

Tai Sin Electric Cables Manufacturer Limited is set to continue its quest for global leadership and excellence in the manufacturing and supply of their quality products.

This year truly marks the coming of age for Tai Sin. In the wake of difficult times, the Group is determined to strive even harder to continuously improve the quality of products and services in the immediate future - to meet customer's needs, achieve growth and provide reasonable returns to shareholders.



TAI SIN ELECTRIC CABLES
MANUFACTURER LIMITED
annual report 2004

consistency
accessibility
dependability

DIE-CUT LINE

CORE VALUES

We aim to meet and exceed customers' expectations by **Accessibility**, **Dependability** and **Consistency** through quality. We are accessible to our customers and suppliers at any point of time, dependable in meeting deadlines and deliveries and consistent in offering quality products and services. At Tai Sin, we are always on time, all the time.

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forging ahead in full confidence

DIE-CUT LINE

CORPORATE PROFILE

Incorporated in Singapore in 1980, Tai Sin Electric Cables Manufacturer Limited ("Tai Sin") is a leading electric wires and cables manufacturer. Tai Sin is listed on the Singapore Exchange Securities Trading Limited SGX-ST and has expanded its operations in the manufacture and distribution of electrical switchboards, fluorescent lamps and feeder pillars through the Tai Sin Group of Companies.

For more than two decades, we have grown steadily based on the sound business philosophy of providing quality products using leading edge technology, with excellent customer service and faster turnaround time that created customer loyalty.

The company markets and sells through a distribution network serving a diverse range of industries, and also partners directly with consultants and contractors to provide competitive electrical cabling and wiring solutions for both private and public construction of industrial, commercial and residential building projects.

Our technological and innovation capability in terms of professional skills and resources will continue to be a great source of our strength. Our ISO 9001 certification and conformance with world manufacturing standards, together with our deep involvement with our customer requirements enable us to manufacture and market value and high quality products.

Strong demand for our products has led to setting up of manufacturing plants in Malaysia. The regional move has helped expand our capabilities and leverage on each other's competitive advantage to meet increasing market demands.

The company continues to grow through diversification in May 2003 with the acquisition of Lim Kim Hai Electric Group of Companies. The acquisition is an excellent fit with our existing operations and will enhance and expand our marketing and distribution capabilities to serve customers locally and regionally with a broader range of electrical and control products, devices and accessories.

With its renewed manufacturing excellence and service distribution commitment to service customers and create win-win relationships with its business partners, Tai Sin and its group of subsidiaries will continue to explore new concepts in product designs and solutions-oriented manufacturing processes, and to bring together leading industrial brands, and industrial distribution services to service the needs of our customers both now and in the future.



Accessibility

Our customers are at the heart of our service excellent vision. In an evolving global market, we continue to leverage on our strengths and ensure best-in-class operations to coherently deliver a great customer experience.



CHAIRMAN'S STATEMENT

I have great pleasure in presenting the Annual Report of the Company and of the Group for the year ended 30 June 2004.

REVIEW OF RESULTS

The Group achieved a set of impressive results amidst an uncertain global economic climate beset by the prolonged war in Iraq and terrorism. Group revenue stood at \$106.234 million, almost doubled the previous financial year's of \$54.865 million. This is largely attributable to the full year's consolidation of the financial results of Lim Kim Hai Electric Co. (S) Pte Ltd and its subsidiaries which were acquired in May 2003.

The consolidated operating profit before taxation surged from \$2.013 million in 2003 to \$4.781 million in the current financial year, a 137.51% improvement. The Group profit attributable to shareholders trebled from \$1.147 million in 2003 to \$3.658 million in the current financial year. The improvement in the results meant that earnings per share also rose from 0.59 cent in 2003 to 1.47 cents in the current financial year.



REVIEW OF OPERATIONS

The cable and wire division continues to be at the forefront of the Group's growth notwithstanding the slowdown faced by the construction and building industry in Singapore and Malaysia. The surge and volatility of the price of copper during the year failed to dampen the performance of the division. The Group was initially apprehensive of its effect on the cost of production and construction industry. However, through careful hedging of copper purchases, it was able to minimise the impact of the rising cost of raw materials and against expectations, improved its operating margins. Segment revenue rose from \$43.701 million to \$47.142 million in the current financial year, an increase of 7.87%. The higher revenue was also due to better performance from its wholly-owned subsidiary Tai Sin Electric Cables (Malaysia) Sdn Bhd which registered \$11.083 million revenue in the current financial year.

The electrical equipment division contributed \$52.824 million to revenue after taking into account the first full year's consolidation of the results of Lim Kim Hai Electric Co. (S) Pte Ltd and its subsidiaries. Strong results from this division was also attributed to the recovery in the Singapore economy in the second half of its financial year, in particular, its automation business led by Precicon D&C Pte Ltd. Vynco Industries NZ Limited, a 58% owned subsidiary based in New Zealand, benefited from the upsurge in the NZ local building market and turned in a set of good results.



PKS Sdn Bhd posted \$5.082 million in revenue for the switchboard division, up 12.36% from \$4.523 million in the previous financial year. Based in Brunei, this division is operating in a small captive market that is largely dependent on infrastructure spending by the government. PKS Sdn Bhd had been successful in securing and delivering a significant number of contracts during the financial year. The cost and credit control measures instituted at PKS Sdn Bhd had yielded positive returns and allowed it to remain competitive against its rivals.

The lamps and lighting division registered lower revenue of \$1.977 million in the current financial year compared to \$2.271 million in 2003. The division had completed the restructuring exercise when it sold its factory land and building in Kota Bahru and booked in a loss on disposal of \$0.475 million in the current year. Due to the weak demand for its products in the local market in Malaysia, the division had been successful in penetrating the overseas market such as South Korea, United States and the Middle East. It will be introducing a new range of energy saving lamps to complement its existing linear fluorescent lamps to boost its results.

BUSINESS OUTLOOK AND CHALLENGES AHEAD

On 14 July 2004, the Company announced that it had entered into a Sale and Purchase Agreement with Mr Lim Chye Huat @ Bobby Lim Chye Huat and Mr Chia Soo Siew to acquire the entire issued and paid-up share capital of Yat Lye Pte Ltd ("Yat Lye") for a cash consideration of \$200,000. Yat Lye is a supplier and a specialist in plumbing, sanitary and sewerage installation works with more than 50 years history in Singapore.

The acquisition provides the Group an opportunity to enter into an established business and broaden its earning base whilst leveraging on Yat Lye's strong reputation. With a sizeable order book and strong financial support from the Company, the Board is hopeful Yat Lye will be able to turn around and subsequently contribute positively to the Group in the future. The acquisition of Yat Lye was completed on 16 July 2004.

The Group is aware of the need for it to reinvent itself to remain relevant in this fast changing business environment. Substantial amount of Foreign Direct Investments is being diverted to China, which continues to enjoy unabated economic growth. The relocation of Multinational Companies (MNCs) to China and India from Singapore poses the single biggest challenge to the distribution business of the Group. The Board is continuously seeking viable investment opportunities in the region for the Group to have a stronger base.

CHAIRMAN'S STATEMENT



For the wires and cables division, the improvement in economic growth in Singapore and Malaysia will augur well for the prospects of the Group. Though largely dependent on the performance of the construction and building industries, the division will continue to look into developing new and improved product range and lowering its cost of production to be more competitive.

Lim Kim Hai Electric Co. (S) Pte Ltd has embarked on a regional plan by opening its representative office in Ho Chi Minh City, Vietnam. The Group intends to tap the potential of the Indo-China markets, which are also registering robust economic growth.

The lamps and lighting division is expanding its reach into the overseas market with new products. It has set up a production line to assemble energy saving compact fluorescent lamps with components sourced from China. With greater emphasis now on environment and energy conservation by countries in the world, the market for these products is enormous. The Board is hopeful that this move will help to stem the losses and turn the division around.

DIVIDENDS

The Board is pleased to recommend a final dividend of 6% per share less 20% income tax amounting to \$1,198,320, subject to approval of members at the forthcoming Annual General Meeting.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to place on record my appreciation to our customers, suppliers, business associates, shareholders and bankers for their unwavering support. The Group is also grateful to the relevant statutory and governmental bodies in the various countries for their guidance and assistance in providing business friendly environment. Lastly, the Board would like to thank all the employees who have contributed immensely to the success of the Group. I am confident that you will continue to excel in facing the challenges ahead.

PROFESSOR LEE CHANG LENG BRIAN
Chairman

CORPORATE INFORMATION

Board of Directors

Lee Chang Leng Brian
Non-Executive Chairman

**Lim Chye Huat @
Bobby Lim Chye Huat**
Managing Director

Lin Chen Mou
Executive Director

Lim Boon Hock Bernard
Executive Director

**Richard Wee Liang Huat @
Richard Wee Liang Chiat**
Non-Executive Director

Sim Yeong Soon
Non-Executive Director

Chang Chai Woon
Non-Executive Director

Chia Ah Heng
Non-Executive Director

**Lim Chai Lai @
Louis Lim Chai Lai**
Non-Executive Director

Lee Lien-Shen
Alternate Director to Lin Chen Mou

Audit Committee

**Richard Wee Liang Huat @
Richard Wee Liang Chiat**
Chairman

**Sim Yeong Soon
Lee Chang Leng Brian**

Remuneration Committee

**Richard Wee Liang Huat @
Richard Wee Liang Chiat**
Chairman

**Sim Yeong Soon
Lee Chang Leng Brian
Chang Chai Woon**

Nominating Committee

Lee Chang Leng Brian
Chairman

**Richard Wee Liang Huat @
Richard Wee Liang Chiat
Sim Yeong Soon
Chang Chai Woon**

Secretaries

**Mrs Low nee Tan Leng Fong
Tan Shou Chieh**

Company Registration Number

198000057W

Registered Office

24 Gul Crescent Jurong Town
Singapore 629531
Tel: 6861 3401 Facsimile: 6861 4084
Email: mailbox1@taisin.com.sg

Share Registrars & Share Transfer Office

B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758
Telephone: 6323 6200

Auditors

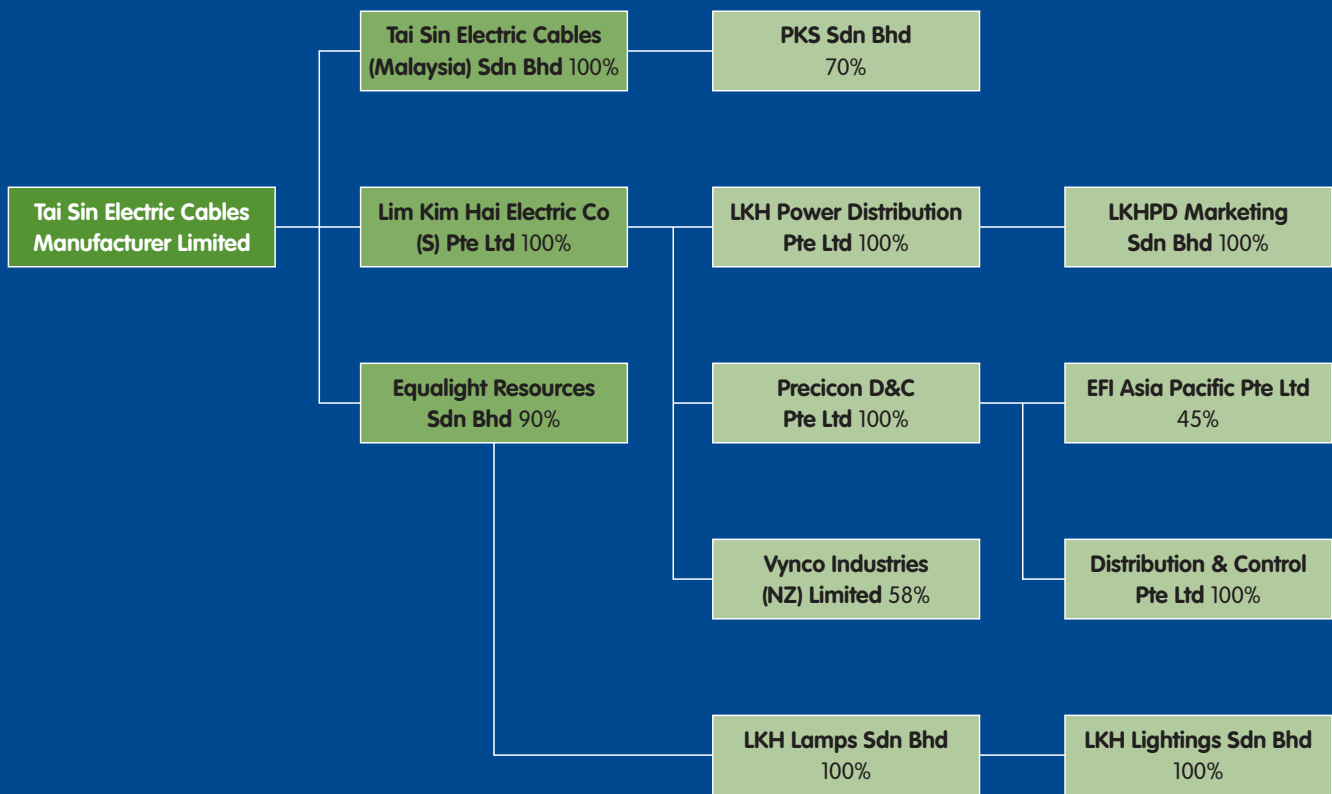
Deloitte & Touche
Certified Public Accountants
6 Shenton Way #32-00
DBS Building Tower Two
Singapore 068809

Partner-In-Charge:
Rankin Brandt Yeo
Date of appointment: November 12, 2002

Principal Bankers

**United Overseas Bank Limited
Hong Kong & Shanghai Banking
Corporation Limited
Overseas-Chinese Banking
Corporation Limited
Malayan Banking Berhad
Southern Bank Berhad
The Bank of East Asia Limited
DBS Bank Ltd**

Group Structure



Dependability



Over the years, to keep up with the rapid changes in the industry, our unique working culture has delivered an equitable level of performance that comes with a lifetime of product innovation and customer service experience. It is this shared experience that our customers value and depend on.

Board of Directors

LEE CHANG LENG BRIAN

Prof. Lee Chang Leng Brian was appointed as an Independent Non-Executive Director in August 2002. He was elected as Chairman in November 2003. He has served as a Vice President, a member of the Board of Trustees and Council of the Institution of Electrical Engineers, United Kingdom. He is a Fellow of the Institution of Electrical Engineers, United Kingdom; Institution of Engineers, Australia and Institution of Engineers, Singapore. Prof. Lee is also a registered Professional Engineer in Singapore, a Chartered Engineer in the United Kingdom and a Chartered Professional Engineer in Australia. Prof. Lee holds Bachelor of Engineering and Master of Engineering Science degrees in electrical engineering from the University of New South Wales, Sydney, Australia.

LIM CHYE HUAT @ BOBBY LIM CHYE HUAT

Mr. Bobby Lim Chye Huat was appointed the Managing Director in October 1997 and is responsible for the overall management, strategic planning and business development of the Group. Mr. Bobby Lim is a veteran and has more than 25 years experience in the electrical and engineering business. He was the Managing Director of Lim Kim Hai Electric Co. (S) Pte. Ltd. from 1972 to 1997. He is currently a member of the British Institute of Management, a Fellow of the Faculty of Building (United Kingdom), and an Honorary Fellow of the Singapore Institute of Engineering Technologists.

LIN CHEN MOU

Mr. Lin Chen Mou joined the Company in 1983 and was appointed as Factory Manager in the following year. He is currently the General Manager and was appointed as Executive Director in January 1996. He is responsible for the production and technical aspects of the Company's operations including the upkeep and maintenance of existing plant and machinery, the planning of the production process and the purchase of engineering parts and components for the plant and machinery. Mr. Lin holds a Bachelor degree in Law from the University of Chinese Culture in Taiwan.

LIM BOON HOCK BERNARD

Mr. Bernard Lim was appointed an Executive Director in September 1997 and is currently the Chief Operating Officer of the Company. He plays a central role in managing all of the operational activities of the Group with the purpose of driving the business forward. He is involved in formulating strategic directions and business development plans. Mr. Bernard Lim also heads the Sales and Marketing division of the Company and is also responsible for product development in the Company. He holds a Master of Business Administration degree from the University of Strathclyde in the United Kingdom.

RICHARD WEE LIANG HUAT @
RICHARD WEE LIANG CHIAT

Mr. Richard Wee Liang Huat is presently the Managing Director of Hubline Berhad (formerly known as Eastern Oxygen Berhad). He was appointed as an Independent Non-Executive Director in April 1998 and is the Chairman of the Audit Committee and Remuneration Committee. He is also a member of the Nominating Committee of the Company. Mr. Richard Wee graduated with a Diploma of Management Development Programme from the Asian Institute of Management in Manila, the Philippines and he is a member of the Malaysian Institute of Management since 1985.

SIM YEONG SOON

Mr. Sim Yeong Soon was appointed as an Independent Non-Executive Director in April 1998. Prior to his retirement, Mr. Sim was one of the founding directors of Acma Electrical Industries Ltd and was its General Manager from 1965 to 1969. Subsequently, he became the joint Managing Director of Alliance Manufacturing Company Ltd (now known as AFP Land Limited) from 1970 to 1972 and later joined Unilite Electrical Industries Berhad (now known as Berjaya Sports Toto Berhad), Malaysia, as Managing Director from 1972 to 1981. Mr. Sim is a member of the Audit, Remuneration and Nominating Committee of the Company.

CHANG CHAI WOON

Mr. Chang Chai Woon was appointed as Non-Executive Director in December 2000. He is the Managing Director of HSE Engineering Sdn Bhd, a company principally involved in mechanical and electrical contracting works in Brunei and has more than 30 years of experience in the electrical and engineering business. Mr. Chang is also a member of the Remuneration and Nominating Committee of the Company.

CHIA AH HENG

Mr. Chia Ah Heng was appointed as Non-Executive Director in November 2003. He is the Joint Managing Director of Lim Kim Hai Electric Group of Companies ("LKH Group"). He joined LKH in 1969 and has more than 34 years experience in the electrical industry. His responsibilities includes setting the LKH Group's overall strategic direction, mission and policy, oversee the financial and quality system of the company and general administration of the LKH Group.

LIM CHAI LAI @
LOUIS LIM CHAI LAI

Mr. Louis Lim Chai Lai was appointed as Non-Executive Director in November 2003 and is currently the Joint Managing Director of the LKH Group. He joined LKH in 1967 and has over 35 years experience in the electrical business. As Joint Managing Director he makes strategic decisions relating to Group's business, setting of policies along with other duties and responsibilities. He is currently the President of the Singapore Electrical Trades Association, an association representing electrical retailers and electrical contractors in Singapore.

LEE LIEN-SHEN

Mr. Lee Lien-Shen served as Chairman since January 1980 and is one of the principal founders of the Company. He retired as Chairman at the last annual general meeting. Mr. Lee was appointed as alternate director to Mr. Lin Chen Mou, an Executive Director in November 2003. He has more than 30 years of experience in the cable industry and holds a Diploma in Engineering from the Taipei Technology College.

Key Management Staff

Choo Wei Loon Michael

Mr. Michael Choo is the Chief Financial Officer of the Company. He joined the Company in January 1998, heading the finance department. He is responsible for the Group's business development, corporate planning, investor relations and financial management matters. He is a Chartered Accountant (Malaysia) and holds a Master of Business Administration degree from the University of Bath in the United Kingdom.

Ong Wee Heng

Mr. Ong Wee Heng is the Group Executive Director of the LKH Group. He is primarily responsible for ensuring the smooth operations of the LKH Group and the effective implementation of business and strategic plans. Mr Ong is also a Non-Executive Director of Nylect Engineering Limited, a company listed on the SGX-ST. He holds a Master of Business Administration from Macquarie University, Australia and a Master of Professional Accounting from University of Southern Queensland in Australia.

Lim Ewe Lee

Mr. Lim Ewe Lee is the General Manager of Tai Sin Electric Cables (Malaysia) Sdn Bhd. He has been with the Company since 1999. He is responsible for the sales, manufacturing and marketing function of the cables and wires division in Malaysia. He has more than 25 years of experience in the cable and wire industry.

Ng Shu Goon Tony

Mr. Tony Ng is the General Manager of PKS Sdn Bhd. He joined the company in 1989 and is responsible for the sales and marketing function of the switchboards division in Brunei. He has more than 25 years experience in the electrical industry.

John Vale

Mr. John Vale is the Managing Director and founder of Vynco Industries NZ Limited. Mr Vale's responsibilities as the Managing Director include formulating the overall strategic direction and policy for Vynco while overseeing Vynco's daily management and operations in New Zealand.

Lee Kim Cheng

Mr. Lee Kim Cheng is the General Manager of LKH Lamps Sdn Bhd. He is responsible for the sales, manufacturing and marketing function of the lamps and lightings division.

Ng Weng Ken Kenny

Mr. Kenny Ng is currently the Group Marketing Manager of LKH Group. He is responsible for strategic and tactical management of product portfolio. He is also responsible in managing corporate and marketing communications with internal and external stakeholders of the Tai Sin Group in a manner that enhance corporate image and support strategic positioning of business units. He is a Chartered Marketer and holds a Master of Business Administration in Strategic Marketing from University of Hull, United Kingdom.

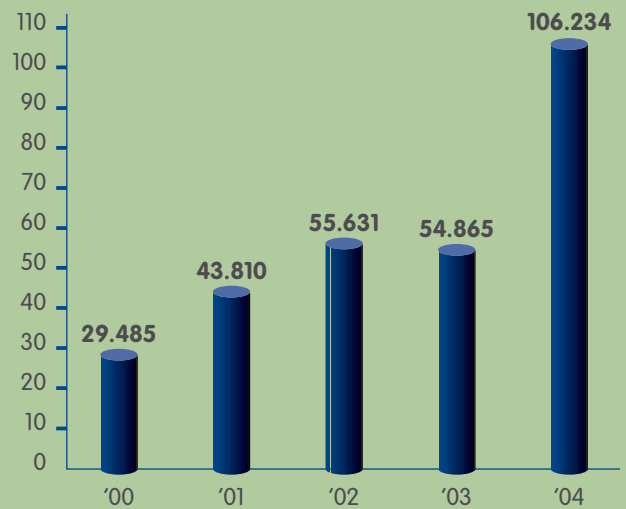
Consistency

A surreal illustration of a man in a purple suit standing on a stack of three tables, reaching for a glowing cube in a dark, textured space. The scene is lit with dramatic, low-key lighting, creating a sense of mystery and achievement. The man's arms are raised in a gesture of triumph or success. The background is a dark, textured blue and purple, with a glowing cube floating above him. The overall mood is one of ambition and perseverance.

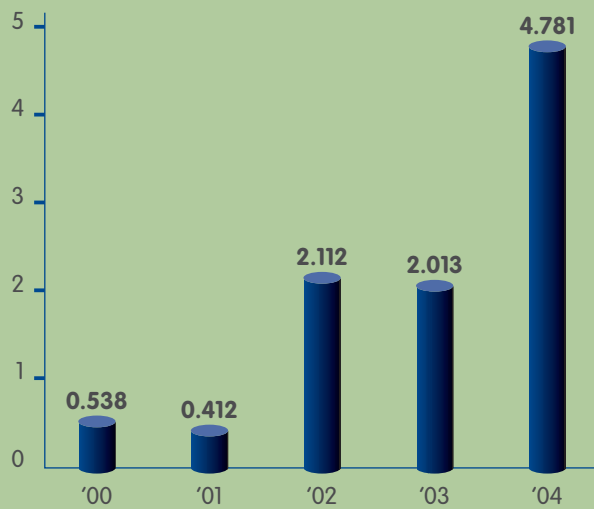
Our passion for service excellence and relentless pursue for product quality and prompt delivery, clearly demonstrates our commitment for consistent product innovation and operational excellence. This sets us ahead to create new avenues of growth, as well as increasing the competitive visibility of the Group.

Financial Highlights

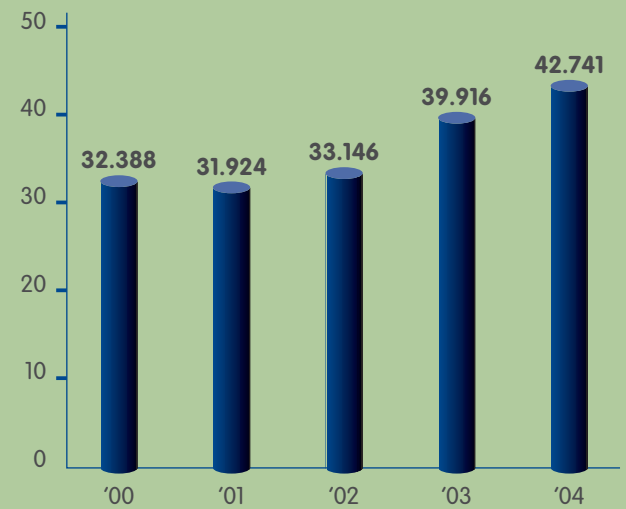
Turnover (\$m)



Profit before taxation (\$m)



Shareholders' Funds (\$m)



Report on Corporate Governance

Year ended June 30, 2004

The Board of Directors of Tai Sin Electric Cables Manufacturer Limited is committed to upholding the spirit and codes of the Corporate Governance and promoting greater transparency to safeguard the interests of all its shareholders. The Company believes in taking a balanced approach given the size of the business. This report outlines the Company's corporate governance policies and practices with specific reference to the Code of Corporate Governance.

BOARD OF DIRECTORS

Principle 1 : Board's Conduct of its affairs

Principle 2 : Board Composition and Balance

Principle 3 : Role of Chairman and Group Managing Director

Principle 6 : Access to Information

The Board oversees the business affairs of the Group, review and evaluate the financial performance, approve the Group's strategic plans, major investments and funding decisions. The Company has adopted internal guidelines setting out matters that require the Board's approval.

To assist in the execution of its responsibilities, the Board has established an Audit Committee, Nominating Committee and Remuneration Committee. These committees function with specific terms of references. The number of meetings held in the year and the attendance of the directors are as follows:

NAME	BOARD		AUDIT COMM		NOMINATING		REMUNERATION	
	No of meetings held	No of meetings attended	No of meetings held	No of meetings attended	No of meetings held	No of meetings attended	No of meetings held	No of meetings attended
Lee Chang Leng Brian	3	3	3	3	–	–	–	–
Lim Chye Huat @ Bobby Lim Chye Huat	3	3	NA	NA	NA	NA	NA	NA
Lin Chen Mou	3	3	NA	NA	NA	NA	NA	NA
Lim Boon Hock Bernard	3	3	NA	NA	NA	NA	NA	NA
Richard Wee Liang Huat	3	1	3	1	–	–	–	–
Sim Yeong Soon	3	3	3	3	–	–	–	–
Chang Chai Woon	3	3	NA	NA	–	–	–	–
Lim Chai Lai @ Louis Lim Chai Lai	3	3	NA	NA	NA	NA	NA	NA
Chia Ah Heng	3	3	NA	NA	NA	NA	NA	NA
Lee Lien-Shen (alternate director to Lin Chen Mou)	3	–	NA	NA	NA	NA	NA	NA

The Board comprises nine directors (excluding alternates) of whom three are executive directors, three non-executive and non-independent directors and three non-executive and independent directors. The Chairman of the Board is Prof. Lee Chang Leng Brian, who is an independent non-executive director. The executive directors are Mr Lim Chye Huat @ Bobby Lim Chye Huat (Managing Director), Mr Lin Chen Mou and Mr Lim Boon Hock Bernard. The other independent non-executive directors are Mr Richard Wee Liang Huat and Mr Sim Yeong Soon. Mr Lee Lien-Shen, an alternate director to Mr Lin Chen Mou, is a non-executive and non-independent director. The other non-executive and non-independent directors are Mr Chang Chai Woon, Mr Lim Chai Lai @ Louis Lim Chai Lai and Mr Chia Ah Heng.

This composition complies with the Code's requirement that at least one-third of the Board should be made up of independent directors.

The Board's main functions are setting of overall Group business strategies and direction, monitor and review financial performances of the Group, ensure the implementation of sound internal controls and safeguarding the Group's assets. The Board members comprise businessmen and professionals with financial backgrounds. This provides the management with the benefit of an independent, diverse and objective perspective of issues that are brought before the Board.

Report on Corporate Governance

Year ended June 30, 2004

BOARD OF DIRECTORS (cont'd)

To assist in the execution of its responsibilities, the Board has established an Audit Committee, Nominating Committee and Remuneration Committee. These committees function within clearly defined terms of references.

The Company has a separate Chairman and Group Managing Director. The Chairman bears responsibility for Board proceedings. The Chairman ensures that the board meetings are held when necessary. The Group Managing Director is the most senior executive in the Company who bears executive responsibility for the management of the Company and Group.

To ensure that the Board is able to fulfill its responsibilities, management provides Board members with quarterly management accounts. All relevant information on material events and transactions are circulated to directors as and when they arise. The directors are kept informed by the management on the status of on-going activities between meetings. The Company Secretary attends Board meetings when required and in his absence, the Chief Financial Officer assists the Board to ensure that Board procedures, rules and regulations relating thereto are complied with. Where a decision is required between Board meetings, a directors' resolution is circulated with supporting papers for approval, in accordance with the Articles of Association of the Company.

Each director has direct access to the Company's senior management and the Company Secretaries. There are also procedures in place which allow Directors, either as a group or individually, in the furtherance of their duties, to seek independent professional advice at the expense of the Company.

BOARD COMMITTEES

Nominating Committee (NC)

Principle 4 : Board Membership

Principle 5 : Board Performance

The composition of the Nominating Committee are:

- Lee Chang Leng Brian(Chairman)
- Richard Wee Liang Huat @ Richard Wee Liang Chiat
- Sim Yeong Soon
- Chang Chai Woon

The primary role of the NC is to :

- i. review the structure, size and composition and ensure that the Board has the appropriate mix and expertise;
- ii. identify candidates and review nominations for the appointment of new directors;
- iii. make recommendations to the Board on all board appointments and re-nomination;
- iv. determine on an annual basis whether or not a Director is independent in accordance with the guidelines under the Code; and
- v. review the Board's performance and assess the effectiveness of the Board as a whole, as well as the contribution by each member of the Board.

The NC has reviewed and is of the opinion that the current composition and size of the Board is appropriate, taking into account the scope and nature of operations of the group in the year under review. Assessment parameters for Directors' performance include the attendance record of the Directors at Board and Committee meetings, their level of participation at such meetings and the quality of contribution to Board processes, business strategies and performance of the Group.

The Directors (except the Managing Director) submit themselves for re-election at regular intervals as required under the Articles of Association of the Company which provide that at least one-third of the Directors for the time being shall retire as Directors at each Annual General Meeting. The Articles also provide for the appointment of a Managing Director by the Board for a fixed term not exceeding 5 years.

Information on shareholdings in the Company and its subsidiaries held by each director is set out in the "Directors Report" section of the Annual Report.

Remuneration Committee (RC)

Principle 7 : Procedures for developing remuneration policies

Principle 8 : Level and mix of remuneration

Principle 9 : Disclosure of Remuneration

The Remuneration Committee of the Company comprises:

- Richard Wee Liang Huat @ Richard Wee Liang Chiat (Chairman)
- Lee Chang Leng Brian
- Sim Yeong Soon
- Chang Chai Woon

The RC's written terms of reference include:

- i. propose framework of remuneration and approve recommendations on remuneration policies and packages for Directors and Key executives;
- ii. structure proportion of executive directors' remuneration to link rewards to performance;
- iii. review and recommend to the Board the terms of renewal of Directors' service contracts;
- iv. administer the Tai Sin Share Option Scheme approved by the shareholders on August 1, 2001.

The RC's primary role is to review and recommend to the Board, an appropriate and competitive framework of remuneration for the Board and key executives of the Group. If required, the RC seeks expert advice in discharging its duties.

The annual Directors' fees, which includes the fees paid to the non-executive Directors, are recommended by the RC and endorsed by the Board. Factors taken into account for non-executive Directors' remuneration include the effort, time spent and contribution from the respective director. Directors' fees are subject to approval of shareholders at the Annual General Meeting.

No Director is involved in deciding his own remuneration.

Company's Directors receiving remuneration from the Group are as follows:

Remuneration Band	Name of Director	Salary & CPF \$	Bonus and other variable performance components \$	Director's Fee (Company) \$	Director's Fee (Subsidiary) \$	Total \$
Below \$250,000	Lee Chang Leng Brian	–	–	9,000	–	9,000
	Lin Chen Mou	118,204	24,965	8,000	–	151,169
	Lim Boon Hock Bernard	143,046	31,436	8,000	5,000	187,482
	Richard Wee Liang Huat @ Richard Wee Liang Chiat	–	–	8,000	–	8,000
	Sim Yeong Soon	–	–	8,000	–	8,000
	Chang Chai Woon	–	–	8,000	–	8,000
	Lim Chai Lai @ Louis Lim Chai Lai	150,124	13,147	8,000	5,000	176,271
	Chia Ah Heng	148,252	16,716	8,000	5,000	177,968
	Between \$250,000 to \$499,999	Mr Lim Chye Huat @ Bobby Lim Chye Huat	246,664	53,557	8,000	5,000

Report on Corporate Governance

Year ended June 30, 2004

Remuneration Committee (RC) (cont'd)

For the financial year ended 30 June 2004, the top 5 key executives of the Group (who are not also directors of the Company) are Mr Choo Wei Loon Michael, Mr Lim Ewe Lee, Mr Ong Wee Heng, Mr Ng Shu Goon Tony and Mr John Vale. The remuneration of each of the 5 key executives did not exceed S\$250,000.

Other than as indicated above, there are no employees who are immediate family members of a Director whose remuneration exceed S\$150,000 for financial year ended 30 June 2004.

Audit Committee (AC)

Principle 10 : Accountability and Audit

Principle 11 : Audit Committee

Principle 12 : Internal Control

Principle 13 : Internal Audit

The Audit Committee of the Company comprises:

- Richard Wee Liang Huat @ Richard Wee Liang Chiat (Chairman)
- Sim Yeong Soon
- Lee Chang Leng Brian

The AC performs the following functions:

- i. Review the annual audit plan, the findings and recommendations
- ii. Review the consolidated financial statements in conjunction with the external auditor's comments
- iii. Review the adequacy of internal controls
- iv. Review interested person transactions
- v. Review the external auditors' management letter points
- vi. Recommend the nomination of the external auditors for re-appointment.

The AC has reviewed and is satisfied that the external auditors have not provided any non-audit services to the Group during the financial year 2004 that will prejudice their independence and objectivity.

The Group's internal controls and systems are designed to provide reasonable assurance to the integrity and reliability of the financial information and to safeguard and maintain accountability of its assets. The AC has reviewed and evaluated the system of internal controls with the external auditors. The Board is of the view that there has been no major weakness in the existing system of internal controls.

The Company does not have an internal audit function due to its size and for cost reasons. The AC currently relies on the close supervision and monitoring from members of the senior management team. It is satisfied that internal financial control systems and procedures implemented are in place and operating effectively.

COMMUNICATION WITH SHAREHOLDERS

Principle 14 : Communication with Shareholders

Principle 15 : Greater Shareholder Participation

The Board believes in timely communication of information to shareholders and the public. Announcements are issued on an immediate basis where required under the SGX-ST Listing Manual. Material price sensitive information including interim and full year results are released through MASNET. All shareholders of the Company receive the Annual Report and notice of the Annual General Meeting. The Notice is also advertised in the newspapers and released through MASNET.

Shareholders may appoint one or two proxies to attend and vote in their place, in accordance with the Articles of Association of the Company. Investors who have used their CPF monies to buy the Company's shares are allowed to attend the Annual General Meeting as observers. During the Annual General Meeting, the shareholders are given the opportunity to speak and seek clarifications concerning the Group's business and affairs. The external auditors and the Board will be in attendance at the Annual General Meeting to address questions raised.

DEALING IN SECURITIES

The Company has adopted an Internal Code Governing Dealings In Securities in line with the guidelines issued by the SGX-ST. This Internal Code provides guidance and prescribes the internal regulations with regard to dealings in the Company's securities by its officers.

FINANCIAL REVIEW

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Report of the Directors

The directors present their report together with the audited financial statements of the company and the consolidated financial statements of the group for the financial year ended June 30, 2004.

1 DIRECTORS

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

EXECUTIVE

Lim Chye Huat @ Bobby Lim Chye Huat (Managing Director)

Lin Chen Mou

Lim Boon Hock Bernard

NON-EXECUTIVE

Lee Chang Leng Brian (Chairman)

Richard Wee Liang Huat @ Richard Wee Liang Chiat

Sim Yeong Soon

Chang Chai Woon

Chia Ah Heng

(Appointed on November 7, 2003)

Lim Chai Lai @ Louis Lim Chai Lai

(Appointed on November 7, 2003)

Lee Lien-Shen

(Alternate director to Lin Chen Mou)

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 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 except as follows:

Name of directors and companies in which interest are held	Shareholdings registered in the names of directors or their nominees			Other shareholdings in which directors are deemed to have an interest		
	At July 1, 2003 or date of appointment, if later	At June 30, 2004	At July 21, 2004	At July 1, 2003 or date of appointment, if later	At June 30, 2004	At July 21, 2004
Tai Sin Electric Cables Manufacturer Limited						
Lee Lien-Shen	969,980	969,980	969,980	7,340	7,340	7,340
Lim Chye Huat						
@ Bobby Lim Chye Huat	23,362,580	23,362,580	23,362,580	9,441,000	9,441,000	9,441,000
Lin Chen Mou	120,300	370,300	370,300	–	–	–
Lim Boon Hock Bernard	25,500,000	25,500,000	25,500,000	350,000	350,000	350,000

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

Name of directors and companies in which interest are held	Shareholdings registered in the names of directors or their nominees			Other shareholdings in which directors are deemed to have an interest		
	At July 1, 2003 or date of appointment, if later	At June 30, 2004	At July 21, 2004	At July 1, 2003 or date of appointment, if later	At June 30, 2004	At July 21, 2004
Tai Sin Electric Cables Manufacturer Limited						
Number of shares of \$0.10 each						
Richard Wee Liang Huat						
@ Richard Wee Liang Chiat	3,500,000	3,500,000	3,500,000	–	–	–
Chang Chai Woon	11,100,000	11,100,000	11,100,000	–	–	–
Chia Ah Heng	5,441,000	5,441,000	5,441,000	8,439,000	8,439,000	8,439,000
Lim Chai Lai @ Louis Lim Chai Lai	10,497,000	10,497,000	10,497,000	5,000,000	5,000,000	5,000,000
PKS Sdn Bhd						
Number of shares of B\$1 each						
Chang Chai Woon	232,568	232,568	232,568	–	–	–
Vynco Industries (NZ) Limited						
Number of shares of NZ\$1 each						
Lim Chye Huat						
@ Bobby Lim Chye Huat	115,000	115,000	115,000	–	–	–
Tai Sin Electric Cables Manufacturer Limited						
Number of share options to subscribe for the company's ordinary shares of \$0.10 each						
			At date of grant	At June 30, 2004	Exercise price	Exercise period
Lin Chen Mou			1,500,000	1,250,000	\$0.125	May 8, 2003 to May 7, 2013

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

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

5 SHARE OPTIONS

On August 1, 2001, the shareholders of the company approved the Tai Sin Share Option Scheme (the "Scheme"). The Scheme is administered by a committee whose members are:

- Richard Wee Liang Huat @ Richard Wee Liang Chiat (Chairman)
- Sim Yeong Soon
- Lee Chang Leng Brian
- Chang Chai Woon

Report of the Directors

5 SHARE OPTIONS (CONT'D)

A) SHARE OPTIONS GRANTED

On April 8, 2002 ("Offering Date"), options were granted pursuant to the Scheme to 141 employees (collectively the "Participants") of the company to subscribe for 17,680,000 ordinary shares of \$0.10 each in the company at the subscription price of \$0.125 per ordinary share ("Offering Price") with no discount. 16,970,000 options were accepted by the Participants.

The options granted to employees may be exercised during the period from May 8, 2003 to May 7, 2013, both dates inclusive, by notice in writing accompanied by a remittance for the full amount of the Offering Price (subject to adjustments under certain circumstances).

The Offering Price was equal to the average of the last dealt price for a share, with reference to the daily official list published by the Singapore Exchange Securities Trading Limited for the last 5 day consecutive market days immediately preceding the Offering Date.

The Participants may in addition to the Scheme participate in other share option schemes implemented by the company or any of its subsidiaries, subject to the prior approval in writing to the committee.

No other options to take up unissued shares of the company or any corporation in the group were granted during the year.

B) SHARE OPTIONS EXERCISED

During the financial year, the company issued 1,650,000 ordinary shares of \$0.10 each at \$0.125 per share upon the exercise of options under the scheme. There were no other shares of the company or any corporation in the group issued by virtue of the exercise of an option to take up unissued shares.

C) UNISSUED SHARES UNDER OPTION

At the end of the financial year, there were no unissued shares of the company or any corporation in the group under option except as follows:

Date of grant	Balance at beginning of year	Exercised	Expired/ cancelled	Balance at end of year	Exercise price	Date of expiry
April 8, 2002	16,390,000	1,650,000	2,140,000	12,600,000	\$0.125	May 7, 2013

D) THE INFORMATION ON PARTICIPANTS WHO RECEIVED 5% OR MORE OF THE TOTAL NUMBER OF OPTIONS AVAILABLE UNDER THE SCHEME IS AS FOLLOWS:

Name of participants	Aggregate options outstanding at the end of the financial year	Options granted during the financial year	Aggregate options granted since commencement of Scheme to end of the financial year	Aggregate options exercised since commencement of Scheme to end of the financial year
Director of the company				
Lin Chen Mou	–	1,500,000	250,000	1,250,000
Employees				
Lim Ewe Lee	–	1,500,000	–	–
Lai Kon Seng	–	1,500,000	–	–
Choo Wei Loon	–	1,500,000	–	–
Ng Shu Goon Tony	–	1,500,000	–	–

No options under the Scheme were granted to controlling shareholders or their associates.

6 AUDIT COMMITTEE

The audit committee comprises three members, who are independent directors. The members of the audit committee are:

Richard Wee Liang Huat @ Richard Wee Liang Chiat (Chairman)
Sim Yeong Soon
Lee Chang Leng Brian

During the financial year, the committee held meetings with management and the external auditors to review the audit plans and scope of examination of the audit, financial and operating results, internal controls, accounting policies, related party transactions and other significant matters. The committee has reviewed the financial statements for the financial year ended June 30, 2004 and the report of the external auditors thereon.

The committee recommends to the Board of Directors the re-appointment of the company's external auditors, Deloitte & Touche, at the forthcoming annual general meeting of the company.

7 AUDITORS

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

ON BEHALF OF THE DIRECTORS

LIM CHYE HUAT @ BOBBY LIM CHYE HUAT

LIN CHEN MOU

August 23, 2004

Auditors' Report to the Members of Tai Sin Electric Cables Manufacturer Limited

We have audited the accompanying financial statements of Tai Sin Electric Cables Manufacturer Limited set out on pages 23 to 54 for the financial year ended June 30, 2004. These financial statements are the responsibility of the company's directors. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- a) the accompanying consolidated financial statements of the group and the balance sheet and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the group and of the company as at June 30, 2004 and the results, changes in equity and cash flows of the group and the changes in equity of the company for the financial year ended on that date; and
- b) the accounting and other records required by the Act to be kept by the company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

DELOITTE & TOUCHE
CERTIFIED PUBLIC ACCOUNTANTS

PARTNER
RANKIN BRANDT YEO

Singapore
August 23, 2004

Balance Sheets

June 30, 2004

	Note	2004 \$	Group 2003 \$	2004 \$	Company 2003 \$
ASSETS					
Current assets:					
Cash and bank balances		4,526,628	3,721,170	1,018,242	249,962
Trade receivables	5	34,996,646	33,244,987	13,778,329	13,125,289
Other receivables and prepayments	6	1,235,836	726,613	3,740,177	15,094,664
Inventories	7	26,870,425	22,530,615	12,416,367	8,414,263
Total current assets		67,629,535	60,223,385	30,953,115	36,884,178
Non-current assets:					
Associate	8	188,314	206,142	-	-
Subsidiaries	9	-	-	29,210,290	18,414,845
Property, plant and equipment	10	26,710,958	31,641,720	8,814,223	10,532,732
Intangible assets	11	35,145	112,431	-	-
Other investments	12	48,066	75,092	-	-
Deferred tax assets	19	458,565	315,455	-	-
Total non-current assets		27,441,048	32,350,840	38,024,513	28,947,577
Negative goodwill	13	(2,911,894)	(3,632,529)	-	-
Total assets		92,158,689	88,941,696	68,977,628	65,831,755
LIABILITIES AND EQUITY					
Current liabilities:					
Bank overdrafts and other bank borrowings	14	16,575,286	15,435,873	9,214,434	6,856,333
Trade payables	15	16,535,383	14,979,265	3,248,018	2,243,510
Other payables	16	2,138,035	1,758,575	1,122,278	871,441
Income tax payable		1,527,290	1,371,227	985,413	1,187,313
Current portion of finance leases	17	10,461	78,179	-	-
Current portion of long-term borrowings	18	2,161,825	2,668,814	1,500,000	1,776,000
Total current liabilities		38,948,280	36,291,933	16,070,143	12,934,597
Non-current liabilities:					
Deferred tax liabilities	19	1,301,888	1,567,888	700,000	1,025,000
Non-current portion of finance leases	17	17,020	54,730	-	-
Long-term borrowings	18	6,561,107	8,522,206	4,500,000	6,345,000
Total non-current liabilities		7,880,015	10,144,824	5,200,000	7,370,000
Minority interests		2,589,405	2,589,092	-	-
Capital and reserves:					
Issued capital	20	24,965,000	24,800,000	24,965,000	24,800,000
Reserves		17,775,989	15,115,847	22,742,485	20,727,158
Total equity		42,740,989	39,915,847	47,707,485	45,527,158
Total liabilities and equity		92,158,689	88,941,696	68,977,628	65,831,755

See accompanying notes to financial statements.

Consolidated Profit and Loss Statement

Year ended June 30, 2004

	Note	2004 \$	Group 2003 \$
Revenue		106,234,495	54,865,070
Other operating income		561,305	702,147
Changes in inventories of finished goods and work in progress		4,701,915	1,881,418
Raw materials and consumables used/ Purchase of inventories		(80,714,621)	(40,000,835)
Staff costs	21	(13,630,847)	(6,961,838)
Depreciation and amortisation expense		(3,284,963)	(3,092,133)
Other operating expenses		(7,933,061)	(4,616,442)
Profit from operations	22	5,934,223	2,777,387
Finance costs		(1,153,500)	(772,677)
Share of results of associate		683	8,186
Profit before income tax		4,781,406	2,012,896
Income tax expense	23	(851,312)	(753,771)
Profit after income tax before minority interests		3,930,094	1,259,125
Minority interests		(272,121)	(111,691)
Profit attributable to shareholders		3,657,973	1,147,434
Basic and diluted earnings per share in cents	24	1.47	0.59

See accompanying notes to financial statements.

Statements of Changes in Equity

Year ended June 30, 2004

	Issued capital \$	Share premium \$	Revaluation reserve \$	Foreign currency translation reserve \$	Dividend reserve \$	Accumulated profits \$	Total \$
Group							
Balance at June 30, 2002	18,800,000	7,699,210	1,439,431	304,286	733,200	4,169,738	33,145,865
Issue of shares	6,000,000	300,000	–	–	–	–	6,300,000
Currency translation differences	–	–	–	55,748	–	–	55,748
Net profit for the year	–	–	–	–	–	1,147,434	1,147,434
Dividend paid	–	–	–	–	(733,200)	–	(733,200)
Proposed dividend	–	–	–	–	967,200	(967,200)	–
Balance at June 30, 2003	24,800,000	7,999,210	1,439,431	360,034	967,200	4,349,972	39,915,847
Issue of shares	165,000	41,250	–	–	–	–	206,250
Currency translation differences	–	–	–	(65,446)	–	–	(65,446)
Net profit for the year	–	–	–	–	–	3,657,973	3,657,973
Dividend paid	–	–	–	–	(967,200)	–	(967,200)
Underprovision of dividend in prior year	–	–	–	–	–	(6,435)	(6,435)
Proposed dividend	–	–	–	–	1,198,320	(1,198,320)	–
Balance at June 30, 2004	24,965,000	8,040,460	1,439,431	294,588	1,198,320	6,803,190	42,740,989

See accompanying notes to financial statements.

Statements of Changes in Equity

Year ended June 30, 2004

	Issued capital \$	Share premium \$	Revaluation reserve \$	Foreign currency translation reserve \$	Dividend reserve \$	Accumulated profits \$	Total \$
Company							
Balance at June 30, 2002	18,800,000	7,699,210	1,439,431	-	733,200	8,897,990	37,569,831
Issue of shares	6,000,000	300,000	-	-	-	-	6,300,000
Net profit for the year	-	-	-	-	-	2,390,527	2,390,527
Dividend paid	-	-	-	-	(733,200)	-	(733,200)
Proposed dividend	-	-	-	-	967,200	(967,200)	-
Balance at June 30, 2003	24,800,000	7,999,210	1,439,431	-	967,200	10,321,317	45,527,158
Issue of shares	165,000	41,250	-	-	-	-	206,250
Currency translation differences	-	-	-	(269,015)	-	-	(269,015)
Net profit for the year	-	-	-	-	-	3,216,727	3,216,727
Dividend paid	-	-	-	-	(967,200)	-	(967,200)
Underprovision of dividend in prior year	-	-	-	-	-	(6,435)	(6,435)
Proposed dividend	-	-	-	-	1,198,320	(1,198,320)	-
Balance at June 30, 2004	24,965,000	8,040,460	1,439,431	(269,015)	1,198,320	12,333,289	47,707,485

See accompanying notes to financial statements.

Consolidated Cash Flow Statement

Year ended June 30, 2004

	2004 \$	2003 \$
Cash flows from operating activities:		
Profit before income tax and share of results of associate	4,780,723	2,004,710
Adjustments for:		
Depreciation expense	3,407,752	3,059,972
Amortisation of intangible assets	31,269	47,360
Amortisation of negative goodwill	(154,058)	(15,199)
Interest income	(46,040)	(20,819)
Interest expense	1,153,500	772,677
Loss on disposal of other investments	4,526	-
Loss (Gain) on disposal of property, plant and equipment	437,138	(344,283)
Goodwill on consolidation written off	19,695	-
Intangible assets written off	43,299	-
Other investments written off	9,957	-
Property, plant and equipment written off	126,802	66,788
Allowance for impairment loss in other investments	4,939	8,931
Operating profit before working capital changes	9,819,502	5,580,137
Trade receivables	(1,751,659)	1,247,079
Other receivables and prepayments	40,686	13,932
Inventories	(4,906,387)	(2,554,256)
Trade payables	1,556,118	588,095
Other payables	379,460	(683,976)
Cash generated from operations	5,137,720	4,191,011
Interest paid	(1,153,500)	(772,677)
Interest received	46,040	20,819
Income tax paid	(1,104,359)	(1,351,765)
Dividend paid	(973,635)	(733,200)
Net cash from operating activities	1,952,266	1,354,188
Cash flows from investing activities:		
Purchase of property, plant and equipment (see Note A)	(767,995)	(515,133)
Proceeds from disposal of property, plant and equipment	977,773	391,331
Proceeds from disposal of other investments	5,431	-
Acquisition of subsidiaries (see Note B)	-	(7,289,615)
Acquisition of additional interests in subsidiary	(16,530)	-
Dividend income received from associate	18,361	-
Net cash from (used in) investing activities	217,040	(7,413,417)
Cash flows from financing activities:		
Proceeds from issuing shares	206,250	-
Proceeds from (Repayment of) short-term bank borrowings	2,720,927	(1,212,556)
Repayment of finance lease obligations	(105,428)	(71,560)
(Repayment of) Proceeds from long-term borrowings	(2,468,088)	7,127,353
Dividend paid to minority shareholders	(300,000)	-
Net cash from financing activities	53,661	5,843,237

Consolidated Cash Flow Statement

Year ended June 30, 2004

	2004 \$	2003 \$
Net effect of exchange rate changes in consolidating subsidiaries	164,005	86,991
Net increase (decrease) in cash and cash equivalents	2,386,972	(129,001)
Cash and cash equivalents at beginning of year	227,202	356,203
Cash and cash equivalents at end of year (Note 25)	2,614,174	227,202

Note A**PROPERTY, PLANT AND EQUIPMENT**

During the financial year, the group acquired property, plant and equipment with an aggregate cost of \$767,995 (2003 : \$542,931) of which \$Nil (2003 : \$27,798) was acquired by means of finance lease agreements. Cash payments of \$767,995 (2003 : \$515,133) were made to purchase property, plant and equipment.

Note B**SUMMARY OF THE EFFECTS OF THE ACQUISITION OF SUBSIDIARIES**

	2003 \$
Cash and bank balances	1,517,080
Trade receivables	12,537,750
Other receivables and prepayments	331,226
Inventories	7,773,005
Associate	199,434
Property, plant and equipment	9,741,335
Trade payables	(8,498,041)
Other payables	(995,103)
Finance lease obligations	(67,300)
Bank loans	(563,506)
Bank overdrafts	(916,496)
Trust receipts and bills payable	(2,396,951)
Income tax payable	(80,215)
Deferred tax liabilities	(467,888)
Minority interests	(276,403)
Net assets acquired	17,837,927
Negative goodwill arising from acquisition	(3,647,728)
Shares issued as consideration	(6,300,000)
Consideration, professional fees and stamp duty paid in cash	7,890,199
Less: Cash of subsidiaries acquired	(1,517,080)
Add: Bank overdrafts of subsidiaries acquired	916,496
Cash flows on acquisition, net of cash	7,289,615

See accompanying notes to financial statements.

Notes to Financial Statements

1 GENERAL

The company is incorporated in the Republic of Singapore with its principal place of business and registered office at 24 Gul Crescent, Jurong Town, Singapore 629531. The company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activities of the company are that of cable and wire manufacturer and dealer in such products and investment holding.

The principal activities of the subsidiaries are stated in Note 9 to the financial statements.

The financial statements of the company and of the group for the year ended June 30, 2004 were authorised for issue by the Board of Directors on August 23, 2004.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost convention, modified to include the revaluation of properties.

Pursuant to the Singapore Companies (Amendment) Act 2002, with effect from the financial year commencing on or after January 1, 2003, Singapore-incorporated companies are required to prepare and present their financial statements in accordance with the Singapore Financial Reporting Standards ("FRS") including related interpretations promulgated by the Council on Corporate Disclosure and Governance.

Previously, the company and the group prepared their financial statements in accordance with Singapore Statements of Accounting Standard. The adoption of FRS does not have any material impact on the accounting policies and figures presented in the financial statements for the financial year ended June 30, 2003.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the company and enterprises controlled by the company (its subsidiaries) made up to June 30 each year. Control is achieved where the company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities. On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss statement from the effective date of acquisition or to the effective date of disposal, as appropriate. 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 intercompany transactions and balances between group enterprises are eliminated on consolidation.

Associates are entities over which the group exercises significant influence, through participation in the financial and operating policy decisions of the investee. The equity method of accounting is used.

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

FINANCIAL ASSETS - The company's and group's principal financial assets include cash and bank balances, trade and other receivables and other investments. Trade and other receivables are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. The accounting policy for other investments is stated below.

FINANCIAL LIABILITIES AND EQUITY - Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Significant financial liabilities include interest-bearing bank loans and overdrafts, trust receipts, bills payable, trade and other payables.

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of transaction costs. Finance charges are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Notes to Financial Statements

June 30, 2004

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Trade and other payables are stated at their nominal value.

Equity instruments are recorded at the fair value of the consideration received, net of direct issue costs.

INVENTORIES - Inventories are measured at the lower of cost (first-in-first-out and weighted-average method) and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories 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.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are carried at cost or valuation, less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Any revaluation surplus arising on the revaluation of property is credited to the 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 the profit and loss statement to the extent of the deficit previously charged. A deficit in carrying amount arising on the revaluation of property is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Depreciation is charged so as to write off the cost or valuation of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Freehold property	- 2%
Leasehold land and buildings	- 1.75% to 10.4%
Office equipment and furniture	- 7.5% to 100%
Plant and machinery	- 10% to 20%
Motor vehicles	- 15% to 20%

Depreciation is not provided on freehold land.

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

INTANGIBLE ASSETS - Intangible assets include trademarks and technical fees which are amortised using the straight-line method over their useful lives of 10 years and 5 years respectively. Intangible assets are stated at cost less amortisation. Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount.

GOODWILL - Goodwill arising on consolidation represents the excess of the cost of an acquisition over the group's interest in the fair value of the net identifiable assets and liabilities of a subsidiary or associate at the date of acquisition. Goodwill is recognised as an asset and amortised on a straight-line basis over its estimated useful life.

Prior to July 1, 2002, goodwill arising from acquisition of subsidiaries was directly adjusted against shareholders' equity. With effect from July 1, 2002, the group has adopted FRS 22 - Business Combination (revised) and now amortises goodwill over periods which are generally not expected to exceed 20 years. Goodwill on acquisition arising prior to July 1, 2002 has been charged in full to the accumulated profits brought forward; such goodwill has not been retrospectively capitalised and amortised, as allowed under revised FRS 22 - Business Combination. The gain or loss on disposal of an entity includes the unamortised balance of goodwill relating to the entity disposed of, or for acquisitions prior to July 1, 2002 the goodwill charged to shareholders' equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

NEGATIVE GOODWILL - Negative goodwill represents the excess of the group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or associate at the date of acquisition over the cost of acquisition. Negative goodwill is released to income based on an analysis of the circumstances from which the balance resulted. To the extent that the negative goodwill is attributable to losses or expenses anticipated at the date of acquisition, it is released to income in the period in which those losses or expenses arise. The remaining negative goodwill is recognised as income on a straight-line basis over the remaining average useful life of the identifiable acquired depreciable assets but not exceeding 20 years. To the extent that such negative goodwill exceeds the aggregate fair value of the acquired identifiable non-monetary assets, it is recognised in income immediately.

Negative goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet as a deduction from assets.

OTHER INVESTMENTS - Investments held for long-term purposes are stated at cost less impairment in net recoverable value.

IMPAIRMENT OF ASSETS - At each balance sheet date, the company and group review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company and group estimate the recoverable amount of the cash-generating unit to which the asset belongs. 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. Impairment losses are recognised as an expense immediately, 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 only to the extent 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 as income immediately, 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.

PROVISIONS - Provisions are recognised when the company and group have a present obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

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.

Assets held under finance leases are recognised as assets of the group at their fair value at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the profit and loss statement over the term of the relevant lease using the effective interest rate method.

Rentals payable under operating leases are charged to profit and loss statement on a straight-line basis over the term of the relevant lease.

MINORITY INTEREST - Minority interest is stated at the appropriate proportion of the fair values of the net identifiable assets of the subsidiaries at the time of acquisition adjusted for the appropriate share of post acquisition profits or losses.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - Transactions in foreign currencies are recorded at the rates ruling on the dates of the transactions. At each balance sheet date, recorded monetary balances and balances carried at fair value that are denominated in foreign currencies are reported at the rates ruling at the balance sheet date. All realised and unrealised exchange adjustment gains and losses are dealt with in the profit and loss statement except that exchange difference arising on monetary items that, in substance, form part of the group's net investment in foreign entities, which are taken to currency translation reserve.

Notes to Financial Statements

June 30, 2004

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

For inclusion in the consolidated financial statements, assets and liabilities of the foreign entities (subsidiaries and associates) are translated at rates of exchange approximating those ruling at the balance sheet date. The profit and loss statements are translated at average rates of exchange for the year, and the opening net investment in foreign entities are translated at historical rates. The resulting currency translation differences are taken to the currency translation reserve. On disposal of a foreign entity, the accumulated currency translation differences are recognised in the profit and loss statement as part of the profit or loss on disposal.

REVENUE RECOGNITION - Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer and the amount of revenue and costs of the transaction (including future costs) can be measured reliably.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans (including state-managed retirement benefit schemes) are charged as an expense when incurred.

INCOME TAX - Tax expense is determined on the basis of tax effect accounting, using the liability method, and it is applied to all significant temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit except that a debit to the deferred tax balance is not carried forward unless there is reasonable expectation of realisation in the foreseeable future.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the assets are realised or the liabilities are settled based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date. Deferred tax is charged or credited to the profit and loss statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority.

SHARE OPTIONS - Share options are not recorded as an expense when exercised, the exercise price is allocated between issued capital and share premium accordingly.

CASH - Cash for the consolidated cash flow statement includes cash and cash equivalents less bank overdrafts.

3 FINANCIAL RISKS AND MANAGEMENT

i) Credit risk

The company and group have no significant concentration of credit risk exposure to customers. The company and group have policies in place to ensure that sales of products are made to customers with an appropriate credit history.

The group has a credit review process which manages the credit risk exposure to customers.

ii) Interest rate risk

The group's exposure to the risk of changes in interest rates relates mainly to bank borrowings which are largely on floating rate terms. The group actively reviews its debt portfolio to achieve the most favourable interest rates available. Interest rate swaps are used where appropriate to minimise exposure to interest rate volatility.

iii) Foreign currency exchange risk

The group operates regionally, giving rise to significant exposure to market risk from changes in foreign exchange rates. Management enters into short-term forward foreign currency exchange contracts with not more than one month maturity to manage foreign currency exchange rate risk.

The company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk.

iv) Liquidity risk

The group's ability to fund its existing and prospective debt requirements is managed by maintaining the availability of adequate committed funding lines from high quality financial institutions.

3 FINANCIAL RISKS AND MANAGEMENT (CONT'D)

iv) Fair values of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities reported in the balance sheets approximate the fair values of those assets and liabilities.

The fair value of forward foreign exchange contracts is not recognised in the balance sheet as it is not considered to be significant.

4 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest-free and without fixed repayment term unless otherwise stated.

Significant related party transactions:

	2004 \$	Group 2003 \$
Sales	(1,925,836)	(261,886)
Purchases	249,059	50,096
Acquisition of subsidiaries	-	13,800,000

5 TRADE RECEIVABLES

	2004 \$	Group 2003 \$	2004 \$	Company 2003 \$
Outside parties	35,463,005	34,788,064	13,642,263	13,756,106
Less: Bad trade receivables written off	(60,720)	(190,744)	(60,720)	(183,139)
Less: Allowance for doubtful debts	(1,806,968)	(1,720,633)	(835,842)	(760,940)
	33,595,317	32,876,687	12,745,701	12,812,027
Related parties (Note 4)	1,401,329	368,300	871,859	95,378
Subsidiaries (Note 9)	-	-	160,769	217,884
	34,996,646	33,244,987	13,778,329	13,125,289

Notes to Financial Statements

June 30, 2004

6 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2004 \$	2003 \$	2004 \$	2003 \$
Subsidiaries (Note 9)	–	–	3,430,787	14,934,234
Advances to staff	293,366	285,990	182,587	125,185
Prepayments	159,385	314,083	19,748	20,415
Deposits	185,983	34,888	106,140	14,830
Other receivables due from disposal of property, plant and equipment	549,909	–	–	–
Others	47,193	91,652	915	–
	1,235,836	726,613	3,740,177	15,094,664

7 INVENTORIES

	Group		Company	
	2004 \$	2003 \$	2004 \$	2003 \$
Raw materials, at cost	4,840,418	2,453,522	3,200,105	2,307,399
Raw materials, at net realisable value	542,066	2,724,490	–	–
Work in progress, at cost	3,535,786	2,019,798	2,107,533	1,162,629
Finished goods, at cost	17,371,105	14,738,180	7,108,729	4,944,235
Finished goods, at net realisable value	581,050	594,625	–	–
	26,870,425	22,530,615	12,416,367	8,414,263

8 ASSOCIATE

	Group	
	2004 \$	2003 \$
Unquoted equity shares, at cost	123,940	123,940
Share of post acquisition results, net of dividend received	64,374	82,202
	188,314	206,142

Name of company	Effective equity interest		Country of incorporation and place of business	Principal activity
	2004 %	2003 %		
EFI Asia Pacific Pte Ltd ^(a)	45	45	Singapore	Distributor of electrical and electronic components and wiring accessories

^(a) Audited by Chan & Chan.

9 SUBSIDIARIES

	2004 \$	Company 2003 \$
Unquoted equity shares, at cost	18,431,375	18,414,845
Advances	10,778,915	-
	29,210,290	18,414,845

The company does not expect the advances to subsidiaries to be settled or likely to be settled in the foreseeable future and consider those advances as an extension to the company's net investment in subsidiaries. Accordingly, exchange differences amounting to \$269,015 arising from such advances are taken to the foreign currency translation reserve. The advances are unsecured and interest free.

Details of the subsidiaries are as follows:

Name of company	Cost of investment		Effective equity interest		Country of incorporation and place of business	Principal activities
	2004 \$	2003 \$	2004 %	2003 %		
Tai Sin Electric Cables (Malaysia) Sdn Bhd ^(c)	2,282,564	2,282,564	100	100	Malaysia	Cable and wire manufacturer and dealer in such products.
PKS Sdn Bhd (subsidiary of Tai Sin Electric Cables (Malaysia) Sdn Bhd) ^(b)	-	-	70	70	Brunei	Electrical switch-boards, feeder pillars and components manufacturer and dealer in such products.
Equalight Resources Sdn Bhd ^(c)	1,958,612	1,942,082	90	85	Malaysia	Investment holding.
LKH Lamps Sdn Bhd (subsidiary of Equalight Resources Sdn Bhd) ^(c)	-	-	90	85	Malaysia	Manufacture and sale of lights and lighting components.
LKH Lightings Sdn Bhd (subsidiary of LKH Lamps Sdn Bhd) ^(c)	-	-	90	85	Malaysia	Trading of lights and lighting components.
Lim Kim Hai Electric Co (S) Pte Ltd ^(a)	14,190,199	14,190,199	100	100	Singapore	Distributor of electrical products and investment holding.

Notes to Financial Statements

June 30, 2004

9 SUBSIDIARIES (CONT'D)

Name of company	Cost of investment		Effective equity interest		Country of incorporation and place of business	Principal activities
	2004 \$	2003 \$	2004 %	2003 %		
LKH Power Distribution Pte Ltd (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) ^(a)	–	–	100	100	Singapore	Distributor of electrical products.
Precicon D&C Pte Ltd (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) ^(a)	–	–	100	100	Singapore	Distributor of electrical products.
Vynco Industries (NZ) Limited (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) ^(d)	–	–	58	58	New Zealand	Distributor of enclosures and electrical equipment.
LKHPD Marketing Sdn Bhd (subsidiary of LKH Power Distribution Pte Ltd) ^(c)	–	–	100	100	Malaysia	Dormant.
Distribution & Control Pte Ltd (subsidiary of Precicon D&C Pte Ltd) ^(a)	–	–	100	100	Singapore	Distributor of electrical products. ^(e)
	<u>18,431,375</u>	<u>18,414,845</u>				

^(a) Audited by Deloitte & Touche, Singapore.

^(b) Audited by overseas practices of Deloitte Touche Tohmatsu.

^(c) Audited by member firms of Ernst & Young.

^(d) Audited by BDO Spicers.

^(e) During the year, Distribution & Control Pte Ltd transferred its operations to Precicon D&C Pte Ltd and subsequently became dormant.

10 PROPERTY, PLANT AND EQUIPMENT

	Freehold land \$	Freehold property \$	Leasehold land and buildings \$	Office equipment and furniture \$	Plant and machinery \$	Motor vehicles \$	Total \$
Group							
Cost or valuation:							
At beginning of year	960,830	1,530,000	23,597,953	2,770,592	19,511,930	1,189,174	49,560,479
Currency realignment	(22,190)	–	(116,865)	64,584	(168,169)	6,938	(235,702)
Additions	–	–	47,104	497,481	184,910	38,500	767,995
Disposals	–	–	(1,603,261)	(280,783)	(1,405,212)	(45,779)	(3,335,035)
At end of year	938,640	1,530,000	21,924,931	3,051,874	18,123,459	1,188,833	46,757,737
Representing:							
Independent valuation	–	–	8,120,000	–	–	–	8,120,000
Cost	938,640	1,530,000	13,804,931	3,051,874	18,123,459	1,188,833	38,637,737
	938,640	1,530,000	21,924,931	3,051,874	18,123,459	1,188,833	46,757,737
Accumulated depreciation:							
At beginning of year	–	4,184	4,865,367	1,523,141	10,662,143	863,924	17,918,759
Currency realignment	–	–	(5,879)	16,254	(46,140)	(554)	(36,319)
Depreciation for the year	–	38,154	1,129,749	518,666	1,597,424	123,759	3,407,752
Disposals	–	–	(499,019)	(258,441)	(454,688)	(31,265)	(1,243,413)
At end of year	–	42,338	5,490,218	1,799,620	11,758,739	955,864	20,046,779
Depreciation for last year	–	4,184	916,109	272,093	1,719,199	148,387	3,059,972
Net book value:							
At beginning of year	960,830	1,525,816	18,732,586	1,247,451	8,849,787	325,250	31,641,720
At end of year	938,640	1,487,662	16,434,713	1,252,254	6,364,720	232,969	26,710,958

Notes to Financial Statements

June 30, 2004

10 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold land and buildings \$	Office equipment and furniture \$	Plant and machinery \$	Motor vehicles \$	Total \$
Company					
Cost or valuation:					
At beginning of year	8,476,267	1,287,428	11,026,802	526,319	21,316,816
Additions	40,100	23,291	118,880	-	182,271
Disposals	-	(35,437)	(94,470)	-	(129,907)
At end of year	8,516,367	1,275,282	11,051,212	526,319	21,369,180
Representing:					
Independent valuation	8,120,000	-	-	-	8,120,000
Cost	396,367	1,275,282	11,051,212	526,319	13,249,180
At end of year	8,516,367	1,275,282	11,051,212	526,319	21,369,180
Accumulated depreciation:					
At beginning of year	3,271,062	1,050,604	6,033,755	428,663	10,784,084
Depreciation for the year	697,986	110,365	983,676	26,634	1,818,661
Disposals	-	(35,437)	(12,351)	-	(47,788)
At end of year	3,969,048	1,125,532	7,005,080	455,297	12,554,957
Depreciation for last year	693,367	129,185	985,836	92,476	1,900,864
Net book value:					
At beginning of year	5,205,205	236,824	4,993,047	97,656	10,532,732
At end of year	4,547,319	149,750	4,046,132	71,022	8,814,223

The group's freehold land, freehold property, leasehold land and buildings comprise the following:

Location	Title	Description
24 Gul Crescent Jurong Town Singapore 629531	Leasehold (30 years from August 1, 1980)	Factory building
11 Gul Lane Jurong Town Singapore 629410	Leasehold (30 years from July 16, 1981)	Factory building
53 Kallang Place Singapore 339177	Leasehold (60 years from April 1, 1976)	Industrial building

10 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Location	Title	Description
27 Gul Avenue Singapore 629667	Leasehold (60 years from July 1, 1979)	Factory building
63 Hillview Avenue #10-21 Singapore 669569	Freehold	Flatted factory unit
PTD 37433 & 37434 Off Jalan Perindustrian Senai 3 Kawasan Perindustrian Senai Fasa 2 81400 Senai, Johor Bahru Johor Darul Takzim Malaysia	Freehold	Factory building
Lot 67A Jalan Gebeng 1/6 Gebeng Industrial Estate 26080 Gebeng, Kuantan Pahang Darul Makmur Malaysia	Leasehold (66 years from June 1, 1998)	Factory building
Lot PT 622 ^(a) Kawasan Perindustrian Pengkalan Chepa II Jalan Padang Tembak 16100 Kota Bahru, Kelantan Malaysia	Leasehold (66 years from July 25, 1982)	Factory Building
Lot B Kawasan Perindustrian Beribi 1 Jalan Gadong Bandar Seri Begawan BE1118 Negara Brunei Darussalam	Leasehold (20 years from July 1, 1992)	Factory building

^(a) The property at Lot PT 622 was sold during the financial year.

The properties at 24 Gul Crescent and 11 Gul Lane were subject to an independent professional valuation carried out by a firm of professional valuers, Richard Ellis (Pte) Ltd, on April 6, 1998 on an open market value basis. Leasehold properties are subject to revaluation as and when required.

The carrying amount of leasehold land and buildings at end of year that would have been included in the financial statements had they been carried at cost less depreciation is \$1,776,185 (2003 : \$2,034,226) for the company. The freehold property, leasehold land and buildings of the subsidiaries are carried at cost.

Motor vehicles with a net book value of \$39,308 (2003 : \$143,718) for the group are under finance lease agreements. The company has no obligations under finance lease agreements.

Notes to Financial Statements

June 30, 2004

11 INTANGIBLE ASSETS

	Group \$
Cost:	
At beginning of year	243,362
Currency realignment	(5,804)
Write off	(112,967)
At end of year	124,591
Accumulated amortisation:	
At beginning of year	130,931
Currency realignment	(3,086)
Amortisation for the year	31,269
Write off	(69,668)
At end of year	89,446
Amortisation for last year	47,360
Net book value:	
At beginning of year	112,431
At end of year	35,145

12 OTHER INVESTMENTS

	2004 \$	Group 2003 \$
At cost:		
Quoted equity shares	59,743	61,156
Allowance for impairment loss	(23,897)	(18,958)
Unquoted investments	35,846	42,198
	12,220	32,894
	48,066	75,092
Market value of quoted equity shares	35,846	42,198

13 NEGATIVE GOODWILL

	Group \$
Cost:	
At beginning of year	3,647,728
Adjustment to fair value of net assets acquired in previous year	<u>(566,577)</u>
At end of year	<u>3,081,151</u>
Accumulated amortisation:	
At beginning of year	15,199
Amortisation for the year	<u>154,058</u>
At end of year	<u>169,257</u>
Net book value:	
At beginning of year	<u>3,632,529</u>
At end of year	<u>2,911,894</u>

14 BANK OVERDRAFTS AND OTHER BANK BORROWINGS

	Group		Company	
	2004 \$	2003 \$	2004 \$	2003 \$
Bank loan - unsecured	250,000	500,000	250,000	500,000
Bank overdrafts	1,912,454	3,493,968	-	311,323
Trust receipts and bills payable to banks	14,412,832	11,441,905	8,964,434	6,045,010
	<u>16,575,286</u>	15,435,873	<u>9,214,434</u>	6,856,333

For 2004, the bank overdrafts and other bank borrowings are secured by the following:

- i) fixed charge over leasehold and freehold factory land and buildings of certain subsidiaries;
- ii) fixed and floating charge over all assets of certain subsidiaries;
- iii) negative pledge over all assets of the company and certain subsidiaries;
- iv) debenture over all assets of a subsidiary;
- v) corporate guarantee of RM25.1 million (S\$11.36 million), B\$0.92 million (S\$0.92 million) and S\$23.97 million by the company (Note 28). The corporate guarantee also covers the long-term borrowings in Note 18; and
- vi) personal guarantees by directors of a subsidiary.

Notes to Financial Statements

June 30, 2004

14 BANK OVERDRAFTS AND OTHER BANK BORROWINGS (CONT'D)

For 2003, the bank overdrafts and other bank borrowings were secured by the following:

- i) fixed charge over leasehold and freehold factory land and buildings of certain subsidiaries;
- ii) fixed and floating charge over all assets of certain subsidiaries;
- iii) negative pledge over all assets of the company and certain subsidiaries;
- iv) corporate guarantee of RM26.6 million (S\$12.27 million), B\$1.12 million (S\$1.12 million) and S\$5.12 million by the company (Note 28). The corporate guarantee also covers the long-term borrowings in Note 18; and
- v) personal guarantees by directors of certain subsidiaries.

The bank overdrafts and other bank borrowings bear interest at rates ranging from 2.0% to 7.75% (2003 : 4.75% to 8.3%) per annum.

15 TRADE PAYABLES

	Group		Company	
	2004 \$	2003 \$	2004 \$	2003 \$
Outside parties	16,475,136	14,924,247	3,089,211	2,241,608
Related parties (Note 4)	60,247	55,018	–	1,902
Subsidiaries (Note 9)	–	–	158,807	–
	16,535,383	14,979,265	3,248,018	2,243,510

16 OTHER PAYABLES

	Group		Company	
	2004 \$	2003 \$	2004 \$	2003 \$
Loan from a subsidiary (Note 9)	–	–	500,000	500,000
Accruals for bonus, CPF and staff welfare	1,400,240	1,014,715	297,825	173,250
Provision for directors' fees	103,000	65,000	73,000	65,000
Customer deposits	93,213	131,082	–	–
Others	449,310	445,457	251,453	133,191
Related parties (Note 4)	92,272	102,321	–	–
	2,138,035	1,758,575	1,122,278	871,441

Loan from a subsidiary is interest-free and unsecured. An amount of \$92,272 (2003 : \$101,043) due to a related party bears interest at 7.95% (2003 : 7.95%) per annum.

17 FINANCE LEASES

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2004	2003	2004	2003
	\$	\$	\$	\$
Amounts payable under finance leases:				
Within one year	13,394	87,166	10,461	78,179
In the second to fifth years inclusive	18,726	61,375	17,020	54,730
	32,120	148,541	27,481	132,909
Less: Future finance charges	(4,639)	(15,632)		
Present value of leases	27,481	132,909		

The rates of interest for the finance leases range from 3.65% to 7.0% (2003 : 5.5% to 8.35%) per annum.

For 2003, the finance leases of a subsidiary were secured by a corporate guarantee of RM144,188 (S\$66,802) by the company (Note 28).

18 LONG-TERM BORROWINGS

	Group		Company	
	2004	2003	2004	2003
	\$	\$	\$	\$
Long-term loans - unsecured	6,000,000	7,500,000	6,000,000	7,500,000
Long-term loans - secured	2,722,932	3,691,020	-	621,000
Less: Portion due within one year	(2,161,825)	(2,668,814)	(1,500,000)	(1,776,000)
Non-current portion	6,561,107	8,522,206	4,500,000	6,345,000

The long-term loans bear interest at rates ranging from 3.3% to 7.75% (2003 : 3.3% to 8.7%) per annum and are repayable ranging from 60 to 120 equal monthly instalments and 20 quarterly instalments (2003 : 60 to 120 equal monthly instalments and 20 quarterly instalments).

For 2004, the loans are secured by the following:

- i) fixed and floating charge over all the assets of certain subsidiaries;
- ii) fixed charge over leasehold land and buildings of certain subsidiaries;
- iii) negative pledge over all assets of the company and certain subsidiaries;
- iv) corporate guarantees by the company (see Notes 14 and 28);
- v) personal guarantees by directors of a subsidiary; and
- vi) debenture over all assets of a subsidiary.

Notes to Financial Statements

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18 LONG-TERM BORROWINGS (CONT'D)

For 2003, the loans were secured by the following:

- i) fixed and floating charge over all the assets of certain subsidiaries;
- ii) fixed charge over the leasehold land and building of a subsidiary;
- iii) corporate guarantees by the company (see Notes 14 and 28);
- iv) fixed charge over a certain piece of machinery of the company; and
- v) debenture over all the assets of a subsidiary.

19 DEFERRED TAX LIABILITIES (ASSETS)

	Group		Company	
	2004	2003	2004	2003
	\$	\$	\$	\$
Deferred tax liabilities	1,301,888	1,567,888	700,000	1,025,000
Deferred tax assets	(458,565)	(315,455)	-	-
The movements for the year in deferred tax position are as follows:				
At beginning of year	1,252,433	1,322,000	1,025,000	1,322,000
Arising from acquisition of subsidiaries	-	467,888	-	-
Credit to profit and loss	(317,754)	(533,821)	(231,516)	(297,000)
Effect of change in tax rate	(93,484)	-	(93,484)	-
Currency realignment	2,128	(3,634)	-	-
At end of year	843,323	1,252,433	700,000	1,025,000

The major components giving rise to movements in deferred tax liabilities during the year were as follows:

	Accelerated tax depreciation	Provision	Tax losses	Total
Group				
At July 1, 2002	1,454,000	(132,000)	-	1,322,000
Arising from acquisition of subsidiaries	593,948	-	(126,060)	467,888
(Credit) Charge to profit and loss	(239,000)	17,000	-	(222,000)
At June 30, 2003	1,808,948	(115,000)	(126,060)	1,567,888
Credit to profit and loss	(298,576)	-	126,060	(172,516)
Effect of change in tax rate	(103,984)	10,500	-	(93,484)
At June 30, 2004	1,406,388	(104,500)	-	1,301,888

19 DEFERRED TAX LIABILITIES (ASSETS) (CONT'D)

	Accelerated tax depreciation	Provision	Tax losses	Total
Company				
At July 1, 2002	1,454,000	(132,000)	–	1,322,000
(Credit) Charge to profit and loss	(314,000)	17,000	–	(297,000)
At June 30, 2003	1,140,000	(115,000)	–	1,025,000
Credit to profit and loss	(231,516)	–	–	(231,516)
Effect of change in tax rate	(103, 984)	10,500	–	(93,484)
At June 30, 2004	804,500	(104,500)	–	700,000

The deferred tax assets relate to tax losses arising from overseas subsidiaries as follows:

	Tax losses \$
Group	
Arising during the year beginning July 1, 2002	311,821
Currency adjustment	3,634
At June 30, 2003	315,455
Credit to profit and loss	145,238
Currency realignment	(2,128)
At June 30, 2004	458,565

20 ISSUED CAPITAL

	Group and Company			
	2004 Ordinary shares of \$0.10 each	2003	2004 \$	2003 \$
Authorised	300,000,000	300,000,000	30,000,000	30,000,000
Issued and paid up:				
At beginning of year	248,000,000	188,000,000	24,800,000	18,800,000
Issued during the financial year	1,650,000	60,000,000	165,000	6,000,000
At end of year	249,650,000	248,000,000	24,965,000	24,800,000

In 2004, the company issued 1,650,000 ordinary shares of \$0.10 each at \$0.125 per share upon the exercise of options under the Tai Sin Share Option Scheme as described in Note 5 of the Report of the Directors.

In 2003, the company issued 60,000,000 ordinary shares of \$0.10 each at \$0.105 per share as partial consideration for the acquisition of Lim Kim Hai (S) Pte Ltd and its subsidiaries.

Notes to Financial Statements

June 30, 2004

21 STAFF COSTS

	2004 \$	Group 2003 \$
Staff costs (including directors' remuneration)	13,630,847	6,961,838
Costs of defined contribution plans included in staff costs	1,013,733	569,930
	2004	2003
Number of employees at end of year	413	446

22 PROFIT FROM OPERATIONS

	2004 \$	Group 2003 \$
Directors' remuneration:		
Company	617,872	596,513
Subsidiaries	897,599	344,149
Directors' fees:		
Company	73,000	65,000
Subsidiary	30,000	-
Auditors' remuneration		
Auditors of the company	84,000	87,000
Other auditors	21,186	22,591
Fees for non-audit services rendered by auditors of company	10,000	15,410
Foreign exchange adjustment loss	58,021	91,127
Allowance for impairment loss in other investments	5,368	8,391
Reversal of allowance for inventories	(48,336)	(122,440)

23 INCOME TAX EXPENSE

	2004 \$	Group 2003 \$
Income tax		
- Current	1,284,954	1,186,952
- (Over) Under provision in prior years	(22,554)	99,162
	1,262,400	1,286,114
Deferred income tax		
- Current	(393,419)	(297,000)
- Overprovision in prior years	(17,819)	(236,821)
	(411,238)	(533,821)
Share of tax attributable to associate	150	1,478
Total income tax expense	851,312	753,771

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 20% (2003 : 22%) to profit before income tax as a result of the following differences:

	2004 \$	Group 2003 \$
Income tax expense at statutory rate	956,281	442,837
Non-allowable items	13,489	166,525
Deferred tax benefits not recognised	418,551	375,490
Utilisation of deferred tax benefits previously not recognised	(426,610)	-
Overprovision of taxation	(40,373)	(137,659)
Tax rebates	(34,938)	(11,550)
Effect of different tax rates of overseas operations	65,924	(74,505)
Effect of changes in tax rates	(93,484)	-
Others	(7,528)	(7,367)
Total income tax expense	851,312	753,771

Notes to Financial Statements

June 30, 2004

23 INCOME TAX EXPENSE (CONT'D)

The subsidiaries have tax loss carryforwards, unutilised investment allowance and temporary differences from capital allowance available for offsetting against future taxable income as follows:

	2004 \$	Group	2003 \$
Tax loss carryforwards			
Balance at beginning of year	5,557,000		1,458,000
Arising from acquisition of subsidiaries	-		831,000
Currency realignment	(42,000)		(2,000)
Amount in current year	1,180,000		3,270,000
Amount utilised in current year	(806,000)		-
Balance at end of year	<u>5,889,000</u>		<u>5,557,000</u>
Unutilised investment allowance			
Balance at beginning of year	4,183,000		1,672,000
Currency realignment	(81,000)		(1,000)
Amount in current year	399,000		2,512,000
Balance at end of year	<u>4,501,000</u>		<u>4,183,000</u>
Unutilised capital allowance			
Balance at beginning of year	2,792,000		1,956,000
Currency realignment	(38,000)		(1,000)
Amount in current year	271,000		837,000
Amount utilised in current year	(915,000)		-
Balance at end of year	<u>2,110,000</u>		<u>2,792,000</u>
Total	<u>12,500,000</u>		<u>12,532,000</u>
Deferred tax benefits on above:			
- recorded	<u>458,565</u>		315,455
- unrecorded	<u>2,237,537</u>		<u>2,535,067</u>

Deferred tax benefits vary from the Singapore statutory tax rate as it relates to deferred tax on overseas operations. No deferred tax asset has been recognised in respect of certain tax loss carryforwards and temporary differences due to the unpredictability of future profit streams.

24 EARNINGS PER SHARE

The group's earnings per share is calculated based on the profit after income tax attributable to shareholders of \$3,657,973 (2003 : \$1,147,434) and the weighted average number of 249,134,932 (2003 : 195,000,000) ordinary shares issued.

The diluted earnings per share is shown as the same amount as the basic earnings per share, based on the profit after income tax attributable to shareholders, because the options are considered anti-dilutive and ignored in the computation of diluted earnings per share.

25 CASH AND CASH EQUIVALENTS IN THE CONSOLIDATED CASH FLOW STATEMENT

	2004 \$	Group 2003 \$
Cash and bank balances	4,526,628	3,721,170
Bank overdrafts	(1,912,454)	(3,493,968)
	2,614,174	227,202

26 DIRECTORS' REMUNERATION

Number of directors in remuneration bands are as follows:

	2004	2003
\$500,000 and above	-	-
\$250,000 to \$499,999	1	1
Below \$250,000	8	7
	9	8

27 DIVIDENDS

During the financial year ended June 30, 2004, the company declared and paid a final dividend of \$0.005 per ordinary share less tax on the ordinary shares of the company totalling \$973,635 in respect of the financial year ended June 30, 2003.

Subsequent to June 30, 2004, the directors of the company recommended that a final dividend be paid at \$0.006 per ordinary share less tax on the ordinary shares of the company for the financial year just ended.

Notes to Financial Statements

June 30, 2004

28 CONTINGENT LIABILITIES

	Group		Company	
	2004 \$	2003 \$	2004 \$	2003 \$
Corporate guarantee in relation to credit facilities granted to subsidiaries (Notes 14 and 18)	-	-	36,255,260	18,505,368
Performance guarantees (secured, Note 14)	55,081	1,352,223	-	-
Performance guarantees (unsecured)	3,112,636	1,571,309	2,468,455	1,515,352
Total	3,167,717	2,923,532	38,723,715	20,020,720

The performance guarantees are secured by negative pledges over all assets of certain subsidiaries (2003: Joint and several guarantees by directors of certain subsidiaries and negative pledges over all assets of certain subsidiaries)

29 COMMITMENTS

	Group		Company	
	2004 \$	2003 \$	2004 \$	2003 \$
(a) Capital expenditure:				
Estimated amounts committed for future capital expenditure but not provided for in the financial statements	927,000	-	927,000	-
(b) Foreign exchange forward contracts:				
Buy:				
US\$	-	62,576	-	-
Equivalent in Singapore dollars	-	110,165	-	-
Sell:				
Singapore dollars	-	107,818	-	-

30 OPERATING LEASE COMMITMENTS

	Group		Company	
	2004 \$	2003 \$	2004 \$	2003 \$
Minimum lease payments under operating leases included in the profit and loss statements	578,022	188,908	155,770	155,766

At the balance sheet date, the commitments in respect of non-cancellable operating leases for the rental of factory space and office were as follows:

	Group		Company	
	2004 \$	2003 \$	2004 \$	2003 \$
Future minimum lease payments payable:				
Within one year	704,855	586,658	224,484	224,484
In the second to fifth years inclusive	2,402,484	2,289,140	897,936	897,936
After five years	6,969,465	6,400,764	359,744	584,228
Total	10,076,804	9,276,562	1,482,164	1,706,648

31 SEGMENT INFORMATION

2004

Business segments

	Cable and wire \$	Switchboards \$	Lamps and lighting products \$	Electrical equipment \$	Elimination \$	Total \$
REVENUE						
External sales	46,409,697	5,081,920	1,977,318	52,765,560	-	106,234,495
Inter-segment sales	731,989	-	-	58,644	(790,633)	-
Total revenue	47,141,686	5,081,920	1,977,318	52,824,204	(790,633)	106,234,495

Notes to Financial Statements

June 30, 2004

31 SEGMENT INFORMATION (CONT'D)

2004

	Cable and wire \$	Switchboards \$	Lamps and lighting products \$	Electrical equipment \$	Elimination \$	Total \$
RESULT						
Segment result	4,229,680	481,958	(1,673,338)	2,715,520	(19,695)	5,734,125
Unallocated corporate income						154,058
Interest expense	(274,769)	–	(18,936)	(195,168)	–	(488,873)
Unallocated interest expense						(664,627)
Interest income	–	46,040	–	–	–	46,040
Share of results of associate	–	–	–	683	–	683
Income tax expense						(851,312)
Minority interests						(272,121)
Net profit						<u>3,657,973</u>

	Cable and wire \$	Switchboards \$	Lamps and lighting products \$	Electrical equipment \$	Total \$
OTHER INFORMATION					
Segment assets	47,369,530	7,166,687	6,228,826	33,658,661	94,423,704
Associate				188,314	188,314
Unallocated segment assets					(2,453,329)
Consolidated total assets					<u>92,158,689</u>
Segment liabilities	18,346,889	553,178	803,125	13,383,046	33,086,238
Unallocated segment liabilities					13,742,057
Consolidated total liabilities					<u>46,828,295</u>
Capital expenditure	200,963	50,683	44,657	471,692	767,995
Unallocated amortisation of negative goodwill					(154,058)
Depreciation and amortisation	2,108,542	164,972	548,214	617,293	3,439,021
Consolidated total depreciation and amortisation					<u>3,284,963</u>
Non-cash expenses other than depreciation	–	–	–	–	–

31 SEGMENT INFORMATION (CONT'D)

2004

Geographical segments

	Revenue \$	Segment assets \$	Total capital expenditure \$
Singapore	76,359,770	62,812,346	638,101
Malaysia	12,284,165	17,865,282	63,349
Brunei	5,081,921	7,336,041	50,683
New Zealand	12,508,639	4,145,020	15,862
	<u>106,234,495</u>	<u>92,158,689</u>	<u>767,995</u>

2003

Business segments

	Cable and wire \$	Switchboards \$	Lamps and lighting products \$	Electrical equipment \$	Elimination \$	Total \$
REVENUE						
External sales	43,645,545	4,523,063	2,271,390	4,425,072	–	54,865,070
Inter-segment sales	55,816	–	–	–	(55,816)	–
Total revenue	<u>43,701,361</u>	<u>4,523,063</u>	<u>2,271,390</u>	<u>4,425,072</u>	<u>(55,816)</u>	<u>54,865,070</u>
RESULT						
Segment result	3,477,410	284,723	(1,113,497)	92,733		2,741,369
Unallocated corporate income						15,199
Interest expense	(228,530)	–	(22,404)	(13,533)		(264,467)
Unallocated interest expense						(508,210)
Interest income	–	20,819	–	–		20,819
Share of results of associate	–	–	–	8,186		8,186
Income tax expense						(753,771)
Minority interests						<u>(111,691)</u>
Net profit						<u>1,147,434</u>

Notes to Financial Statements

31 SEGMENT INFORMATION (CONT'D)

2003

	Cable and wire \$	Switchboards \$	Lamps and lighting products \$	Electrical equipment \$	Total \$
OTHER INFORMATION					
Segment assets	42,796,278	7,631,281	9,265,712	32,359,357	92,052,628
Associate	-	-	-	206,142	206,142
Unallocated segment assets					(3,317,074)
Consolidated total assets					<u>88,941,696</u>
Segment liabilities	13,787,123	521,848	1,755,185	12,115,588	28,179,744
Unallocated segment liabilities					<u>18,257,013</u>
Consolidated total liabilities					<u>46,436,757</u>
Capital expenditure	<u>403,556</u>	<u>38,173</u>	<u>76,981</u>	<u>24,221</u>	<u>542,931</u>
Unallocated amortisation of negative goodwill					(15,199)
Depreciation and amortisation	2,224,897	155,999	683,487	42,949	<u>3,107,332</u>
Consolidated total depreciation and amortisation					<u>3,092,133</u>
Non-cash expenses other than depreciation	-	-	-	-	-

Geographical segments

	Revenue \$	Segment assets \$	Total capital expenditure \$
Singapore	36,937,818	57,360,799	324,076
Malaysia	12,558,876	19,888,770	164,820
Brunei	4,523,063	7,783,708	38,173
New Zealand	845,313	3,908,419	15,862
	<u>54,865,070</u>	<u>88,941,696</u>	<u>542,931</u>

Statement of Directors

In the opinion of the directors, the accompanying financial statements of the company and consolidated financial statements of the group set out on pages 23 to 54 are drawn up so as to give a true and fair view of the state of affairs of the company and of the group as at June 30, 2004, and of the results, changes in equity and cash flows of the group and the changes in equity of the company for the financial year then ended and at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

ON BEHALF OF THE DIRECTOR

LIM CHYE HUAT @ BOBBY LIM CHYE HUAT

LIN CHEN MOU

August 23, 2004

Information Required Under the Listing Manual

INTERESTED PERSON TRANSACTIONS

In compliance with Rule 907 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is disclosed that:-

- (a) The Company did not seek a shareholders' general mandate pursuant to Rule 920 of the Listing Manual for recurrent interested party transactions during the financial year under review.
- (b) There were no transactions during the financial year ended June 30, 2004 with any interested person which had a value equal to or more than \$100,000.

MATERIAL CONTRACTS

There were no material contracts (including loans) of the Company and its subsidiaries involving the interests of the chief executive officer or any director or controlling shareholder, either still subsisting at the end of the financial year ended 30 June 2004, or if not then subsisting, entered into since the end of the previous financial year.

Analysis of Shareholdings

As at 8 September 2004

AUTHORISED SHARE CAPITAL	: \$30,000,000
ISSUED AND FULLY PAID-UP CAPITAL	: \$24,965,000
CLASS OF SHARES	: ORDINARY SHARES OF \$0.10 EACH
VOTING RIGHTS	: 1 VOTE PER SHARE

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	1	0.03	380	0.00
1,000 - 10,000	2,128	70.30	11,904,340	4.77
10,001 - 1,000,000	869	28.71	47,237,520	18.92
1,000,001 & ABOVE	29	0.96	190,507,760	76.31
TOTAL	3,027	100.00	249,650,000	100.00

TOP TWENTY SHAREHOLDERS

NAME	NO. OF SHARES	%
LIM BOON HOCK BERNARD	25,250,000	10.11
LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	23,362,580	9.36
LIM BOON CHIN BENJAMIN	16,000,000	6.41
LIM CHAI LAI @ LOUIS LIM CHAI LAI	10,497,000	4.20
GOH SOO LUAN	9,441,000	3.78
LIM LIAN HIONG	8,439,000	3.38
CHEN CHANG, CHUN-FEI	8,115,000	3.25
LIM HIANG LAN	7,633,000	3.06
LIM PHEK CHOO	7,588,000	3.04
HONG LEONG FINANCE NOMINEES PTE LTD	6,675,000	2.67
CHANG CHAI WOON	6,600,000	2.64
CHIA AH HENG	5,441,000	2.18
CHAN KUM LIN	5,000,000	2.00
HSBC (SINGAPORE) NOMINEES PTE LTD	4,950,000	1.98
LIM CHYE KWEE	4,941,000	1.98
LIM LIAN ENG	4,941,000	1.98
WONG TIM KAI	4,400,000	1.76
CHEN SHYH YI	4,320,720	1.73
HONG TAI ELECTRIC INDUSTRIAL CO LTD	3,964,520	1.59
OVERSEAS UNION BANK NOMINEES PTE LTD	3,500,000	1.40
	171,058,820	68.50

Analysis of Shareholdings

As at 8 September 2004

**LIST OF SUBSTANTIAL SHAREHOLDERS AND THEIR SHAREHOLDINGS AS AT 8 SEPTEMBER 2004
BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS**

Name	No. of Shares	
	Shareholdings registered in the name of Substantial Shareholders or their Nominees	Shareholdings in which Substantial Shareholders are deemed to have an interest
Lim Chye Huat @ Bobby Lim Chye Huat ⁽¹⁾	23,362,580	9,441,000
Goh Soo Luan ⁽²⁾	9,441,000	23,362,580
Lim Boon Hock Bernard ⁽³⁾	25,500,000	350,000
Pang Yoke Chun ⁽⁴⁾	350,000	25,500,000
Lim Boon Chin Benjamin	16,000,000	NIL
Lim Chai Lai @ Louis Lim Chai Lai ⁽⁵⁾	10,497,000	5,000,000
Chan Kum Lin ⁽⁶⁾	5,000,000	10,497,000
Chia Ah Heng ⁽⁷⁾	5,441,000	8,439,000
Lim Lian Hiong ⁽⁸⁾	8,439,000	5,441,000

Notes:-

- (1) Lim Chye Huat @ Bobby Lim Chye Huat is deemed to have an interest in the 9,441,000 shares held by his wife, Goh Soo Luan.
- (2) Goh Soo Luan is deemed to have an interest in the 23,362,580 shares held by her husband, Lim Chye Huat @ Bobby Lim Chye Huat.
- (3) Lim Boon Hock Bernard is deemed to have an interest in the 350,000 shares held by his wife, Pang Yoke Chun.
- (4) Pang Yoke Chun is deemed to have an interest in the 25,500,000 shares held by her husband, Lim Boon Hock Bernard.
- (5) Lim Chai Lai @ Louis Lim Chai Lai is deemed to have an interest in the 5,000,000 shares held by his wife, Chan Kum Lin.
- (6) Chan Kum Lin is deemed to have an interest in the 10,497,000 shares held by her husband, Lim Chai Lai @ Louis Lim Chai Lai.
- (7) Chia Ah Heng is deemed to have an interest in the 8,439,000 shares held by his wife, Lim Lian Hiong.
- (8) Lim Lian Hiong is deemed to have an interest in the 5,441,000 shares held by her husband, Chia Ah Heng.

FREE FLOAT OF EQUITY SECURITIES

On the basis in information available to the Company, approximately 41% of the equity securities of the company (excluding preference shares and convertible securities) are held in the hands of the public. This is compliance with Rule 723 of the Listing Manual of the SGX-ST, which requires at least 10% of a listed issuer's equity securities to be held by the public.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Tai Sin Electric Cables Manufacturer Limited will be held at 24 Gul Crescent, Jurong Town, Singapore 629531 on Thursday, October 21, 2004 at 10.00 a.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Accounts for the year ended June 30, 2004 together with the Auditors' Report thereon.
2. To declare a final dividend of \$0.006 cents per ordinary share less tax at 20% for the year ended June 30, 2004.
3. To approve the payment of \$73,000 as Directors' Fees for the year ended June 30, 2004. (2003 : \$65,000)
4. To re-elect the following Directors retiring pursuant to the Articles of Association of the Company:-
 - (a) Prof. Lee Chang Leng Brian;
 - (b) Mr. Richard Wee Liang Huat @ Richard Wee Liang Chiat;
 - (c) Mr. Chia Ah Heng; and
 - (d) Mr. Lim Chai Lai @ Louis Lim Chai Lai.
5. To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions pursuant to Section 153(6) of the Companies Act, Cap. 50:-
 - (a) "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr. Sim Yeong Soon who is over 70 years of age, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."
 - (b) "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr. Lee Lien-Shen who is over 70 years of age, be and is hereby authorised to continue in office as Alternate Director to Mr. Lin Chen Mou, until the conclusion of the next Annual General Meeting."
6. To re-appoint Deloitte & Touche as Auditors and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

7. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

"That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors to issue shares in the capital of the Company whether by way of rights, bonus or otherwise ("shares") and/or make or grant offers, agreements or options that might or would require shares to be issued ("Instruments") including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time, to such persons, upon such terms and conditions and for such purposes, as the Directors may in their absolute discretion deem fit, provided that:-

 - (i) the aggregate number of shares to be issued pursuant to this Resolution shall not exceed 50% of the issued share capital of the Company, of which the aggregate number of shares to be issued other than on a pro rata basis to existing shareholders shall not exceed 20% of the Company's issued share capital;
 - (ii) for the purpose of determining the aggregate number of shares that may be issued under (i) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time this Resolution is passed, after adjusting for:-
 - (a) new shares arising from the exercise of employee share options that are outstanding when this Resolution is passed; and
 - (b) any subsequent consolidation or subdivision of shares; and
 - (iii) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting is required by law to be held, whichever is the earlier."
8. To transact any other business of an Annual General Meeting.

Notice of Annual General Meeting

BY ORDER OF THE BOARD

MRS LOW NEE TAN LENG FONG
TAN SHOU CHIEH
SECRETARIES

Singapore, October 4, 2004

Notes:

- (1) A member of the Company entitled to attend and vote at the above Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 24 Gul Crescent, Jurong Town, Singapore 629531 not less than 48 hours before the time for holding the Meeting.
- (2) Prof. Lee Chang Leng Brian is considered to be an independent director by the Board of Directors, and if re-elected under item 4(a) above, will remain as an Audit Committee Member.
- (3) Mr. Richard Wee Liang Huat @ Richard Wee Liang Chiat, is considered to be an independent director by the Board of Directors, and if re-elected under item 4(b) above, will remain as Chairman of the Audit Committee.
- (4) Mr. Sim Yeong Soon is considered to be an independent director by the Board of Directors, and if re-appointed under item 5(a) above, will remain as an Audit Committee Member.
- (5) The ordinary resolution proposed in item 7 above, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue new shares or instruments convertible into shares in the Company subject to the limits imposed by the Resolution, for such purposes as they consider would be in the interests of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

PROXY FORM

TAI SIN ELECTRIC CABLES MANUFACTURER LIMITED

(Incorporated in the Republic of Singapore)

IMPORTANT

1. For investors who have used their CPF monies to buy shares of Tai Sin Electric Cables Manufacturer Limited, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We _____ (Name)

of _____ (Address)

being a member/members of Tai Sin Electric Cables Manufacturer Limited hereby appoint:

NAME	ADDRESS	NRIC/ PASSPORT NUMBER	PROPORTION OF SHAREHOLDINGS REPRESENTED

and / or (delete as appropriate)

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as my/our proxy/proxies to vote for me/us on my/our behalf, at the Annual General Meeting of the Company, to be held on October 21, 2004 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated with an "X" hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Resolutions relating to:	For	Against
1.	Adoption of Accounts and Reports		
2.	Declaration of Final Dividend		
3.	Approval of Directors' Fees		
4.	(a) Re-election of Prof. Lee Chang Leng Brian as a Director		
	(b) Re-election of Mr. Richard Wee Liang Huat @ Richard Wee Liang Chiat as a Director		
	(c) Re-election of Mr. Chia Ah Heng as a Director		
	(d) Re-election of Mr. Lim Chai Lai @ Louis Lim Chai Lai as a Director		
5.	(a) Re-appointment of Mr. Sim Yeong Soon as a Director		
	(b) Approval for Mr. Lee Lien-Shen to continue in office as Alternate Director to Mr. Lin Chen Mou		
6.	Re-appointment of Auditors and fixing their remuneration		
7.	As special business - approving the Mandate for the Directors to issue new shares or convertible instruments		

Dated this _____ day of _____ 2004.

Total Number of Shares Held

Signature(s) of Member(s)/Common Seal



IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf.
2. Where a member appoints two proxies, he shall specify the proportion of his shares to be represented by each proxy and if no proportion is specified, the first named proxy shall be deemed to represent all of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
3. A proxy need not be a member of the Company.
4. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and also in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies will be deemed to relate to all the shares held by you.
5. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at 24 Gul Crescent, Jurong Town, Singapore 629531 not less than 48 hours before the time set for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject any instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

TAI SIN ELECTRIC CABLES
MANUFACTURER LIMITED

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