Re-Energising for the Future

annual report 2007

Tai Sin®

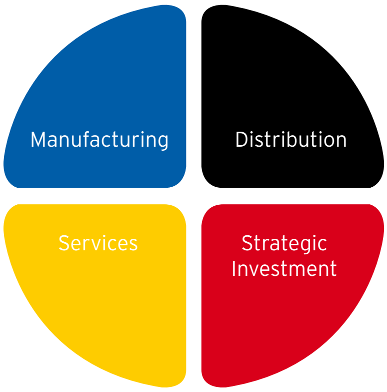
The Electric Solutions Specialist For Asia Since 1958

Re-Energising for the Future

With the booming Asian economy showing no sign of fatigue, Tai Sin recognises the urgent need to re-align its businesses, streamline its strengths and operating efficiency, and refresh its communications strategy to project a more energised and powerful image in the market.

This is an essential step to secure the Group's continuous growth into the future.

Contents



Our Vision

To be the leading electric company in the Asia Pacifc region.

Corporate Profile

Since its incorporation in 1980 as Tai Sin Electric Cables Manufacturer Limited (TSEC), the Company has expanded and diversified steadily over the past two decades to establish itself as the present Tai Sin Group of Companies. Listed on the Stock Exchange of Singapore SESDAQ in 1998, the Group's exceptional growth and operational excellence has enabled its listing to be transferred to the SGX Main Board in 2005.

Started initially as a cable manufacturing business, Tai Sin currently operates a highly successful network distributing electrical and control products, devices and accessories and solutions to a wide range of local and regional industries. Empowered by its expansion, the Group's strengths as an electric solutions specialist is now even more strategically aligned to meet the needs of customers ranging from end-users to contractors, system integrators, engineers and consultants.

Today, the Group's geographical presence extends to as far as the Middle East besides our regional coverage that includes Malaysia, Vietnam and Brunei. In a move to provide greater clarity in the Group structure, we have streamlined our businesses into four clusters under the Tai Sin corporate brand covering manufacturing, distribution, services and strategic investment.

Customer Commitment **Reliability** **Innovative**

Corporate Values

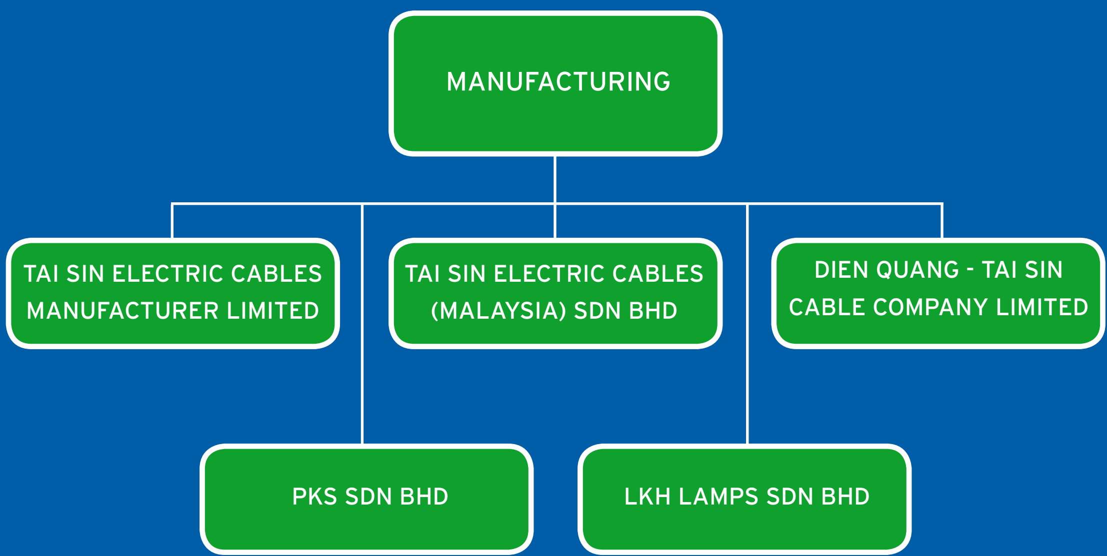
As a forward looking and lucrative enterprise, our corporate values are grounded in our unwavering **commitment** towards customers; **reliability** in meeting and even exceeding customer expectations; as well as constantly injecting **innovation** into everything we do. All these will help direct the way we approach our business and eventually attain our corporate goals.

MANUFACTURING

Corporate Structure Re-Energised

All subsidiaries with manufacturing as their principal activity will be aligned under the manufacturing cluster. This cluster currently includes mainly its leading electric wires and cables manufacturing activities in Singapore and Malaysia. With continued strong regional demand, a joint venture company called Dien Quang - Tai Sin Cable Company Limited was established in Vietnam to manufacture electric cables of all kinds for domestic consumption and export market.

The new plant commenced operation in September of 2007. Apart from this core activity, this cluster also involves in lamps manufacturing and assembly of switchboards. With its renewed manufacturing excellence, Tai Sin and its subsidiaries will continue to explore new concepts in product designs and solutions-oriented manufacturing processes to service the needs of our customers both now and in the future.

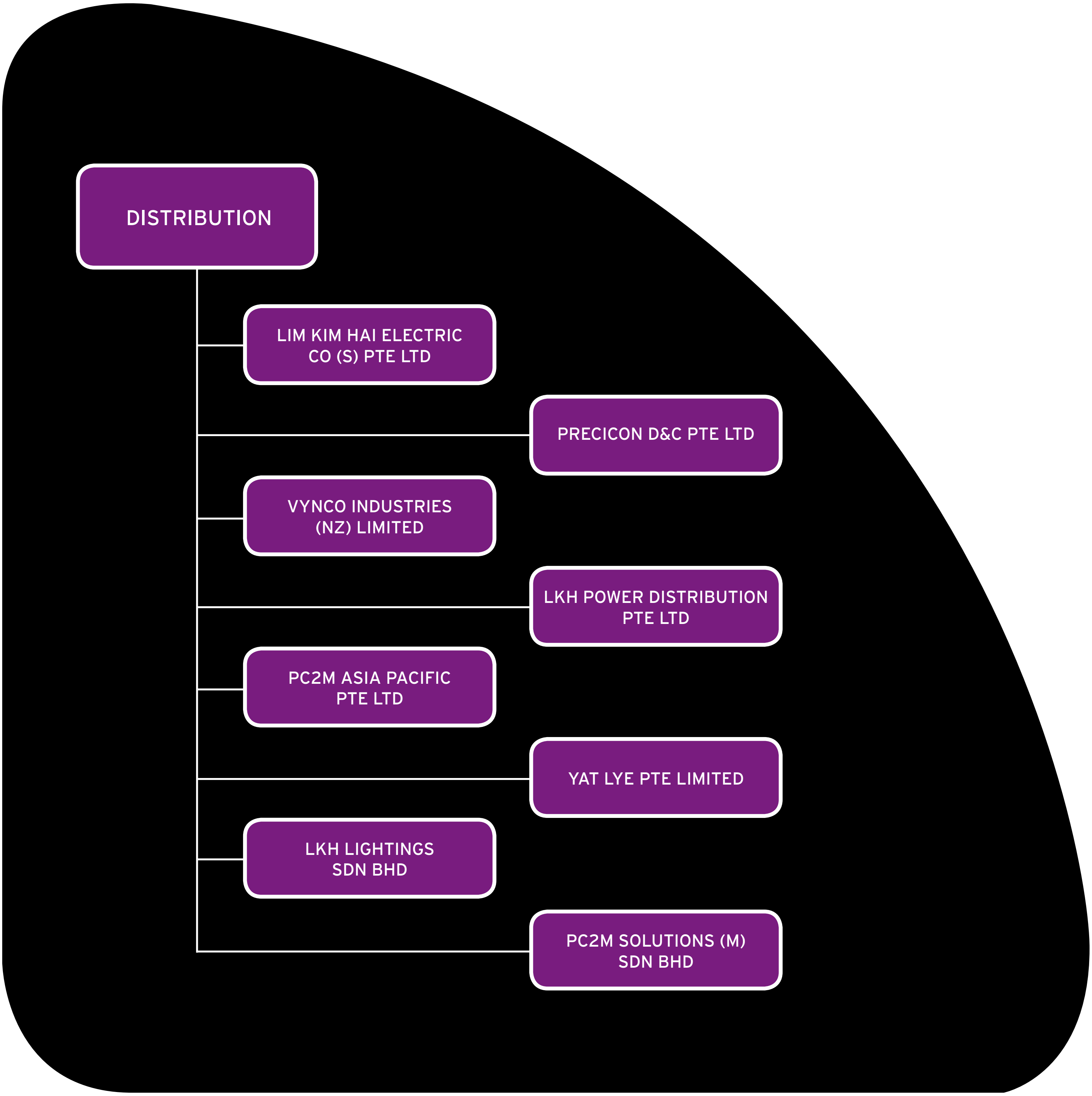


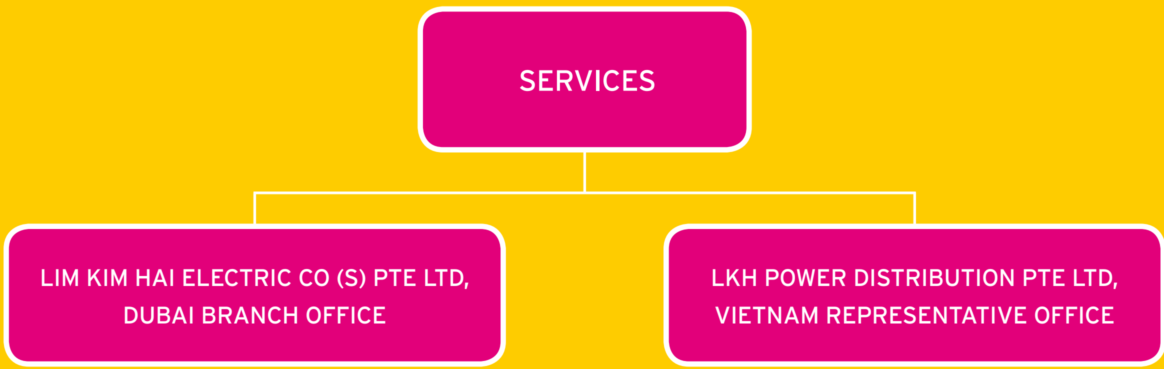
DISTRIBUTION

Corporate Structure Re-Energised

This cluster unites all companies with distribution as their principal activity. With acquisition of Lim Kim Hai Electric and its subsidiaries, the Group's resources have grown phenomenally in both strength and amplitude. Today, Tai Sin synergistically combines the distribution heritage of its subsidiary Lim Kim Hai Electric to expand its marketing and distribution capabilities for local and regional customers with a broader range of electrical and control products, devices and accessories.

Our newly re-energised position will boost the Tai Sin's strive to be Asia's Electric Solutions Group and increase stakeholder value.





SERVICES

Corporate Structure Re-Energised

This cluster unites all subsidiaries with service provision as their principal activity, regardless of the types of services provided. Service development in overseas markets remains the model for future success that will contribute to Tai Sin's drive for sustainable growth and shareholder return. Through our subsidiary LKH Power Distribution, it has established a representative office in Vietnam that will aggressively participate and expand the supply of electrical products and services in infrastructural projects in booming Vietnam market. At the same time, a marketing branch office was set up in Dubai to market our electrical products and to tap the exciting business opportunities in the building and construction industry in U.A.E and to eventually expand into other Middle East countries.

STRATEGIC INVESTMENT

Corporate Structure Re-Energised

This cluster aligns all companies that were established or acquired for the purpose of investment for capital gains, regardless of their industry types. Although the Group is focused for the future with three key clusters: manufacturing, distribution and services, we recognise the vast business potential beyond Singapore and will continue to explore opportunities for investments abroad that will enable us to reap long-term beneficial rewards for our staff and stakeholders.

Professor Lee Chang Leng Brian
Chairman

I am pleased to bring you the Group's Annual Report for the year ended June 30, 2007.

ANOTHER SOLID PERFORMANCE ALL ROUND

Tai Sin's achievements of the past 12 months are borne out by our financial results. These show significant, across-the-board gains vis-a-vis the year before.

Compared with the financial year ended June 30, 2006, Tai Sin's revenue jumped 26.9% to $232.72 million. Pre-tax profit shot up by 81.1% to $26.16 million. This generated a historically high consolidated profit after taxation of $20.93 million, or 83.6% above the previous year's record of $11.40 million.

The Group's accelerated growth in revenue and income was primarily driven by cable and wire sales, which increased 39.5% year-on-year to $145.78 million. Overall, our manufacturing activities grew revenue by 32.7% while delivering an 82.6% surge in profits.

Sales of electrical equipment expanded 20.5% to total $81.03 million, thereby contributing heftily to an 17.5% rise in revenue for the Group's distribution segment.

On the back of these gratifying results, Earnings Per Share ("EPS") rose 78.8% from 3.30 cents to 5.90 cents.

LOOKING BACK

Several factors account for the Group's strong top and bottom lines.

High copper prices, which peaked at almost US$8,000 per metric tonne during the year, helped produce our cable and wire segment's outstanding report card.

It should also be noted that the Group achieved its successes against the backdrop of a thriving construction industry, which continues to keep determined pace with sustained economic growth in Singapore and around the region. Having emerged from an almost decade-long slump following the 1997 Asian financial crisis, developers are making up for lost time with heavy order books for infrastructural, residential and commercial installations.

This upswing in construction and building activity across much of Asia provides us with great impetus to extend our market leadership regionally. Indeed, FY2007 witnessed a substantial expansion of the Group's presence in Vietnam and the Middle East.

Given our ambition to intensively internationalise the Group's reach, we decided in the last year it was time to re-energise our image in the market.

RESTRUCTURED AND RE-ENERGISED

Towards that end, we have undertaken a corporate branding initiative to align all our companies with the Tai Sin corporate identity in the Group's brand architecture. Our businesses are now uniquely classified by company function, rather than product type, into four clusters under the Tai Sin corporate brand:

- **Manufacturing**
- **Distribution**
- **Services**
- **Strategic Investment**

The above reclassification has given rise to an even more efficient structure for our operations while providing greater transparency to our stakeholders and customers. It brings our core competencies into strategic focus, thereby reinforcing our new position as Asia's Leading Electric Solutions Company.

The Group's distribution companies, for instance, have taken advantage of their own in-company clusterisation actions to further enhance their relationships with their business partners. In the process, this has enabled them to acquire a wider, high-yield customer base. Hence, the distribution segment's much improved revenue in the year under review.

LOOKING AHEAD

As usual, we're keeping a close eye on copper prices, the present volatility of which could adversely affect the Group's financial performance in the near future. On the whole, however, we remain upbeat about our prospects.

Despite housing concerns threatening a US slowdown, the world economy is holding up well even after four consecutive years of sturdy growth.

Asia, in particular, boasts multiple bright spots on the economic topography. Intra-regional trade will continue to be spearheaded by the scorching pace of industrialisation in China and India, spurred by Japan's relentless export machinery and fuelled by massive projects in the Middle East. Elsewhere on the continent, consumer spending amidst positive business sentiment shows little sign of abating - which suggests the uptrends in the construction and building industry are not about to level off anytime soon.

In other words, opportunities abound for the Group to assert its market leadership over an ever widening regional footprint. We have embarked on a number of initiatives to take full advantage of any promising business opportunities.

For one, we have established a joint venture in Vietnam, currently in the grip of a construction boom, to manufacture electric cables and wires for both domestic consumption and export into the surrounding Indo-China markets. The Dien Quang - Tai Sin Cable Company Limited factory in Binh Duong Province officially begins operations in September 2007. Vietnam's vast project supply offers the Group much scope in the provision of not just cables and wires, but lightings and other electrical materials as well. Our joint venture had been preceded by the formation of a representative office in the country in 2005 to explore various business options.

For our next engine of growth, we are looking to the Middle East. So far, we have set up a branch office in Dubai to tap into supply opportunities, presented by mega-scale developments, for cables, switches and lamps. This base office will also help the Group explore further afield in the United Arab Emirates and access neighbouring re-export markets all the way to the African continent.

At the same time, we have increased the Group's cable manufacturing capacities at our Singapore and Malaysia factories to capitalise on the building frenzy closer to home. The Republic alone has a long order list of constructions ranging from integrated resorts to downtown MRT lines to new projects occasioned by multiple en-bloc sales. Across the Causeway, Malaysia's Iskandar Development Region should keep our local operations busy in the next couple of years at least.

The Group's distribution companies stand to benefit from events in the wider economy as well. This cluster's growth will be boosted by the continuing diversification of Singapore's manufacturing sector, and by the persistent strength of the chemical, oil and gas, marine and biomedical industries.

DIVIDENDS

The Board is pleased to recommend a final dividend of 1.00 cent. The proposed total payout of $3.922 million is subject to members' approval at the Group's AGM to be convened on October 30, 2007.

IN APPRECIATION

In September 2007, we bade farewell to six of our Directors: Mr. Lin Chen Mou, Mr. Chia Ah Heng, Mr. Lim Chai Lai @ Louis Lim Chai Lai, Mr. Chang Chai Woon, Mr. Sim Yeong Soon and Mr. Lee Lien-Shen (Alternate Director to Mr. Lin Chen Mou). They voluntarily resigned their seats to facilitate the reconstitution of the Board with the objective of enhancing its effectiveness and independence. The new Board, a majority of whom (including the Chairman) are independent, now comprises five Directors instead of the original eleven.

On behalf of the Board, I would like to express our appreciation for the contributions the outgoing Directors have made to the strategic direction, progress and prosperity of the Tai Sin Group.

At the same time, we welcome Mr. Tay Joo Soon, who has been appointed as the Group's Non-Executive Director.

As we close the books on another good year for the Group, I wish to record our appreciation, too, to the many individuals and organisations without whom our success past, present and future would have been unimaginable. This esteemed list includes our customers, bankers, suppliers and principals, business partners and associates as well as the various statutory boards and government agencies we have worked with to advance our business.

Certainly not to be forgotten are our shareholders: thank you for your faith in Tai Sin. We look forward to repaying them in dividends yet again, and continually, in the years ahead.

Last, though definitely not least, I salute all Tai Sin employees. You have every reason to take pride in our success, which you have helped to make possible with your talent and industry.

Professor Lee Chang Leng Brian
Chairman

Singapore
August 24, 2007

Strength in Focus and Clarity

2007 September: Official opening of manufacturing plant in Vietnam - Dien Quang - Tai Sin Cable Company Limited to manufacture electric cables of all kind for domestic consumption and export markets

2007 May: Completed a corporate branding initiative to strategically position and differentiate the Tai Sin brand for internationalisation. Tai Sin is now **"The Electric Solutions Specialist for Asia Since 1958"**

2006 September: Established Dubai branch office of Lim Kim Hai Electric Co (S) Ptd Ltd to expand its presence in the Middle East

2006 May: Entered into joint venture contract with Dien Quang Lamp Joint Stock Company in Vietnam to jointly invest and establish Dien Quang - Tai Sin Cable Company Limited for purpose of manufacturing electric cables

2005 May: The company's listing was transferred to the SGX Main Board after many years of success and growth

2004 July: Purchase of Yat Lye Pte Limited which specialises in plumbing, sanitary and sewerage installation work with more than 50 years of history in Singapore

2003 May: Acquisition of Lim Kim Hai Group which is Singapore's leading electrical distribution group serving the industrial, commercial and infrastructure sectors

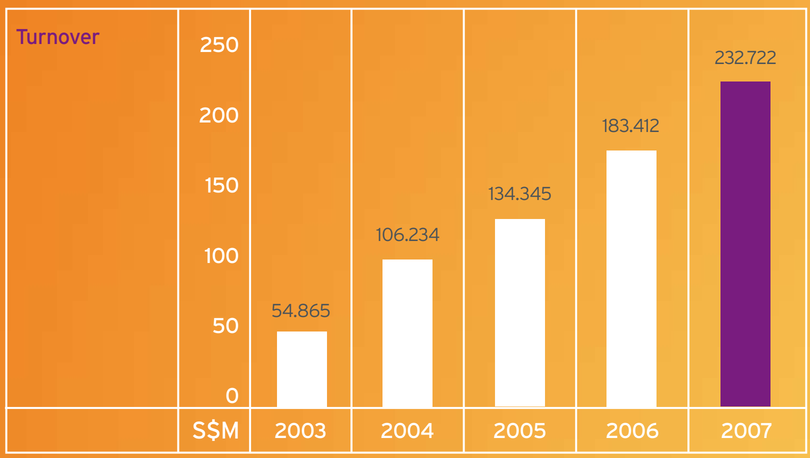
2000 October: Purchase of PKS Sdn Bhd, a company incorporated in Brunei which specialises in the assembly of switchboards and feeder pillars

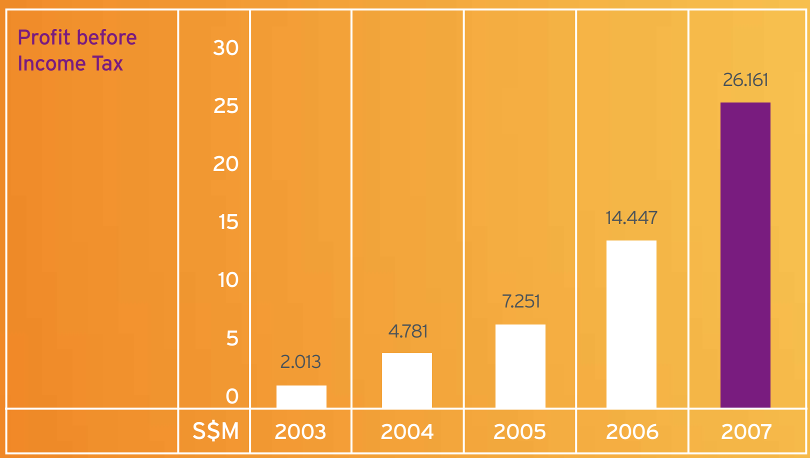
1998 October: Acquisition of wholly-owned subsidiary, Tai Sin Electric Cables (Malaysia) Sdn Bhd

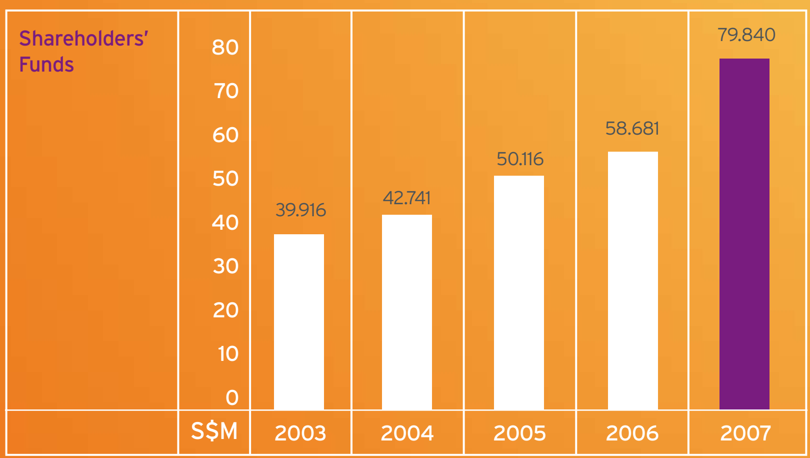
1998 April: Tai Sin was listed on the Stock Exchange of Singapore, SESDAQ on April 23, 1998

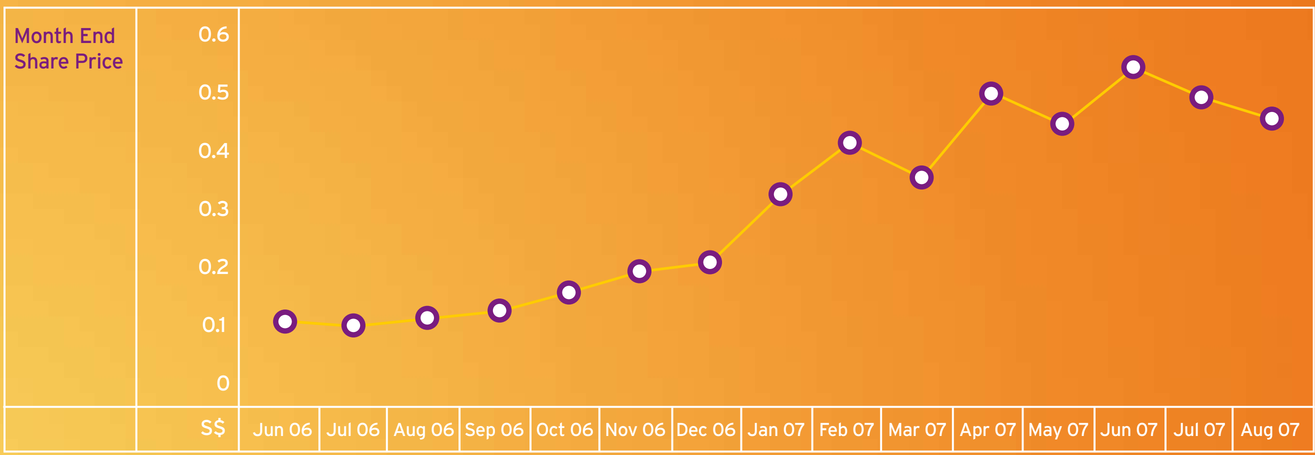
1980 January: Tai Sin was incorporated as a company on January 4, 1980

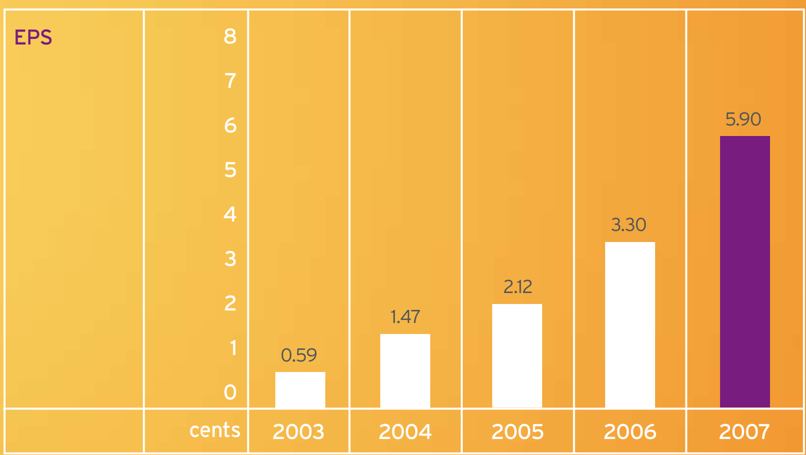
Financial Highlights

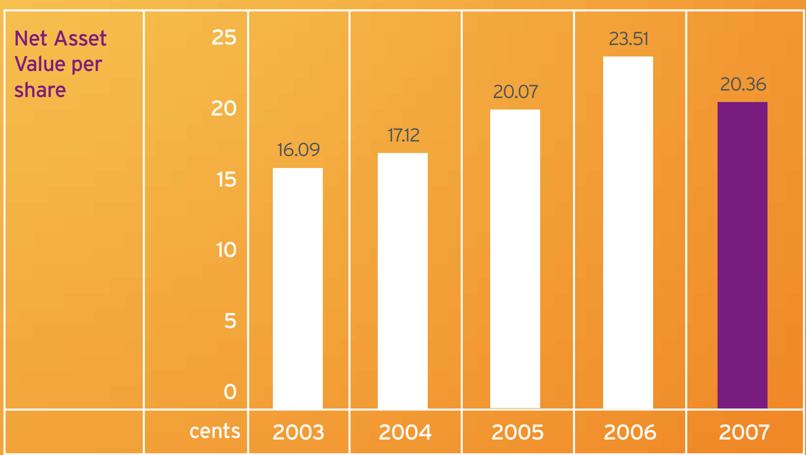







Month End
Share Price
0.6
0.5
0.4
0.3
0.2
0.1
0
S$
Jun 06
Jul 06
Aug 06
Sep 06
Oct 06
Nov 06
Dec 06
Jan 07
Feb 07
Mar 07
Apr 07
May 07
Jun 07
Jul 07
Aug 07


EPS
8
7
6
5
4
3
2
1
0
cents
0.59
1.47
2.12
3.30
5.90
2003
2004
2005
2006
2007


Net Asset
Value per
share
25
20
15
10
5
0
cents
16.09
17.12
20.07
23.51
20.36
2003
2004
2005
2006
2007

LEE CHANG LENG BRIAN

Prof. Lee Chang Leng Brian was appointed as Independent Non-Executive Director in August 2002 and he has been serving as our Chairman since November 2003. He is the Chairman of the Nominating Committee and a member of Audit and Remuneration and Share Option Committee. Prof. Lee 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 Engineering and Technology (IET), 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 directions and business development of the Group. Mr. Bobby Lim has over three decades of experience in the electrical and engineering business. Prior to his current position, Mr. Lim was the Managing Director of Lim Kim Hai Electric Co (S) Pte Ltd from 1972 to 1997. He is the current Chairman of The National St. John Council. Besides, he is also a member of the British Institute of Management and an Honorary Fellow of the Singapore Institute of Engineering Technologists. Mr. Lim was awarded the Public Service Medal (PBM) in 2006.

RICHARD WEE LIANG HUAT @ RICHARD WEE LIANG CHIAT

Mr. Richard Wee Liang Huat was appointed as Independent Non-Executive Director in April 1988. He also sits as the Chairman of the Audit Committee and Remuneration and Share Option Committee and a member of the Nominating Committee of the Company. Mr. Wee is the Chairman of Hubline Berhad as well as the Chairman and Managing Director of Eastern Oxygen Industries Sdn Bhd. Mr. 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.

LIM BOON HOCK BERNARD

In September 1997, Mr. Bernard Lim was appointed as the Executive Director. Since his appointment as the Chief Operating Officer of the Group in June 2003, he oversees the general operations of the Group and execution of strategies and policies adopted by the board. He also plays a key role in the strategic planning and product development of the Group. He holds a Master of Business Administration degree from the University of Strathclyde in the United Kingdom.

TAY JOO SOON

Mr. Tay Joo Soon was appointed as Independent Non-Executive Director in April 2007. He is also appointed as a member of the Audit, Remuneration and Share Option and Nominating Committee. Mr. Tay runs his own firm, Tay Joo Soon & Co., as a proprietor since it was founded in 1970. Currently a practicing Certified Public Accountant, he has more than three decades of experience in the fields of accounting, auditing, taxation and company secretarial work in diverse industries including manufacturing and retailing. In addition, Mr. Tay is the Deputy Chairman and Independent Director of Jurong Cement Limited and also serves on the Board of New Toyo International Holdings Ltd and Shanghai Asia Holdings Limited, all of which are listed companies. Mr. Tay is a Fellow of the Institute of Certified Public Accountants of Singapore, Fellow of The Institute of Chartered Accountants in Australia, Member of The Malaysian Institute of Certified Public Accountants and Member of CPA Australia.

Key Management

CHOO WEI LOON MICHAEL

Mr. Michael Choo first joined the Company as Financial Controller in January 1998. He was appointed as the Chief Financial Officer in June 2003 and is currently responsible for overseeing the financial matters of the Group. Mr. Choo also holds key roles in corporate planning, business development and investor relationship of the Group. He has more than two decades of industry experience in audit, finance, accounting and corporate planning. After completing his articleship in 1988 with an accounting firm where he qualified as a Chartered Accountant, he joined MBf Holdings as an internal auditor. In 1990, he left to join Lim Kim Hai Holdings (M) Berhad, a public listed company on the KLSE, as the Group Accountant. He was subsequently promoted to General Manager – Finance before leaving to join Tai Sin. Mr. Choo also holds a Master of Business Administration degree from the University of Bath in the United Kingdom.

LIN CHEN MOU

Mr. Lin Chen Mou joined the Company in 1983 and was appointed as Factory Manager in the following year and is currently the General Manager. Mr. Lin has more than three decades of cable manufacturing experience and is now responsible for the production, technical and procurement aspects of the Group's Cable Manufacturing Operations. Mr. Lin holds a Bachelor degree in Law from the University of Chinese Culture in Taiwan.

LIM CHAI LAI @ LOUIS LIM CHAI LAI

Mr. Louis Lim Chai Lai is the Joint Managing Director of Lim Kim Hai Electric Co (S) Pte Ltd. He joined Lim Kim Hai Electric in 1967 and has more than three decades of experience in the electrical distribution business. As Joint Managing Director, he makes strategic decisions for the businesses of Lim Kim Hai Electric and its subsidiaries, formulating policies along with other duties and responsibilities. Mr. Lim is currently the President of the Singapore Electrical Trades Association, an association representing electrical retailers and electrical contractors in Singapore.

CHIA AH HENG

Mr. Chia Ah Heng is the Joint Managing Director of Lim Kim Hai Electric Co (S) Pte Ltd. He joined Lim Kim Hai Electric in 1969 and has more than three decades of sales and management experience in the electrical distribution business. His responsibilities include setting the overall strategic direction, mission and policy; overseeing the financial, general administration and quality systems of the company and its subsidiaries.

ONG WEE HENG

Mr. Ong Wee Heng is the Group Executive Director of Lim Kim Hai Electric Co (S) Pte Ltd and its subsidiaries and is responsible for the effective implementation of business and strategic plans of the Company's Distribution and Services Business Clusters. He has more than two decades of sales and management experience in the electrical distribution and industrial automation business. Mr. Ong holds a Master of Business Administration degree from the Macquarie University, Australia, and a Master of Professional Accounting degree from the 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 three decades of experience in the cable and wire industry.

CHANG CHAI WOON

Mr. Chang Chai Woon is the Executive Director of PKS Sdn Bhd, a 70%-owned subsidiary of Tai Sin Group. He is also the Managing Director of HSE Engineering Sdn Bhd, a company principally involved in mechanical and electrical contracting works in Brunei, and has more than three decades of experience in the electrical and engineering business.

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 two decades of experience in the electrical industry.

JOHN VALE

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

PANG YEW CHOY ANDY

Mr. Andy Pang Yew Choy is the Country Director – Vietnam of the Company and Director of LKH Power Distribution Pte Ltd. He is responsible for the Company's business directions and development in Vietnam. He is also the General Director of Dien Quang - Tai Sin Cable Company Limited, our joint venture cable manufacturing company in Vietnam. Mr. Pang joined Lim Kim Hai Electric Co (S) Pte Ltd in 1988 as a Project Sales Engineer and has over two decades of experience in the electrical and engineering business.

NG WENG KEN KENNY

Mr. Kenny Ng Weng Ken is the Company's Senior Manager – Group Corporate Development and Marketing Communications. He is also the Group Marketing Manager of Lim Kim Hai Electric Co (S) Pte Ltd and its subsidiaries, responsible for business, strategic and tactical marketing. Prior to joining the company, he had extensive experience in sales and marketing in the electrical and industrial automation industry. He holds a Master of Business Administration degree in Strategic Marketing from the University of Hull, United Kingdom.

LIM LIAN ENG SHARON

Ms. Sharon Lim Lian Eng is the Company's Senior Manager – Group Information Technology. She is also the IT Head of Lim Kim Hai Electric Co (S) Pte Ltd and its subsidiaries, responsible for managing and delivering systems to meet the business requirements for the Group. She is also responsible for overseeing the ISO Quality System for Lim Kim Hai Electric to continually streamline and improve process efficiencies. She has over two decades of experience in business information systems development and implementation. She holds a degree in Computer Science (First Class Honours) from the University of Glamorgan, UK and a Master of Health Service Management degree from the Flinders University, Australia.

TAI SIN GROUP OF COMPANIES

MANUFACTURING

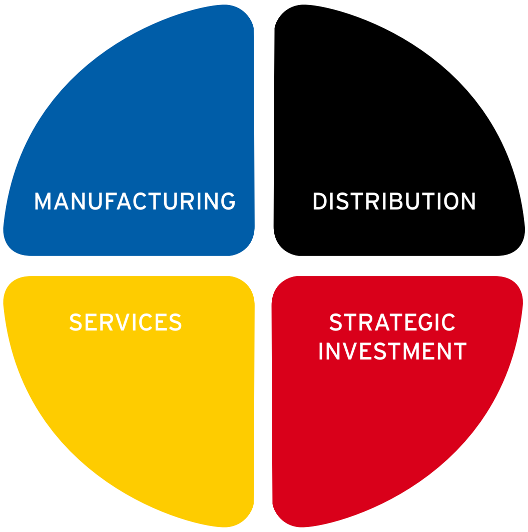
Manufacturing of Cables & Wires, Lamps and Switchboards Assembly

- Tai Sin Electric Cables Manufacturer Limited
- Tai Sin Electric Cables (Malaysia) Sdn Bhd
- Dien Quang - Tai Sin Cable Company Limited
- PKS Sdn Bhd
- LKH Lamps Sdn Bhd

DISTRIBUTION

Distribution of Electrical Equipment & Accessories, Data Structural Cables and Switchboards

- Lim Kim Hai Electric Co (S) Pte Ltd
- Precicon D&C Pte Ltd
- Vynco Industries (NZ) Limited
- LKH Power Distribution Pte Ltd
- PC2M Asia Pacific Pte Ltd
- Yat Lye Pte Limited
- LKH Lightings Sdn Bhd
- PC2M Solutions (M) Sdn Bhd



SERVICES

Service provision and service development

- Lim Kim Hai Electric Co (S) Pte Ltd, Dubai Branch Office
- LKH Power Distribution Pte Ltd, Vietnam Representative Office

STRATEGIC INVESTMENT

Investment for capital gains

- Tai Sin (Vietnam) Pte Ltd
- Equalight Resources Sdn Bhd
- EPT Limited

Corporate Information

Board of Directors

Lee Chang Leng Brian
Non-Executive Chairman

Lim Chye Huat @
Bobby Lim Chye Huat
Managing Director

Lim Boon Hock Bernard
Executive Director

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

Tay Joo Soon
Non-Executive Director

Audit Committee

Richard Wee Liang Huat @
Richard Wee Liang Chiat
Chairman

Lee Chang Leng Brian
Tay Joo Soon

Remuneration and Share Option Committee

Richard Wee Liang Huat @
Richard Wee Liang Chiat
Chairman

Lee Chang Leng Brian
Tay Joo Soon

Nominating Committee

Lee Chang Leng Brian
Chairman

Richard Wee Liang Huat @
Richard Wee Liang Chiat
Tay Joo Soon

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 Fax: 6861 4084
Email: mailbox1@taisin.com.sg

Share Registrars & Share Transfer Office

B.A.C.S Private Limited
63 Cantonment Road
Singapore 089758
Tel: 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

Oversea-Chinese Banking Corporation Limited

Hong Kong & Shanghai Banking Corporation Limited

Malayan Banking Berhad

DBS Bank Ltd

Southern Bank Berhad

Bank of Tokyo-Mitsubishi UFJ

Report on Corporate Governance
Year ended June 30, 2007

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.

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. They provide 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 and Share Option Committee. These committees function with specific terms of reference. The number of meetings held in the year and the attendance of the directors are as follows:

	Board	Audit Committee	Nominating Comittee	Remuneration and Share Option Committee
Numbers of meetings held	**5**	**3**	**1**	**2**
		---Number of meetings attended---		
Directors				
Lee Chang Leng Brian	5	3	1	2
Lim Chye Huat @ Bobby Lim Chye Huat	5	NA	NA	NA
Lin Chen Mou^	5	NA	NA	NA
Lim Boon Hock Bernard	5	NA	NA	NA
Richard Wee Liang Huat @ Richard Wee Liang Chiat	5	3	1	2
Sim Yeong Soon^	5	3	1	2
Chang Chai Woon^	4	NA	1	1
Lim Chai Lai @ Louis Lim Chai Lai^	5	NA	NA	NA
Chia Ah Heng^	5	NA	NA	NA
Tay Joo Soon#	1	NA	NA	NA
Lee Lien-Shen^ (alternate director to Lin Chen Mou)	2	NA	NA	NA

#appointed to the Board of Directors w.e.f. April 30, 2007
^resigned from the Board of Directors w.e.f. September 12, 2007

The Board comprises eleven directors as follows:

Four Non-Executive And Independent Directors

Prof. Lee Chang Leng Brian (Chairman)

Mr. Richard Wee Liang Huat @ Richard Wee Liang Chiat

Mr. Sim Yeong Soon (resigned from the Board of Directors w.e.f. September 12, 2007)

Mr. Tay Joo Soon (appointed to the Board of Directors w.e.f. April 30, 2007)

Three Executive Directors

Mr. Lim Chye Huat @ Bobby Lim Chye Huat

Mr. Lim Boon Hock Bernard

Mr. Lin Chen Mou (resigned from the Board of Directors w.e.f. September 12, 2007)

Four Non-Executive And Non-Independent Directors

Mr. Lim Chai Lai @ Louis Lim Chai Lai (resigned from the Board of Directors w.e.f. September 12, 2007)

Mr. Chia Ah Heng (resigned from the Board of Directors w.e.f. September 12, 2007)

Mr. Chang Chai Woon (resigned from the Board of Directors w.e.f. September 12, 2007)

Mr. Lee Lien-Shen (alternate Director to Mr. Lin Chen Mou)
(resigned from the Board of Directors w.e.f. September 12, 2007)

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

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

To ensure that the Board is able to fulfill its responsibilities, management provides Board members with quarterly management accounts. All relevant information on material events and transactions are circulated to directors as and when they arise. The directors are kept informed by the management on the status of on-going activities between meetings. The Company Secretary attends Board meetings when required and in his absence, the Chief Financial Officer assists the Board to ensure that Board procedures, rules and regulations relating thereto are complied with. Where a decision is required between Board meetings, a 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* (resigned w.e.f. September 12, 2007)
- Tay Joo Soon* (appointed w.e.f. June 26, 2007)

* Independent Director

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 the composition and size of the Board, taking into account the scope and nature of operations of the Group in the year under review. It's recommendations are that the size and composition of the Board be reduced to five Directors, the majority of whom including the Chairman are independent, to enhance the Board's effectiveness and independence. These recommendations have been accepted by all the Directors and will be implemented in the current financial year.

Assessment parameters for Directors' performance include the attendance record of the Directors at Board and Committee meetings, their level of participation at such meetings and the quality of contribution to Board processes, business strategies and performance of the Group.

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

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

Remuneration and Share Option Committee ("RC")

Principle 7: Procedures for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

Principle 9: Disclosure of Remuneration

The Remuneration and Share Option Committee of the Company comprises:

- Richard Wee Liang Huat @ Richard Wee Liang Chiat (Chairman)*
- Lee Chang Leng Brian*
- Sim Yeong Soon* (resigned w.e.f. September 12, 2007)
- Tay Joo Soon* (appointed w.e.f. June 26, 2007)

* Independent Director

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 deciding his own remuneration.

Breakdown of directors' remuneration of Tai Sin Electric Cables Manufacturer Limited for the financial year ended June 30, 2007

Remuneration Band	Name of Director	Salary and CPF	Bonus and other variable performance components	Directors' Fees	Total
Below $250,000	Lee Chang Leng Brian	-	-	100%	100%
	Lin Chen Mou	64%	28%	8%	100%
	Richard Wee Liang Huat @ Richard Wee Liang Chiat	-	-	100%	100%
	Sim Yeong Soon	-	-	100%	100%
	Chang Chai Woon	74%	6%	20%	100%
	Lim Chai Lai @ Louis Lim Chai Lai	71%	14%	15%	100%
	Chia Ah Heng	70%	15%	15%	100%
	Tay Joo Soon	-	-	100%	100%
Between $250,000 to $499,999	Lim Chye Huat @ Bobby Lim Chye Huat	63%	30%	7%	100%
	Lim Boon Hock Bernard	62%	28%	10%	100%

For the financial year ended June 30, 2007, the top five key executives of the Group (who are not also Directors of the Company) are Mr. Choo Wei Loon Michael, Mr. Ong Wee Heng, Mr. Pang Yew Chow Andy, Ms. Lim Lian Eng Sharon and Mr. Ng Weng Ken Kenny. Except for Mr. Choo Wei Loon Michael, the remuneration of the other four key executives did not exceed $250,000.

Other than as indicated above, there are no employees who are immediate family members of a Director whose remuneration exceeded $150,000 for financial year ended June 30, 2007.

Audit Committee ("AC")

Principle 10: Accountability and Audit

Principle 11: Audit Committee

Principle 12: Internal Controls

Principle 13: Internal Audit

The Audit Committee of the Company comprises:

- Richard Wee Liang Huat @ Richard Wee Liang Chiat (Chairman)*
- Sim Yeong Soon* (resigned w.e.f. September 12, 2007)
- Lee Chang Leng Brian*
- Tay Joo Soon* (appointed w.e.f. June 26, 2007)

* Independent Directors

The AC performs the following functions:

i. Review the annual audit plans of the external and internal auditors, 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 by reviewing written reports from internal and external auditors, and management responses and actions to correct any deficiencies;

iv. Review interested person transactions;

v. Review the external auditors' management letter points; and

vi. Recommend the nomination of the external auditors for re-appointment.

Apart from the functions listed above, the AC has the explicit authority to conduct investigations into any matters within its scope, including having full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC meets annually with the internal and external auditors, without the presence of the Company's management to review the adequacy of audit arrangements once a year.

The AC has reviewed and is satisfied that the external auditors have not provided any non-audit services to the Group during the financial year 2007 that will prejudice their independence and objectivity.

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

The Group has an in-house internal audit function that reports to the Audit Committee and administratively to the Managing Director. The scope of the work covers all business and support functions in the Company and its subsidiaries. The AC reviews and approves the annual internal audit plans and resources to ensure that the internal audit function has the necessary resources to adequately perform its duties.

The AC has approved and implemented a Whistle-Blower Policy stipulating the channel by which employees of the Group may, in confidence, raise concerns about possible improprieties and malpractices in all matters including financial reporting. In promoting fraud control awareness, the Whistle-Blower Policy is disseminated to all existing and newly recruited employees by the human resource department.

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 in their place, in accordance with the Articles of Association of the Company. During the Annual General Meeting, the shareholders are given the opportunity to speak and seek clarifications concerning the Group's business and affairs. The external auditors and the Board will be in attendance at the Annual General Meeting to address questions raised.

DEALING IN SECURITIES

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

Financial Contents

The directors present their report together with the audited consolidated financial statements of the group and the balance sheet and statement of changes in equity of the company for the financial year ended June 30, 2007.

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)
Tay Joo Soon	(Appointed on April 30, 2007)

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 and 5 of the Report of the Directors.

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			Shareholdings in which directors are deemed to have an interest		
Name of directors and companies in which interest are held	At July 1, 2006	At June 30, 2007	At July 21, 2007	At July 1, 2006	At June 30, 2007	At July 21, 2007
Tai Sin Electric Cables Manufacturer Limited			**Number of shares**			
Lee Lien-Shen	969,980	1,454,970	1,454,970	7,340	11,010	11,010
Lim Chye Huat @ Bobby Lim Chye Huat	24,217,580	36,326,370	36,326,370	10,016,000	18,342,500	18,342,500
Lin Chen Mou	370,300	1,830,450	1,830,450	50,000	75,000	75,000
Lim Boon Hock Bernard	25,500,000	38,250,000	38,250,000	1,100,000	1,650,000	1,650,000
Richard Wee Liang Huat @ Richard Wee Liang Chiat	3,500,000	4,000,000	4,000,000	-	-	-
Chang Chai Woon	11,100,000	50,000	50,000	-	-	-
Chia Ah Heng	5,441,000	6,161,500	6,161,500	9,351,000	14,006,500	4,006,500
Lim Chai Lai @ Louis Lim Chai Lai	10,497,000	15,745,500	13,745,500	5,000,000	7,500,000	6,500,000
PKS Sdn Bhd			**Number of shares of B$1 each**			
Chang Chai Woon	465,136	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 share**			
Lin Chen Mou	1,250,000	-	-	-	-	-

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 for salaries, bonuses and other benefits as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and executives of those related corporations.

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.

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) Unissued Shares Under Option and Options Exercised

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

Date of grant	Balance at beginning of year	Exercised	Expired/ cancelled	Balance at end of year	Exercise price	Date of expiry
April 8, 2002	12,320,000	(11,820,000)	(500,000)	-	$0.125	May 7, 2013

5 SHARE OPTIONS (CONT'D)

c) 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 the end of the financial year	Aggregate options exercised since commencement of Scheme to the end of the financial year	Aggregate options outstanding at the end of the financial year
Director of the company				
Lin Chen Mou	-	1,250,000	(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 four 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
Tay Joo Soon (Appointed on June 26, 2007)

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, 2007 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

Singapore
August 24, 2007

Independent Auditors' Report

To the Members of Tai Sin Electric Cables Manufacturer Limited

We have audited the accompanying financial statements of Tai Sin Electric Cables Manufacturer Limited (the "company") and its subsidiaries (the "group") which comprise the balance sheets of the group and the company as at June 30, 2007, the profit and loss statement, statement of changes in equity and cash flow statement of the group and the statement of changes in equity of the company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 29 to 76.

Directors' Responsibility

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards and the Singapore Companies Act, Cap. 50 (the "Act"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

Opinion

In our opinion,

(a) the 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 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, 2007 and of the results, changes in equity and cash flows of the group and changes in equity of the company for the 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
Appointed on November 12, 2002

Singapore
August 24, 2007

June 30, 2007

	Note	Group 2007 $'000	Group 2006 $'000	Company 2007 $'000	Company 2006 $'000
ASSETS					
Current assets					
Cash and bank balances	6	5,134	6,847	2,617	971
Trade receivables	7	70,585	54,849	38,227	30,329
Other receivables	8	1,122	923	1,310	1,135
Derivative financial instruments	9	13	171	13	79
Contract work-in-progress	10	33	122	-	-
Inventories	11	50,533	32,933	28,378	16,672
Total current assets		127,420	95,845	70,545	49,186
Non-current assets					
Subsidiaries	12	-	-	22,394	21,636
Property, plant and equipment	13	23,874	24,803	6,965	8,310
Construction-in-progress		1,095	-	-	-
Leasehold prepayments	14	237	-	-	-
Intangible assets	15	3	4	-	-
Available-for-sale investments	16	39	20	-	-
Other investment	17	12	9	-	-
Deferred tax assets	18	291	302	-	-
Development costs	19	192	174	-	-
Total non-current assets		25,743	25,312	29,359	29,946
Total assets		153,163	121,157	99,904	79,132
LIABILITIES AND EQUITY					
Current liabilities					
Bank overdrafts and other bank borrowings	20	25,718	26,203	11,192	15,051
Trade payables	21	28,169	20,237	12,037	6,120
Other payables	22	6,839	4,556	3,695	3,208
Income tax payable		5,249	3,280	4,101	2,534
Current portion of finance leases	23	118	131	-	34
Derivative financial instruments	9	86	-	-	-
Current portion of long-term borrowings	24	1,815	1,726	1,500	1,500
Progress billings in excess of work-in-progress	10	-	21	-	-
Total current liabilities		67,994	56,154	32,525	28,447
Non-current liabilities					
Non-current portion of finance leases	23	98	139	-	-
Long-term borrowings	24	1,875	3,164	-	1,500
Deferred tax liabilities	18	766	972	16	198
Total non-current liabilities		2,739	4,275	16	1,698
Capital and reserves					
Share capital	25	47,319	33,005	47,319	33,005
Reserves		32,521	25,676	20,044	15,982
Equity attributable to the shareholders of the company		79,840	58,681	67,363	48,987
Minority interests		2,590	2,047	-	-
Total equity		82,430	60,728	67,363	48,987
Total liabilities and equity		153,163	121,157	99,904	79,132

See accompanying notes to financial statements.

Consolidated Profit and Loss Statement

Year ended June 30, 2007

	Note	Group 2007 $'000	Group 2006 $'000
Revenue	26	232,722	183,412
Other operating income	27	459	891
Changes in inventories of finished goods and work in progress		15,353	3,954
Raw materials and consumables used/Purchase of inventories		(188,125)	(143,509)
Employee benefits expense		(19,256)	(17,075)
Depreciation and amortisation expense		(2,964)	(2,918)
Other operating expenses		(10,327)	(9,044)
Finance costs	28	(1,701)	(1,264)
Profit before income tax		26,161	14,447
Income tax expense	29	(5,235)	(3,047)
Profit for the year	30	20,926	11,400
Attributable to:			
Shareholders of the company		20,811	11,229
Minority interests		115	171
		20,926	11,400
Earnings per share			
Basic (cents)	31	5.90	3.30*
Diluted (cents)	31	5.90	3.28*

* Restated after factoring for the rights shares issued during the financial year ended June 30, 2007 (see Note 25).

See accompanying notes to financial statements.

	Note	Share capital	Share premium	Revaluation reserve	Foreign currency translation reserve	Hedging reserve	Accumulated profits	Equity attributable to shareholders of the company	Minority interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group										
Balance at July 1, 2005		24,965	8,040	1,821	221	60	15,009	50,116	2,389	52,505
Gain on interest rate swap during the year		-	-	-	-	19	-	19	-	19
Currency translation differences		-	-	-	(386)	-	-	(386)	(93)	(479)
Net income and expense recognised directly in equity		-	-	-	(386)	19	-	(367)	(93)	(460)
Profit for the year		-	-	-	-	-	11,229	11,229	171	11,400
Total recognised income and expense for the year		-	-	-	(386)	19	11,229	10,862	78	10,940
Adjustment arising from abolition of par value of shares		8,040	(8,040)	-	-	-	-	-	-	-
Dividend paid to minority shareholders		-	-	-	-	-	-	-	(420)	(420)
Dividend paid	32	-	-	-	-	-	(2,297)	(2,297)	-	(2,297)
Balance at June 30, 2006		33,005	-	1,821	(165)	79	23,941	58,681	2,047	60,728
Loss on interest rate swap during the year		-	-	-	-	(66)	-	(66)	-	(66)
Currency translation differences		-	-	-	385	-	-	385	84	469
Net income and expense recognised directly in equity		-	-	-	385	(66)	-	319	84	403
Profit for the year		-	-	-	-	-	20,811	20,811	115	20,926
Total recognised income . and expense for the year		-	-	-	385	(66)	20,811	21,130	199	21,329
Interim dividend for the year settled by rights issue	32	-	-	-	-	-	(13,074)	(13,074)	-	(13,074)
Dividend paid to minority shareholders		-	-	-	-	-	-	-	(210)	(210)
Dividend paid	32	-	-	-	-	-	(1,211)	(1,211)	-	(1,211)
Issue of shares on exercise of share options	25	1,478	-	-	-	-	-	1,478	-	1,478
Shares issued pursuant to rights issue	25	13,074	-	-	-	-	-	13,074	-	13,074
Rights issue expenses	25	(238)	-	-	-	-	-	(238)	-	(238)
Capital investment by minority shareholders		-	-	-	-	-	-	-	554	554
Balance at June 30, 2007		47,319	-	1,821	220	13	30,467	79,840	2,590	82,430

See accompanying notes to financial statements.

Statements of Changes in Equity

Year ended June 30, 2007

	Note	Share capital	Share premium	Revaluation reserve	Hedging reserve	Accumulated profits	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000
Company							
Balance at July 1, 2005		24,965	8,040	1,821	60	13,618	48,504
Gain on interest rate swap during the year		-	-	-	19	-	19
Net income recognised directly in equity		-	-	-	19	-	19
Profit for the year		-	-	-	-	2,761	2,761
Total recognised income for the year		-	-	-	19	2,761	2,780
Adjustment arising from abolition of par value of shares		8,040	(8,040)	-	-	-	-
Dividend paid	32	-	-	-	-	(2,297)	(2,297)
Balance at June 30, 2006		33,005	-	1,821	79	14,082	48,987
Loss on interest rate swap during the year		-	-	-	(66)	-	(66)
Net loss recognised directly in equity		-	-	-	(66)	-	(66)
Profit for the year		-	-	-	-	18,413	18,413
Total recognised income for the year		-	-	-	(66)	18,413	18,347
Interim dividend for the year settled by rights issue	32	-	-	-	-	(13,074)	(13,074)
Dividend paid	32	-	-	-	-	(1,211)	(1,211)
Issue of shares on exercise of share options	25	1,478	-	-	-	-	1,478
Shares issued pursuant to rights issue	25	13,074	-	-	-	-	13,074
Rights issue expenses	25	(238)	-	-	-	-	(238)
Balance at June 30, 2007		47,319	-	1,821	13	18,210	67,363

See accompanying notes to financial statements.

Year ended June 30, 2007

	2007 $'000	2006 $'000
Operating activities		
Profit before income tax	26,161	14,447
Adjustments for:		
Depreciation expense	2,944	2,889
Amortisation expense	20	29
Interest income	(16)	(20)
Interest expense	1,701	1,264
Gain on disposal of property, plant and equipment	(1)	(6)
Property, plant and equipment written off	6	13
Inventories written off	751	718
Fair value adjustments on derivative financial instruments	177	(92)
Operating cash flows before movements in working capital	31,743	19,242
Trade receivables	(15,736)	(11,948)
Other receivables	(199)	(206)
Contract work-in-progress	89	134
Inventories	(18,351)	(6,270)
Trade payables	7,932	379
Other payables	2,283	1,760
Progress billings in excess of work-in-progress	(21)	(12)
Cash generated from operations	7,740	3,079
Interest received	16	20
Income tax paid	(3,465)	(1,902)
Net cash from operating activities	4,291	1,197
Investing activities		
Purchase of property, plant and equipment [a]	(1,804)	(1,108)
Proceeds from disposal of property, plant and equipment	13	175
Development costs incurred	-	(40)
Construction-in-progress	(1,095)	-
Leasehold prepayments	(237)	-
Net cash used in investing activities	(3,123)	(973)
Financing activities		
(Repayment of) Proceeds from short-term bank borrowings	(1,543)	6,999
Repayment of finance lease obligations	(54)	(158)
Repayment of long-term bank borrowings	(1,200)	(2,320)
Capital contribution by minority shareholders	554	-
Rights issue expenses	(238)	-
Proceeds from issuance of shares pursuant to exercise of share options	1,478	-
Interest paid	(1,701)	(1,264)
Dividend paid [c]	(1,211)	(2,297)
Dividend paid to minority shareholders	(210)	(420)
Net cash (used in) from financing activities	(4,125)	540
Net effect of exchange rate changes in consolidating subsidiaries	186	(215)
Net (decrease) increase in cash and cash equivalents	(2,771)	549
Cash and cash equivalents at beginning of year	4,808	4,259
Cash and cash equivalents at end of year [d]	2,037	4,808

See accompanying notes to financial statements.

Notes:

(a) **Purchase of property, plant and equipment**

During the financial year, the group acquired property, plant and equipment with an aggregate cost of $1.80 million (2006 : $1.29 million) of which $Nil (2006 : $0.18 million) was acquired by means of finance lease agreements. Cash payments of $1.80 million (2006 : $1.11 million) were made to purchase property, plant and equipment.

(b) **Disposal of subsidiary and investment**

During the financial period, the group disposed of the entire issued and paid-up share capital of its wholly-owned subsidiary, Change The Form Pte Ltd and investment in Timor Electric Cable & Wire Sdn Bhd, for an aggregate sale consideration of $2,000 and RM$1 respectively. The assets and liabilities disposed and the gain on disposal of the subsidiary and investment are not material. Accordingly, disclosure on the assets and liabilities disposed are not presented.

(c) The interim dividend (Note 32) totalling $13.07 million was settled by the company's rights shares (Note 25).

(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:

	2007 $'000	2006 $'000
Cash and bank balances (Note 6)	5,134	6,847
Bank overdrafts (Note 20)	(3,097)	(2,039)
Total	2,037	4,808

See accompanying notes to financial statements.

1 GENERAL

The company (Registration No. 198000057W) is incorporated in 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 group and the balance sheet and statement of changes in equity of the company for the year ended June 30, 2007 were authorised for issue by the Board of Directors on August 24, 2007.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

In the current financial year, the group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") issued by the Council on Corporate Disclosure and Governance that are relevant to its operations and effective for annual periods beginning on or after July 1, 2006. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the group's and company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following FRSs, relevant to the company and group were issued but not effective:

FRS 107 - Financial instruments: Disclosures
FRS 108 - Operating Segments
INT FRS 111 - FRS 102 - Group and Treasury Share Transactions
Amendments to FRS 1 Presentation of Financial Statements on Capital Disclosures.

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

The application of FRSs, INT FRS and the consequential amendments to other FRS will not affect any of the amounts recognised in the financial statements, but will change the disclosures presently made in relation to the company and group's financial instruments and the objectives, policies and processes for managing capital.

The directors anticipate that the adoption of FRSs, INT FRS and amendments to FRS that were issued but not yet effective until future periods will not have a material impact on the financial statements of the company and the group.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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 up to the effective date of disposal, as appropriate.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover its share of those losses.

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

BUSINESS COMBINATIONS - The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103, *Business Combinations*, are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with FRS 105, *Non-Current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the group's balance sheet when the group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income or expense is recognised on an effective interest rate basis for debt instruments other than those financial instruments "at fair value through profit and loss statement".

Financial assets

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

Other financial assets are classified into the following specified categories: "available-for-sale" financial assets and "trade and other receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Available-for-sale financial assets

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

Cash and cash equivalents

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

Trade and other receivables

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

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When trade and other receivables are uncollectible, these are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit and loss statement. Changes in the carrying amount of the allowance account are recognised in profit and loss statement.

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

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, except for short-term payables, where the recognition of interest would be immaterial.

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

Derivative financial instruments

The group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit and loss statement immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit and loss statement depends on the nature of the hedge relationship.

The fair value of hedging derivatives is classified as a non-current asset or a non-current liability if the remaining maturity of the hedge relationship is more than 12 months and as a current asset or a current liability if the remaining maturity of the hedge relationship is less than 12 months.

Derivatives not designated into an effective hedge relationship are classified as a current asset or a current liability.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit and loss statement immediately, together with any changes in the fair value of the hedged item that is attributable to the hedged risk.

Hedge accounting is discontinued when the group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit and loss statement from that date.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit and loss statement as part of other gains and losses.

Amounts deferred in equity are recycled in profit and loss statement in the periods when the hedged item is recognised in profit and loss statement. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit and loss statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit and loss statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Assets held under finance leases are recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the 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 charges are charged directly to the profit and loss statement.

Rentals payable under operating leases are charged to the profit and loss statement on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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.

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.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are carried at cost or valuation less accumulated depreciation and any impairment loss. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on the revaluation of such property is credited to the property revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the profit and loss statement, in which case the increase is credited to profit and loss statement to the extent of the decrease previously charged to the profit and loss statement. A decrease in carrying amount arising on the revaluation is charged to the profit and loss statement to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to the profit and loss statement. On subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to retained earnings.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, 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%

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Depreciation is not provided on freehold land.

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

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

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the profit and loss statement.

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 accumulated amortisation over accumulated impairment loss. Where an indication of impairment exists, the carrying amount of any intangible asset 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.

DEVELOPMENT COST - Costs incurred on development project are recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefit; 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 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.

IMPAIRMENT OF ASSETS - At each balance sheet date, the group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss statement, unless the relevant asset is carried 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 so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss statement, 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 group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

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

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

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

SHARE-BASED PAYMENTS - The group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of the shares that will eventually vest.

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

Sale of goods

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

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

Rendering of services

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

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income

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

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

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

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

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

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to 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 there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit and loss statement, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the group and the balance sheet of the company are presented in Singapore dollars, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

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

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

In order to hedge its exposure to certain foreign exchange risks, the company enters into forward contracts and options (please see above for details of the company's accounting policies in respect of such derivative financial instruments).

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the group's translation reserve. Such translation differences are recognised in profit and loss statement in the period in which the foreign operation is disposed of.

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

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

(i) ***Critical judgements in applying the entity's accounting policies***

In the application of the group's accounting policies, which are described in Note 2, management is not aware of any judgements that have significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

(ii) ***Key sources of estimation uncertainty***

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts to assets and liabilities within the next financial year, are discussed below.

a) <u>Allowance for doubtful receivables</u>

Allowance for doubtful receivables of the group is based on an evaluation of the collectibility of receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including their current creditworthiness, past collection history of each customer and ongoing dealings with them. If the financial conditions of the counterparties with which the group contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

The allowance and carrying amount of doubtful receivables at the balance sheet date are disclosed in Note 7.

b) <u>Provision for onerous contracts</u>

An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

An assessment is made at each reporting date whether any major contracts are deemed onerous and provisions are made accordingly. Provisions for onerous contracts represent the estimated losses arising from the difference between the committed selling prices and estimated cost of sales for the unfulfilled sales quantities committed at the end of the financial year.

The provision for onerous contracts at the balance sheet date are disclosed in Note 22.

4 FINANCIAL RISKS AND MANAGEMENT

i) Interest rate risk

The group's exposure to the risk of changes in interest rates relates mainly to bank borrowings. 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, 2007 is $7.5 million (2006 : $7.5 million). 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 $13,000 (2006 : $79,000). This amount has been recognised in the financial statements.

ii) 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.

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.

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.

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 due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

vi) Price risk

The company and group are vulnerable to fluctuations in the market price of copper transacted on the London Metal Exchange ("LME"). Copper prices rise and fall depending on the demand and supply of copper, which are affected by many factors beyond LME's control, including the general state of the global economy and the level of industrial development worldwide.

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 repayable on demand.

Significant related party transactions:

	Group	
	2007 $'000	2006 $'000
Sales to related parties	(1,990)	(1,871)
Purchases from a related party	2,069	2,160
Rental paid to a related party	170	96

Available-for-sale-investment in Timor Electric Cable & Wire Sdn Bhd, which was previously written off was sold for a consideration of RM$1 to a director, Mr. Richard Wee Liang Huat, during the financial year ended June 30, 2007. The gain on disposal is not material for disclosure.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2007 $'000	2006 $'000
Short-term benefits	3,377	2,852
Post-employment benefits	92	84
	3,469	2,936

6 CASH AND BANK BALANCES

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Cash and bank balances	5,118	6,204	2,611	965
Fixed deposits	16	643	6	6
	5,134	6,847	2,617	971

The fixed deposits bear interest ranging from 0.45% to 0.83% (2006 : 0.45% to 2.83%) per annum and are due within 12 months.

Significant group and company's cash and bank balances that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Australian Dollars	35	46	-	-
United States Dollars	655	246	487	95

7 TRADE RECEIVABLES

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Outside parties	72,708	55,265	38,533	29,541
Less: Allowance for doubtful debts	(2,376)	(1,396)	(1,200)	(1,000)
	70,332	53,869	37,333	28,541
Related parties (Note 5)	253	980	79	819
Subsidiaries (Note 12)	-	-	815	969
	70,585	54,849	38,227	30,329
Retention sums included in trade receivables above:				
Outside parties	11	11	-	-

The retention sum arises from contract work which are due for settlement after 12 months but have been classified as current because they are expected to be realised in the normal operating cycle.

The average credit period on sale of goods is 30 to 90 days (2006 : 30 to 90 days).

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

7 TRADE RECEIVABLES (CONT'D)

Significant group and company's trade receivables that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
United States Dollars	901	933	-	-

8 OTHER RECEIVABLES

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Subsidiaries (Note 12)	-	-	890	864
Advances to staff	242	315	117	175
Prepayments	280	245	51	29
Leasehold prepayments (current portion)	6	-	-	-
Deposits	378	211	252	19
Loan to a director of a subsidiary	-	24	-	-
Others	216	128	-	48
	1,122	923	1,310	1,135

The loan to a director of a subsidiary was unsecured, interest-free and repayable on demand. The loan was repaid during the year.

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

Significant group and company's other receivables that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
United States Dollars	197	-	193	-

9 DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Forward foreign exchange contracts	(86)	92	-	-
Interest rate swaps	13	79	13	79
	(73)	171	13	79

The group utilises currency derivatives to hedge significant future transactions and cash flows. The instruments purchased are primarily denominated in the currencies of the group's principal markets.

At the balance sheet date, the total notional amount of outstanding forward foreign exchange contracts to which the group is committed are as follows:

	Group	
	2007 $'000	2006 $'000
Forward foreign exchange contracts	1,532	1,524

The forward foreign exchange contracts have maturities dates within 6 months (2006 : 6 months) from the balance sheet date.

The fair value of forward foreign exchange contracts amounted to $86,000 in liabilities (2006 : $92,000 in assets). These amounts are based on quoted market prices for equivalent instruments at the balance sheet date. Changes in the fair value of the forward foreign exchange contracts are designated and qualified as fair value hedge and are recorded in the profit and loss statement immediately.

Interest rate swap

The group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings by swapping a proportion of those borrowings from floating rates to fixed rates. The contract with nominal value of $7.5 million has fixed interest payments at 3.30% per annum for periods up until 2008 and has floating interest receipt at 3 month swap rate plus 2% margin per annum.

The fair value of swap entered into at June 30, 2007 is estimated at $13,000 (2006 : $79,000). These amounts are based on quoted market prices for equivalent instruments at the balance sheet date. All of these interest rate swaps are designated and effective as cash flow hedges and the fair value thereof has been deferred in equity.

10 CONTRACT WORK-IN-PROGRESS

	Group	
	2007 $'000	2006 $'000
Current asset		
Cost incurred and recognised profits	1,524	7,708
Less: Attributable loss	(203)	(438)
	1,321	7,270
Less: Progress billings	(1,288)	(7,148)
Excess of work-in-progress over billings	33	122
Current liability		
Cost incurred and recognised profits	-	59
Less: Progress billings	-	(80)
Excess of billings over work-in-progress	-	(21)

11 INVENTORIES

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Raw materials	7,192	5,137	5,030	3,286
Work in progress	10,040	5,292	7,068	3,926
Finished goods	33,301	22,504	16,280	9,460
	50,533	32,933	28,378	16,672

Inventories with a carrying amount of $8.47 million (2006 : $5.33 million) have been pledged as security for certain of the group's bank overdrafts and other bank borrowings (Note 20) and long-term borrowings (Note 24).

12 SUBSIDIARIES

	Company	
	2007 $'000	2006 $'000
Unquoted equity shares, at cost	19,172	19,172
Less: Impairment loss	(2,170)	(2,170)
	17,002	17,002
Advances	14,234	13,476
Less: Allowance for impairment loss	(8,842)	(8,842)
	22,394	21,636

The advances to subsidiaries are unsecured, substantially non-trade in nature and are not expected to be paid within the foreseeable future.

Details of the subsidiaries are as follows:

Name of company	Principal activities/ Country of incorporation and operation	Effective equity interest held by the Group	
		2007 %	2006 %
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) [c]	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
Yat Lye Pte Limited [e]	Retailer contractor and provision of sanitary and plumbing services/ Singapore	100	100
Change The Form Pte Ltd (subsidiary of Yat Lye Pte Limited) [f]	Provision of interior decoration and design services/ Singapore	-	100
Tai Sin (Vietnam) Pte Ltd [a]	Intermediate investment holding/ Singapore	100	100

12 SUBSIDIARIES (CONT'D)

Name of company	Principal activities/ Country of incorporation and operation	Effective equity interest held by the Group 2007 %	2006 %
Lim Kim Hai Electric Co (S) Pte Ltd [a]	Distributor of electrical products and investment holding/ 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
PC2M Asia Pacific Pte Ltd (subsidiary of Precicon D & C Pte Ltd) [h]	Distributor of electrical and electronic components and wiring accessories/ 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	63.7
EPT Limited (subsidiary of Vynco Industries (NZ) Limited) [d]	Dormant/ New Zealand	63.7	63.7
LKH Power Distribution Pte Ltd (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) [a]	Distributor of electrical products/ Singapore	100	100
PC2M Solutions (M) Sdn Bhd (subsidiary of LKH Power Distribution Pte Ltd) [c]	Distributor of electrical and electronic components/ Malaysia	100	100
Dien Quang - Tai Sin Cable Company Limited (subsidiary of Tai Sin (Vietnam) Pte Ltd) [b][g]	Cable and wire manufacturer and dealer in such products/Vietnam	60	-

(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 KPMG, Christchurch, New Zealand.

(e) Audited by K.A. Seah & Co.

(f) The subsidiary was disposed during the financial year.

(g) The subsidiary was incorporated during the financial year.

(h) Audit by Deloitte & Touche, Singapore for 2007. Audited by Chan & Chan for 2006.

13 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Freehold property	Leasehold land and buildings	Office equipment and furniture	Plant and machinery	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Cost or valuation:							
At July 1, 2005	918	1,530	19,736	3,342	18,068	1,079	44,673
Currency realignment	(23)	-	(87)	(185)	(144)	(29)	(468)
Additions	-	-	-	352	354	585	1,291
Disposals	-	-	-	(737)	(224)	(387)	(1,348)
At June 30, 2006	895	1,530	19,649	2,772	18,054	1,248	44,148
Currency realignment	23	-	87	229	143	32	514
Additions	-	-	16	1,025	700	63	1,804
Disposals	-	-	(7)	(131)	(79)	-	(217)
At June 30, 2007	918	1,530	19,745	3,895	18,818	1,343	46,249
Representing:							
At valuation	-	-	4,500	-	-	-	4,500
At cost	895	1,530	15,158	3,666	18,675	1,311	41,235
Currency realignment	23	-	87	229	143	32	514
	918	1,530	19,745	3,895	18,818	1,343	46,249
Accumulated depreciation:							
At July 1, 2005	-	80	2,019	2,030	13,086	651	17,866
Currency realignment	-	-	(9)	(120)	(105)	(11)	(245)
Depreciation	-	38	698	505	1,457	192	2,890
Disposals	-	-	-	(674)	(185)	(307)	(1,166)
At June 30, 2006	-	118	2,708	1,741	14,253	525	19,345
Currency realignment	-	-	10	143	117	14	284
Depreciation	-	38	698	526	1,479	203	2,944
Additions	-	-	-	-	-	-	-
Disposals	-	-	(4)	(121)	(73)	-	(198)
At June 30, 2007	-	156	3,412	2,289	15,776	742	22,375
Carrying amount:							
At June 30, 2007	918	1,374	16,333	1,606	3,042	601	23,874
At June 30, 2006	895	1,412	16,941	1,031	3,801	723	24,803

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold land and buildings	Office equipment and furniture	Plant and machinery	Motor Vehicles	Total
	$'000	$'000	$'000	$'000	$'000
Company					
Cost or valuation:					
At July 1, 2005	5,676	1,287	11,081	459	18,503
Additions	-	40	280	344	664
Disposals	-	(1)	(198)	(188)	(387)
At June 30, 2006	5,676	1,326	11,163	615	18,780
Additions	-	41	49	-	90
Disposals	-	(46)	(137)	-	(183)
At June 30, 2007	5,676	1,321	11,075	615	18,687
Representing:					
At cost	1,176	1,321	11,075	615	14,187
At valuation	4,500	-	-	-	4,500
	5,676	1,321	11,075	615	18,687
Accumulated depreciation:					
At July 1, 2005	101	1,194	7,891	234	9,420
Depreciation for the year	280	63	906	81	1,330
Disposals	-	(1)	(172)	(107)	(280)
At June 30, 2006	381	1,256	8,625	208	10,470
Depreciation for the year	279	58	894	103	1,334
Disposals	-	(42)	(40)	-	(82)
At June 30, 2007	660	1,272	9,479	311	11,722
Carrying amount:					
At June 30, 2007	5,016	49	1,596	304	6,965
At June 30, 2006	5,295	70	2,538	407	8,310

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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
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 #01-06 Richfield Industrial Centre Singapore 409574	Leasehold (60 years from November 14, 1981)	Flatted factory unit
PTD 37433 & 37434 Off Jalan Perindustrian Senai 3 Kawasan Perindustrian Senai Fasa 2 81400 Senai, Johor Bahru Johor Darul Takzim Malaysia	Freehold	Factory building
Lot 67A Jalan Gebeng 1/6 Gebeng Industrial Estate 26080 Gebeng, Kuantan Pahang Darul Makmur Malaysia	Leasehold (66 years from July 25, 1998)	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 $476,000 arising from the above-mentioned valuations have been taken to revaluation reserves. The directors of the company believed that the carrying amounts of the remaining leasehold properties approximated their market values 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 $2.40 million (2006 : $2.58 million) for the company. The freehold property, leasehold land and buildings of the subsidiaries are carried at cost.

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

No independent professional valuation has been carried out as the directors of the company believe that the carrying amounts of the leasehold properties approximate their market values as at June 30, 2007 and 2006.

The carrying amount of motor vehicles and office equipment and furniture under finance leases for the group as at June 30, 2007 are $30,000 (2006 : $309,000) and $10,000 (2006 : $90,000) respectively.

The carrying amount of assets pledged to the bank (Note 24) for the subsidiaries as at June 30, 2007 are $7.52 million (2006 : $7.00 million).

14 LEASEHOLD PREPAYMENTS

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Leasehold prepayments	243	-	-	-
Less: Current portion included as prepayment (Note 8)	(6)	-	-	-
	237	-	-	-

15 INTANGIBLE ASSETS

	Group $'000
Cost:	
At July 1, 2005	122
Currency realignment	(3)
At June 30, 2006	119
Currency realignment	3
At June 30, 2007	122
Accumulated amortisation:	
At July 1, 2005	111
Currency realignment	(3)
Amortisation for the year	7
At June 30, 2006	115
Currency realignment	3
Amortisation for the year	1
At June 30, 2007	119
Carrying amount:	
At June 30, 2007	3
At June 30, 2006	4

Amortisation of intangible assets of $1,000 (2006 : $7,000) has been included under depreciation and amortisation expenses.

16 AVAILABLE-FOR-SALE-INVESTMENTS

	Group	
	2007 $'000	2006 $'000
Quoted equity shares	39	20

The available-for-sale investments that are not denominated in the functional currencies of the respective entities are as follows:

	Group	
	2007 $'000	2006 $'000
Malaysian Ringgit	39	20

17 OTHER INVESTMENT

	Group	
	2007 $'000	2006 $'000
Unquoted investment, at cost	12	9

The carrying amount of unquoted investment approximates its fair value.

18 DEFERRED TAX LIABILITIES (ASSETS)

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Deferred tax liabilities	766	972	16	198
Deferred tax assets	(291)	(302)	-	-

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
	$'000	$'000	$'000	$'000	$'000
Group					
At beginning of year	1,291	(380)	(34)	95	972
(Credit) Charge to profit and loss	(207)	74	19	(95)	(209)
Currency realignment	3	-	-	-	3
At end of year	1,087	(306)	(15)	-	766
Company					
At beginning of year	483	(380)	-	95	198
(Credit) Charge to profit and loss	(161)	74	-	(95)	(182)
At end of year	322	(306)	-	-	16

Deferred tax assets

	Accelerated tax depreciation	Tax losses	Total
	$'000	$'000	$'000
Group			
At beginning of year	(300)	(2)	(302)
(Credit) Charge to profit and loss	(7)	17	10
Currency realignment	-	1	1
At end of year	(307)	16	(291)

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

19 DEVELOPMENT COSTS

Development costs relate to the planning and design of a new product range. Commercial production began in the financial year ended June 30, 2006, at which time amortisation of development costs commences.

	$'000
Group	
Cost:	
At July 1, 2005	369
Additions	40
Adjustment	(176)
Currency realignment	(39)
At June 30, 2006	194
Currency realignment	43
At June 30, 2007	237
Amortisation:	
At July 1, 2005	-
Amortisation for the year	22
Currency realignment	(2)
At June 30, 2006	20
Amortisation for the year	19
Currency realignment	6
At June 30, 2007	45
Carrying amount:	
At June 30, 2007	192
At June 30, 2006	174

20 BANK OVERDRAFTS AND OTHER BANK BORROWINGS

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Bank overdrafts	3,097	2,039	-	-
Trust receipts and bills payable to banks	22,621	24,164	11,192	15,051
	25,718	26,203	11,192	15,051

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) corporate guarantee of RM58.40 million ($25.87 million) [2006 : RM58.40 million ($25.23 million)], B$920,000 ($920,000) [2006 : B$920,000 ($920,000)] and $27.12 million (2006 : $27.12 million) by the company (Note 33). The corporate guarantee also covers the long-term borrowings in Note 24;

v) personal guarantees by directors of certain subsidiaries;

vi) debenture over all assets of a subsidiary; and

vii) specific debentures over two units of machineries of a subsidiary.

The bank overdrafts and other bank borrowings bear fixed interest rates ranging from 1.00% to 7.75% (2006 : 1.50% to 9.25%) per annum and are due within 12 months.

Significant group and company bank overdrafts and other bank borrowings that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
United States Dollars	507	-	-	-

21 TRADE PAYABLES

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Outside parties	28,028	19,992	11,665	6,097
Related parties (Note 5)	141	245	-	-
Subsidiaries (Note 12)	-	-	372	23
	28,169	20,237	12,037	6,120

The average credit period on purchases of goods is 60 days (2006 : 60 days).

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

Significant group and company's trade payables that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Australian Dollars	134	63	19	2
Euro	2,076	1,083	67	62
Japanese Yen	33	40	-	-
Sterling Pound	6	38	-	-
United States Dollars	11,096	6,340	9,530	4,430

22 OTHER PAYABLES

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Loan from subsidiaries (Note 12)	-	-	-	805
Accruals	3,637	2,680	1,086	709
Provision for directors' fees	273	152	92	92
Provision for onerous contracts	1,700	900	1,700	900
Customer's deposit	120	-	-	-
Sundry payables	1,109	-	-	-
Others	-	804	817	702
Related parties (Note 5)	-	20	-	-
	6,839	4,556	3,695	3,208

Loan from subsidiaries are interest-free, unsecured and repayable on demand.

The company has made an additional provision of $800,000 (2006 : $900,000) for contracts where deliveries have commenced during the financial year. All deliveries made during the financial year ended June 30, 2007 which have incurred losses have been charged to the profit and loss statement in the current financial year.

23 OBLIGATION UNDER FINANCE LEASES

	Group				Company			
	Minimum lease payments		Present value of minimum lease payments		Minimum lease payments		Present value of minimum lease payments	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Amounts payable under finance leases:								
Within one year	131	146	118	131	-	35	-	34
In the second to fifth year inclusive	110	148	98	139	-	-	-	-
After five years	2	7	-	-	-	-	-	-
	243	301	216	270	-	35	-	34
Less: Future finance charges	(27)	(31)			-	(1)		
Present value of leases	216	270			-	34		

The group enters into finance leasing arrangements for certain of its motor vehicles and office equipment and furniture. All leases are denominated in the functional currencies of the respective entities.

The carrying amount of the group's finance lease payables at June 30, 2007 approximates its fair value.

The rates of interest for the finance leases range from 3.65% to 12.76% (2006 : 3.65% to 6.51%) per annum.

24 LONG-TERM BORROWINGS

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Long-term loans - unsecured	1,500	3,000	1,500	3,000
Long-term loans - secured	2,190	1,890	-	-
	3,690	4,890	1,500	3,000
The borrowings are repayable as follows:				
On demand or within one year	1,815	1,726	1,500	1,500
Second to fifth year inclusive	1,875	3,164	-	1,500
After five years	-	-	-	-
	3,690	4,890	1,500	3,000
Less: Amount due for settlement within one year (shown under current liabilities)	(1,815)	(1,726)	(1,500)	(1,500)
Amount due for settlement after one year	1,875	3,164	-	1,500

The unsecured long-term loans bear interest at fixed rate of 3.30% (2006 : 3.30%) per annum.

The secured long-term loans bear interest at fixed rates ranging from 6.50% to 8.96% (2006 : 3.75% to 12%) per annum.

24 LONG-TERM BORROWINGS (CONT'D)

The average term of borrowings entered into is 5 years and the carrying amount of the group's borrowings at June 30, 2007 approximates its fair value.

All borrowings are denominated in the functional currencies of the respective entities.

The loans are secured by the following:

i) fixed and floating charge over all the assets of certain subsidiaries;

ii) fixed charge over leasehold land and buildings of certain subsidiaries;

iii) negative pledge over all assets of the company and certain subsidiaries;

iv) corporate guarantees by the company (see Notes 20 and 33);

v) personal guarantees by directors of certain subsidiaries;

vi) debenture over all assets of a subsidiary; and

vii) specific debentures over two units of machineries of a subsidiary.

25 SHARE CAPITAL AND OPTIONS

	Group and Company			
	2007 '000	2006 '000	2007 $'000	2006 $'000
	Number of ordinary shares			
Share capital				
Issued and paid up capital:				
At beginning of year	249,650	249,650	33,005	24,965
Transfer from share premium account	-	-	-	8,040
Additional shares issued	130,735	-	13,074	-
Share options exercised	11,820	-	1,478	-
Rights issue expenses	-	-	(238)	-
At end of year	392,205	249,650	47,319	33,005

The company has one class of ordinary shares with no par value and carry no right to fixed income.

During the financial year ended June 30, 2007, 11.82 million shares were issued at the price of $0.125 per share upon the exercise of options under Tai Sin Share Option Scheme. These share options were exercised prior to the issuance of rights issue of 130.74 million new shares ("rights shares") at an issue price of $0.10 per share, on the basis of 1 rights share for every 2 existing ordinary shares held by shareholders. The entitled shareholders were given the option to elect to utilise the interim dividend (Note 32) to subscribe for rights shares. The interim dividend totalling $13.07 million was settled by the rights shares.

25 SHARE CAPITAL AND OPTIONS (CONT'D)

Share option

The company has a share option scheme for certain employees of the company on April 8, 2002. Options are exercisable at a price based on the average of the last done prices for the shares of the company on the Singapore Exchange Securities Trading Limited for the five market days preceding the date of grant. The options granted to employees may be exercised during the period from May 8, 2003 to May 7, 2013, both dates inclusive. Options are forfeited if the employee leaves the group before the options are exercised.

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

Details of the share options outstanding during the year are as follows:

	Group and Company			
	2007		2006	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
		$		$
Outstanding at the beginning of the year	12,320,000	0.125	12,470,000	0.125
Exercised during the year	(11,820,000)	0.125	-	
Forfeited during the year	(500,000)	0.125	(150,000)	0.125
Outstanding at the end of the year	-		12,320,000	0.125
Exercisable at the end of the year	-		12,320,000	

The weight average share price at the date of exercise for share options exercised during the year was $0.125 (2006: $NIL). There is no option outstanding at the end of the financial year ended June 30, 2007.

26 REVENUE

An analysis of the group's revenue and other operating income for the year is as follows:

	Group	
	2007 $'000	2006 $'000
Sales of goods	232,554	182,848
Contract revenue	168	564
	232,722	183,412

27 OTHER OPERATING INCOME

	Group	
	2007 $'000	2006 $'000
Net foreign exchange adjustment gain	176	386
Gain on disposal of property, plant and equipment	1	6
Allowance for doubtful debts written back	18	87
Fair value gain on derivative financial instruments	-	92
Interest income from deposits	16	20
Rental income	5	5
Doubtful debts recovered	13	-
Others	230	295
	459	891

28 FINANCE COSTS

	Group	
	2007 $'000	2006 $'000
Interest expense from:		
Bank borrowings	1,668	1,239
Finance leases	27	19
Others	6	6
	1,701	1,264

29 INCOME TAX EXPENSE

	Group	
	2007 $'000	2006 $'000
Income tax		
Current	5,426	3,220
Under (Over) provision in prior years	8	(102)
	5,434	3,118
Deferred income tax	(199)	(71)
Total income tax expense	5,235	3,047

Domestic income tax is calculated at 18% (2006 : 20%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

29 INCOME TAX EXPENSE (CONT'D)

The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2007 $'000	2006 $'000
Profit before tax	26,161	14,447
Income tax expense at domestic rate of 18% (2006 : 20%)	4,709	2,889
Non-allowable items	113	192
Deferred tax benefits not recognised	164	145
Utilisation of deferred tax benefits previously not recognised	(8)	(225)
Under (Over) provision of taxation in prior years	8	(102)
Tax rebates	(110)	(32)
Effect of different tax rates of subsidiaries operating in other jurisdictions	264	164
Effect of change in tax rate	31	-
Others	64	16
Tax expense for the year	5,235	3,047

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	
	2007 $'000	2006 $'000
Tax loss carryforwards		
Balance at beginning of year	4,442	5,614
Adjustment	(391)	(582)
Currency realignment	283	(107)
Amount in current year	574	519
Amount utilised in current year	(42)	(1,002)
Balance at end of year	4,866	4,442
Unutilised investment allowance		
Balance at beginning of year	2,696	2,823
Adjustment	(959)	-
Currency realignment	-	(69)
Amount utilised in current year	-	(58)
Balance at end of year	1,737	2,696

29 INCOME TAX EXPENSE (CONT'D)

	Group	
	2007 $'000	2006 $'000
Unutilised capital allowance		
Balance at beginning of year	1,840	1,385
Adjustment	(265)	(3)
Currency realignment	102	(34)
Amount in current year	338	558
Amount utilised in current year	-	(66)
Balance at end of year	2,015	1,840
Total	8,618	8,978
Deferred tax benefits on above:		
recorded	291	302
unrecorded	2,001	2,489

Deferred tax benefit vary from the Singapore statutory rate as they include deferred tax on overseas operations.

Certain deferred tax benefits have not been recognised as it is not probable that the relevant subsidiaries will have taxable profits in the foreseeable future to utilise the tax loss carryforwards and temporary differences from capital allowances.

The realisation of the future income tax benefit from the remaining tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to conditions imposed by law including the retention of majority shareholders as defined.

Group relief

Subject to the satisfaction of the conditions for group relief, $700,000 (2006 : $330,000) of tax losses arising in the current year were transferred from subsidiaries under the group relief system. These tax losses are transferred at no consideration.

30 PROFIT FOR THE YEAR

	Group	
	2007 $'000	2006 $'000
Directors' remuneration:		
of the company	947	840
of the subsidiaries	1,398	1,448
Total directors' remuneration	2,345	2,288
Directors' fee	273	168
Employee benefits expense (including directors' remuneration):		
Cost of defined contribution plans	1,263	1,057
Others	17,993	16,018
Total employee benefits expense	19,256	17,075
Audit fees:		
Paid to auditors of the company	155	107
Paid to other auditors	61	52
Non-audit fees:		
Paid to auditors of the company	9	10
Paid to other auditors	12	23
Cost of inventories recognised as expense	170,975	138,655
Provision for onerous contracts expense	800	900
Foreign currency exchange adjustment gain	(176)	(386)
Inventories written off	751	718
Depreciation and amortisation:		
Amortisation expense	20	29
Depreciation expense	2,944	2,889
	2,964	2,918

31 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the company is based on the following data:

Earnings

	Group	
	2007 $'000	2006 $'000
Earnings for the purposes of calculation of basic and diluted earnings per share (profit for the year attributable to equity holders of the company)	20,811	11,229

Number of shares

	Group	
	2007	2006
Weighted average number of ordinary shares for the purposes of basic earnings per share	352,602,900	339,801,389*
Effect of dilutive potential ordinary shares	-	2,312,950*
Weighted average number of ordinary shares for the purposes of diluted earnings per share	352,602,900	342,114,339*

* Restated after factoring for the rights shares issued during the financial year ended June 30, 2007 (see Note 25) to reflect the proportionate change in the number of ordinary shares outstanding as if the bonus element in the rights issue to existing shareholders had occurred at the beginning of the earliest reported period being the financial year ended June 30, 2006. The bonus element is the difference between the issue price of $0.10 and the fair market value at the date of rights issue.

32 DIVIDENDS

During the financial year ended June 30, 2007, the company paid a final dividend of 0.60 cent per ordinary share less tax on the ordinary shares of the company totalling $1.21 million in respect of the financial year ended June 30, 2006 and an interim dividend of 6.10 cents per ordinary share less tax on ordinary shares of the company totalling $13.07 million in respect of the financial year ended June 30, 2007. The entitled shareholders were given the option to elect to utilise the interim dividend to subscribe for rights shares (Note 25). The interim dividend was settled by the rights shares.

Subsequent to June 30, 2007, the directors propose that a final one tier tax exempt dividend of 1.0 cent per ordinary share be paid to shareholders for financial year just ended. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

33 CONTINGENT LIABILITIES

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Corporate guarantee in relation to credit facilities granted to subsidiaries (Notes 20 and 24)	-	-	53,911	53,269

34 COMMITMENTS

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
(a) **Capital expenditure:**				
Estimated amounts committed for future capital expenditure but not provided for in the financial statements	1,372	275	896	-
(b) **Copper forward contracts:**				
Buy:				
US$'000	296	357	296	357
Equivalent in Singapore Dollars	454	567	454	567
(c) **Foreign exchange forward contracts:**				
Buy:				
US$'000	763	-	763	-
Equivalent in Singapore Dollars	1,174	-	1,174	-
(d) **Others**				
Performance guarantees (secured, Note 20)	254	627	-	-
Standby letters of credit	-	308	-	-
Performance guarantees (unsecured) [i]	2,311	1,576	917	160
Total	2,565	2,511	917	160

(e) The group's subsidiary in Vietnam, Dien Quang – Tai Sin Cable Company Limited had increased its legal capital from US$1,000,000 to US$1,500,000. The group has a 60% equity interest in Dien Quang – Tai Sin Cable Company Limited and the group's share of the increased capital commitments of the subsidiary is US$300,000.

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

35 OPERATING LEASE COMMITMENTS

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Minimum lease payments under operating leases recognised as an expense in the year	1,020	805	231	247

At the balance sheet date, the outstanding commitments under non-cancellable operating leases which fall due as follows:

	Group		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Future minimum lease payments payable:				
Within one year	814	837	240	342
In the second to fifth year inclusive	2,079	2,588	919	1,368
After five years	7,108	9,121	3,234	5,178
Total	10,001	12,546	4,393	6,888

Operating lease payments represent rentals payable for certain of its factory and office premises and equipment. Leases are negotiated for an average term of 40 years and rentals are fixed for an average of 2 years.

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 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.

Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade/other receivables, inventories, construction-in-progress 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.

36 SEGMENT INFORMATION (CONT'D)

Analysis by geographical segments

Segment revenue

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

Segment assets and capital expenditure

Segment assets and expenditure are analysed based on the location of these assets. Capital expenditure includes the total cost incurred for construction-in-progress, cost incurred to acquire property, plant and equipment, and intangible assets.

2007

Business segments

	Cable and wire	Switchboards	Lamps and lighting products	Electrical equipment	Sanitary	Elimination	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
REVENUE							
External sales	141,073	5,741	2,986	81,011	1,911	-	232,722
Inter-segment sales	4,711	-	-	20	-	(4,731)	-
Total revenue	145,784	5,741	2,986	81,031	1,911	(4,731)	232,722
RESULT							
Segment result	23,861	533	(717)	4,510	(341)	-	27,846
Interest expense	(1,183)	-	(30)	(23)	(15)	-	(1,251)
Unallocated interest expense							(450)
Interest income	-	6	-	10	-	-	16
Income tax expense							(5,235)
Minority interests							(115)
Profit attributable to shareholders of the company							20,811

36 SEGMENT INFORMATION (CONT'D)

2007

Business segments

	Cable and wire	Switchboards	Lamps and lighting products	Electrical equipment	Sanitary	Total
	$'000	$'000	$'000	$'000	$'000	$'000
OTHER INFORMATION						
Segment assets	98,181	5,482	4,389	42,535	2,272	152,859
Unallocated segment assets						304
Consolidated total assets						153,163
Segment liabilities	38,146	296	887	17,728	572	57,629
Unallocated segment liabilities						13,104
Consolidated total liabilities						70,733
Capital expenditure	1,888	36	11	956	8	2,899
Depreciation and amortisation	1,637	143	399	745	40	2,964
Non-cash (income) expenses other than depreciation and amortisation	20	7	63	216	275	581

Geographical segments

	Revenue	Segment assets	Total capital expenditure
	$'000	$'000	$'000
Singapore	183,446	114,047	708
Malaysia	30,038	25,159	555
Brunei	5,741	5,540	36
New Zealand	13,497	6,597	348
Vietnam	-	1,820	1,252
	232,722	153,163	2,899

36 SEGMENT INFORMATION (CONT'D)

2006

Business segments

	Cable and wire	Switchboards	Lamps and lighting products	Electrical equipment	Sanitary	Elimination	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
REVENUE							
External sales	101,848	6,014	5,027	67,187	3,336	-	183,412
Inter-segment sales	2,692	-	-	39	-	(2,731)	-
Total revenue	104,540	6,014	5,027	67,226	3,336	(2,731)	183,412
RESULT							
Segment result	13,093	485	(609)	2,997	(275)	-	15,691
Interest expense	(719)	-	(38)	(94)	(19)	-	(870)
Unallocated interest expense							(394)
							14,427
Interest income	-	19	-	1	-	-	20
Income tax expense							(3,047)
Minority interests							(171)
Profit attributable to shareholders of the company							11,229

36 SEGMENT INFORMATION (CONT'D)

2006

Business segments

	Cable and wire	Switchboards	Lamps and lighting products	Electrical equipment	Sanitary	Total
	$'000	$'000	$'000	$'000	$'000	$'000
OTHER INFORMATION						
Segment assets	69,641	6,055	5,097	37,445	2,447	120,685
Unallocated segment assets						472
Consolidated total assets						121,157
Segment liabilities	30,576	990	1,439	15,464	509	48,978
Unallocated segment liabilities						11,451
Consolidated total liabilities						60,429
Capital expenditure	719	29	11	533	40	1,332
Depreciation and amortisation	1,596	156	416	706	44	2,918
Non-cash (income) expenses other than depreciation and amortisation	97	-	14	(18)	(18)	75

Geographical segments

	Revenue	Segment assets	Total capital expenditure
	$'000	$'000	$'000
Singapore	139,199	91,620	1,058
Malaysia	26,139	19,594	66
Brunei	6,014	6,056	29
New Zealand	12,060	3,887	179
	183,412	121,157	1,332

37 RECLASSIFICATION AND COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been amended on the face of the balance sheet and related notes to the financial statements. Comparative figures have been adjusted to conform with the current year's presentation.

These items were reclassified as follows:

	Previously reported 2006 $'000	After reclassification 2006 $'000
Balance Sheet		
Non-current assets		
Deferred tax assets	93	302
Non-current liabilities		
Deferred tax liabilities	(763)	(972)

In the opinion of the directors, the consolidated financial statements of the group and the balance sheet and statement of changes in equity of the company as set out on pages 29 to 76 are drawn up 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, 2007, 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 when they fall due.

ON BEHALF OF THE DIRECTORS

Lim Chye Huat @ Bobby Lim Chye Huat

Lin Chen Mou

Singapore
August 24, 2007

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, 2007 were as follows:-

Name of Interested person	Nature of transactions	Aggregate value of all Interested person transactions during the financial year under review
VL Holdings Ltd	Rental Income	$164,672

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 shareholders, either still subsisting at the end of the financial year ended June 30, 2007, or if not then subsisting, entered into since the end of the previous financial year.

As at September 12, 2007

ISSUED AND FULLY PAID-UP CAPITAL	:	$47,318,973
NUMBER OF SHARES ISSUED	:	392,205,000 ORDINARY SHARES
CLASS OF SHARES	:	ORDINARY SHARES FULLY PAID
VOTING RIGHTS	:	1 VOTE PER SHARE

DISTRIBUTION OF SHAREHOLDINGS AS AT 12 SEPTEMBER 2007

Size of shareholdings	Number of shareholders	%	Number of Shares	%
1 - 999	131	3.34	54,122	0.01
1,000 - 10,000	1,888	48.20	12,308,549	3.14
10,001 - 1,000,000	1,849	47.21	85,165,491	21.72
1,000,001 and above	49	1.25	294,676,838	75.13
Total	3,917	100.00	392,205,000	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 12 SEPTEMBER 2007

No	Name of Shareholders	Number of Shares	%
1	Lim Boon Hock Bernard	37,875,000	9.66
2	Lim Chye Huat @ Bobby Lim Chye Huat	36,326,370	9.26
3	Lim Boon Chin Benjamin (Lin Wenjin Benjamin)	24,000,000	6.12
4	Goh Soo Luan	18,342,500	4.68
5	Lim Lian Hiong	14,026,500	3.58
6	Lim Chai Lai	13,745,500	3.50
7	Lim Phek Choo Constance	12,132,000	3.09
8	Lim Hiang Lan	11,449,500	2.92
9	OCBC Securities Private Limited	10,251,788	2.61
10	Lim Lian Eng	7,397,000	1.89
11	DBS Nominees Pte Ltd	6,805,500	1.74
12	Chan Kum Lin Carolyn	6,500,000	1.66
13	Chia Ah Heng	6,161,500	1.57
14	Geraldine Cheng Hua Yong	5,941,000	1.51
15	Morgan Stanley Asia (Singapore) Pte Ltd	5,901,000	1.50
16	Yen Tsung Hua	5,122,140	1.31
17	Raffles Nominees Pte Ltd	4,690,000	1.20
18	Chen Shyh Yi	4,306,080	1.10
19	UOB Nominees (2006) Pte Ltd	4,000,000	1.02
20	United Overseas Bank Nominees Pte Ltd	3,481,500	0.89
	Total:	238,454,878	60.81

As at September 12, 2007

LIST OF SUBSTANTIAL SHAREHOLDERS AND THEIR SHAREHOLDINGS AS AT SEPTEMBER 12, 2007 BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Number of Shares	
Name	Shareholdings registered in the name of Substantial Shareholders or their Nominees	Shareholdings in which Substantial Shareholders are deemed to have an interest
Mr. Lim Chye Huat @ Bobby Lim Chye Huat [1]	36,326,370	18,342,500
Mdm. Goh Soo Luan [2]	18,342,500	36,326,370
Mr. Lim Boon Hock Bernard [3]	38,250,000	1,650,000
Mdm. Pang Yoke Chun [4]	1,650,000	38,250,000
Mr. Lim Boon Chin Benjamin	24,000,000	-
Mr. Lim Chai Lai @ Louis Lim Chai Lai [5]	13,745,500	6,500,000
Mdm. Chan Kum Lin [6]	6,500,000	13,745,500
Mr. Chia Ah Heng [7]	6,161,500	14,026,500
Mdm. Lim Lian Hiong [8]	14,026,500	6,161,500

Notes:-

(1) Mr. Lim Chye Huat @ Bobby Lim Chye Huat is deemed to have an interest in the 18,342,500 shares held by his wife, Mdm. Goh Soo Luan.

(2) Mdm. Goh Soo Luan is deemed to have an interest in the 36,326,370 shares held by her husband, Mr. Lim Chye Huat @ Bobby Lim Chye Huat.

(3) Mr. Lim Boon Hock Bernard is deemed to have an interest in the 1,650,000 shares held by his wife, Mdm. Pang Yoke Chun and her nominee.

(4) Mdm. Pang Yoke Chun is deemed to have an interest in the 38,250,000 shares held by her husband, Mr. Lim Boon Hock Bernard and his nominee.

(5) Mr. Lim Chai Lai @ Louis Lim Chai Lai is deemed to have an interest in the 6,500,000 shares held by his wife, Mdm. Chan Kum Lin.

(6) Mdm. Chan Kum Lin is deemed to have an interest in the 13,745,500 shares held by her husband, Mr. Lim Chai Lai @ Louis Lim Chai Lai.

(7) Mr. Chia Ah Heng is deemed to have an interest in the 14,026,500 shares held by his wife, Mdm. Lim Lian Hiong.

(8) Mdm. Lim Lian Hiong is deemed to have an interest in the 6,161,500 shares held by her husband, Mr. Chia Ah Heng.

FREE FLOAT OF EQUITY SECURITIES

On the basis in information available to the Company approximately 44% of the equity securities of the company excluding preference shares and convertible securities are held in the hands of the public. This is in 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.

Tai Sin Electric Cables Manufacturer Limited
(Incorporated in the Republic of Singapore - Company Registration No: 198000057W)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Tai Sin Electric Cables Manufacturer Limited will be held at Banquet Hall 3 of Raffles Country Club at 450 Jalan Ahmad Ibrahim, Singapore 639932 on Tuesday, October 30, 2007 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, 2007 together with the Auditors' Report thereon.

2. To declare a final one-tier tax exempt dividend of $0.01 per ordinary share for the year ended June 30, 2007.

3. To approve the payment of $187,000 as Directors' Fees for the year ended June 30, 2007. (2006 : $92,000)

4. To re-elect the following Directors retiring pursuant to the Articles of Association of the Company:-

   (a) Mr. Lim Boon Hock Bernard; and
   (b) Mr. Tay Joo Soon.

5. To re-appoint Deloitte & Touche as Auditors and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

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

6. **Authority to issue new shares and/or convertible instruments**

   "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."

7. 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 5, 2007

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. Tay Joo Soon is considered to be an independent director by the Board of Directors, and if re-appointed under item 4(b) 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.

Proxy Form

Tai Sin Electric Cables Manufacturer Limited
(Incorporated in the Republic of Singapore - Company Registration No: 198000057W)

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 30, 2007 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. Lim Boon Hock Bernard as a Director		
	(b) Re-election of Mr. Tay Joo Soon as a Director		
5.	Re-appointment of Auditors and fixing their remuneration		
6.	As special business - approving the Mandate for the Directors to issue new shares or convertible instruments		

Dated this __________ day of __________ 2007.

Total Number of Shares Held

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

Proxy Form

Tai Sin Electric Cables Manufacturer Limited
(Incorporated in the Republic of Singapore - Company Registration No: 198000057W)

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.

SINGAPORE

TAI SIN ELECTRIC CABLES MANUFACTURER LIMITED
24 Gul Crescent, Jurong Town, Singapore 629531
Tel: (+65) 6861 3401
Fax : (+65) 6861 4084
Email: mailbox1@taisin.com.sg
Website: www.taisin.com.sg

LIM KIM HAI ELECTRIC CO (S) PTE LTD
Lim Kim Hai Building
53 Kallang Place, Singapore 339177
Tel: (+65) 6292 3711
Fax : (+65) 6297 0078
Email: sales@limkimhai.com.sg
Website: www.limkimhai.com.sg

LKH POWER DISTRIBUTION PTE LTD
Lim Kim Hai Building, 53 Kallang Place
1st Storey, Singapore 339177
Tel: (+65) 6897 7078
Fax: (+65) 6897 7079
Email: lkhpd@limkimhai.com.sg
Website: www.lkhpowerdistribution.com

PRECICON D&C PTE LTD
27 Gul Avenue, Singapore 629667
Tel: (+65) 6897 7008
Fax: (+65) 6897 8890
Email: sales@precicon.com.sg
Website: www.precicon.com.sg

PC2M ASIA PACIFIC PTE LTD
27 Gul Avenue, Singapore 629667
Tel: (+65) 6763 1718
Fax: (+65) 6763 6321
Email: sales@pc2m-asia.com
Website: www.pc2m-asia.com

YAT LYE PTE LIMITED
24 Gul Crescent, Jurong Town
Singapore 629531
Tel: (+65) 6748 8311
Fax: (+65) 6748 1859
Email: sales88@yatlye.com.sg
Website: www.yatlye.com.sg

BRUNEI

PKS SDN BHD
Lot B, Kawasan Perindustrian Beribi I
Jalan Gadong BE 1188
Bandar Seri Begawan
Negara Brunei Darussalam
Tel: (+673) 2 421348 / 421349
Fax: (+673) 2 421347
Email: tony@pks.com.bn
Website: www.pks.com.bn

MALAYSIA

TAI SIN ELECTRIC CABLES (MALAYSIA) SDN BHD
PTD 37433 & 37434
Off Jalan Perindustrian Senai 3
Kawasan Perindustrian Senai Fasa 2
P.O. Box 73, 81400 Senai
Johor Darul Takzim, Malaysia
Tel: (+60) 7 599 8888
Fax: (+60) 7 599 8898
E-mail: taisin@taisin.com.my
Website: www.taisin.com.my

LKH LAMPS SDN BHD
Lot 67A, Jalan Gebeng 1/6
Gebeng Industrial Estate, 26080 Kuantan
Pahang Darul Makmur, Malaysia
Tel: (+60) 9 583 4832
Fax: (+60) 9 583 4825
E-mail: info@lkhlamps.com
Website: www.lkhlamps.com

LKH LIGHTINGS SDN BHD
No.6, Jalan PJS 11/16, Bandar Sunway
46150 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: (+60) 3 56373 325
Fax: (+60) 3 56351 265

NEW ZEALAND

VYNCO INDUSTRIES (NZ) LIMITED
P.O. Box 10084, Christchurch
388 Tuam Street, New Zealand
Tel: (+64) 3 379 9283
Fax: (+64) 3 379 6838
Email: vyncoauck@vynco.co.nz
Website: www.vynco.co.nz

VIETNAM

DIEN QUANG - TAI SIN CABLE COMPANY LIMITED
20 VSIP II Street 2, Vietnam Singapore Industrial Park 2
Ben Cat, Binh Duong Province, S.R. Vietnam
Tel: (+84) 650 635 088
Fax: (+84) 650 635 077
Email: dqts@dienquang-taisin.com.vn

LKH POWER DISTRIBUTION PTE LTD,
Vietnam Representative Office
78 Hoa Cuc Street, Ward 7, District Phu Nhuan
HCMC, Vietnam
Tel: (+84) 8 517 1717
Fax: (+84) 8 517 1818
Email: lkhpd@vnn.vn, lkhpdvn@limkimhai.com.sg

MIDDLE EAST

LIM KIM HAI ELECTRIC CO (S) PTE LTD,
Dubai Branch Office
P.O. Box 41947, Dubai
United Arab Emirates
Tel: (+971) 4 228 6776
Fax: (+971) 4 228 6778
Email: info@lkhdubai.ae
Website: www.lkhdubai.ae

Tai Sin®

The Electric Solutions Specialist For Asia Since 1958

TAI SIN ELECTRIC CABLES MANUFACTURER LIMITED

24 Gul Crescent Jurong Town
Singapore 629531
Tel: (65) 6861 3401
Fax: (65) 6861 4084
Email: mailbox1@taisin.com.sg
Web: www.taisin.com.sg