balance at 1 April	10,150	14,685
Currency realignment	(257)	958
Allowance utilised	(2,016)	(7,473)
Allowance write back	(388)	(372)
Charge for the year	125	2,352
Balance at 31 March	7,614	10,150

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

	The Group		The Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Balance at 1 April	25,832	30,479	44,757	34,435
Currency realignment	(636)	2,155	(454)	1,819
Allowance utilised	(2,675)	(6,788)	(1,997)	–
Allowance write back	–	(53)	–	(53)
Charge for the year	–	39	60	8,556
Balance at 31 March	22,521	25,832	42,366	44,757

21 DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Deposits	7,376	3,070	4,635	666
Prepayments	6,623	7,382	396	420
	13,999	10,452	5,031	1,086

Presented in the statements of financial position as:

	The Group		The Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Non-current assets	3,095	705	3,046	–
Current assets	10,904	9,747	1,985	1,086
	13,999	10,452	5,031	1,086

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

22 CREDITORS AND ACCRUED CHARGES

	Note	The Group		The Company	
		2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Trade					
Outside parties		89,062	78,368	–	–
Amounts due to:					
Associates	32	20,590	21,992	–	–
Related parties	33	–	8	–	–
Accrued charges		23,920	21,949	2,710	1,886
Other payables		6,398	10,295	739	515
Non-trade					
Amounts due to:					
Subsidiaries	31	–	–	96,864	137,366
Associates	32	3,274	3,048	–	–
Related parties	33	409	262	97	163
Total		143,653	135,922	100,410	139,930

The amounts due to subsidiaries, associates and related parties are unsecured, non-interest bearing and repayable on demand. The average credit period on purchases of goods ranges from 60 to 90 days (2015 : 60 to 90 days).

23 DERIVATIVE FINANCIAL INSTRUMENTS

	The Group	
	2016 S\$'000	2015 S\$'000
Commodity forward contracts	497	195

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

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

Currency	Commodity	Quantity (in metric tonnes)	Maturity	Commodity forward price
USD	Nickel	7	July 2016	USD 14,335/metric tonne
USD	Nickel	7	August 2016	USD 14,335/metric tonne
USD	Nickel	7	September 2016	USD 14,335/metric tonne
USD	Nickel	7	October 2016	USD 14,335/metric tonne
USD	Nickel	10	October 2016	USD 12,800/metric tonne
USD	Nickel	7	November 2016	USD 14,335/metric tonne
USD	Nickel	10	November 2016	USD 12,800/metric tonne
USD	Nickel	7	December 2016	USD 14,335/metric tonne
USD	Nickel	10	December 2016	USD 12,800/metric tonne

23 DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

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

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

The Group did not adopt hedge accounting in respect of these commodity contracts. The fair values of these commodity contracts were estimated at a loss of S\$497,000 (2015: S\$195,000). The fair values were determined by reference to the forward price of related metals quoted from London Metal Exchange as at 31 March 2016.

24 OBLIGATIONS UNDER FINANCE LEASES

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

	Total minimum lease payments		Present value of payments	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
The Group				
Within 1 year	211	277	113	196
Within 2 to 5 years	81	159	79	120
	292	436	192	316
Less: Future finance charges	(100)	(120)		
Present value of lease obligations	192	316		
Less: Amounts due within 1 year	(113)	(196)		
Amounts due within 2 to 5 years	79	120		

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

25 BANK LOANS AND OVERDRAFTS

	The Group		The Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Unsecured:				
Bank loans	136,575	111,292	112,651	60,855
Import and export loans	24,882	13,634	–	–
	161,457	124,926	112,651	60,855
Carrying amount:				
Repayable within 12 months and contain a repayment on demand clause	115,317	124,926	66,511	60,855
Not repayable within 12 months but contain a repayment on demand clause	2,825	–	2,825	–
Under current liabilities	118,142	124,926	69,336	60,855
Repayable after 12 months under non-current liabilities	43,315	–	43,315	–
	161,457	124,926	112,651	60,855

Bank loans are arranged at floating rates (with effective interest rates set out in Notes 3 to the financial statements) and their carrying amounts approximate their fair values. Bank loan of the Company amounting to S\$95,078,000 (2015:S\$15,755,000) have obligations performance guaranteed by certain subsidiaries. During the financial year, the Company entered into a S\$85,000,000 unsecured three year term loan facility agreement with six banks at interest rates between 3.9% - 4.6%. This term loan, with repayment commenced in October 2015, is repayable over 11 quarterly instalments of S\$6,800,000 each with a final instalment of S\$10,200,000.

26 DEFERRED TAX

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

	Accelerated tax depreciation S\$'000	Revaluation of investment property S\$'000	Tax losses S\$'000	Foreign undistributed reserves S\$'000	Others S\$'000	Total S\$'000
<i>Deferred tax liabilities</i>						
At 1 April 2014	2,770	105	–	845	89	3,809
Currency realignment	(90)	9	–	77	3	(1)
(Credit) Charge to profit or loss	(777)	–	–	–	286	(491)
At 31 March 2015	1,903	114	–	922	378	3,317
Currency realignment	(131)	(3)	–	(30)	(43)	(207)
(Credit) Charge to profit or loss	(880)	–	–	308	(330)	(902)
At 31 March 2016	892	111	–	1,200	5	2,208
<i>Deferred tax assets</i>						
At 1 April 2014	(756)	–	(574)	–	(4,383)	(5,713)
Currency realignment	(102)	–	81	–	(238)	(259)
(Credit) Charge to profit or loss	(563)	–	315	–	2,559	2,311
At 31 March 2015	(1,421)	–	(178)	–	(2,062)	(3,661)
Currency realignment	90	–	2	–	57	149
Credit to profit or loss	–	–	(14)	–	(203)	(217)
At 31 March 2016	(1,331)	–	(190)	–	(2,208)	(3,729)

26 DEFERRED TAX (cont'd)

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

	The Group	
	2016 S\$'000	2015 S\$'000
Unutilised tax losses	258,593	219,673
Difference in accounting and tax depreciation	(77)	(95)
Others	–	(1)
	258,516	219,577

The use and expiry of these temporary differences are subject to the agreement of the relevant tax authorities and compliance with certain provisions of the tax legislation. Included in unutilised tax losses are losses of S\$12,755,000 (2015: S\$22,318,000) for subsidiaries in the PRC that will expire within five years under the current PRC tax legislation.

27 SHARE CAPITAL

	The Group and the Company			
	2016 Number of ordinary shares	2016 S\$'000	2015 Number of ordinary shares	2015 S\$'000
Issued and paid-up:				
At 1 April and 31 March	164,806,752	257,400	164,806,752	257,400

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

28 TREASURY SHARES

	The Group and the Company			
	2016 Number of ordinary shares	2016 S\$'000	2015 Number of ordinary shares	2015 S\$'000
At 1 April	–	–	–	–
On-market purchases	6,685,200	6,084	–	–
At 31 March	6,685,200	6,084	–	–

The Company acquired 6,685,200 of its own shares through purchases on the Singapore Exchange during the year. The total amount paid to acquire the shares was S\$6,084,000 and has been deducted from the shareholders' equity. The shares are held as "treasury shares".

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

29 COMMITMENTS

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

a) Operating lease arrangements

The Group as lessee:

	The Group		The Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Within 1 year	7,749	5,566	4,028	2,012
After 1 year and within 5 years	23,622	6,858	14,248	334
After 5 years	4,301	1,626	1,907	–
	35,672	14,050	20,183	2,346

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

The Group as lessor:

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

	The Group		The Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Within 1 year	950	473	1,446	44
After 1 year and within 5 years	1,894	1,601	4	47
After 5 years	661	1,118	–	–
	3,505	3,192	1,450	91

b) Capital expenditure commitments

	The Group	
	2016 S\$'000	2015 S\$'000
Capital expenditure contracted but not provided for	3,318	2,080
Capital expenditure authorised but not contracted for	2,499	1,812
	5,817	3,892

c) Trust fund

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

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

d) As at 31 March 2016 and 2015, the Company has undertaken to provide financial support to some of its subsidiaries.

30 CONTINGENT LIABILITIES - UNSECURED

	The Group		The Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Guarantees given in respect of banking and other facilities granted to subsidiaries (Notes 15 and 31)	–	–	235,258	232,013
Others	26	9	–	–
	26	9	235,258	232,013

The maximum amount that the Company could be forced to settle under the financial guarantee contract if the full guaranteed amount is claimed by the counter-party to the guarantee is S\$235,258,000 (2015:S\$232,013,000). The earliest period that the guarantee could be called is within one year (2015 : one year) from the end of the reporting period. The Company considers that it is more likely than not that no amount will be payable under the arrangement.

31 SUBSIDIARIES

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

Principal Activities	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		2016	2015
Investment holding	Hong Kong	7	7
Investment holding	Others	2	4
Manufacturing of batteries	Hong Kong	2	2
Manufacturing of batteries	Malaysia	1	1
Manufacturing of batteries	People's Republic of China	8	8
Marketing and trading in batteries	Hong Kong	2	3
Marketing and trading in batteries	Malaysia	1	1
Marketing and trading in batteries	People's Republic of China	1	1
Marketing and trading in batteries	Others	5	6
Others		12	10
		41	43

Principal Activities	Place of incorporation and operation	Number of non wholly-owned subsidiaries	
		2016	2015
Manufacturing of batteries	People's Republic of China	3	3
Manufacturing of batteries	Taiwan	1	1
Manufacturing of batteries	Vietnam	1	–
Marketing and trading in batteries	People's Republic of China	2	2
Marketing and trading in batteries	Others	1	1
Others		1	1
		9	8

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

31 SUBSIDIARIES (cont'd)

Details of the principal subsidiary companies at 31 March 2016 are as follows:

Name of subsidiaries	Country of incorporation	Proportion of ownership interest/voting power held by the Group		Principal activities
		2016 %	2015 %	
Dongguan Chao Ba Batteries Co Ltd ^{(i) & (iv)}	People's Republic of China	100	100	Manufacturing of batteries
Gold Peak Industries (Taiwan) Limited ⁽ⁱⁱⁱ⁾	Taiwan	80	80	Manufacturing of batteries
GP Batteries (Americas) Inc ^{(i) & (v)}	United States of America	100	100	Marketing and trading in batteries
GP Batteries (China) Limited ^{(i) & (iv)}	People's Republic of China	100	100	Manufacturing of batteries
GP Batteries (Malaysia) Sdn Bhd ⁽ⁱⁱⁱ⁾	Malaysia	100	100	Manufacturing of batteries
GP Batteries (Shenzhen) Co., Ltd ^{(i) & (iv)}	People's Republic of China	100	100	Manufacturing of batteries
GP Batteries (U.K.) Limited ^{(i) & (v)}	United Kingdom	100	100	Marketing and trading in batteries
GP Batteries (Vietnam) Limited Liability Company ^(v)	Vietnam	79	–	Manufacturing of batteries
GP Battery Marketing (H.K.) Limited ^{(i) & (iii)}	Hong Kong	100	100	Marketing and trading in batteries
GP Battery Marketing (Korea) Limited ^{(i) & (v)}	South Korea	90	90	Marketing and trading in batteries
GP Battery Marketing (Malaysia) Sdn Bhd ^(v)	Malaysia	100	100	Marketing and trading in batteries
GP Battery Marketing (Singapore) Pte Ltd ⁽ⁱⁱ⁾	Singapore	100	100	Marketing and trading in batteries
GP Battery (Poland) Sp. z.o.o. ^{(i) & (v)}	Poland	100	100	Marketing and trading in batteries
GP Battery Technology (HK) Limited ⁽ⁱⁱⁱ⁾	Hong Kong	100	100	Investment holding
GPI International Limited ⁽ⁱⁱⁱ⁾	Hong Kong	100	100	Marketing and trading in batteries
Huizhou Chao Ba Batteries Co Ltd ^{(i) & (iv)}	People's Republic of China	90	90	Marketing and trading in batteries
Huizhou Modern Battery Limited ^{(i) & (iv)}	People's Republic of China	100	100	Manufacturing of batteries

31 SUBSIDIARIES (cont'd)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest/voting power held by the Group		Principal activities
		2016 %	2015 %	
Ningbo Fubang Battery Co Ltd ^(vi)	People's Republic of China	72	72	Manufacturing of batteries
Ningbo GP Energy Co., Ltd ^(vi)	People's Republic of China	90	90	Manufacturing of batteries
Shanghai Bi Ba Batteries Co Ltd ^{(i) & (iv)}	People's Republic of China	100	100	Manufacturing of batteries
Sylva Industries (China) Limited ^{(i) & (iii)}	Hong Kong	100	100	Investment holding
Sylva Industries Limited ⁽ⁱⁱⁱ⁾	Hong Kong	100	100	Manufacturing of batteries
Whitehill Electrochemical Company Limited ^{(i) & (iii)}	Hong Kong	100	100	Investment holding and provision of logistic support
Vectrix International Limited ^{(i) & (iii)}	Hong Kong	100 [Note 35]	45	Holding of intellectual properties
Zhongyin (Ningbo) Battery Co. Ltd ^(iv)	People's Republic of China	70	70	Manufacturing of batteries

⁽ⁱ⁾ Held by subsidiaries of the Company

⁽ⁱⁱ⁾ Audited by Deloitte & Touche LLP, Singapore

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

^(iv) Audited by overseas practices of Deloitte Touche Tohmatsu Limited for consolidation purposes

^(v) Audited by other accounting firms as these subsidiaries are not significant

^(vi) Audited by Grant Thornton Zhejiang Office for consolidation purposes

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

Name of subsidiaries	Country of incorporation and place of business	Proportion of ownership interest/voting power held by the non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2016 %	2015 %	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Zhongyin (Ningbo) Battery Co. Ltd	People's Republic of China	30	30	9,769	8,341	58,297	58,388
Ningbo Fubang Battery Co Ltd	People's Republic of China	28	28	1,562	1,436	9,713	8,774
Individually immaterial subsidiaries with non-controlling interests				1,961	2,476	12,650	10,010
				13,292	12,253	80,660	77,172

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

31 SUBSIDIARIES (cont'd)

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

	Zhongyin (Ningbo) Battery Co. Ltd		Ningbo Fubang Battery Co Ltd	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Current assets	130,935	119,067	35,941	31,841
Non-current assets	127,624	137,551	10,983	10,950
Current liabilities	(85,454)	(84,172)	(7,838)	(6,964)
Equity attributable to owners of the Company	114,826	114,058	29,373	27,053
Non-controlling interests	58,279	58,388	9,713	8,774
Revenue	347,339	344,301	45,005	45,907
Expenses	(46,081)	(45,051)	(4,093)	(3,704)
Profit for the year	32,564	27,803	5,580	5,128
Profit attributable to:				
Owners of the Company	22,795	19,462	4,018	3,692
Non-controlling interests	9,769	8,341	1,562	1,436
Profit for the year	32,564	27,803	5,580	5,128
Other comprehensive income attributable to:				
Owners of the Company	(7,521)	10,988	(1,698)	2,184
Non-controlling interests	(3,221)	4,705	(622)	704
Other comprehensive income for the year	(10,742)	15,693	(2,320)	2,888
Total comprehensive income attributable to:				
Owners of the Company	15,274	30,450	2,320	5,876
Non-controlling interests	6,548	13,046	940	2,140
Total comprehensive income for the year	21,822	43,496	3,260	8,016
Dividends paid to non-controlling interests	6,524	3,119	–	–
Net cash inflow (outflow) from				
operating activities	53,555	27,469	6,958	(302)
investing activities	(5,736)	(8,805)	(1,873)	328
financing activities	(30,181)	(25,448)	–	–
Net cash inflow (outflow)	17,638	(6,784)	5,085	26

32 ASSOCIATES

Details of the principal associate companies at 31 March 2016 are as follows:

Name of associates	Country of incorporation	Proportion of ownership interest/voting power held by the Group		Principal activities
		2016 %	2015 %	
AZ Limited ^{(i) & (vi)}	Russia	40	40	Marketing and trading in batteries
Changzhou Lithium Batteries Ltd ^{(i) & (iv)}	People's Republic of China	40	40	Manufacturing of batteries
Ningbo Fengyin Battery Co., Ltd ^{(i) & (iv)}	People's Republic of China	32	32	Manufacturing and trading of battery materials
Gold Yi Industry Company Limited ^{(i) & (iv)}	People's Republic of China	30	30	Marketing and trading in batteries
GP Battery Marketing (Germany) GmbH ^{(i) & (iii)}	Germany	50	50	Marketing and trading in batteries
GP Battery Marketing (Middle East) Limited (FZC) ^{(i) & (iv)}	United Arab Emirates	50	50 <small>[Note 35]</small>	Marketing and trading in batteries
GP Battery Marketing (Thailand) Co Ltd ^{(i) & (iv)}	Thailand	49	49	Marketing and trading in batteries
GWA Energy, Inc ^{(i) & (iv)}	Taiwan	41	41	Marketing and trading in batteries
Hanoi Battery Joint Stock Company ^(iv)	Vietnam	30	30	Manufacturing of batteries
Lichten International Limited ^{(i) & (iv)}	Hong Kong	33.33	33.33	Marketing and trading in lighting products
STL Technology Co., Ltd ^{(i) & (iii)}	Taiwan	34.46	34.46	Manufacturing of battery packs and products
STL Technology (SIP) Co., Ltd ^{(ii) & (v)}	People's Republic of China	34.46	34.46	Manufacturing of battery packs and products
T.G. Battery Co (China) Ltd ^{(ii) & (v)}	People's Republic of China	42.5	42.5	Manufacturing of batteries
T.G. Battery Co (Hong Kong) Limited ⁽ⁱⁱⁱ⁾	Hong Kong	50	50	Investment holding and provision of logistic support

(i) Held by subsidiaries of the Company

(ii) Held by associates of the Company

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

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

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

(vi) Audited by Nexia Finance Group, Moscow for consolidation purposes

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

32 ASSOCIATES (cont'd)

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

	AZ Limited	
	2016 S\$'000	2015 S\$'000
Current assets	33,632	40,192
Non-current assets	6,294	7,779
Current liabilities	(20,013)	(26,070)
Revenue	63,753	84,570
Profit (Loss) for the year	1,645	(1,407)
Other comprehensive loss for the year	(3,633)	(11,129)
Total comprehensive loss for the year	(1,988)	(12,536)
Dividends received from the associate during the year	–	–

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

	AZ Limited	
	2016 S\$'000	2015 S\$'000
Net assets of the associate	19,913	21,901
Proportion of the Group's ownership	40%	40%
Share of net assets of the associate	7,965	8,761
Others	(191)	(604)
Carrying amount of the Group's interest	7,774	8,157

	STL Technology Co., Ltd & its subsidiaries	
	2016 S\$'000	2015 S\$'000
Current assets	38,131	33,576
Non-current assets	7,502	6,700
Current liabilities	(15,136)	(11,265)
Non-current liabilities	(42)	(80)
Revenue	73,781	51,231
Profit (Loss) for the year	2,804	(4,087)
Other comprehensive (loss) income for the year	(1,280)	1,357
Total comprehensive income (loss) for the year	1,524	(2,730)
Dividends received from the associate during the year	–	–

32 ASSOCIATES (cont'd)

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

	STL Technology Co., Ltd & its subsidiaries	
	2016 S\$'000	2015 S\$'000
Net assets of the associate	30,455	28,931
Proportion of the Group's ownership	34.46%	34.46%
Share of net assets of the associate	10,495	9,970
Others	(38)	19
Carrying amount of the Group's interest	10,457	9,989

	T.G. Battery Co (Hong Kong) Limited & its subsidiary	
	2016 S\$'000	2015 S\$'000
Current assets	59,297	56,920
Non-current assets	5,786	6,651
Current liabilities	(31,382)	(28,589)
Revenue	122,638	118,578
Profit for the year	2,355	1,991
Other comprehensive (loss) income for the year	(1,861)	2,535
Total comprehensive income for the year	494	4,526
Dividends received from the associate during the year	888	1,450

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

	T.G. Battery Co (Hong Kong) Limited & its subsidiary	
	2016 S\$'000	2015 S\$'000
Net assets of the associate	33,701	34,982
Proportion of the Group's ownership	50%	50%
Share of net assets of the associate	16,851	17,491
Others	512	128
Carrying amount of the Group's interest	17,363	17,619

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

32 ASSOCIATES (cont'd)

	2016 S\$'000	2015 S\$'000
Aggregate information of associates that are not individually material:		
The Group's share of		
Profit for the year	753	871
Other comprehensive loss	(552)	(591)
Total comprehensive income	<u>201</u>	<u>280</u>
Aggregate carrying amount of the Group's interests in these associates	<u>10,735</u>	10,841
Unrecognised share of losses of associates:		
Share of unrecognised loss for the year	(26)	(751)
Cumulative share of loss	<u>(4,795)</u>	(4,769)

33 RELATED PARTY TRANSACTIONS

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

	The Group	
	2016 S\$'000	2015 S\$'000
<i>Ultimate holding company</i>		
Rental income and other services received	(17)	(49)
Rental and other services paid	2,605	1,676
<i>Immediate holding company</i>		
Other services received	(18)	(30)
Rental and other services paid	224	204
Renovation and other expenses	–	143
<i>Related companies</i>		
Sales	(398)	–
Other services received	–	(4)
Rental income received	(102)	–
Purchases	4	67
Design fee paid	130	–
Other services paid	<u>593</u>	<u>367</u>

33 RELATED PARTY TRANSACTIONS (cont'd)

	The Group	
	2016 S\$'000	2015 S\$'000
<i>Associates</i>		
Sales	(23,295)	(25,263)
Purchases	87,492	78,491
Outsourcing fee	249	–
Dividend income	(1,194)	(2,355)
Interest income	(110)	(216)
Management fee income	(238)	(238)
Rental income	(333)	(254)
Royalty income	(171)	(63)
Sundry income	(166)	(310)

The remuneration of key management personnel are as follows:

	The Group	
	2016 S\$'000	2015 S\$'000
Short-term benefits	3,157	2,673

34 SEGMENT INFORMATION

Reportable operating segment information

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

Geographical information

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

	Revenue from external customers		Non-current assets	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Asia				
PRC (including Hong Kong)	351,930	329,490	208,804	222,376
Other parts of Asia	99,799	90,784	39,770	40,548
	451,729	420,274	248,574	262,924
North and South America	151,846	147,578	404	446
Europe and others	161,679	151,483	13,482	17,649
	765,254	719,335	262,460	281,019

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 31 March 2016

34 SEGMENT INFORMATION (Cont'd)

Other information

	The Group	
	2016	2015
	%	%
Revenue by products		
Primary cylindrical	57.4	56.6
Primary specialty	21.7	22.7
Rechargeable	19.3	19.0
Others	1.6	1.7
	100.0	100.0

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

35 ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES

During the financial year ended 31 March 2016, the Group acquired 30,000 ordinary shares in the capital of Vectrix International Limited ("Vectrix International"), representing the entire issued share capital of Vectrix International, from Vectrix Holdings Limited, an associated company of the Group, for a nominal consideration of HK\$1. As a result of the acquisition, Vectrix International became an indirect wholly-owned subsidiary of the Group.

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

36 ASSET HELD FOR SALE

	Note	The Group	
		2016	2015
		S\$'000	S\$'000
Reclassified from property, plant and equipment	14	–	70

During the financial year ended 31 March 2015, the Group entered into a Sales and Purchase Agreement to dispose of a property in the People's Republic of China for a consideration of RMB19,000,000 (approximately S\$4,100,000). The disposal has been completed in the current financial year under review.

37 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF UNCERTAINTY

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

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

Critical judgements in applying the Group's accounting policies

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

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

Key sources of estimation uncertainty

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

(a) *Impairment of goodwill*

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

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

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

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

The impairment and carrying amount of property, plant and equipment at the end of each reporting period are disclosed in Note 14 to the financial statements.

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

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

The carrying amount of property, plant and equipment at the end of each reporting period is disclosed in Note 14 to the financial statements.

(d) *Allowances for bad and doubtful debts*

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

The allowances and carrying amount of doubtful receivables at the end of each reporting period are disclosed in Notes 16 and 20 to the financial statements.

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

Determining whether investments in subsidiaries and associates are impaired requires an estimation of the recoverable amount assessed to be the higher of fair value less cost to sell and value in use. Management has evaluated the recoverability of these investments based on such estimates. The carrying value of the investments in subsidiaries and associates are set out in Notes 15 and 16 to the financial statements.

(f) *Allowance for stock*

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

CORPORATE GOVERNANCE

The Board of Directors (the “Board”) of GP Batteries International Limited (the “Company” and together with its subsidiaries, the “Group”) is committed to ensuring and maintaining high standards of corporate governance in conformance with Singapore Code of Corporate Governance 2012 (the “Code”) as well as the requirements of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

This report describes the Company's corporate governance practices with reference to the principles and guidelines of the Code, and where applicable, the Listing Manual of the SGX-ST, the Singapore Companies Act, Cap. 50 and the Guidebook for Audit Committee in Singapore. Explanations on any deviations in the Company's practices from the Code are provided, where applicable.

THE CODE

The Code is divided into four main sections, namely:

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

(A) BOARD MATTERS

The Board currently consists of the following members:

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

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

The Board's Conduct of Affairs

Principle 1: Effective Board to lead and control the Company

The Board meets regularly to review the Group's strategic business plans, the assessment of key risks and the financial performance of the Group. The Board has overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including risk management systems and internal controls to safeguard shareholders' and stakeholders' interests and the Group's assets. All Board members exercise due diligence, independent judgement, and objective decision making based on their diversified knowledge and experience, in the best interests of the Company.

In addition to the statutory duties, the principal functions of the Board are as follows:-

- (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 recognise that their perceptions affect the Company's reputation;
- (e) set the Company's value and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
- (f) consider sustainability issues, eg. environmental and social factors, as part of its strategic formulation.

The authority of the Board in relation to matters concerning the Company's business affairs is defined in the Risk Governance Framework and Manual of the Company. The Board has delegated specific responsibilities to three Board Committees, namely, the Audit and Risk Committee (the “ARC”), Nominating Committee (the “NC”) and Remuneration Committee (the “RC”) (collectively the “Board Committees”). The Board acknowledges that while these Board Committees have the authority to examine particular issues and will report to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

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

Furthermore, the Company has formalised a Board authority matrix that sets out the detail and extent of authority delegated to the Board Committees and Management. It also sets out the key activities and/or transactions which require the Board's approval such as significant investments/divestments, financing arrangements, interested persons transactions, capital expenditure, financial budgets, share issuance and dividend payments and any material transactions requiring announcements under the SGX-ST Listing Rules.

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

The Constitution of the Company allows Directors to participate in a Board meeting by telephone-conference or video-conference such that their participations in meetings are not limited by the need for physical presence.

The number of the Board and the Board Committees meetings held in the financial year ended 31 March 2016 and the attendances of Directors at these meetings are as follows:

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

* Attendance by invitation of the relevant Board Committees

The appointment of Directors is recommended to the Board by the NC and the incoming Directors will be briefed on their duties and obligations. A formal letter of appointment will be provided to the newly appointed Directors, setting out their duties and obligations as a Director. The Company also organises orientation program and induction briefings from senior management for new Directors to familiarise with the business activities (covering products, customers, market position, financial, organisational structure and performance) as well as the strategic direction and corporate governance practices of the Company. The Company also arranges, where necessary, for new Directors to visit major operating facilities of the Group.

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

For the financial year ended 31 March 2016, the following updates and briefings were arranged for the Board:

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

CORPORATE GOVERNANCE (cont'd)

Board Composition and Guidance

Principle 2: Strong and independence element on the Board

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

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

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

None of the Independent Directors has served on the Board for a period exceeding nine years from the date of his first appointment. The NC evaluates the independence of a Director in accordance with the definition of 'Independent Director' under Guideline 2.3 of the Code that would otherwise deem him not to be independent.

Board Size and Experience

The Board, with the assistance of the NC in reviewing the Board size on an annual basis, is satisfied that the present Board size is appropriate for the current scope and nature of the Group's operations.

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

Role of the Non-Executive Directors

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

Chairman and Chief Executive Officer

Principle 3: Clear division of responsibilities and balance of power and authority

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

The Chairman is also the CEO of the Company. Nonetheless, there are compensating factors to mitigate the consolidation of the Chairman and the CEO role within the Group. For instance, the presence of three Independent Non-Executive Directors provides an independent and objective element to the Board. They participate actively in matters relating to business, finance, corporate governance, risk management, remuneration and appointment of Board members. The Board Committees, namely, the ARC, the RC and the NC, comprise primarily Independent and Non-Executive members. Hence, the Board believes that there are sufficient safeguards against an uneven concentration of power and authority in a single individual, and that the existing leadership arrangement is effective. The Board will continually review the role of the Chairman and the CEO as well as the composition of the Board to ensure that it does not impede the principles of independence and objectivity in decision making.

Roles of the Chairman and the CEO

Mr Victor Lo Chung Wing is the Chairman and the CEO of the Company. As the CEO, he is responsible for the Group's overall management, including overseeing the Group's operation, setting directions for new growth areas and developing business strategies. Mr Victor Lo Chung Wing plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision. It is hence the view of the Board that it is currently in the best interests of the Group to adopt a single leadership structure.

Roles of the Chairman and the CEO (cont'd)

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

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

The Board is of the view that there is adequate accountability and transparency taking into account the size, scope and nature of the operations of the Group, the roles of the Chairman and the CEO are not separated.

Lead Independent Director

To promote a high standard of corporate governance, Mr Lim Jiew Keng had been appointed as the Lead Independent Director of the Company and he is also the Chairman of the ARC.

As the Lead Independent Director, Mr Lim Jiew Keng shall be available for dialogue with shareholders in circumstances where:

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

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

Board Membership

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

Nominating Committee

The NC currently comprises the following five Directors:

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

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

The NC has a Terms of Reference endorsed by the Board that sets out its duties and responsibilities. The NC is responsible for making recommendations to the Board on all Board appointments, evaluation of performance of the Board and adequacy of the Board's training and professional development programmes.

The duties and responsibilities of the NC as set out in its Terms of Reference include:

- (a) reviewing, assessing and making recommendations to the Board on the appointment of new Executive and Non-Executive Directors, including making recommendation to the composition of the Board generally and the balance between Executive and Non-Executive Directors appointed to the Board;
- (b) regularly reviewing of the Board structure, size and composition having regard to the scope and nature of the operations, the requirements of the business, the diversity of skills, experience, gender and knowledge of the Company and the core competencies of the Directors as a group and making recommendations to the Board with regards to any adjustments that are deemed necessary;

CORPORATE GOVERNANCE (cont'd)

Nominating Committee (cont'd)

- (c) reviewing, assessing and recommending nominee(s) or candidate(s) for re-appointment or re-election to the Board and considering his/her competencies, commitment, contribution, performance and whether or not he/she is independent;
- (d) making plans for succession, in particular for the Chairman of the Board and the CEO;
- (e) determining annually whether a Director is independent bearing in mind the circumstances set forth in Guidelines 2.3 and/or 2.4 of the Code and other salient factors; and to ensure that the Company will disclose in full the nature of the Director's relationship and explains why the Director should be considered independent, if the NC determines that a Director, who has one or more of the relationships that could interfere with his exercise of independent business relationship judgement or who has served on the Board beyond nine years can be considered independent;
- (f) recommending Directors who are retiring by rotation to be put forward for re-election;
- (g) deciding whether a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he/she has multiple board representations, and/or other principal commitments;
- (h) recommending to the Board to adopt internal guidelines to address the competing time commitments faced by the Directors who serve on multiple boards and the maximum number of listed company board representations which any Director may hold;
- (i) assessing the effectiveness of the Board as a whole and recommending to the Board the development of a process for evaluation and decide how the performance of the Board may be evaluated and proposing objective performance criteria; and
- (j) recommending to the Board comprehensive induction training programmes for new Directors and to review training and professional development programmes for the Board and keep the Board apprised of relevant new laws, regulations and changing commercial risks.

Independence of Directors

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

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

Sufficient Time and Attention by Directors

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

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

Selection, Appointment and Re-appointment of Directors

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

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

Selection, Appointment and Re-appointment of Directors (cont'd)

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

	Victor Lo Chung Wing	Richard Ku Yuk Hing	Henry Leung Kwong Hang
Role	Chairman and CEO Executive Director	Vice Chairman Executive Director	Executive Vice President ("EVP") and Chief Risk Officer ("CRO") Executive Director
Academic and Professional Qualifications	Mr. Lo graduated from the Institute of Design of Illinois Institute of Technology, US with a Bachelor of Science degree in Product Design. He also holds an Honorary Doctorate in Design from The Hong Kong Polytechnic University.	Mr. Ku graduated from the Sophia University, Japan with a Bachelor of Science degree in Economics.	Mr. Leung graduated from the University of Essex, UK with a Bachelor's degree in Telecommunication Engineering. He is a Chartered Engineer and a member of The Institution of Engineering and Technology, UK as well as a fellow member of The Hong Kong Institution of Engineers.
Board Committee(s) served on	NC (Member)	Nil	NC (Member)
Date of first appointment as a Director	25 April 2014	24 July 1990	13 August 2008
Date of last re-election/re-appointment as a Director	30 July 2014	30 July 2014	30 July 2015
Present directorships in other listed companies	Gold Peak Industries (Holdings) Limited <i>Chairman and Chief Executive Executive Director</i> GP Industries Limited <i>Chairman and CEO Executive Director</i>	Gold Peak Industries (Holdings) Limited <i>Executive Director</i>	Nil
Past directorships in other listed companies over the three years	Nil	Nil	Nil
Other principal commitments	Hong Kong Design Centre <i>Director</i> West Kowloon Cultural District Authority of Hong Kong SAR Government <i>Member of the Board</i> Economic Development Commission of Hong Kong SAR Government <i>Non-official Member</i> Advisory Committee on Innovation and Technology of Hong Kong SAR Government <i>Non-official Member</i> PMQ Management Co. Ltd <i>Director</i> Hotel ICON Limited <i>Chairman of the Board of Directors</i>	Nil	Nil

CORPORATE GOVERNANCE (cont'd)

Selection, Appointment and Re-appointment of Directors (cont'd)

	Leung Pak Chuen	Hui Wing Sun	Brian Wong Tze Hang
Role	Executive Director	Executive Director	Head of Finance Executive Director
Academic and Professional Qualifications	Mr. Leung graduated from Chu Hai College, Hong Kong with a Bachelor's degree in Business Administration. He is a member of The Chartered Institute of Marketing, UK and The International Institute of Management.	Mr. Hui holds a Higher Diploma in Mechanical Engineering from The Hong Kong Polytechnic University (formerly The Hong Kong Polytechnic) and a Master of Science degree in Applied Mechanics from the Institute of Science and Technology, University of Manchester, UK.	Mr. Wong holds a Bachelor of Laws degree from the University of London, UK. He is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants of the UK.
Board Committee(s) served on	Nil	Nil	Nil
Date of first appointment as a Director	29 May 2014	24 July 1990	1 June 2009
Date of last re-election/re-appointment as a Director	30 July 2014	30 July 2014	30 July 2015
Present directorships in other listed companies	Gold Peak Industries (Holdings) Limited <i>Deputy Chief Executive Executive Director</i> GP Industries Limited <i>Executive Vice Chairman</i> Meiloon Industrial Co. Ltd ("Meiloon") <i>Authorised Representative of Director of Meiloon, Famingo Pte Ltd</i>	Nil	Nil
Past directorships in other listed companies over the three years	Nil	Nil	Nil
Other principal commitments	Nil	Nil	Nil

Selection, Appointment and Re-appointment of Directors (cont'd)

	Lim Jiew Keng	Allan Choy Kam Wing	Goh Boon Seong
Role	Lead Independent Director, Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
Academic and Professional Qualifications	Mr. Lim holds a Bachelor of Social Science (Honours) degree in Economics from the National University of Singapore (formerly University of Singapore), a Certificate in Education from the National Institute of Education (formerly Teachers' Training College), Singapore and completed an Advanced Management Programme at the Fuqua Business School of the Duke University, USA. Mr Lim has been a member of the Singapore Institute of Directors since 2002.	Mr. Choy holds a Diploma in Management Studies from the University of Hong Kong and an MBA degree from the University of Macau.	Mr. Goh graduated from the National University of Singapore (formerly University of Singapore) with a Bachelor of Business Administration degree.
Board Committee(s) served on	ARC (Chairman), NC (Member), and RC (Member)	NC (Chairman), ARC (Member), and RC (Member)	RC (Chairman), ARC (Member), and NC (Member)
Date of first appointment as a Director	1 July 2009	24 May 2011	28 May 2012
Date of last re-election/re-appointment as a Director	30 July 2015	30 July 2015	30 July 2015
Present directorships in other listed companies	Nil	GP Industries Limited <i>Independent Non-Executive Director</i>	Boustead Singapore Limited <i>Independent Director</i>
Past directorships in other listed companies over the three years	Surface Mount Technology (Holdings) Limited <i>Independent Director</i>	Nil	Nil
Other principal commitments	BSL Consultants Pte Ltd <i>Director</i>	Nil	WhiteRock Medical Company Pte Ltd <i>Director & Shareholder</i>

Details of Directors' shareholdings are disclosed on page 22 of the Directors' Statement under Directors' Interests in Shares and Debentures of this annual report.

CORPORATE GOVERNANCE (cont'd)

Board Performance

Principle 5: Formal assessment of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board

The Board has implemented a process to assess the effectiveness of the Board and the contribution of each Director towards the Board's effectiveness. The NC works with the Company Secretaries to evaluate the performance of the Board through a formal evaluation program. This program identifies the strategic and long-term objectives of the Group and aligns it with the attributes and contribution measures against which the Board is assessed.

The following key performance criteria are considered under the evaluation program:

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

The NC reviews the performance of the Directors. Evaluations of individual Directors are taken into account by both the NC and the Board Chairman in considering each Director's performance and any changes to the Board appointments. The basis of evaluating the effectiveness of each Director is continually refined to improve the measurement and benchmarking of the results against predetermined criteria.

Access to Information

Principle 6: Board members should be provided with complete, adequate and timely information

Board papers prepared by Management are circulated to all Board members prior to every Board meeting. The Board papers include, among others, the following documents and details:

- minutes of the previous Board meeting;
- background or explanations on matters brought before the Board for decision or information;
- in respect of quarterly financial results, material variances compared to budgets and projections, supported by detailed analysis and explanations; and
- any major operational and financial issues.

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

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

The Board is furnished with monthly management accounts which present a balanced and understandable assessment of the Group's financial position and performance. In addition, detailed reviews and discussions on the quarterly financial results are conducted by the Board during the relevant Board meetings before these results are announced and released via the SGXNet.

Directors have separate and independent access to the Group's Management, including the Chairman/CEO, the COO, the CFO and the Group's internal and external auditors. Directors are able to query Management in relation to the Board papers or any reports prepared by Management.

Role of the Company Secretaries

The Board has access to the advice and services of the Company Secretaries and decides on their appointment and removal.

At least one of the Company Secretaries attends all Board meetings, in particular the meetings for reviewing the draft announcements of the Group's quarterly or full year financial results, and all meetings of the RC and the NC.

The Company Secretaries assist the Chairman to ensure that the Board procedures are duly followed. They also assist the Company to comply with relevant rules and regulations such as the Singapore Companies Act, Cap. 50 and the SGX-ST Listing Rules.

Professional Advice Taken by the Board

The Board, whether as a group or individually, may seek and take independent professional advice in relation to the discharge and furtherance of their duties. The costs of such professional advice will be borne wholly by the Company.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: Formal and transparent procedures for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors

The RC currently comprises the following three Independent Non-Executive Directors:

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

No member of the RC is involved in the deliberations of any remuneration, compensation, options or any form of benefits that he is interested in.

The RC has a Terms of Reference endorsed by the Board and the principal responsibilities of the RC include:

- (a) reviewing and recommending to the Board in consultation with Management and the Chairman of the Board, a framework of remuneration, and determining the specific remuneration packages and terms of employment for each of the Executive Directors and key management personnel including those employees related to the Executive Directors or the substantial/controlling shareholders of the Group;
- (b) reviewing and submitting its recommendations for endorsement by the entire Board, share-based incentives or any long-term incentive schemes which may be set up from time to time, in particular, to review whether Directors and key management personnel should be eligible for such schemes and also evaluating the costs and benefits of such schemes and doing all acts necessary in connection therewith;
- (c) functioning as the Committee referred to in the GP Batteries Performance Share Plan (the "Performance Share Plan") and shall have all the powers as set out in the Performance Share Plan;
- (d) carrying out its duties in the manner that it deemed expedient, subject always to any regulations or restrictions that may be imposed by the Board from time to time;
- (e) ensuring all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind are covered;
- (f) ensuring the remuneration packages are comparable within the industry and comparable companies and shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual Executive Directors' and key management personnel's performances;
- (g) ensuring the remuneration packages of employees related to Executive Directors and controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;
- (h) ensuring the level and structure of remuneration are aligned with the long-term interests and risk policies of the Company and Guidelines 8.1 to 8.4 of the Code; and
- (i) ensuring the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's are fair and reasonable under the contracts of service.

During the financial year, the RC had recommended to the Board for endorsement, a framework of remuneration for the Board and key management personnel to ensure that the structure is competitive and sufficient to attract, retain and motivate senior management to run the Company successfully in order to maximise shareholders' value.

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

CORPORATE GOVERNANCE (cont'd)

Level and Mix of Remuneration

Principle 8: Level of remuneration of Directors should be appropriate but not excessive

The RC works closely with the Group's Human Resources (the "GHR") function on deriving the remuneration policy. The GHR provides remuneration details of the Board and key management personnel to the RC for their evaluation against available industry data to determine whether the level and mix of remuneration is reasonable. The remuneration policy recommended by the RC is submitted for approval by the Board.

Independent Non-Executive Directors are remunerated with fees that are structured to reflect the amount of time and effort put into as well as the level of contribution made and responsibilities assumed and they include the following components:

- (i) a basic fee;
- (ii) fee for acting as the Lead Independent Director;
- (iii) fee for acting as the Chairman or a member of the ARC, the RC or the NC; and
- (iv) fee for attending additional Board, ARC, RC or NC meetings beyond those generally required or scheduled for.

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

Remunerations of Executive Directors and Key Management Personnel

(a) Fixed and Variable Components

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

The remuneration structure is aligned with the long-term business interests and is designed to be motivational and facilitate the retention of key management talents.

Remunerations of Executive Directors and key management personnel are reviewed by the RC annually. The RC performs a periodic benchmark of the remuneration framework and its components against the market.

(b) Benefits

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

(c) Performance Share Plan

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

Under the Performance Share Plan, shares are awarded based on the eligibility and performance of the individual. The approval to award performance shares rests with the RC and there have not been any performance shares awarded to date.

Non-Executive Directors are eligible to participate in the Performance Share Plan to include an incentive element to their remunerations as well as to align their interests with shareholders.

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

The Company does not use any contractual provision to reclaim incentive components of remuneration from the Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Company should be able to avail itself to remedies against the Executive Directors and key management personnel in the event of such breach of fiduciary duties.

Disclosure on Remuneration

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

The remuneration package of all the Directors and the top five key management personnel (who are not Directors or the CEO) for the financial year ended 31 March 2016 is presented in the table below:

The Annual Remuneration Report

Name of Personnel	Fixed Salary including CPF	Performance related income	Other Benefits	Directors Fee	Total
Range of remuneration below S\$250,000					
Executive Director					
LEUNG Pak Chuen	0%	0%	0%	0%	0%
Independent Non-Executive Director					
Allan CHOY Kam Wing	0%	0%	0%	100%	100%
GOH Boon Seong	0%	0%	0%	100%	100%
LIM Jiew Keng	0%	0%	0%	100%	100%
Range of remuneration S\$250,001 to S\$500,000					
Executive Director					
HUI Wing Sun	93%	6%	1%	0%	100%
Richard KU Yuk Hing	81%	17%	2%	0%	100%
Brian WONG Tze Hang	74%	6%	20%	0%	100%
Key Management Personnel					
Parklin HO Pak Nin	62%	13%	25%	0%	100%
Range of remuneration S\$500,001 to S\$750,000					
Executive Director					
Victor LO Chung Wing	100%	0%	0	0%	100%
Key Management Personnel					
HUANG Xiao Yun	31%	69%	0%	0%	100%
Richard YEW Cheng Teik	88%	11%	1%	0%	100%
Vincent ZHU Xiang Kui	31%	69%	0%	0%	100%
Range of remuneration S\$750,001 to S\$1,000,000					
Executive Director					
Henry LEUNG Kwong Hang	69%	22%	9%	0%	100%
Key Management Personnel					
William WANG Jian Hao	25%	75%	0%	0%	100%

Total remuneration for the Directors and the top five key management personnel for the financial year ended 31 March 2016 amount to S\$3,157,000 and S\$2,825,000 respectively. The Company believes that the disclosure in bands of S\$250,000 provides sufficient overview of the remuneration of the Directors.

No employee of the Group was an immediate family member of a Director and the CEO whose remuneration exceeded S\$50,000 during the financial year ended 31 March 2016. "Immediate family" is defined in the context of the Director as his/her spouse, child, adopted child, step-child, sibling and parent.

CORPORATE GOVERNANCE (cont'd)

(C) ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: Presentation of a balanced and understandable assessment of the Company's performance, position and prospects

The Board is accountable to the shareholders. The Board is responsible for providing a balanced and understandable assessment of the Group's performance, position and prospects when presenting quarterly and full year financial results and other price sensitive public reports, and reports to regulators (if required). The Board takes adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the SGX-ST Listing Rules.

Management is accountable to the Board. Management prepares monthly management accounts as well as quarterly and annual financial reports that contain analysis and explanations of variances against budget and forecasts for the Board to understand the Group's financial and operational performance and prospects.

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

Risk Management and Internal Controls

Principle 11: Sound system of risk management and internal controls

The Board is responsible for risk governance. It establishes the level of risk appetite and tolerance limits which are conformed with in the pursuit of the business objectives. The Board has ultimate responsibility to set the business strategy in a manner that addresses stakeholders' expectations without exposing the Company to an unacceptable level of risk.

The Company has in place a Risk Governance and Internal Control Manual. This manual sets out the risk governance responsibilities and the accountability for risk management activities which mitigate the occurrence and exposure to significant risks that would impede the achievement of business objectives. To supplement the Risk Governance and Internal Control Manual, the Board has established an Enterprise Risk Management ("ERM") framework and program. The ERM framework and program ensure that proper risk management is embedded in the Company's business activities and that a positive risk culture and robust risk management process are in place and consistently applied to address risks relating to operation, finance, technology and compliance. The risk management strategy, policies, risk profile and effectiveness of the risk mitigation actions to manage the Company's risks are presented regularly to the ARC which assumes responsibilities for both audit and risk matters.

Separate Committee for Risk Management

The Company does not have a separate Risk Committee. The ARC (which was renamed from the Audit Committee on 27 May 2015) is responsible for all matters in relation to risk management. The ARC is independent from Management, and members of the ARC are listed under "Audit and Risk Committee".

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

Roles and Responsibilities of the ARC in Respect of Risk Management

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

- proposes the risk governance approach and risk policies for the Company to the Board;
- reviews the risk management methodology adopted by the Company;
- reviews the strategic, financial, operational, regulatory, compliance, information technology and other emerging risks relevant to the Company identified by Management;
- reviews Management's assessment of risks and Management's action plans to mitigate such risks;
- proposes risk appetite and tolerance limits to the Board;
- reviews reports of any material breaches of risk limits;
- reviews the Company's procedures for detecting fraud including the whistle-blowing policy and ensures appropriate follow up actions;
- reports to the Board on matters, findings and recommendations relating to risk management; and
- reviews the adequacy and effectiveness of the Company's risk management systems.

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

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

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

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

Risk Appetite and Tolerance Limits

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

Risk owners and co-ordinators keep track of risk indicators in order to monitor conformance with risk appetite and tolerance limits. Any breach in risk limits are highlighted to the CRO who is tasked to oversee the necessary risk treatments and to report any major risk incidents to the ARC on a timely basis.

Based on the above, the ARC is of the opinion that the directives set forth in the Risk Governance Framework and Manual as well as the ERM program are adequate for the Company.

Management's Responsibility in Risk Management

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

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

Management also conducts risk management training to promote risk awareness within the Group. Management is responsible for day-to-day monitoring of these risks and highlighting significant events arising thereon to the Board via the CRO.

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

The Board with the assistance of the ARC has conducted an assessment of the adequacy and effectiveness of the risk management and internal control systems, including financial, operational, compliance and information technology controls. The assessment considered the key risk profile of the Company, the ability to discharge proper risk governance responsibilities and the existence and effectiveness of the principles within the Company to meet the requirements of an effective internal control system as stipulated by COSO.

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

- the changes to the business strategy and accompanying changes to the risk profile, risk appetite and tolerance limits;
- the changes to the Board authority and authorisation responsibilities delegated to Management in respect of the changes to the key business strategies;
- the policies and authorisation responsibilities of the Company;
- the adequacy and effectiveness of risk management activities to address the pertinent risks;

CORPORATE GOVERNANCE (cont'd)

Annual Review of Adequacy and Effectiveness of Risk Management and Internal Control Systems (cont'd)

- the controls and activities in place to uphold and enforce the principles of effective internal control by COSO covering the control environment, risk assessment, control activities, information and communication and monitoring activities; and
- the occurrence of significant internal control weaknesses during the financial period and whether these issues were adequately and properly addressed.

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

The Board has obtained assurance from the CEO and the CFO:

- (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances;
- (b) that the Group's risk management and internal control systems (including financial, operational, compliance and information technology controls) are adequate, robust and effective in addressing the material risks in the Group in its current business environment; and
- (c) that there has been full conformance with the risk governance activities and responsibilities stated in the Company's Risk Governance and Internal Control Manual.

Opinion on Adequacy of the Group's Internal Controls

Based on the internal control and established risk governance practices, reviews conducted by Management and various Board Committees, work performed by internal and external auditors as well as assurance from the CEO and the CFO, the Board with the concurrence of the ARC is of the opinion that the Company's internal controls addressing financial, operational, compliance and information technology risks are adequate and effective as at 31 March 2016.

Audit and Risk Committee

Principle 12: Establishment of Audit Committee with written terms of reference

The Audit Committee had been renamed to the ARC on 27 May 2015 and comprises the following three Independent and Non-Executive Directors:

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

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

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

During the year, Management and the external auditors have conducted briefings and the Company Secretaries also provided the relevant updates to the ARC, where applicable, on the changes to the Financial Reporting Standards, Companies Act, Cap. 50, the Code, SGX-ST Listing Rules and any other relevant rules and regulations which require the attention of the ARC.

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

The ARC has a formal Terms of Reference endorsed by the Board setting out their roles and responsibilities. The Board delegates the authority to the ARC, which has full and unrestricted access to, and the cooperation of Management, to investigate any matters within its Terms of Reference.

The ARC also has the full discretion to invite any Director or executive of the Group to attend the ARC meetings. The ARC has adequate resources to enable it to discharge its functions properly.

The ARC met four times during the financial year. Its roles and responsibilities, as set out in the Terms of Reference, include:

- (a) reviewing with the external auditors, the audit plan, including the nature and scope of the audit before the audit commences, their evaluation of the system of internal accounting controls, their audit report, their management letter and Management's response;
- (b) ensuring co-ordination where more than one audit firm is involved;

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

- (c) reviewing the quarterly, half-yearly and annual financial statements before submission to the Board for approval, focusing in particular, on:
 - (i) changes in accounting policies and practices
 - (ii) major risk areas
 - (iii) significant adjustments resulting from the audit
 - (vi) the going concern statement
 - (v) compliance with accounting standard
 - (vi) compliance with stock exchange and statutory/regulatory requirements;
- (d) discussing problems and concerns, if any, arising from the quarterly, interim and final audits, and any matters which the external auditors may wish to discuss with the internal auditors without the presence of Management where necessary;
- (e) reviewing the assistance given by Management to the external auditors;
- (f) reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors annually;
- (g) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcement relating to the Company's financial performance;
- (h) reviewing the adequacy of the Company's internal controls, i.e. the financial controls, operational and compliance controls established by the Management (collectively "internal controls");
- (i) reviewing annually the effectiveness of the Company's internal controls;
- (j) reviewing the adequacy of the risk governance and risk management initiatives taken to support the achievement of the business strategies and the adequacy of the internal control and risk management framework to manage and mitigate the relevant risks;
- (k) reviewing arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;
- (l) reviewing the internal audit program and ensuring co-ordination between the internal and external auditors and Management;
- (m) reviewing the adequacy of the resource of the internal audit function and having the appreciate standing within the Company; reviewing the effectiveness of the Company's internal audit function based on its scope and results of the internal audit procedure;
- (n) reviewing and discussing with the external auditors, any suspected fraud or irregularity, or suspect infringement of any Singapore Law, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and Management's response;
- (o) investigating any matter within its Terms of Reference, having full access to and co-operation by Management and full discretion to invite any Director or Executive Officer to attend its meetings, and reasonable resource to enable it to discharge its functions properly;
- (p) reporting to the Board its findings from time to time on matters arising and requirement the attention of the ARC;
- (q) reviewing interested person transactions ("IPTs") in cases where Rules 920(1)(b)(vi) or 921(5) of the SGX-ST Listing Manual applies;
- (r) undertaking such other reviews and projects as may be requested by the Board;
- (s) undertaking such other functions and duties as may be required by statute or the SGX-ST Listing Manual, and by such amendment made thereto from time to time;
- (t) considering the appointment/re-appointment of the external auditors, the audit fee and matters relating to the resignation or dismissal of the auditors;

CORPORATE GOVERNANCE (cont'd)

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

- (u) risk governance and tolerance:
- (i) recommending to the Board the Group's levels of risk appetite and risk tolerance for different categories of risk;
 - (ii) reviewing and recommending to the Board for approval the risk strategy and policies for the management of material risks over a longer time horizon;
 - (iii) for strategic transactions undertaken by the Company and to be approved by the Board, the ARC shall, upon the request by the Board, advise the Board on risk aspects and implications for the risk tolerance of the Company. The ARC shall have the discretion to take independent advice where necessary;
 - (iv) reviewing the risks inherent in the Company's business model and strategy, including risks from external factors;
 - (v) monitoring the Company's current material risk exposures and ensuring that these are within the risk tolerance levels approved by the Board; and
 - (vi) reviewing the Group's overall risk assessment process that supports informed Board decision making;
- (v) risk management system:
- (i) overseeing Management in the design, implementation and monitoring of the risk management and internal control system; and
 - (ii) reviewing policies, processes and reports concerning the adequacy and effectiveness of the Group's risk management framework including strategic, operational and information technology risks; and
- (w) oversight of material risks:
- (i) reviewing the Group's framework, processes and resources to identify and manage new or emerging risks as a results of changes in country, technological, social or business conditions;
 - (ii) monitoring the implementation of the Group's risk mitigation plans;
 - (iii) reviewing the robustness of the business contingency planning process within the Group and ensure that material risks are identified and appropriate contingency plans are in place;
 - (iv) reviewing the adequacy of the insurance and other risk transfer arrangements; and
 - (v) reviewing reports on material risk events and ensuring adequacy of action taken by Management.

The ARC meetings are attended by the EVP, Head of Finance, Director of Internal Audit and the external auditors. Invitation is extended to Management when their attendance is required. The ARC also meets the external and internal auditors separately without the presence of Management, where necessary, to:

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

The ARC assesses the independence of the external auditors annually and reviews the non-audit services provided by the external auditors. The aggregate fees paid to the external auditors for the financial year ended 31 March 2016 were:

	S\$'000
Audit fees	1,067
Non-audit fees	251
Total fees	1,318

Based on the review of the non-audit services rendered by the external auditors for the financial year ended 31 March 2016 and the related amount of fees, the ARC is satisfied that the independence of the external auditors has not been impaired.

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

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

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

The Group undertakes to investigate complaints or allegations of fraud and unethical behaviour objectively. The ARC has endorsed the whistle-blowing arrangement for all employees to raise such concerns in confidence. Investigations are conducted by the Internal Audit Department, with the assistance from external professionals where necessary, and investigations results are reported directly to the Chairman of the ARC.

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

Internal Audit

Principle 13: Effective and independent internal audit function

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

The appointment, assessment and compensation of the Director of Internal Audit, who has a direct and primary reporting line to the ARC Chairman, is approved by the ARC. The IAD assists the Board in monitoring the adequacy and effectiveness of internal controls and risk management activities of the Group through the reviews of business and financial operations performed Group-wide according to an approved annual internal audit plan.

The IAD comprises five qualified professional staff who undergo regular training and skills development programs to ensure that high technical and professional standards are maintained. The Head of IAD reports to the ARC on the nature and frequency of training and seminars attended by the IAD team.

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

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

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

- (a) Control Environment: The nature of the Group's Control Environment has a pervasive effect on the IAD's assessment of risks. The IAD assessed the design of the Control Environment to determine the strength of the foundation for all other components of internal control and made appropriate recommendations for improvement. The IAD has considered the following elements (which have a pervasive effect) and how they have been incorporated into the Group's processes:
 - Communication and enforcement of integrity and ethical values
 - Commitment to competence
 - Participation by those charged with governance
 - Management's philosophy and operating style
 - Organisational structure
 - Assignment of authority and responsibility
 - Human resource policies and practices
- (b) Risk Assessment: The IAD reviewed the risk assessment performed by Management in relation to the internal control of various operations of the Group, including their impact and likelihood. The relevant risks were thereafter considered in the internal audit scope and annual internal audit plan.
- (c) Control Activities, Information and Communication: The IAD evaluated the effectiveness and adequacy of processes, in particular, the adequacy of internal controls over authorization, information processing, physical controls, segregation of duties and performance reviews.
- (d) Monitoring Activities: The IAD evaluated the appropriateness of the monitoring activities over internal control, specifically considering monitoring activities pertinent to the Group's processes, people and systems.

CORPORATE GOVERNANCE (cont'd)

Internal Audit (cont'd)

The ARC approves the annual internal audit plan and budget. The ARC also ensures IAD has sufficient resources to discharge its function. The annual internal audit plan and scope covers the operational and financial functions within the Group. Associates and joint ventures are subject to internal audit review regularly.

During the year, the IAD conducted its audit reviews in accordance with the approved annual internal audit plan. The IAD reports its findings and recommendations on a quarterly basis to the ARC where Management would respond on the action plan. The IAD also updates the ARC with actions taken by Management to address prior findings reported to the ARC. The ARC reviews, at least annually, the adequacy and effectiveness of the internal audit function.

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

Principle 15: Communication with Shareholders

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

Shareholders are invited to attend all general meetings which include the Annual General Meeting ("AGM") and any Extraordinary General Meetings. All notices of general meetings, including notice of the AGM, containing information on and the effect of the proposed resolutions, are also advertised in newspapers. All shareholders are provided a copy of the annual report together with the notice for the AGM. These meetings are held at a convenient location in Singapore and shareholders are accorded the opportunity to raise relevant questions and to communicate their views at the meetings. Resolutions are passed through a process of voting and shareholders are entitled to vote in accordance with established voting rules and procedures.

The Company's Constitution allows a shareholder of the Company to appoint not more than two proxies to attend and vote in his/her stead at all general meetings via proxy forms submitted in advance (i.e. not less than forty-eight hours before the time appointed for holding the general meetings). The proxy form is sent together with the notice of general meetings. The Company also allows corporations which provide nominee or custodial services to appoint more than two proxies, so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

The Code encourages the avoidance of selective disclosure to certain groups of individuals or companies. Accordingly, the Company does not practise selective disclosure. The Company also believes it is important to maintain a high standard of public disclosure. Therefore, the Company is committed to disseminate material information to make sure that it is made public on a timely and non-selective basis. Announcement of results and price sensitive information are released via SGXNET within the mandatory period and are also available on the Company's website, www.gpbatteries.com.sg.

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

The Company is open to meetings with investors and analysts. If necessary, the Company will take the steps to solicit views from the shareholders through analyst briefings and meetings with investors. In conducting such meetings, the Company will be mindful of the need to ensure fair disclosure.

Principle 16: Conduct of Shareholder Meetings

The Company encourages participation of shareholders at the general meetings through open question and answer sessions. Members of the Board, Chairman of the ARC, the NC and the RC are present at these meetings and are available to address any queries or concerns raised by shareholders. The external auditors will also be available to assist the Directors in addressing any queries from the shareholders in relation to the audit and the audited financial reports.

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

In line with the new Rule 730(A)(2) of the SGX-ST Listing Manual, with effect from 1 August 2015, all the resolutions will be voted by way of poll and the Company will announce the detailed results showing the number of votes cast for and against each resolution and the respective percentages. The shareholders will be informed of the voting procedures at the commencement of the general meetings.

The Company Secretaries prepare minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting as well as the responses from the Board. These minutes are available to shareholders upon their request.

Dividend Policy

The Company does not have a fixed dividend policy. The form, frequency, and/or dividend payout will depend on the Company's financial performance and position, project capital expenditure, future investment plans and any other factors that the Directors consider relevant.

MATERIAL CONTRACTS

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

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transaction with interested person and has set out the procedures for review and approval of the Company's IPTs. The Company's disclosure in accordance with Rule 907 of the Listing Manual of the SGX-ST in respect of IPTs for the financial year ended 31 March 2016 is as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	
	2016 S\$'000	2015 S\$'000
Gold Peak Industries (Holdings) Limited & its subsidiaries	671	715
Rental deposits	3,125	1,785
Rental & other expenses	(17)	–
Rental income		
GP Industries Limited & its subsidiaries		
Rental & other expenses	224	204
Renovation & other expenses	–	143
Sales	(110)	–
Product design service fee	130	–
Rental & property maintenance income	(102)	–

The Company does not have a mandate on IPTs.

DEALINGS IN SECURITIES

The Group has adopted a Code of Best Practices Guide on Securities Transactions by Officers of the Company (the "Code of Best Practices").

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

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

The Company has complied with its Code of Best Practices.

STATISTICS OF SHAREHOLDINGS

As at 16 June 2016

Class of equity securities	:	Ordinary Shares
Number of issued shares	:	164,806,752
Number of issued shares excluding treasury shares	:	158,116,552
Voting rights	:	One vote per share

TREASURY SHARES

Number of treasury shares	:	6,690,200
Percentage of treasury shares against the total number of issued shares excluding treasury shares	:	4.23%

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	Number of Shares (excluding treasury shares)	
		%	%
1 - 99	86	4.31	0.00
100 - 1,000	463	23.18	0.18
1,001 - 10,000	904	45.27	2.88
10,001 - 1,000,000	532	26.64	18.71
1,000,001 and above	12	0.60	78.23
Total	1,997	100.00	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
GP Industries Limited	102,274,444	64.68	–	–
Gold Peak Industries (Holdings) Limited ⁽¹⁾	–	–	102,274,444 ⁽¹⁾	64.68
Victor Lo Chung Wing ⁽²⁾	300,000	0.19	102,274,444 ⁽²⁾	64.68

Notes:

(1) Gold Peak Industries (Holdings) Limited's ("Gold Peak") deemed interest in approximately 64.68% of the issued shares of the Company arises pursuant to Gold Peak's direct interest in the issued shares of GP Industries Limited ("GP Industries") of approximately 85.47% and GP Industries' direct interest in the issued shares of the Company of approximately 64.68%.

(2) Mr Victor Lo Chung Wing's deemed interest in approximately 64.68% of the issued shares of the Company arises pursuant to his aggregate direct and deemed interests in the shares of Gold Peak of approximately 21.66%, Gold Peak's direct interest in the issued shares of GP Industries of approximately 85.47% and GP Industries' direct interest in the issued shares of the Company of approximately 64.68%.

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	GP Industries Limited	102,274,444	64.68
2.	DBS Nominees (Private) Limited	4,769,900	3.02
3.	Pui Cheng Wui	3,224,200	2.04
4.	Maybank Kim Eng Securities Pte. Ltd.	2,105,099	1.33
5.	Raffles Nominees (Pte) Limited	1,987,200	1.26
6.	HSBC (Singapore) Nominees Pte Ltd	1,915,382	1.21
7.	Lam Yen Yong	1,487,000	0.94
8.	UOB Kay Hian Private Limited	1,429,696	0.90
9.	CIMB Securities (Singapore) Pte. Ltd.	1,225,287	0.77
10.	United Overseas Bank Nominees (Private) Limited	1,128,384	0.71
11.	Phillip Securities Pte Ltd	1,089,800	0.69
12.	Citibank Nominees Singapore Pte Ltd	1,054,440	0.67
13.	OCBC Nominees Singapore Private Limited	793,900	0.50
14.	Lim Siew Yin	770,000	0.49
15.	McCallum John Charles	732,000	0.46
16.	Friedrich Reimar Roland Tassilo	701,000	0.44
17.	Ang Eong Nam	660,000	0.42
18.	Ng Shek Yam	641,000	0.41
19.	Hui Wing Sun	615,000	0.39
20.	Woo Koon Chee	544,600	0.34
	Total	129,148,332	81.67

As at 16 June 2016, approximately 35% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

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