annual report 2005

TRANSFORMING TO MEET THE FUTURE

Tai Sin

Tai Sin

CONTENTS

Moving up in the new world.
Standing firmly by our commitments.

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.

For more than two decades, we have steadily built our business on the strength of our core values and the dedication of our people. Our move from SESDAQ to the Singapore Stock Exchange Mainboard in May 2005 marks a significant milestone in our growth and maturity - one that reinforces Tai Sin's position as an industry leader and our ability to take on the challenges of the future. As we look ahead from our new vantage point, we aim to continue reaching for greater heights, yet we remain grounded by our commitment to meet our customers' needs with quality, innovation and service excellence.

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 was listed on the then Stock Exchange of Singapore SESDAQ on 23 April 1998. The Company's listing was transferred to the SGX Main Board on 16 May 2005 after many years of success and growth.

From a single company manufacturing cables, the Company has expanded and diversified steadily over the past two decades and is now involved in electrical distribution, lamps manufacturing, assembly of switchboards and supply of sanitary wares through Tai Sin Group of Companies.

The Group has subsidiaries and offices located in Singapore, Malaysia, Brunei, Vietnam and New Zealand providing quality services and products to its diverse customers worldwide.

CHAIRMAN'S STATEMENT

I am pleased to present the Annual Report of the Company and of the Group for the year ended 30 June 2005.

REVIEW OF RESULTS

The year under review proved to be a very challenging and exciting one for the Company and Group. The general improvement in the business climate in Singapore and the region had contributed to the excellent set of results achieved, notwithstanding the highly volatile price of copper on the London Metal Exchange ("LME"). The cable and wire division contributed significantly to the Group's results with improved performances in both Singapore and Malaysia. The narrowing of losses in the lamps and lighting division has also assisted the Group's results.

Group revenue recorded a 26.5% increase from $106.234 million in 2004 to $134.345 million in the current year. Consolidated operating profit before income tax for the current year stood at $7.251 million, up by 51.6% as compared to $4.782 million in the previous year. The Group's net profit attributable to shareholders of the company also jumped by 44.7% from $3.659 million in 2004 to $5.294 million in the current financial year. In tandem with the improved performance, the earnings per share rose to 2.12 cents, a 44.2% increase from 1.47 cents in 2004.

REVIEW OF OPERATIONS

The cable and wire division of the Group reported higher revenue. The revenue for the wire and cable segment jumped to $66.304 million from $47.142 million due primarily to the higher selling price for cables resulting from the higher copper price on the LME. The 3-months average price of copper on 30 June 2005 was USD3,380 per metric tonne, a massive 29.2% increase from USD2,617 per metric tonne recorded a year ago on 30 June 2004. In view of the situation, the Group continues to adopt a very cautious and prudent policy on hedging of copper purchases. The higher revenue for this segment was also contributed by the Group's wholly-owned subsidiary, Tai Sin Electric Cables (Malaysia) Sdn Bhd, which posted revenue of $ 14.695 million this year as compared to $11.083 million in the previous year.

Professor Lee Chang Leng Brian
Chairman

Lim Kim Hai Electric Co. (S) Pte Ltd and its subsidiaries were able to improve their revenue for the electrical equipment division for the current year. The group posted revenue of $59.369 million, up from $52.824 million in 2004 or a 12.4% increase. Precicon D&C Pte Ltd recorded a net profit before taxation of $1.297 million on the back of $21.244 million revenue. The gains were largely attributed to improvement in the automation business as a result of improvement in the Singapore electronics sector. New Zealand-based Vynco Industries (NZ) Limited contributed positively to the segment's results with revenue of $13.033 million, up marginally from 2004 of $12.509 million.

Revenue for the switchboard division was relatively flat at $5.075 million, a marginal decrease of 0.14% from $5.082m of the previous year. The core business of PKS Sdn Bhd comprising of switchboards and feeder pillars is mainly for infrastructure projects in Brunei. The recent announcement by the Brunei government of infrastructure spending would augur well for its business in the coming year.

The lamps and lighting division achieved higher turnover of $2.571 million, up 30% from the previous year's revenue of $1.977 million. The division has also managed to narrow its losses with the improved results arising mainly from the export sales of its energy saving compact fluorescent lamps. The local market for lighting remains highly competitive due to cheap imports. As such, the division continues its focus to expand into regional markets for its lighting products.

The sanitary division headed by Yat Lye Pte Limited posted revenue of $2.348 million for the current year. This division reported losses due primarily to the delay in the delivery for major projects secured in the previous years. The loss is further aggravated by costs still being incurred to wind down its plumbing projects. It is hopeful of substantially completing the projects on hand in the new financial year.

BUSINESS OUTLOOK AND CHALLENGES AHEAD

On 16 May 2005, the Company achieved another milestone when its listing was transferred to the SGX Main Board. Since its initial listing on SESDAQ in 1998, the Group and Company have made great strides and progress. The promotion to the SGX Main Board is a culmination of many years of hard work and growth through careful planning.

The emergence of India as an economic powerhouse, coupled with the signing of the Comprehensive Economic Co-operation Agreement ("CECA") with Singapore, opens up tremendous business opportunities for the Group to explore. With a highly literate workforce and population size rivalling China, the Group is pursuing discussions with business partners for possible ventures in India in the near term.

The rising oil price has also made the Middle East a prospective region for future expansion for the Group. Dubai is amongst the many cities in the region to be experiencing building and construction boom. The Group is already supplying lamps and lightings to the Middle East markets and hopes to have a greater presence in the region in the near future.

The Group expects competition to remain intense with greater pressure placed on profit margins. The cable and wire division is susceptible to fluctuations in the price of copper on the LME. In view of the volatility of copper prices, the Group has put in place certain controls and safeguards to ensure that this price exposure will be mitigated. The focus in Singapore will be infrastructure projects such as MRT lines, water reclamation plants, expansion of Changi Airport and the upcoming developments around the Marina Bay area.

Prospects for the electrical equipment division will depend a great deal on the economic growth in Singapore. Further expansion by electronic and manufacturing companies will augur well for its replacement business. The introduction of wiring devices products by Vynco Industries (NZ) Limited is expected to contribute positively to the segment's profitability in the coming year.

The lamps and lighting division has been successful with the sale of energy saving compact fluorescent lamps to overseas markets. The division is further enhancing its assembling facilities in Kuantan to boost its production capabilities to meet increased orders from its customers.

The Group will stay focused in developing and strengthening it’s core competencies to maintain its competitive edge and further improve its profitability. With the Group's strategic focus and greater synergies derived from the different business segments, the Group is well placed to remain profitable in the new financial year.

DIVIDENDS

The Board is pleased to recommend a final dividend of 7.5% ($0.0075 per share) less 20% income tax. The net dividend of $1,497,900 is subject to the approval of members at the forthcoming Annual General Meeting of the Company to be convened in October 2005.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to thank our customers, suppliers, business partners, bankers and various statutory and governmental bodies for their valued support, assistance and co-operation. The Board is also grateful to the shareholders who have remained supportive of the Group's business directions and philosophies. Undoubtedly they have all contributed in one way or another to the Group's success. Last but not least, the Board is also gratified by the tireless effort of all employees who have consistently performed beyond expectations. I am reassured that they will continue to be the key factor in the success of the Group in the years ahead.

PROFESSOR LEE CHANG LENG BRIAN
Chairman

Years of transforming knowledge into experience have provided a strong platform to pursue our vision of excellence.

2000

October
Purchase of PKS Sdn Bhd, a company incorporated in Brunei which specializes in the assembly of switchboards and feeder pillars

1998

October
Acquisition of wholly-owned subsidiary, Tai Sin Electric Cables (Malaysia) Sdn Bhd

1998

April
Tai Sin listed on the Stock Exchange of Singapore, SESDAQ on 23 April 1998

1980

January
Tai Sin was incorporated as a company on 4 January 1980

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

- TAI SIN ELECTRIC CABLES MANUFACTURER LIMITED
  - Tai Sin Electric Cables (Malaysia) Sdn Bhd 100%
    - PKS Sdn Bhd 70%
  - Yat Lye Pte Limited 100%
    - Change The Form Pte Ltd 100%
  - Lim Kim Hai Electric Co (S) Pte Ltd 100%
    - LKH Power Distribution Pte Ltd 100%
      - PC2M Solutions (M) Sdn Bhd 100%
    - Vynco Industries (NZ) Limited 63.7%
      - EPT Limited 100%
    - Precicon D&C Pte Ltd 100%
      - PC2M Asia Pacific Pte Ltd 100%
      - Distribution & Control Pte Ltd 100%
  - Equalight Resources Sdn Bhd 90%
    - LKH Lamps Sdn Bhd 100%
      - LKH Lightings Sdn Bhd 100%

BOARD OF DIRECTORS

LEE CHANG LENG BRIAN

Prof. Lee Chang Leng Brian was appointed as 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 30 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 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 has been appointed as Executive Director since 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. Lim Boon Hock Bernard was appointed as Executive Director in September 1997 and has been the Chief Operating Officer of the Company since June 2003. 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 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 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 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 Group in 1969 and has more than 30 years of experience in the electrical industry. His responsibilities include 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 Group in 1967 and has over 30 years of experience in the electrical business. As Joint Managing Director, he makes strategic decisions relating to LKH 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 has served as Chairman since January 1980 and is one of the principal founders of the Company. Mr. Lee retired as Chairman and 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 Adminstration degree from Macquaire University, Australia, and a Master of Professional Accounting degree 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 company in Malaysia. He has more than 30 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, manufacturing and marketing function of PKS Sdn Bhd. He has more than 25 years of 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 Executive Director of LKH Lamps Sdn Bhd. He is reponsible for the sales, manufacturing and marketing function of the company.

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 the LKH Group product portfolio. He is also responsible for managing corporate and marketing communications with internal and external stakeholders of the Group in a manner that enhances corporate image and supports strategic positioning of business units. He holds a Master of Business Administration degree in Strategic Marketing from University of Hull, United Kingdom.

Along our path of progression, we continually evolve to meet ever-changing market needs and add value to our customers.

2001
October
Acquired Equalight Resources Sdn Bhd, a newly incorporated company to undertake the manufacturing of lamps and lighting products in Malaysia

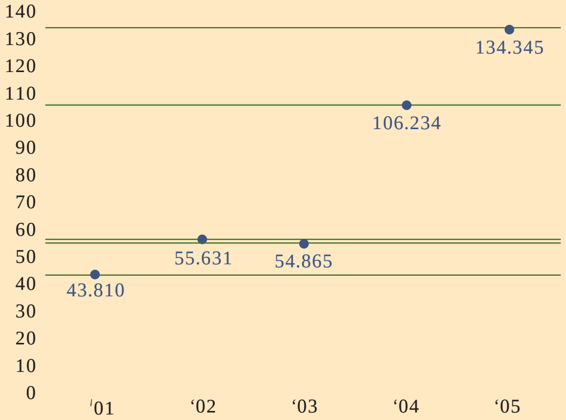
2002
June
Acquired LKH Lamps Sdn Bhd, a licensed lamp manufacturer in Malaysia

2003
May
Expand and diversify through acquisition of Lim Kim Hai Group of Companies

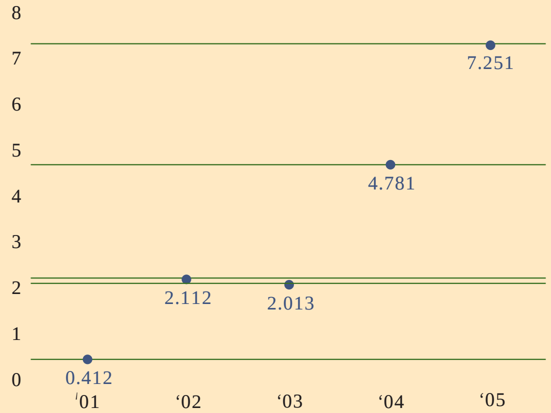
2005
May
Tai Sin moves from SESDAQ to the Singapore Stock Exchange Mainboard on 16 May 2005

FINANCIAL HIGHLIGHTS

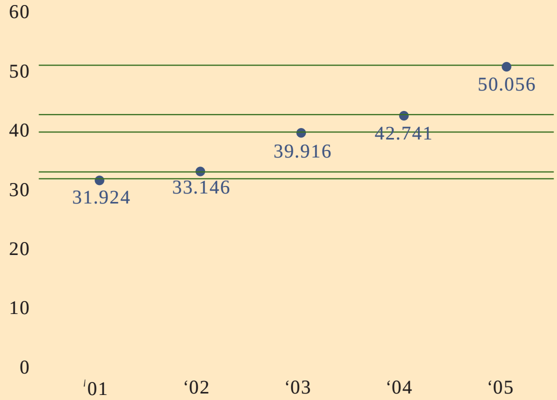
Turnover ($m)



Profit before Income Tax ($m)



Shareholders' Funds ($m)



REPORT ON CORPORATE GOVERNANCE
YEAR ENDED JUNE 30, 2005

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:

	BOARD		AUDIT COMM		NOMINATING		REMUNERATION	
Name of Directors	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	6	6	4	4	–	–	1	1
Lim Chye Huat @ Bobby Lim Chye Huat	6	6	NA	NA	NA	NA	NA	NA
Lin Chen Mou	6	6	NA	NA	NA	NA	NA	NA
Lim Boon Hock Bernard	6	6	NA	NA	NA	NA	NA	NA
Richard Wee Liang Huat @ Richard Wee Liang Chiat	6	4	4	2	–	–	1	1
Sim Yeong Soon	6	6	4	4	–	–	1	1
Chang Chai Woon	6	6	NA	NA	–	–	1	1
Lim Chai Lai @ Louis Lim Chai Lai	6	6	NA	NA	NA	NA	NA	NA
Chia Ah Heng	6	6	NA	NA	NA	NA	NA	NA
Lee Lien-Shen (alternate director to Lin Chen Mou)	6	–	NA	NA	NA	NA	NA	NA

The Board comprises nine directors (excluding Alternate) 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 @ Richard Wee Liang Chiat 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 make 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.

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 Managing Director. The Chairman bears responsibility for Board proceedings. The Chairman ensures that the board meetings are held when necessary. The 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 director's 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 records 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 "Report of the Directors" 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 include 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 the determination of 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	Directors' Fees	Total
Below $250,000	Lee Chang Leng Brian	–	–	100%	100%
	Lin Chen Mou	77%	17%	6%	100%
	Lim Boon Hock Bernard	74%	17%	9%	100%
	Richard Wee Liang Huat @ Richard Wee Liang Chiat	–	–	100%	100%
	Sim Yeong Soon	–	–	100%	100%
	Chang Chai Woon	82%	7%	11%	100%
	Lim Chai Lai @ Louis Lim Chai Lai	78%	9%	13%	100%
	Chia Ah Heng	78%	11%	11%	100%
Between $250,000 to $499,999	Lim Chye Huat @ Bobby Lim Chye Huat	74%	18%	8%	100%

For the financial year ended 30 June 2005, the top 5 k ey executives of the Group (who are not also directors of the Company) are Mr. Michael Choo Wei Loon, Mr. Lim Ewe Lee, Mr. Ong Wee Heng, Mr. Tony Ng Shu Goon 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 exceeded S$150,000 for financial year ended 30 June 2005.

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 non-audit services provided by Deloite & Touche do not affect Deloite & Touche's independence & objectivity as the Group's external auditors.

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 have been no major weaknesses 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 close supervision and monitoring by members of the senior management team. It is satisfied that an effective internal control systems and procedures are in place and operating satisfactorily.

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 SGXNET. 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 SGXNET.

Shareholders may appoint one or two proxies to attend and vote on their behalf, in accordance with the Articles of Association of the Company. During the Annual General Meeting, the shareholders are given the opportunity to seek clarifications on 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

PAGE

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, 2005.

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	
Lim Chai Lai @ Louis Lim Chai Lai	
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 except as disclosed in paragraph 3.

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:

	Shareholdings registered in the names of directors or their nominees			Other shareholdings in which directors are deemed to have an interest		
Name of directors and companies in which interest are held	**At July 1, 2004**	**At June 30, 2005**	**At July 21, 2005**	**At July 1, 2004**	**At June 30, 2005**	**At July 21, 2005**
Tai Sin Electric Cables Manufacturer Limited			**Number of shares of $0.10 each**			
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	370,300	370,300	370,300	–	50,000	50,000
Lim Boon Hock Bernard	25,500,000	25,500,000	25,500,000	350,000	1,100,000	1,100,000
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	8,551,000	8,551,000
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

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 At July 1, 2004	At June 30, 2005	At July 21, 2005	Other shareholdings in which directors are deemed to have an interest At July 1, 2004	At June 30, 2005	At July 21, 2005
PKS Sdn Bhd			**Number of shares of B$1 each**			
Chang Chai Woon	232,568	465,136	465,136	–	–	–
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, 2005	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 of the company 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

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.

5 SHARE OPTIONS

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 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, there were no shares of the company or any corporation in the group issued by virtue of the exercise of an option to take up unissued shares.

C) 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	12,600,000	–	130,000	12,470,000	$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	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	Aggregate options outstanding at the 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	–	1,500,000
Lai Kon Seng	–	1,500,000	–	1,500,000
Choo Wei Loon	–	1,500,000	–	1,500,000
Ng Shu Goon Tony	–	1,500,000	–	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, 2005 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 26, 2005

Auditors' Report to the Members of
TAI SIN ELECTRIC CABLES MANUFACTURER LIMITED

We have audited the financial statements of Tai Sin Electric Cables Manufacturer Limited set out on pages 25 to 61 for the financial year ended June 30, 2005. 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, 2005 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 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 26, 2005

Balance Sheets June 30, 2005

	Note	Group 2005 $	Group 2004 $	Company 2005 $	Company 2004 $
ASSETS					
Current assets:					
Cash and bank balances	6	**6,432,116**	4,526,628	**1,826,236**	1,018,242
Trade receivables	7	**42,900,874**	34,996,646	**20,871,553**	13,778,329
Other receivables and prepayments	8	**717,265**	1,235,836	**5,183,352**	3,740,177
Contract work-in-progress	9	**256,056**	–	–	–
Inventories	10	**27,381,002**	26,870,425	**12,543,260**	12,416,367
Total current assets		**77,687,313**	67,629,535	**40,424,401**	30,953,115
Non-current assets:					
Associate	11	–	188,314	–	–
Subsidiaries	12	–	–	**25,600,317**	29,210,290
Property, plant and equipment	13	**26,808,223**	26,710,958	**9,082,860**	8,814,223
Intangible assets	14	**11,129**	35,145	–	–
Other investments	15	**29,504**	48,066	–	–
Deferred tax assets	23	**350,426**	458,565	–	–
Development costs	16	**368,469**	–	–	–
Total non-current assets		**27,567,751**	27,441,048	**34,683,177**	38,024,513
Negative goodwill	17	–	(2,911,894)	–	–
Total assets		**105,255,064**	92,158,689	**75,107,578**	68,977,628
LIABILITIES AND EQUITY					
Current liabilities:					
Bank overdrafts and other bank borrowings	18	**19,337,750**	16,575,286	**9,405,288**	9,214,434
Trade payables	19	**19,858,340**	16,535,383	**7,828,488**	3,248,018
Other payables	20	**2,972,115**	2,138,035	**2,236,278**	1,122,278
Income tax payable		**2,061,236**	1,527,290	**1,346,413**	985,413
Current portion of finance leases	21	**96,842**	10,461	–	–
Current portion of long-term borrowings	22	**2,178,336**	2,161,825	**1,833,333**	1,500,000
Progress billings in excess of work-in-progress	9	**33,487**	–	–	–
Total current liabilities		**46,538,106**	38,948,280	**22,649,800**	16,070,143
Non-current liabilities:					
Non-current portion of finance leases	21	**148,264**	17,020	–	–
Long-term borrowings	22	**5,031,332**	6,561,107	**3,500,000**	4,500,000
Deferred tax liabilities	23	**1,092,195**	1,301,888	**513,000**	700,000
Total non-current liabilities		**6,271,791**	7,880,015	**4,013,000**	5,200,000
Capital and reserves:					
Issued capital	24	**24,965,000**	24,965,000	**24,965,000**	24,965,000
Reserves		**25,091,054**	17,775,989	**23,479,778**	22,742,485
Equity attributable to the shareholders of the company		**50,056,054**	42,740,989	**48,444,778**	47,707,485
Minority interests		**2,389,113**	2,589,405	–	–
Total equity		**52,445,167**	45,330,394	**48,444,778**	47,707,485
Total liabilities and equity		**105,255,064**	92,158,689	**75,107,578**	68,977,628

See accompanying notes to financial statements.

Consolidated Profit and Loss Statement Year ended June 30, 2005

	Note	Group 2005 $	2004 $
Revenue	25	**134,344,709**	106,234,495
Other operating income	26	**886,997**	561,305
Changes in inventories of finished goods and work in progress		**906,255**	4,701,915
Raw materials and consumables used/ Purchase of inventories		**(101,105,582)**	(80,714,621)
Staff costs		**(15,337,684)**	(13,630,847)
Depreciation and amortisation expense		**(3,281,671)**	(3,284,963)
Other operating expenses		**(8,081,764)**	(7,933,061)
Finance costs	27	**(1,077,993)**	(1,153,500)
Share of (loss) profit of associate		**(2,415)**	683
Profit before income tax	28	**7,250,852**	4,781,406
Income tax expense	29	**(1,756,844)**	(851,312)
Profit for the year		**5,494,008**	3,930,094
Attributable to:			
Shareholders of the company		**5,293,592**	3,657,973
Minority interests		**200,416**	272,121
		5,494,008	3,930,094
Earnings per share			
Basic	30	**2.12**	1.47
Diluted	30	**2.12**	1.47

See accompanying notes to financial statements.

Statements of Changes in Equity Year ended June 30, 2005

	Note	Issued capital $	Share premium $	Revaluation reserve $	Foreign currency translation reserve $	Dividend reserve $	Accumulated profits $	Equity attributable to shareholders of the company $	Minority interests $	Total equity $
Group										
Balance at June 30, 2003										
As previously stated		24,800,000	7,999,210	1,439,431	360,034	967,200	4,349,972	39,915,847	2,589,092	42,504,939
Retrospective effect of change in accounting policy - FRS 10		–	–	–	–	(967,200)	967,200	–	–	–
As restated		24,800,000	7,999,210	1,439,431	360,034	–	5,317,172	39,915,847	2,589,092	42,504,939
Issue of shares		165,000	41,250	–	–	–	–	206,250	–	206,250
Currency translation differences		–	–	–	(65,446)	–	–	(65,446)	28,192	(37,254)
Net profit for the year		–	–	–	–	–	3,657,973	3,657,973	272,121	3,930,094
Dividend paid to minority shareholders		–	–	–	–	–	–	–	(300,000)	(300,000)
Dividend paid	32	–	–	–	–	–	(973,635)	(973,635)	–	(973,635)
Balance at June 30, 2004 (restated)		24,965,000	8,040,460	1,439,431	294,588	–	8,001,510	42,740,989	2,589,405	45,330,394
Prospective effect of change in accounting policy - FRS 103		–	–	–	–	–	2,911,894	2,911,894	–	2,911,894
As restated		24,965,000	8,040,460	1,439,431	294,588	–	10,913,404	45,652,883	2,589,405	48,242,288
Currency translation differences		–	–	–	(73,586)	–	–	(73,586)	815	(72,771)
Revaluation adjustment		–	–	476,485	–	–	–	476,485	–	476,485
Deferred tax liability recognised on revaluation surplus		–	–	(95,000)	–	–	–	(95,000)	–	(95,000)
Capital redemption		–	–	–	–	–	–	–	(101,523)	(101,523)
Net profit for the year		–	–	–	–	–	5,293,592	5,293,592	200,416	5,494,008
Dividend paid to minority shareholders		–	–	–	–	–	–	–	(300,000)	(300,000)
Dividend paid	32	–	–	–	–	–	(1,198,320)	(1,198,320)	–	(1,198,320)
Balance at June 30, 2005		24,965,000	8,040,460	1,820,916	221,002	–	15,008,676	50,056,054	2,389,113	52,445,167

Statements of Changes in Equity Year ended June 30, 2005

	Note	Issued capital $	Share premium $	Revaluation reserve $	Foreign currency translation reserve $	Dividend reserve $	Accumulated profits $	Total equity $
Company								
Balance at June 30, 2003								
As previously stated		24,800,000	7,999,210	1,439,431	–	967,200	10,321,317	45,527,158
Retrospective effect of changes in accounting policy - FRS 10		–	–	–	–	(967,200)	967,200	–
As restated		24,800,000	7,999,210	1,439,431		–	11,288,517	45,527,158
Issue of shares		165,000	41,250	–	–	–	–	206,250
Net profit for the year		–	–	–	–	–	3,216,727	3,216,727
Currency translation difference		–	–	–	(269,015)	–	–	(269,015)
As previously stated		–	–	–	(269,015)	–	3,216,727	2,947,712
Retrospective effect of changes in accounting policy - FRS 21		–	–	–	269,015	–	(269,015)	–
As restated		–	–	–	–	–	2,947,712	2,947,712
Dividend paid	32	–	–	–	–	–	(973,635)	(973,635)
Balance at June 30, 2004 (restated)		24,965,000	8,040,460	1,439,431	–	–	13,262,594	47,707,485
Revaluation adjustment		–	–	476,485	–	–	–	476,485
Deferred tax liability recognised on revaluation surplus		–	–	(95,000)	–	–	–	(95,000)
Net profit for the year		–	–	–	–	–	1,554,128	1,554,128
Dividend paid	32	–	–	–	–	–	(1,198,320)	(1,198,320)
Balance at June 30, 2005		24,965,000	8,040,460	1,820,916	–	–	13,618,402	48,444,778

See accompanying notes to financial statements.

Consolidated Cash Flow Statement Year ended June 30, 2005

	2005 $	2004 $
Cash flows from operating activities:		
Profit before income tax and share of results of associate	**7,253,267**	4,780,723
Adjustments for:		
Depreciation expense	**3,258,667**	3,407,752
Amortisation of intangible assets	**23,004**	31,269
Amortisation of negative goodwill	**–**	(154,058)
Negative goodwill recognised	**(359,513)**	–
Interest income	**(19,668)**	(46,040)
Interest expense	**1,077,993**	1,153,500
Loss on disposal of other investments	**–**	4,526
(Gain) Loss on disposal of property, plant and equipment	**(100,310)**	437,138
Inventories written off	**604,945**	–
Intangible assets written off	**–**	43,299
Goodwill on consolidation written off	**–**	19,695
Other investments written off	**–**	9,957
Property, plant and equipment written off	**17,950**	126,802
Impairment loss in other investments	**17,341**	5,368
Operating profit before working capital changes	**11,773,676**	9,819,931
Trade receivables	**(7,350,896)**	(1,751,659)
Other receivables and prepayments	**224,630**	40,686
Contract work-in-progress	**(256,056)**	–
Inventories	**323,332**	(4,906,387)
Trade payables	**1,843,930**	1,556,118
Other payables	**693,677**	379,460
Progress billings in excess of work-in-progress	**33,487**	–
Cash generated from operations	**7,285,780**	5,138,149
Interest paid	**(1,077,993)**	(1,153,500)
Interest received	**19,668**	46,040
Income tax paid	**(1,429,300)**	(1,104,359)
Dividend paid	**(1,198,320)**	(973,635)
Net cash from operating activities	**3,599,835**	1,952,695
Cash flows from investing activities:		
Purchase of property, plant and equipment [(A)]	**(2,012,877)**	(767,995)
Share repurchase	**(101,523)**	–
Proceeds from disposal of property, plant and equipment	**650,494**	977,773
Proceeds from disposal of other investments	**–**	5,431
Acquisition of subsidiaries [(B)]	**(822,080)**	–
Acquisition of additional interests in subsidiary	**–**	(16,530)
Dividend income received from associate	**–**	18,361
Development costs incurred	**(368,469)**	–
Acquisition of additional interest in a former associate [(C)]	**62,815**	–
Net cash (used in) from investing activities	**(2,591,640)**	217,040
Cash flows from financing activities:		
Proceeds from issuing shares	**–**	206,250
Proceeds from short-term bank borrowings	**2,400,918**	2,720,927
Repayment of finance lease obligations	**(40,956)**	(105,428)
Repayment of long-term borrowings	**(1,513,264)**	(2,468,088)
Dividend paid to minority shareholders	**(300,000)**	(300,000)
Net cash from financing activities	**546,698**	53,661

	2005 $	2004 $
Net effect of exchange rate changes in consolidating subsidiaries	**90,170**	163,576
Net increase in cash and cash equivalents	**1,645,063**	2,386,972
Cash and cash equivalents at beginning of year	**2,614,174**	227,202
Cash and cash equivalents at end of year (D)	**4,259,237**	2,614,174

(A) PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the group acquired property, plant and equipment with an aggregate cost of $2,239,597 (2004 : $767,995) of which $226,720 (2004 : $Nil) was acquired by means of finance lease agreements. Cash payments of $2,012,877 (2004 : $767,995) were made to purchase property, plant and equipment.

(B) ACQUISITION OF SUBSIDIARIES

	2005 $	2004 $
Current assets	**2,076,794**	–
Current liabilities	**(2,381,242)**	–
Property, plant and equipment	**831,019**	–
Net identifiable assets acquired	**526,571**	–
Negative goodwill arising from acquisition	**(314,649)**	–
Consideration paid in cash	**211,922**	–
Less: Net bank overdrafts of subsidiaries acquired	**610,158**	–
Net cash outflows on acquisition	**822,080**	–

(C) ACQUISITION OF ADDITIONAL INTEREST IN A FORMER ASSOCIATE

	2005 $	2004 $
Current assets	**465,321**	–
Current liabilities	**(57,340)**	–
Property, plant and equipment	**5,127**	–
Less: Amount previously equity accounted	**(188,314)**	–
Net identifiable assets acquired	**224,794**	–
Share of loss of associate	**2,415**	–
Negative goodwill arising from acquisition	**(44,864)**	–
Consideration paid in cash	**182,345**	–
Less: Cash of associate acquired	**(245,160)**	–
Net cash inflows on acquisition	**(62,815)**	–

(D) CASH AND CASH EQUIVALENTS AT END OF YEAR

The components of cash and cash equivalents in the above cash flow statement consists of the following:

	2005 $	2004 $
Cash and bank balances (Note 6)	**6,432,116**	4,526,628
Bank overdrafts (Note 18)	**(2,172,879)**	(1,912,454)
Total	**4,259,237**	2,614,174

See accompanying notes to financial statements.

1 GENERAL

The company (Registration No. 198000057W) 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 12 to the financial statements.

The financial statements of the company and of the group for the year ended June 30, 2005 were authorised for issue by the Board of Directors on August 26, 2005.

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 certain properties and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

The group and the company have opted to early-adopt the requirements of the following new/revised FRSs in advance of their effective date for financial years beginning on or after January 1, 2005:

FRS 1 (revised)	Presentation of Financial Statements
FRS 10 (revised)	Events After the Balance Sheet Date
FRS 21 (revised)	The Effects of Changes in Foreign Exchange Rates

The impact of the above FRS are as follows:

FRS 1 - *Presentation of Financial Statements* - Requires minority interests to be presented in the consolidated balance sheet within equity, separately from the equity attributable to shareholders of the company.

FRS 10 - *Events after the Balance Sheet Date* - In accordance with FRS 10, dividends proposed but not approved by shareholders of the company should be disclosed in the notes to the financial statements. Companies are no longer given the option to record such dividends on the face of the balance sheet as a separate component of the equity (dividend reserve).

FRS 21 - *The Effects of Changes in Foreign Exchange Rates* - Exchange differences arising on monetary items treated as part of a reporting entity's net investment in foreign subsidiaries are recognised in the profit and loss statement at the company level, but taken to currency translation reserve in equity at the group level (if these are denominated in the functional currency of the reporting entity or the foreign operation) until disposal, at which time they are taken to profit and loss.

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, liabilities and contingent 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. Where a group enterprise transacts with an associate of the group, unrealised profits and losses are eliminated to the extent of the group's interest in the relevant associate, except where unrealised losses provide evidence of an impairment of the assets transferred.

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 associate are carried at cost less any impairment in net recoverable value that has been recognised in the profit and loss statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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, including premiums payable on settlement or redemption 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.

Trade and other payables are stated at their nominal values.

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

The accounting policy for finance leases is stated below.

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.

Leasehold land and buildings are carried at their revalued amounts, being the fair value on the basis of their existing use at the date of revaluation, less subsequent accumulated depreciation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially for that which would be determined using the fair value at the balance sheet date.

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.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised as income or expense.

Upon retirement or disposal of the revalued asset, the attributable revaluation surplus included in asset revaluation reserve is transferred directly to accumulated profits or losses.

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	-	1.67% 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant leases.

During the financial year, the lease term of the company's leasehold properties located at 24 Gul Crescent and 11 Gul Lane were extended by a further 22 years to July 31, 2032 and 21 years 16 days to July 31, 2032 respectively. Accordingly, the estimate of the useful life of the leasehold properties were adjusted. The impact of the change is a reduction in current year depreciation and increase in profit for the year of the group and company by $133,012.

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 acquisition over the group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or associate at the date of acquisition. Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the profit and loss and is not subsequently reversed.

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

In accordance with the transitional provisions of FRS 103, goodwill arising on acquisitions before July 1, 2004 is carried forward on July 1, 2004 based on the carrying amount as at June 30, 2004 and subject to being tested for impairment at each balance sheet date thereafter. Therefore, from July 1, 2004, the group has discontinued amortising such goodwill.

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 recognised in income immediately.

In accordance with the transitional provisions of FRS 103, negative goodwill arising on acquisition before July 1, 2004 is taken directly to accumulated profits as at July 1, 2004.

DEVELOPMENT COSTS - Costs incurred on development project are recognised as intangible assets only if all the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably

Development costs that have been capitalised as intangible assets are amortised from the commencement of the commercial production on a straight-line basis over expected benefits, which normally do not exceed 5 years. Development costs are stated at costs less accumulated amortisation and any impairment. Where an indication of impairment exists, the carrying amount is assessed and written down immediately to its recoverable amount.

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 the group review the carrying amounts of their 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. Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 or, if lower, at the present value of the minimum lease payments, determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of liability. Finance costs, are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the group's general policy on borrowing costs.

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

CONTRACT WORK-IN-PROGRESS - Where the outcome of a long-term contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a long-term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are probably recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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, are taken to currency translation reserve in the consolidated financial statements.

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 are 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.

Revenue from long-term contracts are recognised by reference to the stage of completion of the transaction at the balance sheet date, determined by the proportion of contract costs incurred to-date in relation to the estimated total cost of the transaction.

Revenue from short-term contracts are recognised upon completion of the works.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Dividend income from investments is recognised when the right to receive payment has been established.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans (including state-managed retirement benefit schemes, such as the Singapore Central Provident Fund) are charged as an expense when incurred.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

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 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the group's accounting policies, which are described in Note 2 to the financial statements and key assumptions concerning the future, management is not aware of any judgements that have the most significant effects on the amounts recognised in the financial statements.

4 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.

The group places its cash and bank balances with creditworthy financial institutions.

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.

The notional principal amount of the group's outstanding interest rate swap contract as at June 30, 2005 is $7,500,000. The fair value of the instrument, which represent a gain should the instrument be exchanged in a current transaction between willing parties other than in a forced or liquidation sale, is approximately $60,000. This amount has not been recognised in the financial statements.

iii) Foreign currency exchange risk

The group operates regionally, giving rise to significant exposure to market risk from changes in foreign exchange rates. Exposures to foreign exchange risks are managed as far as possible by natural hedge of matching assets and liabilities.

4 FINANCIAL RISKS AND MANAGEMENT (CONT'D)

iii) Foreign currency exchange risk (cont'd)

The group's exposure to foreign exchange risk arises mainly from transactions denominated in United States dollars and other foreign currencies as detailed in the respective notes to the financial statements. Management enters into short-term forward foreign currency exchange contracts to manage foreign currency exchange rate risk. As at June 30, 2005, the group has no outstanding foreign currency exchange contracts.

The group 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 financial institutions.

v) 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.

vi) Price risk

The company and group are exposed to fluctuations in the price of copper which is the main raw material in its manufacture of cable and wire.

Management enters into short-term forward copper contracts to secure its usage demands and manage the price risk.

5 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 group'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 terms.

Significant related party transactions:

	Group	
	2005	2004
	$	$
Sales	**(2,060,440)**	(1,925,836)
Purchases	**1,584,610**	249,059
Acquisition of a subsidiary from a director	**198,800**	–
Rental paid to a related party	**117,600**	122,610

6 CASH AND BANK BALANCES

	Group		Company	
	2005	2004	2005	2004
	$	$	$	$
Cash and bank balances	**5,316,861**	3,478,509	**1,819,956**	1,011,987
Fixed deposits	**1,115,255**	1,048,119	**6,280**	6,255
	6,432,116	4,526,628	**1,826,236**	1,018,242

The fixed deposits bear interest ranging from 0.40% to 3.25% (2004 : 0.38% to 3.25%) per annum and are due within 12 months.

6 CASH AND BANK BALANCES (CONT'D)

The cash and bank balances are denominated in the following currencies:

	Group 2005 $	Group 2004 $	Company 2005 $	Company 2004 $
Singapore dollars	**3,789,050**	2,775,751	**1,760,559**	991,336
United States dollars	**350,673**	26,906	**65,677**	26,906
Brunei dollars	**1,660,889**	1,266,780	**–**	–
New Zealand dollars	**219,860**	–	**–**	–
Euro	**146,180**	182,040	**–**	–
Malaysian ringgit	**221,970**	242,899	**–**	–
Australian dollars	**43,494**	32,252	**–**	–
	6,432,116	4,526,628	**1,826,236**	1,018,242

7 TRADE RECEIVABLES

	Group 2005 $	Group 2004 $	Company 2005 $	Company 2004 $
Outside parties	**43,658,208**	35,402,285	**20,978,712**	13,581,543
Less: Allowance for doubtful debts	**(1,421,290)**	(1,806,968)	**(800,000)**	(835,842)
	42,236,918	33,595,317	**20,178,712**	12,745,701
Related parties (Note 5)	**663,956**	1,401,329	**327,719**	871,859
Subsidiaries (Note 12)	**–**	–	**365,122**	160,769
	42,900,874	34,996,646	**20,871,553**	13,778,329
Retention sums included in trade receivables above:				
Outside parties	**56,916**	–	**–**	–

The trade receivables are denominated in the following currencies:

	Group 2005 $	Group 2004 $	Company 2005 $	Company 2004 $
Singapore dollars	**33,232,574**	24,166,183	**20,871,553**	13,778,329
United States dollars	**472,664**	190,068	**–**	–
Malaysian ringgit	**5,571,457**	5,186,290	**–**	–
Australian dollars	**40,310**	49,348	**–**	–
New Zealand dollars	**1,824,575**	3,130,461	**–**	–
Brunei dollars	**1,759,294**	2,274,296	**–**	–
	42,900,874	34,996,646	**20,871,553**	13,778,329

8 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2005	2004	2005	2004
	$	$	$	$
Related parties (Note 5)	**4,200**	–	**–**	–
Subsidiaries (Note 12)	**–**	–	**4,947,639**	3,430,787
Advances to staff	**304,559**	293,366	**180,563**	182,587
Prepayments	**144,732**	159,385	**21,646**	19,748
Deposits	**129,668**	185,983	**32,327**	106,140
Other receivables due from disposal of property, plant and equipment	**–**	549,909	**–**	–
Loan to a director of a subsidiary	**19,226**	–	**–**	–
Others	**114,880**	47,193	**1,177**	915
	717,265	1,235,836	**5,183,352**	3,740,177

The loan to a director of a subsidiary is unsecured and interest-free.

9 CONTRACT WORK-IN-PROGRESS

	Group	
	2005	2004
	$	$
Current asset		
Cost incurred and recognised profits	**7,600,863**	–
Less: Foreseeable loss	**(358,915)**	–
	7,241,948	–
Less: Progress billings	**(6,985,892)**	–
Excess of work-in-progress over billings	**256,056**	–
Current liability		
Cost incurred and recognised profits	**88,357**	–
Less: Progress billings	**(121,844)**	–
Excess of billings over work-in-progress	**(33,487)**	–

10 INVENTORIES

	Group		Company	
	2005	2004	2005	2004
	$	$	$	$
Raw materials, at cost	**2,921,659**	4,840,418	**1,631,790**	3,200,105
Raw materials, at net realisable value	**530,196**	542,066	**–**	–
Work in progress, at cost	**3,660,038**	3,535,786	**2,619,561**	2,107,533
Finished goods, at cost	**20,269,109**	17,371,105	**8,291,909**	7,108,729
Finished goods, at net realisable value	**–**	581,050	**–**	–
	27,381,002	26,870,425	**12,543,260**	12,416,367

11 ASSOCIATE

	Group 2005 $	Group 2004 $
Unquoted equity shares, at cost	–	123,940
Share of post acquisition results, net of dividend received	–	64,374
	–	188,314

On December 2, 2004, the group acquired an additional 55% equity interest in PC2M Asia Pacific Pte Ltd (formerly known as EFI Asia Pacific Pte Ltd) for a consideration of $182,345. Subsequent to the acquisition, PC2M Asia Pacific Pte Ltd became a wholly-owned subsidiary of the group. Information on PC2M Asia Pacific Pte Ltd is disclosed in Note 12 to the financial statements.

12 SUBSIDIARIES

	Company 2005 $	Company 2004 $
Unquoted equity shares, at cost	**18,642,297**	18,431,375
Less: Impairment loss	**(1,958,611)**	–
	16,683,686	18,431,375
Advances	**10,916,631**	10,778,915
Less: Allowance for advances	**(2,000,000)**	–
	25,600,317	29,210,290

Details of the subsidiaries are as follows:

Name of company	Principal activities/ Country of incorporation and operation	Effective equity interest held by the Group 2005 %	Effective equity interest held by the Group 2004 %
Tai Sin Electric Cables (Malaysia) Sdn Bhd (c)	Cable and wire manufacturer and dealer in such products/ Malaysia	**100**	100
PKS Sdn Bhd (subsidiary of Tai Sin Electric Cables (Malaysia) Sdn Bhd) (b)	Electrical switch-boards feeder pillars and components manufacturer and dealer in such products/Brunei	**70**	70
Equalight Resources Sdn Bhd (c)	Investment holding/Malaysia	**90**	90
LKH Lamps Sdn Bhd (subsidiary of Equalight Resources Sdn Bhd) (c)	Manufacture and sale of lights and lighting components/Malaysia	**90**	90
LKH Lightings Sdn Bhd (subsidiary of LKH Lamps Sdn Bhd) (c)	Trading of lights and lighting components/Malaysia	**90**	90

12 SUBSIDIARIES (CONT'D)

Name of company	Principal activities/ Country of incorporation and operation	Effective equity interest held by the Group 2005 %	2004 %
Yat Lye Pte Limited [e] [h]	Retailer contractor and provision of sanitary and plumbing services/Singapore	**100**	–
Change The Form Pte Ltd (subsidiary of Yat Lye Pte Limited) [e] [h]	Provision of interior decoration and design services/Singapore	**100**	–
Lim Kim Hai Electric Co (S) Pte Ltd [a]	Distributor of electrical products and investment holding/Singapore	**100**	100
LKH Power Distribution Pte Ltd (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) [a]	Distributor of electrical products/Singapore	**100**	100
Precicon D&C Pte Ltd (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) [a]	Distributor of electrical products/Singapore	**100**	100
Vynco Industries (NZ) Limited (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) [d]	Distributor of enclosures and electrical equipment/ New Zealand	**63.7**	58
PC2M Solutions (M) Sdn Bhd (formerly known as LKHPD Marketing Sdn Bhd) [subsidiary of LKH Power Distribution Pte Ltd] [c]	Dormant/Malaysia	**100**	100
Distribution & Control Pte Ltd (subsidiary of Precicon D&C Pte Ltd) [a]	Dormant/Singapore	**100**	100
PC2M Asia Pacific Pte Ltd (formerly known as EFI Asia Pacific Pte Ltd) [subsidiary of Precicon D & C Pte Ltd] [f]	Distributor of electrical and electronic components and mining accessories/ Singapore	**100**	45
EPT Limited (subsidiary of Vynco Industries (NZ) Limited) [d] [g]	Dormant/New Zealand	**100**	—

[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] Audited by K.A. Seah & Co.

[f] Audited by Chan & Chan.

[g] Incorporated during the year.

[h] Acquired during the year. The transactions for the acquisition of Yat Lye Pte Limited and Change The Form Pte Ltd were completed on July 16, 2004 and January 11, 2005 respectively.

12 SUBSIDIARIES (CONT'D)

The effects of the newly acquired subsidiaries' contribution to the group's revenue and profit before tax for the period between the date of acquisition and the balance sheet date are as follows:

	Revenue $	Profit (Loss) before income tax $
Yat Lye Pte Limited	2,278,859	(632,517)
Change The Form Pte Ltd	69,204	(30,295)
PC2M Asia Pacific Pte Ltd	288,957	5,352
	2,637,020	(657,460)

If the acquisitions had been completed on July 1, 2004, total group revenue for the year would have been $134,662,372 and profit before income tax for the year would have been $7,252,483.

13 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	938,640	1,530,000	21,924,931	3,051,874	18,123,459	1,188,833	46,757,737
Currency realignment	(19,909)	–	(97,939)	(18,528)	(127,141)	(7,640)	(271,157)
Additions	–	–	1,175,448	564,413	200,886	298,850	2,239,597
Acquisition of subsidiaries	–	–	750,000	60,430	–	25,716	836,146
Disposals	–	–	–	(316,169)	(128,975)	(426,400)	(871,544)
Revaluation adjustment	–	–	(4,016,368)	–	–	–	(4,016,368)
At end of year	918,731	1,530,000	19,736,072	3,342,020	18,068,229	1,079,359	44,674,411
Representing:							
Independent valuation	–	–	4,500,000	–	–	–	4,500,000
Cost	918,731	1,530,000	15,236,072	3,342,020	18,068,229	1,079,359	40,174,411
	918,731	1,530,000	19,736,072	3,342,020	18,068,229	1,079,359	44,674,411
Accumulated depreciation:							
At beginning of year	–	42,338	5,490,218	1,799,620	11,758,739	955,864	20,046,779
Currency realignment	–	–	(22,341)	(15,401)	(66,363)	(6,839)	(110,944)
Depreciation for the year	–	38,154	1,043,684	554,417	1,495,661	126,751	3,258,667
Disposals	–	–	–	(308,425)	(102,031)	(425,005)	(835,461)
Revaluation adjustment	–	–	(4,492,853)	–	–	–	(4,492,853)
At end of year	–	80,492	2,018,708	2,030,211	13,086,006	650,771	17,866,188
Depreciation for last year	–	38,154	1,129,749	518,666	1,597,424	123,759	3,407,752
Carrying amount:							
At beginning of year	938,640	1,487,662	16,434,713	1,252,254	6,364,720	232,969	26,710,958
At end of year	918,731	1,449,508	17,717,364	1,311,809	4,982,223	428,588	26,808,223

13 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	8,516,367	1,275,282	11,051,212	526,319	21,369,180
Additions	1,175,448	32,477	102,265	203,575	1,513,765
Disposals	–	(20,614)	(72,050)	(270,562)	(363,226)
Revaluation adjustment	(4,016,368)	–	–	–	(4,016,368)
At end of year	5,675,447	1,287,145	11,081,427	459,332	18,503,351
Representing:					
Independent valuation	4,500,000	–	–	–	4,500,000
Cost	1,175,447	1,287,145	11,081,427	459,332	14,003,351
At end of year	5,675,447	1,287,145	11,081,427	459,332	18,503,351
Accumulated depreciation:					
At beginning of year	3,969,048	1,125,532	7,005,080	455,297	12,554,957
Depreciation for the year	625,196	88,924	950,102	49,330	1,713,552
Disposals	–	(20,615)	(63,988)	(270,562)	(355,165)
Revaluation adjustment	(4,492,853)	–	–	–	(4,492,853)
At end of year	101,391	1,193,841	7,891,194	234,065	9,420,491
Depreciation for last year	697,986	110,365	983,676	26,634	1,818,661
Carrying amount:					
At beginning of year	4,547,319	149,750	4,046,132	71,022	8,814,223
At end of year	5,574,056	93,304	3,190,233	225,267	9,082,860

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 (52 years from August 1, 1980)	Factory building
22 Gul Crescent Jurong Town Singapore 629530	Leasehold (11 years 3 months from December 31, 2004)	Factory building
11 Gul Lane Jurong Town Singapore 629410	Leasehold (51 years 16 days from July 16, 1981)	Factory building
53 Kallang Place Singapore 339177	Leasehold (60 years from April 1, 1976)	Industrial building

13 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
120 Eunos Avenue 7 Richfield Industrial Centre Singapore 409574	Leasehold (60 years from November 14, 1981)	Industrial building
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 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

The property at 24 Gul Crescent and 11 Gul Lane were subject to an independent professional valuation carried out by a firm of professional valuers, Associated Property Consultants Pte Ltd, on April 5, 2005 on an open market value basis. The revaluation surplus of $476,485 arising from the above-mentioned valuations have been taken to revaluation reserves. The directors of the company believe that the carrying amounts of the remaining leasehold properties approximate the market value as at June 30, 2005.

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 $1,646,393 (2004 : $1,776,185) for the company. The freehold property, leasehold land and buildings of the subsidiaries are carried at cost.

The carrying amount of motor vehicles and office equipment and furniture under finance leases for the group as at June 30, 2005 are $87,802 (2004 : $39,308) and $176,607 (2004 : $Nil) respectively.

The carrying amount of assets pledged to the bank (Note 22) for the subsidiaries as at June 30, 2005 are $7,599,746 (2004 : $7,357,247).

14 INTANGIBLE ASSETS

	Group $
Cost:	
At beginning of year	124,591
Currency realignment	(2,642)
At end of year	121,949
Accumulated amortisation:	
At beginning of year	89,446
Currency realignment	(1,630)
Amortisation for the year	23,004
At end of year	110,820
Amortisation for last year	31,269
Carrying amount:	
At beginning of year	35,145
At end of year	11,129

Amortisation of intangible assets of $23,004 (2004 : $31,269) has been included under depreciation and amortisation expenses.

15 OTHER INVESTMENTS

	Group 2005 $	Group 2004 $
At cost:		
Quoted equity shares	**58,476**	59,743
Less: Impairment loss	**(40,933)**	(23,897)
	17,543	35,846
Unquoted investments	**11,961**	12,220
	29,504	48,066
Market value of quoted equity shares	**17,543**	35,846

16 DEVELOPMENT COSTS

Development costs relate to the planning and design of a new product range. Commercial production is scheduled to begin within the next twelve months, at which time amortisation of development cost will commence. No amortisation has been charged this year as production had not taken place.

17 NEGATIVE GOODWILL

	Group $
Cost:	
At beginning of year	3,081,151
Taken to accumulated profits	(3,081,151)
At end of year	–
Accumulated amortisation:	
At beginning of year	169,257
Taken to accumulated profits	(169,257)
At end of year	–
Carrying amount:	
At beginning of year	2,911,894
At end of year	–

In accordance with the transitional provisions of FRS 103, negative goodwill arising on acquisition before July 1, 2004 is taken directly to accumulated profits.

18 BANK OVERDRAFTS AND OTHER BANK BORROWINGS

	Group		Company	
	2005 $	2004 $	2005 $	2004 $
Bank loan - unsecured	**840,000**	250,000	**840,000**	250,000
Bank overdrafts	**2,172,879**	1,912,454	**–**	–
Trust receipts and bills payable to banks	**16,324,871**	14,412,832	**8,565,288**	8,964,434
	19,337,750	16,575,286	**9,405,288**	9,214,434

For 2005, 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 RM40.4 million (S$17.9 million), B$0.92 million (S$0.92 million) and S$26.1 million by the company (Note 33). The corporate guarantee also covers the long-term borrowings in Note 22; and

v) personal guarantees by directors of certain subsidiaries.

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;

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

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 33). The corporate guarantee also covers the long-term borrowings in Note 22; and

vi) personal guarantees by directors of a subsidiary.

The bank overdrafts and other bank borrowings bear interest at rates ranging from 1.50% to 8.50% (2004 : 2.0% to 7.75%) per annum and are due within 12 months.

The bank overdrafts and other bank borrowings are denominated in the following currencies:

	Group		Company	
	2005	2004	2005	2004
	$	$	$	$
Singapore dollars	**13,524,283**	12,241,332	**9,405,288**	9,214,434
Malaysian ringgit	**5,813,467**	4,333,954	**–**	–
	19,337,750	16,575,286	**9,405,288**	9,214,434

19 TRADE PAYABLES

	Group		Company	
	2005	2004	2005	2004
	$	$	$	$
Outside parties	**19,641,497**	16,475,136	**6,038,697**	3,089,211
Related parties (Note 5)	**216,843**	60,247	**–**	–
Subsidiaries (Note 12)	**–**	–	**1,789,791**	158,807
	19,858,340	16,535,383	**7,828,488**	3,248,018

The trade payables are denominated in the following currencies:

	Group		Company	
	2005	2004	2005	2004
	$	$	$	$
United States dollars	**4,621,967**	1,908,910	**4,314,376**	1,754,204
Singapore dollars	**8,967,315**	8,318,024	**3,441,856**	1,427,503
New Zealand dollars	**897,500**	2,113,213	**–**	–
Australian dollars	**11,241**	–	**–**	–
Euro	**1,972,003**	277,594	**72,256**	66,311
Sterling pound	**50,607**	–	**–**	–
Malaysian ringgit	**2,919,801**	3,422,278	**–**	–
Brunei dollars	**417,906**	495,364	**–**	–
	19,858,340	16,535,383	**7,828,488**	3,248,018

20 OTHER PAYABLES

	Group 2005 $	Group 2004 $	Company 2005 $	Company 2004 $
Loan from subsidiaries (Note 12)	**–**	–	**1,275,000**	500,000
Accruals	**1,907,110**	1,400,240	**424,450**	297,825
Provision for directors' fees	**169,640**	103,000	**92,000**	73,000
Customer deposits	**93,938**	93,213	**–**	–
Others	**754,945**	449,310	**444,828**	251,453
Related parties (Note 5)	**46,482**	92,272	**–**	–
	2,972,115	2,138,035	**2,236,278**	1,122,278

Loan from subsidiaries are interest-free and unsecured. In 2004, the amounts due to related parties were interest bearing at 7.95% per annum. The balance as at June 30, 2005 is interest-free and unsecured.

21 OBLIGATION UNDER FINANCE LEASES

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2005 $	2004 $	2005 $	2004 $
Amounts payable under finance leases:				
Within one year	**111,701**	13,394	**96,842**	10,461
In the second to fifth year inclusive	**162,507**	18,726	**148,264**	17,020
	274,208	32,120	**245,106**	27,481
Less: Future finance charges	**(29,102)**	(4,639)		
Present value of leases	**245,106**	27,481		

The rates of interest for the finance leases range from 3.65% to 6.97% (2004 : 3.65% to 7.0%) per annum.

The finance lease obligations are denominated in the following currencies:

	Group 2005 $	Group 2004 $
Singapore dollars	**228,447**	27,481
Malaysian ringgit	**16,659**	–
	245,106	27,481

22 LONG-TERM BORROWINGS

	Group		Company	
	2005 $	2004 $	2005 $	2004 $
Long-term loans - unsecured	**5,333,333**	6,000,000	**5,333,333**	6,000,000
Long-term loans - secured	**1,876,335**	2,722,932	–	–
	7,209,668	8,722,932	**5,333,333**	6,000,000

The borrowings are repayable as follows:

	Group		Company	
	2005 $	2004 $	2005 $	2004 $
On demand or within one year	**2,178,336**	2,161,825	**1,833,333**	1,500,000
Second to fifth year inclusive	**4,959,634**	6,561,107	**3,500,000**	4,500,000
After five years	**71,698**	–	**–**	–
	7,209,668	8,722,932	**5,333,333**	6,000,000
Less: Amount due for settlement within one year (shown under current liabilities)	**(2,178,336)**	(2,161,825)	**(1,833,333)**	(1,500,000)
Amount due for settlement after one year	**5,031,332**	6,561,107	**3,500,000**	4,500,000

The carrying amounts of the group's borrowings are denominated in the following currencies:

	Group		Company	
	2005 $	2004 $	2005 $	2004 $
Singapore dollars	**5,333,333**	6,000,000	**5,333,333**	6,000,000
New Zealand dollars	**625,632**	701,495	**–**	–
Malaysian ringgit	**1,250,703**	2,021,437	**–**	–
	7,209,668	8,722,932	**5,333,333**	6,000,000

The long-term loans bear interest at rates ranging from 2.76% to 9.85% (2004 : 3.3% to 7.75%) per annum.

For 2005 and 2004, the loans were 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 18 and 33);

v) personal guarantees by directors of a subsidiary; and

vi) debenture over all assets of a subsidiary.

23 DEFERRED TAX LIABILITIES (ASSETS)

	Group 2005 $	Group 2004 $	Company 2005 $	Company 2004 $
Deferred tax liabilities	**1,092,195**	1,301,888	**513,000**	700,000
Deferred tax assets	**(350,426)**	(458,565)	**–**	–

The major components giving rise to movements in deferred tax liabilities and assets recognised by the company and the group and movements thereon during the year:

DEFERRED TAX LIABILITIES

	Accelerated tax depreciation $	Provision $	Tax losses $	Revaluation of properties $	Total $
Group					
At beginning of year	1,406,388	(104,500)	–	–	1,301,888
Taken to reserve	–	–	–	95,000	95,000
Credit to profit and loss	(237,835)	(56,858)	(10,000)	–	(304,693)
Currency realignment	–	–	–	–	–
At end of year	1,168,553	(161,358)	(10,000)	95,000	1,092,195
Company					
At beginning of year	804,500	(104,500)	–	–	700,000
Taken to reserve	–	–	–	95,000	95,000
Credit to profit and loss	(226,500)	(55,500)	–	–	(282,000)
At end of year	578,000	(160,000)	–	95,000	513,000

DEFERRED TAX ASSETS

	Accelerated tax depreciation $	Tax losses $	Total $
Group			
At beginning of year	–	(458,565)	(458,565)
(Credit) Charge to profit and loss	(20,664)	121,298	100,634
Currency realignment	(5,553)	13,058	7,505
At end of year	(26,217)	(324,209)	(350,426)

The deferred tax assets relate to temporary differences and tax losses arising from overseas subsidiaries.

24 ISSUED CAPITAL

	Group and Company			
	2005	2004	2005	2004
	Ordinary shares of $0.10 each		$	$
Authorised	**300,000,000**	300,000,000	**30,000,000**	30,000,000
Issued and paid up:				
At beginning of year	**249,650,000**	248,000,000	**24,965,000**	24,800,000
Issued during the year	–	1,650,000	**–**	165,000
At end of year	**249,650,000**	249,650,000	**24,965,000**	24,965,000

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.

Details on the options exercised and options outstanding as at the end of the financial year are described in paragraph 5 of the Report of the Directors.

25 REVENUE

	Group	
	2005 $	2004 $
Sales of goods	**133,601,353**	106,234,495
Contract revenue	**743,356**	–
	134,344,709	106,234,495

26 OTHER OPERATING INCOME

	Group	
	2005 $	2004 $
Sale of insurance benefit to a director	**–**	133,866
Gain on disposal of property, plant and equipment	**100,310**	–
Doubtful debts recovered	**21,766**	63,264
Interest income from deposits	**19,668**	46,040
Negative goodwill recognised	**359,513**	–
Insurance compensation received	**77,750**	–
Allowance for doubtful debts written back	**112,038**	–
Allowance for inventories written back	**13,456**	48,336
Grants	**–**	77,655
Rental income	**20,626**	–
Management fee income	**9,000**	18,000
Others	**152,870**	174,144
	886,997	561,305

27 FINANCE COSTS

	Group 2005 $	2004 $
Interest expense from:		
Bank borrowings	**942,041**	1,082,129
Finance leases	**89,529**	8,767
Others	**46,423**	62,604
	1,077,993	1,153,500

28 PROFIT BEFORE INCOME TAX

	Group 2005 $	2004 $
Cost of deferred contribution plans included in staff costs	**1,084,740**	1,013,733
Directors' remuneration:		
Directors of company	**1,094,442**	1,023,931
Directors of subsidiaries	**791,916**	620,281
Directors' fees:		
Directors of company	**143,760**	93,000
Directors of subsidiaries	**25,598**	10,000
Auditors' remuneration:		
Auditors of the company	**86,596**	84,000
Other auditors	**30,732**	21,186
Fees for non-audit services rendered by:		
Auditors of the company	**10,050**	10,000
Other auditors	**4,266**	–
Foreign currency exchange adjustment loss	**257,902**	58,021
Impairment loss in other investments	**17,341**	5,368
Reversal of allowance for inventories [a]	**(13,456)**	(48,336)
Inventories written off	**604,945**	–

[a] Allowance for inventories were reversed due to consumption of the obsolete inventory items.

29 INCOME TAX EXPENSE

	Group 2005 $	2004 $
Income tax		
Current	**1,980,151**	1,284,954
Overprovision in prior years	**(19,248)**	(22,554)
	1,960,903	1,262,400
Deferred income tax		
Current	**(208,876)**	(393,419)
Under (Over) provision in prior years	**4,817**	(17,819)
	(204,059)	(411,238)
Share of tax attributable to associate	**–**	150
Total income tax expense	**1,756,844**	851,312

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 20% (2004 : 20%) to profit before income tax as a result of the following differences:

	Group 2005 $	2004 $
Income tax expense at statutory rate	**1,450,171**	956,281
Non-allowable items	**182,042**	13,489
Deferred tax benefits not recognised	**225,040**	418,551
Utilisation of deferred tax benefits previously not recognised	**(124,372)**	(426,610)
Overprovision of taxation	**(14,431)**	(40,373)
Tax rebates	**(51,289)**	(34,938)
Effect of different tax rates of overseas operations	**109,385**	65,924
Effect of changes in tax rates	**–**	(93,484)
Others	**(19,702)**	(7,528)
Total income tax expense	**1,756,844**	851,312

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

	Group 2005 $	2004 $
Tax loss carryforwards		
Balance at beginning of year	**5,889,000**	5,557,000
Arising from adjustment to prior year balance	**(1,081,000)**	–
Currency realignment	**(99,000)**	(42,000)
Amount in current year	**1,059,000**	1,180,000
Amount utilised in current year	**(154,000)**	(806,000)
Balance at end of year	**5,614,000**	5,889,000

29 INCOME TAX EXPENSE (CONT'D)

	Group 2005 $	2004 $
Unutilised investment allowance		
Balance at beginning of year	**4,501,000**	4,183,000
Arising from adjustment to prior year balance	**(641,000)**	–
Currency realignment	**(93,000)**	(81,000)
Amount utilised in current year	**(944,000)**	399,000
Balance at end of year	**2,823,000**	4,501,000
Unutilised capital allowance		
Balance at beginning of year	**2,110,000**	2,792,000
Arising from adjustment to prior year balance	**(1,181,000)**	–
Currency realignment	**(14,000)**	(38,000)
Amount in current year	**838,000**	271,000
Amount utilised in current year	**(368,000)**	(915,000)
Balance at end of year	**1,385,000**	2,110,000
Total	**9,822,000**	12,500,000
Deferred tax benefits on above:		
recorded	**324,209**	458,565
unrecorded	**1,640,191**	2,237,537

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.

Group relief
Subject to the satisfaction of the conditions for group relief, $670,000 of tax losses arising in the current year were transferred from a subsidiary under the group relief system.

30 EARNINGS PER SHARE

The group's earnings per share is calculated based on the profit after income tax attributable to shareholders of the company of $5,293,592 (2004 : $3,657,973) and the weighted average number of 249,650,000 (2004 : 249,134,932) ordinary shares issued.

The fully diluted earnings per share is calculated based on the group's profit after income tax attributable to shareholders of the company of $5,293,592 (2004 : $3,657,973) divided by the weighted average number of 250,129,615 (2004 : 249,134,932) ordinary shares adjusted for the effects of all dilutive potential ordinary shares.

31 DIRECTORS' REMUNERATION

Number of directors in remuneration bands are as follows:

	2005	2004
$500,000 and above	–	–
$250,000 to $499,999	1	1
Below $250,000	8	8
	9	9

32 DIVIDENDS

During the financial year ended June 30, 2004, the company 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. A final dividend of $0.006 per ordinary share less tax on the ordinary shares of the company totalling $1,198,320 in respect of the financial year ended June 30, 2004 was paid out during this financial year.

Subsequent to June 30, 2005, the directors of the company recommended that a final dividend be paid at $0.0075 per ordinary share less tax for the financial year just ended on the ordinary shares of the company, totalling $1,497,900. The proposed dividends are not accrued as a liability for the current financial year in accordance with FRS 10*, Events after the Balance Sheet Date.*

33 CONTINGENT LIABILITIES

	Group		Company	
	2005	2004	2005	2004
	$	$	$	$
Corporate guarantee in relation to credit facilities granted to subsidiaries (Notes 18 and 22)	–	–	44,937,200	36,255,260
Performance guarantees (secured, Note 18)	784,145	55,081	–	–
Standby letter of credit	376,320	346,938	–	–
Performance guarantees (unsecured)[a]	3,241,051	3,112,636	1,858,295	2,468,455
Total	4,401,516	3,514,655	46,795,495	38,723,715

[a] The performance guarantees are covered by corporate guarantee of the company.

34 COMMITMENTS

	Group 2005 $	Group 2004 $	Company 2005 $	Company 2004 $
(a) Capital expenditure:				
Estimated amounts committed for future capital expenditure but not provided for in the financial statements	–	927,000	–	927,000
(b) Copper forward contracts:				
Buy:				
US$	**434,260**	–	**434,260**	–
Equivalent in Singapore dollars	**731,772**	–	**731,772**	–

35 OPERATING LEASE COMMITMENTS

	Group 2005 $	Group 2004 $	Company 2005 $	Company 2004 $
Minimum lease payments under operating leases included in the profit and loss statements	**785,188**	578,022	**213,559**	155,770

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 2005 $	Group 2004 $	Company 2005 $	Company 2004 $
Future minimum lease payments payable:				
Within one year	**813,899**	704,855	**342,000**	224,484
In the second to fifth year inclusive	**2,748,796**	2,402,484	**1,368,000**	897,936
After five years	**10,434,505**	6,969,465	**5,500,867**	359,744
Total	**13,997,200**	10,076,804	**7,210,867**	1,482,164

36 SEGMENT INFORMATION

ANALYSIS BY BUSINESS SEGMENTS

Segment revenue and results

Segment revenue consists of revenue directly attributable to a segment and the relevant portion of the entity's revenue that can be allocated on a reasonable basis to a segment, whether from sales to external customers or from transactions with other segments, derived from the principal activities of the respective entities in the segment. It does not include interest income, dividend income or any gain on disposal of capital assets.

Inter-segment sales are accounted for at competitive market prices charged to unaffiliated customers for similar goods. These transactions are eliminated upon consolidation.

Segment result is segment revenue less segment expense and is determined before any adjustments for minority interests.

36 SEGMENT INFORMATION (CONT'D)

Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade/other receivables, inventories and property, plant and equipment, net of allowances and provisions. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis.

Segment liabilities include all operating liabilities and consist principally of bank borrowings and trade/other payables.

Segment assets and liabilities do not include income tax payable and deferred income taxes.

ANALYSIS BY GEOGRAPHICAL SEGMENTS

Segment revenue

Segment revenue is analysed based on the location of the customers regardless of where the goods are produced.

Segment assets and captial expenditure

Segment assets and captial expenditure are analysed based on the location of those assets. Capital expenditure includes the total cost incurred to acquire property, plant and equipment, and intangible assets.

2005

Business segments

	Cable and wire $	Switchboards $	Lamps and lighting products $	Electrical equipment $	Sanitary $	Elimination $	Total $
REVENUE							
External sales	65,009,007	5,074,982	2,570,692	59,341,965	2,348,063	–	134,344,709
Inter-segment sales	1,295,307	–	–	27,617	–	(1,322,924)	–
Total revenue	66,304,314	5,074,982	2,570,692	59,369,582	2,348,063	(1,322,924)	134,344,709
RESULT							
Segment result	6,309,294	497,914	(640,688)	2,460,591	(608,557)	–	8,018,554
Unallocated corporate income							293,038
Operating profit							8,311,592
Interest expense	(364,133)	–	(14,295)	(93,342)	(16,142)	–	(487,912)
Unallocated interest expense							(590,081)
							7,233,599
Interest income	–	17,897	–	1,771	–	–	19,668
Share of results of associate	–	–	–	(2,415)	–	–	(2,415)
Income tax expense							(1,756,844)
Profit for the year							5,494,008

36 SEGMENT INFORMATION (CONT'D)

	Cable and wire $	Switchboards $	Lamps and lighting products $	Electrical equipment $	Sanitary $	Total $
OTHER INFORMATION						
Segment assets	55,645,069	6,227,321	5,083,376	34,698,172	3,250,700	104,904,638
Unallocated segment assets						350,426
Consolidated total assets						105,255,064
Segment liabilities	23,635,485	388,204	863,614	13,770,823	1,370,688	40,028,814
Unallocated segment liabilities						12,781,083
Consolidated total liabilities						52,809,897
Capital expenditure	1,581,777	9,597	44,802	966,908	4,982	2,608,066
Depreciation and amortisation	1,986,356	158,063	431,384	655,188	50,680	3,281,671
Non-cash (income) expenses other than depreciation and amortisation	(98,552)	–	–	557,836	45,351	504,635

Geographical segments

	Revenue $	Segment assets $	Total capital expenditure $
Singapore	101,176,500	76,794,780	1,939,135
Malaysia	15,060,445	16,838,275	112,815
Brunei	5,074,983	6,413,394	9,597
New Zealand	13,032,781	5,208,615	546,519
	134,344,709	105,255,064	2,608,066

36 SEGMENT INFORMATION (CONT'D)

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
RESULT						
Segment result	4,229,680	481,958	(1,673,338)	2,715,520	(19,695)	5,734,125
Unallocated corporate income						154,058
Operating profit						5,888,183
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)
Profit for the year						3,930,094

	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					92,158,689

36 SEGMENT INFORMATION (CONT'D)

	Cable and wire $	Switchboards $	Lamps and lighting products $	Electrical equipment $	Total $
Segment liabilities	18,346,889	553,178	803,125	13,383,046	33,086,238
Unallocated segment liabilities					13,742,057
Consolidated total liabilities					46,828,295
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					3,284,963
Non-cash expenses other than depreciation and amortisation	–	–	–	–	–

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
	106,234,495	92,158,689	767,995

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 25 to 61 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, 2005, 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 DIRECTORS

Lim Chye Huat @ Bobby Lim Chye Huat

Lin Chen Mou

August 26, 2005

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) The aggregate value of all interested persons transactions (excluding any transaction which is less than $100,000) during the financial year ended June 30, 2005 were as follows:-

Name of Interested person	Nature of transactions	Aggregate value of all Interested person transactions during the financial year under review
Lim Chye Huat @ Bobby Lim Chye Huat	Acquisition of subsidiary	$ 198,800
VL Holdings Ltd	Rental income	$ 115,720
LKH (B) Sdn Bhd	Sales	$ 214,885

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 June 30, 2005, or if not then subsisting, entered into since the end of the previous financial year.

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

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	1	0.03	380	0.00
1,000 - 10,000	1,986	69.20	11,110,340	4.45
10,001 - 1,000,000	856	29.83	47,778,520	19.14
1,000,001 & Above	27	0.94	190,760,760	76.41
TOTAL	2,870	100.00	249,650,000	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	LIM BOON HOCK BERNARD	25,250,000	10.11
2	LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	24,217,580	9.70
3	LIM BOON CHIN BENJAMIN	16,000,000	6.41
4	CHANG CHAI WOON	11,100,000	4.45
5	LIM CHAI LAI @ LOUIS LIM CHAI LAI	10,497,000	4.20
6	GOH SOO LUAN	9,441,000	3.78
7	AU YEOW HUAT KEVIN	8,885,000	3.56
8	LIM LIAN HIONG	8,551,000	3.43
9	LIM HIANG LAN	7,633,000	3.06
10	LIM PHEK CHOO CONSTANCE	7,588,000	3.04
11	CHEN CHANG, CHUN-FEI	6,855,000	2.75
12	GERALDINE CHENG HUA YONG	5,547,000	2.22
13	CHIA AH HENG	5,441,000	2.18
14	LIM LIAN ENG	5,418,000	2.17
15	CHAN KUM LIN	5,000,000	2.00
16	WONG TIM KAI	4,400,000	1.76
17	CHEN SHYH YI	4,270,720	1.71
18	LIM CHYE KWEE	4,246,000	1.70
19	HONG TAI ELECTRIC INDUSTRIAL CO LTD	3,964,520	1.59
20	OVERSEAS UNION BANK NOMINEES PTE LTD	3,500,000	1.40
		177,804,820	71.22

LIST OF SUBSTANTIAL SHAREHOLDERS AND THEIR SHAREHOLDINGS AS AT 8 SEPTEMBER 2005 BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	No. of Shares: Shareholdings registered in the name of Substantial Shareholders or their Nominees	No. of Shares: Shareholdings in which Substantial Shareholders are deemed to have an interest
Lim Chye Huat @ Bobby Lim Chye Huat (1)	24,217,580	9,441,000
Goh Soo Luan (2)	9,441,000	24,217,580
Lim Boon Hock Bernard (3)	25,500,000	1,100,000
Pang Yoke Chun (4)	1,100,000	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	8,551,000
Lim Lian Hiong (8)	8,551,000	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 24,217,580 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 1,100,000 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 8,551,000 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 38% 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 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 20, 2005 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, 2005 together with the Auditors' Report thereon.

2. To declare a final dividend of $0.0075 cents per ordinary share less tax at 20% for the year ended June 30, 2005.

3. To approve the payment of $92,000 as Directors' Fees for the year ended June 30, 2005. (2004 : $73,000)

4. To re-elect the following Directors retiring pursuant to the Articles of Association of the Company:-
   (a) Mr. Lin Chen Mou;
   (b) Mr. Lim Boon Hock Bernard; and
   (c) Mr. Chang Chai Woon.

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.

BY ORDER OF THE BOARD

MRS LOW NEE TAN LENG FONG
TAN SHOU CHIEH
SECRETARIES

Singapore, October 4, 2005

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) 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.

(3) 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.

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TAI SIN ELECTRIC CABLES MANUFACTURER LIMITED

(Incorporated in the Republic of Singapore - Company Registration No: 198000057W)

PROXY FORM

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)

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 20, 2005 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 Mr. Lin Chen Mou as a Director		
	(b) Re-election of Mr. Lim Boon Hock Bernard as a Director		
	(c) Re-election of Mr. Chang Chai Woon 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 ________________ 2005.

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
(Registration No. 198000057W)

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