Journey Towards Excellence

annual report 2008

Tai Sin®

The Electric Solutions Specialist For Asia Since 1958

Corporate Profile

Since its incorporation in 1980 as Tai Sin Electric Cables Manufacturer Limited, the Company has expanded and diversified steadily over the past two decades to establish itself as the present Tai Sin Electric Limited ("Tai Sin"). Listed on the Stock Exchange of Singapore Catalist (formerly known as 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.

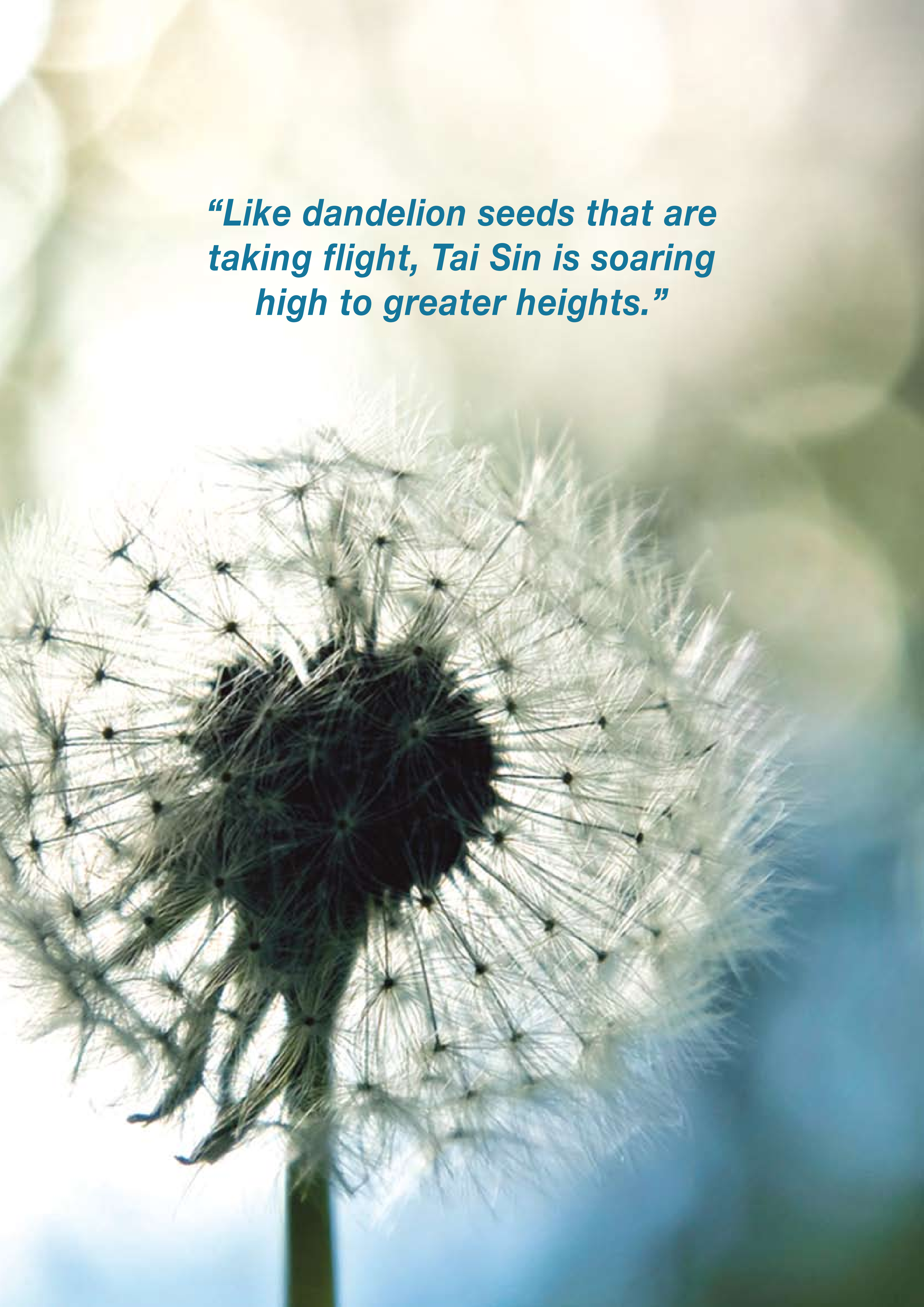
Started initially as a cable manufacturing business, Tai Sin currently operates a highly successful network distributing electrical and control products, devices and accessories to a wide range of local and regional industries. Empowered by its expansion, the Group's strengths as an electric solutions 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 and New Zealand 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.

Corporate Values

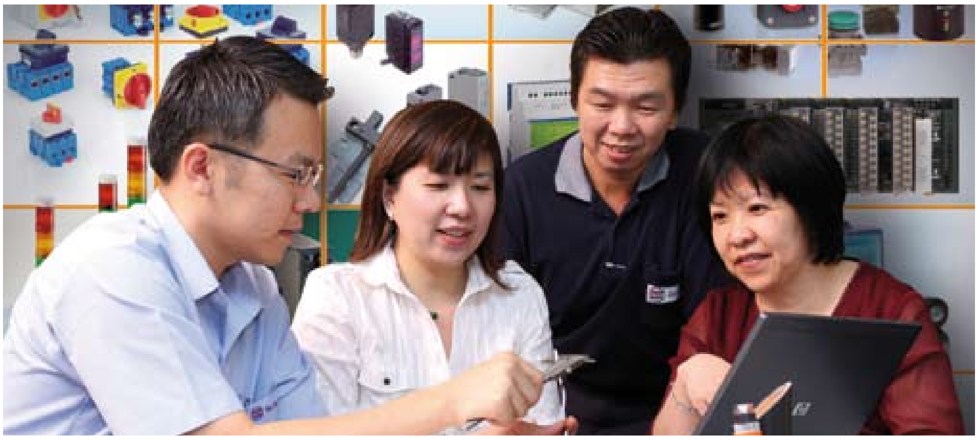
As a forward looking and lucrative enterprise, our corporate values are grounded in our unwavering ***commitment*** towards customers; ***reliability*** in meeting and even exceeding customer expectations; as well as constantly injecting ***innovation*** into everything we do. All these will help direct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

Contents


"Like dandelion seeds that are taking flight, Tai Sin is soaring high to greater heights."


TSEC
Tai S
Sin Electric

Excellence In
Customer Commitment



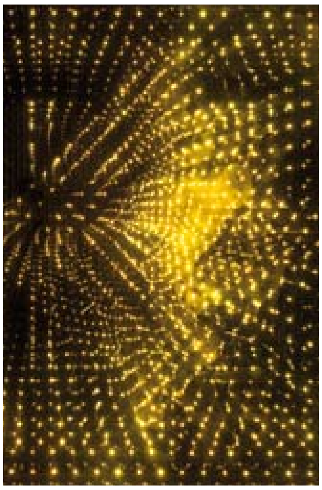
With a commitment to bring optimum solutions to our customers, Tai Sin combines high technical competencies with innovative systems for superior and customised results. Our timely response in meeting demands also ensures quality customer care across the value chain.

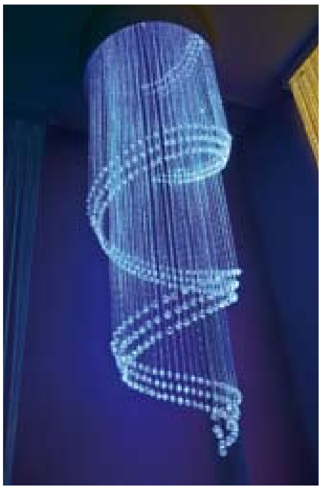
Excellence In
Reliability

By being agile, flexible and staying in tune with the market trends, Tai Sin is able to deliver reliable and practical electric solutions effectively. Through objectivity and transparency, we uphold service and quality commitments as we cater to customers' requirements.

Excellence In

Innovation

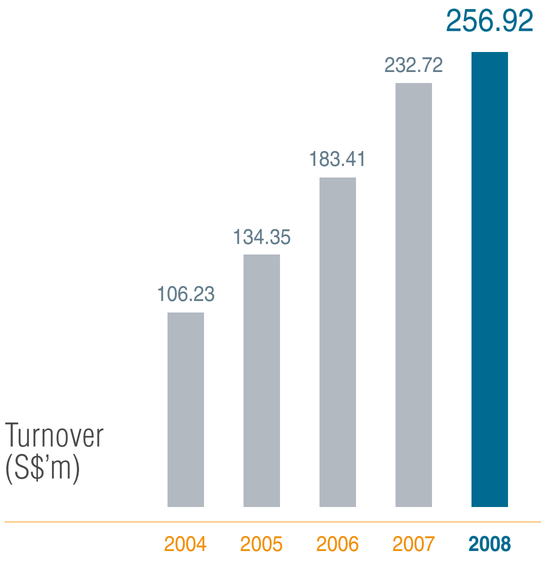


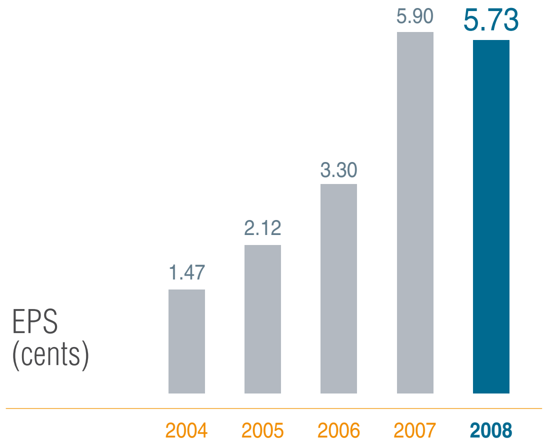


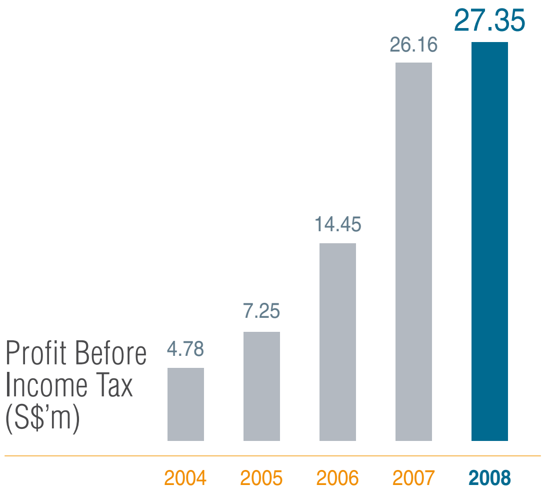
In line with providing our customers with value-added solutions, Tai Sin adopts a flexible and innovative approach that not only exhibits creativity, but also develops cost-effective and energy-efficient solutions. As part of good corporate responsibility, we will seek opportunities to identify sustainable electric solutions that help our customers achieve maximum energy efficiency and minimise environmental impact.

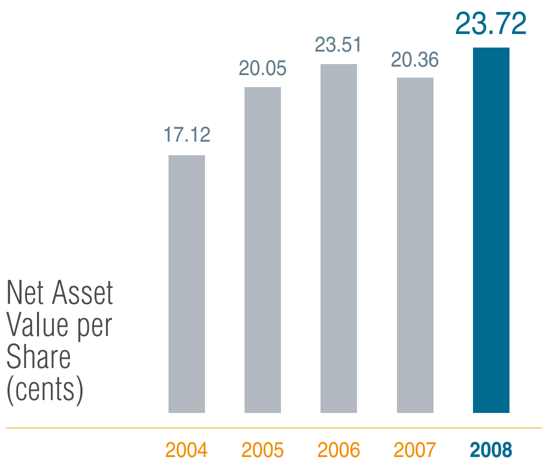
Financial Highlights

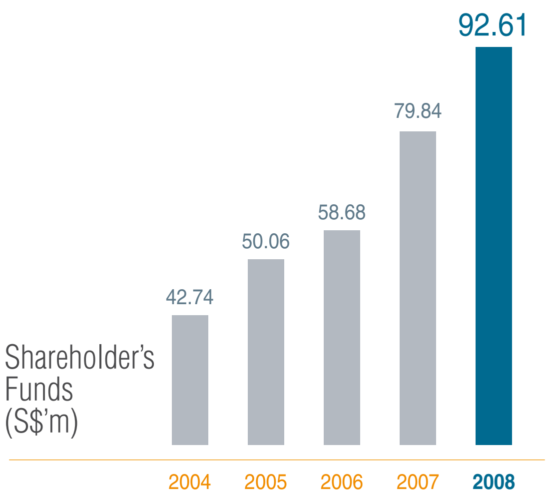
Month End Share Price


Turnover
(S$'m)
106.23
134.35
183.41
232.72
256.92
2004
2005
2006
2007
2008


EPS
(cents)
1.47
2.12
3.30
5.90
5.73
2004
2005
2006
2007
2008


Profit Before
Income Tax
(S$'m)
4.78
7.25
14.45
26.16
27.35
2004
2005
2006
2007
2008


Net Asset
Value per
Share
(cents)
17.12
20.05
23.51
20.36
23.72
2004
2005
2006
2007
2008


Shareholder's
Funds
(S$'m)
42.74
50.06
58.68
79.84
92.61
2004
2005
2006
2007
2008

Journey of Excellence

Home and Away


Image courtesy of Urban Redevelopment Authority

Strengthening our Local Presence

Singapore continues to see its construction sector surge ahead in the coming year, with big projects like new MRT lines and the two integrated resorts in the pipeline. Tai Sin is therefore well-positioned to tap into projects coming from both the public and private sectors, as we journey towards further growth.

Dubai, U.A.E.

Ho Chi Minh City, Vietnam

Expanding Horizons and Opportunities

The expansion of the electrical material distribution business in Vietnam and Middle East sets the tone for a broader earning base in future years. Vietnam will serve as our gateway to opportunities in the Indochina region, while investments in the Middle East continue to present tremendous opportunities for Tai Sin.

Chairman's Statement

I am pleased to present the Annual Report of the Group for the year ended June 30, 2008 ("FY2008").

Professor Lee Chang Leng Brian
Chairman

REVIEW OF RESULTS

In this year under review, the Group continued on its path of growth. We built on the success and great results that we had in the past years to propel us into a new and exciting stage in our business. The strong growth over the years was the result of our continued commitment to good management, strong product knowledge and development, efficient logistic capabilities and strong entrepreneurial spirit.

Though this financial year under review was marked by a myriad of challenges brought about by the slowdown of the global economy, under these tough market conditions, the Group managed to achieve commendable results and continued to register growth in revenue and profits. This year we saw our revenue crossing the $250 million mark. Group turnover increased by 10.40% from $232.72 million to $256.92 million due to the strong revenue contribution from the Cable & Wire and the Electrical Material Distribution segments.

The Group's profit before income tax inched higher to $27.35 million up by 4.55% from $26.16 million in FY2007. Group's profit after income tax improved by 7.21% to $22.44 million as compared to $20.93 million in FY2007.

Increase in sales and improvement in collection of trade receivables generated net cash from operating activities of $9.86 million.

Earnings per ordinary share slipped 2.88% to 5.73 cents as compared to 5.90 cents in FY2007. However, net asset value per share strengthened by 16.50% to 23.72 cents from 20.36 cents in the previous financial year.

Performance of Cable & Wire Segment

The Cable & Wire segment continued to be the leading contributor to Group's revenue, posting sales of $163.89 million. This segment continues to tap into the robust demand in the construction sector in Singapore this year.

Our established track record, product expertise, shorter lead time and excellent value added services made us the supplier of choice of contractors and helped expand our client base to a wider base across broader sectors.

Our plant operation in Malaysia has delivered impressive revenue growth as it penetrates new markets; major projects are expected to come into stream in the next 12-15 months. The Malaysian plant continues to provide support to production demand in Singapore. Our Vietnam plant located in Binh Duong Province started operating in September 2007. The plant manufactures cables and wires to cater to the Vietnamese domestic market. Our Group is involved in commercial and industrial projects as well as public sector projects such as ports, shipyards and airports in Vietnam.

Performance of Electrical Material Distribution Segment

Our Electrical Material Distribution segment was our second biggest contributor to Group's revenue. This segment contributed $87.35 million towards sales this year.

This year marked the 50th anniversary of Lim Kim Hai Electric Co (S) Pte Ltd, our flagship company within the Electrical Material Distribution segment. This is a momentous milestone for the Group and a testament to its long term commitment to its customers and business partners.

The segment ventured into several investments in line with our plans to expand from our traditional markets and gain a foothold of the Middle East market. On April 27, 2008, Lim Kim Hai Electric Co (S) Pte Ltd established LKH Electric Middle East (FZE), a 100% owned subsidiary located in the Sharjah Airport International Free Zone in United Arab Emirates. This company is engaged in electrical material distribution. With this investment and by having a warehouse located in Sharjah, we will be able to strengthen our distribution group in that region.

Left to Right: Singapore, Vietnam and U.A.E.

In July 2008, Lim Kim Hai Electric Co (S) Pte Ltd made an investment in Nylect International Pte Ltd through the subscription of 1.8 million new ordinary shares at $1.00 per share with investment amounting to $1.8 million. With this investment, we took up 30% of Nylect's enlarged issued and paid up share capital.

BUSINESS OUTLOOK

Despite the challenges presented by the economic uncertainty, we maintain a cautious yet optimistic outlook for our Group in the coming years. We believe that opportunities are still present even in times of difficulty. We will continue to adopt a proactive approach in tackling factors that might have an impact in our business operations. One such initiative was our corporate branding exercise that we conducted last year which was helpful in our expansion overseas. The branding exercise strategically defined our core competencies and highlighted to our customers locally and abroad our positioning as a Leading Electric Solutions Specialist for Asia.

Cable and Wire Segment

We continue to be vigilant in monitoring closely the prices of copper which is our main raw material. We have put in place hedging strategies to lessen the impact of the volatility of copper prices.

The negative impact of the US economic slowdown is being felt in the different parts of the region. In Singapore, which is our main market, economic growth for the second quarter of 2008 has eased to 2.1% as weakening demand from the US slowed down exports. The Ministry of Trade and Industry has revised downwards the economic growth forecast for the year to between 4% and 5%.

However, the construction industry continued to post strong growth. This sector continues to surge ahead with construction demand for 2008 projected by the Building and Construction Authority (BCA) to be $23 billion to $27 billion. The Singapore government has deferred a total of $4.7 billion worth of public sector construction projects to 2010 and beyond to ease the already tight construction capacity.

This augurs well for our Group as it presents a good pipeline of projects for us in the coming years while ensuring that the construction sector will continue to expand beyond the current big projects like the integrated resorts.

We are well positioned to tap into projects coming from both public and private sectors. Our Group has solid experience in handling projects coming from diverse sectors such as public infrastructure projects, commercial and industrial buildings, pharmaceutical companies and onshore oil and gas companies.

For Vietnam, the Group is optimistic about our operation there. While it faces challenging conditions with the current sluggish economy, our Cable & Wire business will continue to expand into new markets and introduce new range of products. We will compete based on supplying good quality of cables and wires as well as having an in-depth understanding of the customers' needs thereby reducing the total cost of their purchases. We believe Vietnam can serve as our gateway to tapping into opportunities in the Indochina region.

We will take advantage of the capabilities of our plants to expand into regions like the Middle East and Indochina region.

We will continue to build on our strength such as our warehousing capabilities, quick turnaround time, and customizing capabilities to address the needs of our customers.

Electrical Material Distribution Segment

As we anticipate that slower growth in Singapore's manufacturing sector may affect the Group's distribution business, we believe that this is the best time to explore expansion to markets like the Middle East, Vietnam and other countries in order to gain new markets.

Internally, we also reorganized our electrical material distribution companies into sub-clusters as part of the branding initiative last year to have a more in-depth knowledge and to be closer to our customers while leveraging on our Group's wide product range, sourcing capability strength and value added services.

The Middle East construction sector boom has given rise to a massive demand for construction machinery, equipment, raw materials and chemicals and has turned the Middle East into the world's biggest market for supplies and technologies with a vast array of current and pipelined projects across industry sectors that include civil, industrial, power and water.

This construction boom in the Gulf region is slated to continue well beyond the year 2010. The Middle East Economic Digest estimated the amount of projects planned for the region to be worth USD1.4 trillion.

Our investments in the Middle East specifically in United Arab Emirates present tremendous opportunities for our Group. Currently, our distribution cluster is serving a niche market in that area and this can be the spring board to securing larger-value projects in the future. With the establishment of the LKH Electric Middle East (FZE), this allows us to import and store products there that will support the demand from customers in that region.

DIVIDEND

In addition to the tax-exempt one-tier interim dividend of 1.00 cent per ordinary share paid on March 18, 2008, the Board is pleased to recommend a tax-exempt one-tier final dividend of 1.00 cent per ordinary share for FY2008.

The proposed final dividend payout of $3.90 million is subject to the approval of shareholders at the forthcoming Annual General Meeting on October 30, 2008. Upon approval, the dividend will be paid on November 20, 2008.

IN APPRECIATION

On behalf of the Board, let me take this opportunity to express our appreciation to all our shareholders, management, customers, business partners and employees for their unwavering support and commitment to the company. We look forward to your continued support, and we sincerely hope that you will be part of our continuing success and growth in the years to come.

Professor Lee Chang Leng Brian
Chairman

August 28, 2008
Singapore

Significant Events
2007/2008

Lim Kim Hai Electric expands its lighting business to offer LED lightings through launching LED World, that showcases up-to-date technologically advanced, solutions-based solid-state lighting solutions.

June 20, 2008

June 20, 2008

Lim Kim Hai Electric, a subsidiary of Tai Sin Electric celebrated 50 years of excellence in distribution business in Singapore.

Lim Kim Hai Electric set up a 100% owned Free Zone Establishment with Limited Liability in the Sharjah Airport International Free Zone of the United Arab Emirates, known as LKH Electric Middle East (FZE) to engage in general trading in electrical products.

April 27, 2008

Tai Sin announced its name has been changed from "Tai Sin Electric Cables Manufacturer Limited" to "Tai Sin Electric Limited" with effect from November 5, 2007.

November 5, 2007

October 20, 2007

Following completion of its corporate re-branding and repositioning initiative, a two-day Tai Sin 'roll-out' corporate communication session was conducted for 250 staff from parent company and its subsidiaries.

Board of Directors

LEE CHANG LENG BRIAN

Prof. Lee Chang Leng Brian was appointed the Independent Non-Executive Director in August 2002, and has been serving as our Chairman since November 2003. He is a member of the Audit, Nominating and Remuneration and Share Option Committee. Prof. Lee has also served as Vice President and 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. Lim was also appointed as member of the Nominating Committee of the Company on September 1, 2008. Mr. 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 a Director of Dynamic Colours Ltd and the current Chairman of The National St. John Council, and Chairman (SMC) of the Singapore School for the Visually Handicapped.

RICHARD WEE LIANG HUAT @ RICHARD WEE LIANG CHIAT

Mr. Richard Wee Liang Chiat was appointed as Independent Non-Executive Director in April 1988. He also sits as the Chairman of the Audit Committee, and as a member of the Nominating and Remuneration and Share Option Committee of the Company. Mr. Wee is the Chairman and Managing Director of Eastern Oxygen Industries Sdn Bhd as well as a Director and Audit Committee member of Hubline Berhad. Mr. Wee graduated with a Diploma of Management Development Programme from the Asian Institute of Management in Manila, the Philippines, and he has been a member of the Malaysian Institute of Management since 1985.

TAY JOO SOON

Mr. Tay Joo Soon was appointed as a Non-Executive Independent Director in April 2007. He was appointed as Chairman on September 1, 2008 of the Nominating and Remuneration and Share Option Committee and is a member of the Audit 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 sits on the Board of Jurong Cement Limited, 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.

LIM BOON HOCK BERNARD

In September 1997, Mr. Bernard Lim Boon Hock 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. Mr. Lim holds a Master of Business Administration degree from the University of Strathclyde in the United Kingdom.

Key Management

CHOO WEI LOON MICHAEL

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

LIN CHEN MOU

Mr. Lin Chen Mou joined the Company in 1983 and was appointed as Factory Manager in the following year. Currently the General Manager, Mr. Lin brings more than three decades of cable manufacturing experience to 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 Chairman of Lim Kim Hai Electric Co (S) Pte Ltd as at July 1, 2008. He joined Lim Kim Hai Electric in 1967 and has more than three decades of experience in the electrical distribution business. As the Chairman of Lim Kim Hai Electric Co (S) Pte Ltd, 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 Managing Director of Lim Kim Hai Electric Co (S) Pte Ltd as at July 1, 2008. 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 Executive Director / General Manager 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.

NG WENG KEN KENNY

Mr. Kenny Ng Weng Ken is the Company's Senior Manager of Group Corporate Development and Marketing Communications. As the Group Marketing Manager of Lim Kim Hai Electric Co (S) Pte Ltd and its subsidiaries, Mr. Ng is also responsible for business strategies 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.

Key Management

LIM LIAN ENG SHARON

Ms. Sharon Lim Lian Eng is the Company's Senior Manager of 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 20 years 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.

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.

PANG YEW CHOY ANDY

Mr. Andy Pang Yew Choy is currently the company's Country Director for Vietnam. He is responsible for business development in Vietnam. He joined Lim Kim Hai Electric in 1988 as a Sales Engineer and was promoted to his present position. He has more than 20 years of experience in project tender and management covering mainly residential, commercial and industrial building in the construction industry.

CHANG CHAI WOON

Mr. Chang Chai Woon is the Executive Director of PKS Sdn Bhd. He is the Managing Director of HSE Engineering Sdn Bhd, a company principally involved in mechanical and electrical contracting works in Brunei, and has more than 30 years of experience in the electrical and engineering business.

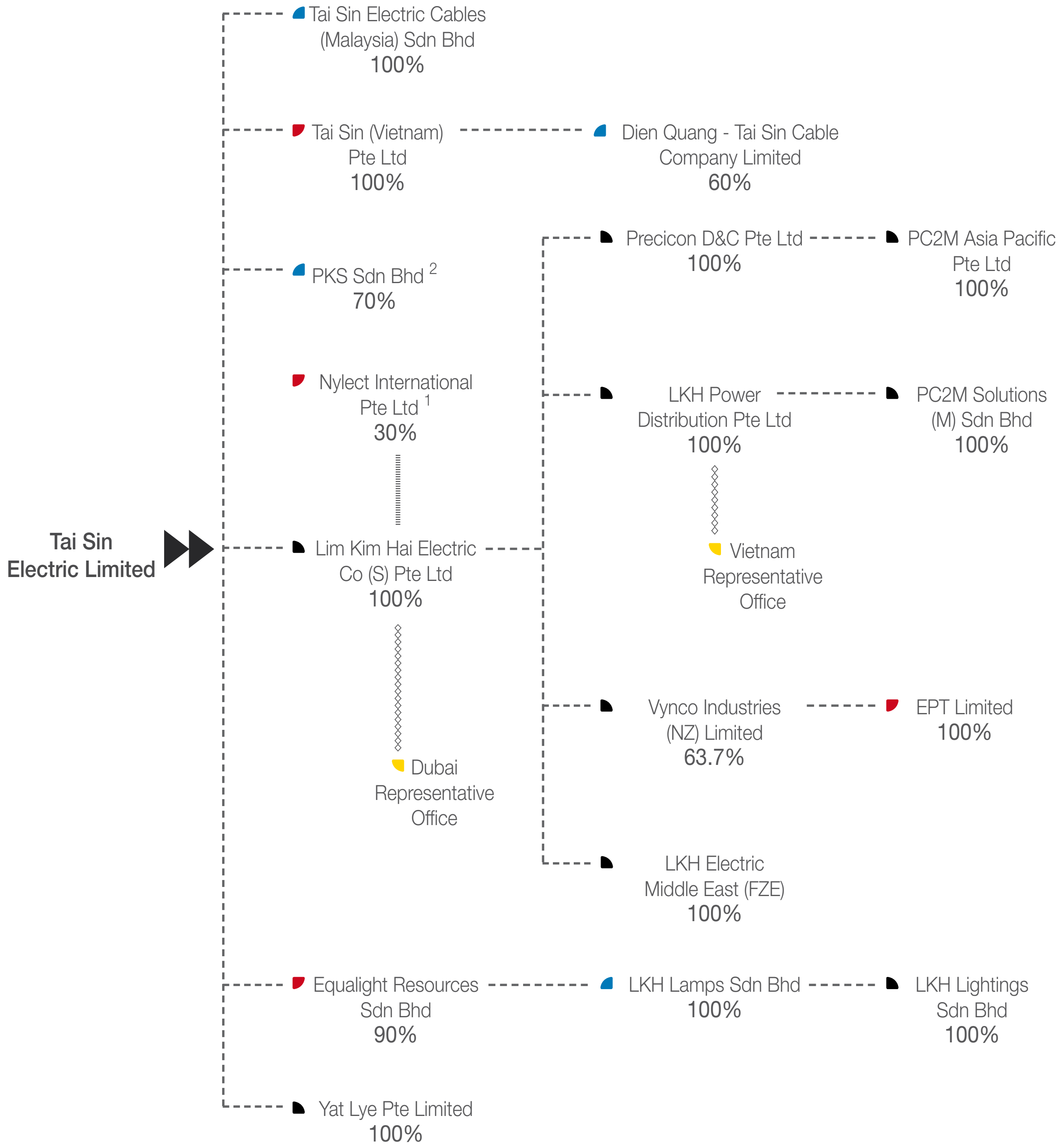
NG SHU GOON TONY

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

JOHN VALE

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

Group Structure



---- Subsidiaries of Tai Sin Electric Limited

◇◇◇◇◇◇ Representative Office

|||||||||||| Associate Company

[1] Acquired on July 25, 2008

[2] With effect from September 12, 2008

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

Nominating Committee

Tay Joo Soon
Chairman

Richard Wee Liang Huat @
Richard Wee Liang Chiat
Lee Chang Leng Brian
Lim Chye Huat @
Bobby Lim Chye Huat

Remuneration and Share Option Committee

Tay Joo Soon
Chairman

Richard Wee Liang Huat @
Richard Wee Liang Chiat
Lee Chang Leng Brian

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 LLP
Certified Public Accountants
6 Shenton Way #32-00
DBS Building Tower Two
Singapore 068809
Partner-In-Charge:
Michael Kee Cheng Kong
Date of Appointment: June 13, 2008

Principal Bankers

United Overseas Bank Limited
Oversea-Chinese Banking Corporation Limited
Hong Kong & Shanghai Banking Corporation Limited
Malayan Banking Berhad
DBS Bank Ltd
CIMB Bank Berhad
Bank of Tokyo-Mitsubishi UFJ
Standard Chartered Bank

The Board of Directors of Tai Sin Electric 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, reviews and evaluates the financial performance, approves 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, monitors and reviews financial performances of the Group, ensures the implementation of sound internal controls and safeguarding the Group's assets. The Board members comprise businessmen and professionals with financial backgrounds. This provides the management with the benefit of an independent, diverse and objective perspective of issues that are brought before the Board.

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

	Board	**Audit**	**Nominating**	**Remuneration**
Number of Meetings Held	4	3	1	2
Directors	**No of Meetings Attended**			
Lee Chang Leng Brian	4	3	1	2
Lim Chye Huat @ Bobby Lim Chye Huat	4	N.A.	N.A.	N.A.
Lim Boon Hock Bernard	4	N.A.	N.A.	N.A.
Richard Wee Liang Huat @ Richard Wee Liang Chiat	2	2	1	1
Tay Joo Soon	4	3	1	2

The Board comprises five directors as follows:

Three Non-Executive And Independent Directors

Lee Chang Leng Brian (Chairman)
Richard Wee Liang Huat @ Richard Wee Liang Chiat
Tay Joo Soon

Two Executive Directors

Lim Chye Huat @ Bobby Lim Chye Huat
Lim Boon Hock Bernard

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

- Tay Joo Soon (Chairman)*
- Lee Chang Leng Brian*
- Richard Wee Liang Huat @ Richard Wee Liang Chiat*
- Lim Chye Huat @ Bobby Lim Chye Huat (appointed w.e.f. September 1,2008)

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

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

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

Remuneration 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 Committee of the Company comprises:

- Tay Joo Soon (Chairman)*
- Richard Wee Liang Huat @ Richard Wee Liang Chiat*
- Lee Chang Leng Brian*

* 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; and

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 Limited for the Financial Year Ended June 30, 2008

Remuneration Band	Name of Director	Salary & CPF	Bonus and Other Variable Performance Components	Director's Fees	Total
Below S$250,000	Lee Chang Leng Brian	–	–	100%	100%
	Richard Wee Liang Huat @ Richard Wee Liang Chiat	–	–	100%	100%
	Tay Joo Soon	–	–	100%	100%
Between S$250,000 to S$499,999	Lim Chye Huat @ Bobby Lim Chye Huat	76%	21%	3%	100%
	Lim Boon Hock Bernard	67%	29%	4%	100%

For the financial year ended June 30, 2008, the top five key executives of the Group (who are not also directors of the Company) are Choo Wei Loon Michael, Ong Wee Heng, Lin Chen Mou, Chia Ah Heng, and Lim Chai Lai @ Louis Lim Chai Lai. Except for Choo Wei Loon Michael whose remuneration is between S$250,000 to S$499,999, the remuneration of the other four key executives did not exceed $250,000.

Chia Ah Heng and Lim Chai Lai @ Louis Lim Chai Lai are both immediate family members of Lim Chye Huat @ Bobby Lim Chye Huat.

For the financial year ended June 30, 2008, Lim Lian Eng Sharon, who is an immediate family member of the Lim Chye Huat @ Bobby Lim Chye Huat has remuneration between S$150,000 to $250,000.

Audit Committee ("AC")

Principle 10: Accountability and Audit
Principle 11: Audit Committee
Principle 12: Internal Control
Principle 13: Internal Audit

The Audit Committee of the Company comprises:

- Richard Wee Liang Huat @ Richard Wee Liang Chiat (Chairman)*
- Lee Chang Leng Brian*
- Tay Joo Soon*

* 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 ended June 30, 2008 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 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, 2008.

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)
Lim Boon Hock Bernard

Non-executive

Lee Chang Leng Brian (Chairman)
Richard Wee Liang Huat @ Richard Wee Liang Chiat
Tay Joo Soon

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 below.

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 name 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, 2007**	**At June 30, 2008**	**At July 21, 2008**	**At July 1, 2007**	**At June 30, 2008**	**At July 21, 2008**
Tai Sin Electric Limited			Number of shares			
Lim Chye Huat @ Bobby Lim Chye Huat	36,326,370	36,326,370	36,326,370	18,342,500	18,842,500	18,842,500
Lim Boon Hock Bernard	38,250,000	39,250,000	39,250,000	1,650,000	1,650,000	1,650,000
Richard Wee Liang Huat @ Richard Wee Liang Chiat	4,000,000	3,000,000	3,000,000	–	–	–
Tay Joo Soon	–	300,000	300,000	–	–	–
Vynco Industries (NZ) Limited			Number of shares of NZ$1 each			
Lim Chye Huat @ Bobby Lim Chye Huat	115,000	115,000	115,000	–	–	–

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.

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:

- Tay Joo Soon (Chairman)
- Richard Wee Liang Huat @ Richard Wee Liang Chiat
- Lee Chang Leng Brian

(a) Options to take up unissued shares

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.

All options have been either exercised or forfeited in the financial year ended June 30, 2007 and no new options to take up unissued shares of the company or any corporation in the group were granted during the current financial year.

(b) Options exercised

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

(c) 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
Employees				
Lin Chen Mou	–	1,250,000	(1,250,000)	–
Lim Ewe Lee	–	1,500,000	(1,500,000)	–
Lai Kon Seng	–	1,500,000	(1,500,000)	–
Choo Wei Loon Michael	–	1,500,000	(1,500,000)	–
Ng Shu Goon Tony	–	1,500,000	(1,500,000)	–

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

6 AUDIT COMMITTEE

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

- Richard Wee Liang Huat @ Richard Wee Liang Chiat (Chairman)
- Lee Chang Leng Brian
- Tay Joo Soon

During the financial year, the committee held three meetings with management and the internal and external auditors to review the audit plans and scope of examination of the audit, financial and operating results, half yearly and annual announcements, 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, 2008 and the report of the external auditors thereon.

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

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

7 AUDITORS

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

ON BEHALF OF THE DIRECTORS

Lim Chye Huat @ Bobby Lim Chye Huat

Lim Boon Hock Bernard

Singapore
August 28, 2008

Independent Auditors' Report

To the Members of Tai Sin Electric Limited

We have audited the financial statements of Tai Sin Electric Limited (formerly known as 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, 2008, 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 33 to 89.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets; 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 management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report

To the Members of Tai Sin Electric Limited

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, 2008 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 LLP
Public Accountants and
Certified Public Accountants

Partner
Michael Kee Cheng Kong
Appointed on June 13, 2008

Singapore
August 28, 2008

Balance Sheets

June 30, 2008

	Note	Group		Company	
		2008	2007	2008	2007
		$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and bank balances	6	13,617	5,134	6,654	2,617
Trade receivables	7	70,577	70,585	41,978	38,227
Other receivables	8	1,189	1,122	2,867	1,310
Derivative financial instruments	9	28	13	–	13
Contract work-in-progress	10	–	33	–	–
Inventories	11	64,617	50,533	40,175	28,378
Total current assets		150,028	127,420	91,674	70,545
Non-current assets					
Subsidiaries	12	–	–	23,899	22,394
Property, plant and equipment	13	24,501	23,874	7,814	6,965
Construction-in-progress		7	1,095	–	–
Leasehold prepayments	14	275	237	–	–
Intangible assets	15	2	3	–	–
Available-for-sale investments	16	33	39	–	–
Club membership	17	11	12	–	–
Development costs	18	152	192	–	–
Deferred tax assets	19	570	291	298	–
Total non-current assets		25,551	25,743	32,011	29,359
Total assets		175,579	153,163	123,685	99,904

Balance Sheets

June 30, 2008

	Note	Group		Company	
		2008	2007	2008	2007
		$'000	$'000	$'000	$'000
LIABILITIES AND EQUITY					
Current liabilities					
Bank overdrafts and other bank borrowings	20	37,901	25,718	23,959	11,192
Trade payables	21	24,591	28,169	10,758	12,037
Other payables	22	9,598	6,839	4,723	3,695
Current portion of finance leases	23	57	118	–	–
Derivative financial instruments	9	–	86	–	–
Current portion of long-term borrowings	24	627	1,815	–	1,500
Income tax payable		5,157	5,249	4,167	4,101
Total current liabilities		77,931	67,994	43,607	32,525
Non-current liabilities					
Non-current portion of finance leases	23	57	98	–	–
Long-term borrowings	24	1,463	1,875	–	–
Deferred tax liabilities	19	699	766	–	16
Total non-current liabilities		2,219	2,739	–	16
Capital and reserves					
Share capital	25	47,319	47,319	47,319	47,319
Treasury shares	26	(750)	–	(750)	–
Reserves		46,044	32,521	33,509	20,044
Equity attributable to the shareholders of the company		92,613	79,840	80,078	67,363
Minority interests		2,816	2,590	–	–
Total equity		95,429	82,430	80,078	67,363
Total liabilities and equity		175,579	153,163	123,685	99,904

See accompanying notes to financial statements.

Consolidated Profit and Loss Statement

Year ended June 30, 2008

		Group	
	Note	2008 $'000	2007 $'000
Revenue	27	256,919	232,722
Other operating income	28	1,081	459
Changes in inventories of finished goods and work-in-progress		8,059	15,353
Raw materials and consumables used/Purchase of inventories		(202,354)	(188,125)
Employee benefits expense		(21,954)	(19,256)
Depreciation and amortisation expense		(2,748)	(2,964)
Other operating expenses		(10,138)	(10,327)
Finance costs	29	(1,518)	(1,701)
Profit before income tax		27,347	26,161
Income tax expense	30	(4,903)	(5,235)
Profit for the year	31	22,444	20,926
Attributable to:			
Shareholders of the company		22,403	20,811
Minority interests		41	115
		22,444	20,926
Earnings per share			
Basic (cents)	32	5.73	5.90
Diluted (cents)	32	5.73	5.90

See accompanying notes to financial statements.

Statement of Changes in Equity

Year ended June 30, 2008

	Note	Share capital	Treasury shares	Reserves: Revaluation reserve	Reserves: Foreign currency translation reserve	Reserves: Hedging reserve	Reserves: 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, 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
Final dividend for the previous year paid	33	–	–	–	–	–	(1,211)	(1,211)	–	(1,211)
Interim dividend for the year settled by rights issue	33	–	–	–	–	–	(13,074)	(13,074)	–	(13,074)
Dividend paid to minority shareholders		–	–	–	–	–	–	–	(210)	(210)
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

Statement of Changes in Equity

Year ended June 30, 2008

	Note	Share capital $'000	Treasury shares $'000	Reserves: Revaluation reserve $'000	Reserves: Foreign currency translation reserve $'000	Reserves: Hedging reserve $'000	Reserves: Accumulated profits $'000	Equity attributable to shareholders of the company $'000	Minority interests $'000	Total equity $'000
Fair value adjustment on interest rate swap during the year		–	–	–	–	(13)	–	(13)	–	(13)
Currency translation differences		–	–	–	(1,052)	–	–	(1,052)	(178)	(1,230)
Net expense recognised directly in equity		–	–	–	(1,052)	(13)	–	(1,065)	(178)	(1,243)
Profit for the year		–	–	–	–	–	22,403	22,403	41	22,444
Total recognised income and expense for the year		–	–	–	(1,052)	(13)	22,403	21,338	(137)	21,201
Shares buy back	26	–	(750)	–	–	–	–	(750)	–	(750)
Capital investment by minority shareholders		–	–	–	–	–	–	–	363	363
Final dividend for the previous year paid	33	–	–	–	–	–	(3,910)	(3,910)	–	(3,910)
Interim dividend for the year paid	33	–	–	–	–	–	(3,905)	(3,905)	–	(3,905)
Balance at June 30, 2008		47,319	(750)	1,821	(832)	–	45,055	92,613	2,816	95,429

Statement of Changes in Equity

Year ended June 30, 2008

	Note	Share capital	Treasury shares	Reserves: Revaluation reserve	Reserves: Hedging reserve	Reserves: Accumulated profits	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000
Company							
Balance at July 1, 2006		33,005	–	1,821	79	14,082	48,987
Loss on interest rate swap during the year		–	–	–	(66)	–	(66)
Net expense recognised directly in equity		–	–	–	(66)	–	(66)
Profit for the year		–	–	–	–	18,413	18,413
Total recognised income and expense for the year		–	–	–	(66)	18,413	18,347
Final dividend for the previous year paid	33	–	–	–	–	(1,211)	(1,211)
Interim dividend for the year settled by rights issue	33	–	–	–	–	(13,074)	(13,074)
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
Fair value adjustment on interest rate swap during the year		–	–	–	(13)	–	(13)
Net expense recognised directly in equity		–	–	–	(13)	–	(13)
Profit for the year		–	–	–	–	21,293	21,293
Total recognised income and expense for the year		–	–	–	(13)	21,293	21,280
Final dividend for the previous year paid	33	–	–	–	–	(3,910)	(3,910)
Interim dividend for the year paid	33	–	–	–	–	(3,905)	(3,905)
Shares buy back	26	–	(750)	–	–	–	(750)
Balance at June 30, 2008		47,319	(750)	1,821	–	31,688	80,078

See accompanying notes to financial statements.

Consolidated Cash Flow Statement

Year ended June 30, 2008

	2008 $'000	2007 $'000
Operating activities		
Profit before income tax	27,347	26,161
Adjustments for:		
Depreciation expense	2,729	2,944
Amortisation expense	19	20
Interest income	(4)	(16)
Interest expense	1,518	1,701
Loss (Gain) on disposal of property, plant and equipment	86	(1)
Property, plant and equipment written off	8	6
Inventories written off	396	751
Fair value adjustments on derivative financial instruments	(114)	177
Operating cash flows before movement in working capital	31,985	31,743
Trade receivables	(1,147)	(15,092)
Other receivables	(150)	(186)
Contract work-in-progress	33	89
Inventories	(15,473)	(17,637)
Trade payables	(2,995)	7,387
Other payables	2,968	2,184
Progress billings in excess of work-in-progress	–	(21)
Cash generated from operations	15,221	8,467
Interest received	4	16
Income tax paid	(5,367)	(3,465)
Net cash from operating activities	9,858	5,018
Investing activities		
Purchase of property, plant and equipment	(3,491)	(1,804)
Proceeds from disposal of property, plant and equipment	722	13
Construction-in-progress	(289)	(1,095)
Leasehold prepayments	(38)	(237)
Net cash used in investing activities	(3,096)	(3,123)

Consolidated Cash Flow Statement

Year ended June 30, 2008

	2008 $'000	2007 $'000
Financing activities		
Proceeds from (Repayment of) short-term bank borrowings	13,825	(1,543)
Repayment of finance lease obligations	(103)	(54)
Repayment of long-term bank borrowings	(1,601)	(1,200)
Capital contribution by minority shareholders	363	554
Rights issue expenses	–	(238)
Proceeds from issuance of shares pursuant to exercise of share options	–	1,478
Interest paid	(1,518)	(1,701)
Dividend paid [(b)]	(7,815)	(1,211)
Dividend paid to minority shareholders	–	(210)
Shares buy back	(750)	–
Net cash from (used in) financing activities	2,401	(4,125)
Net increase (decrease) in cash and cash equivalents	9,163	(2,230)
Cash and cash equivalents at beginning of year	2,037	4,808
Effects of exchange rate changes on the balance of cash held in foreign currencies	962	(541)
Cash and cash equivalents at end of year [(c)]	12,162	2,037

Notes:

(a) Disposal of subsidiary and investment

During the financial year ended June 30, 2007, 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 RM1 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.

(b) The interim dividend for the financial year ended June 30, 2007 (Note 33) totalling $13.07 million was settled by the company's rights shares (Note 25).

(c) 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:

	2008 $'000	2007 $'000
Cash and bank balances (Note 6)	13,617	5,134
Bank overdrafts (Note 20)	(1,455)	(3,097)
Total	12,162	2,037

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.

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, 2008 were authorised for issue by the Board of Directors on August 28, 2008.

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”).

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the group has adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual periods beginning on or after July 1, 2007. 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.

FRS 107 - *Financial Instruments: Disclosures and amendments to FRS 1 Presentation of Financial Statements relating to capital disclosures*

The group has adopted FRS 107 with effect from annual periods beginning on or after January 1, 2007. The new Standard has resulted in an expansion of the disclosures in these financial statements regarding the group’s financial instruments. The group has also presented information regarding its objectives, policies and processes for managing capital (see Note 4) as required by the amendments to FRS 1 which are effective from annual periods beginning on or after January 1, 2007.

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

Revised FRS 1	-	Presentation of Financial Statements
FRS 23	-	Borrowing Costs (Revised)
FRS 108	-	Operating Segments
INT FRS 111	-	FRS 102 – Group and Treasury Share Transactions

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

The management anticipates 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 group and of the company in the period of their initial adoption.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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 and liabilities.

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.

<u>Effective interest method</u>

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 and 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

<u>Available-for-sale financial assets</u>

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont't)

Available-for-sale financial assets (cont'd)

Certain shares with quoted price in active markets or whose fair value can be reliably measured held by the group are classified as available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in the investment 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 investment 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 "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date.

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 against the allowance account. 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derecognition of financial assets

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

Trade and other 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).

Derecognition of financial liabilities

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

Derivative financial instruments

The group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts and interest rate swaps. The group does not use derivative financial instruments for speculative purposes.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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 and net realisable value. Inventories comprise of electrical and electronic components and products, lights and lighting components and cables and wires for trading by the various subsidiaries and raw materials, work-in-progress and finished goods for the manufacturing entities. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of inventories for trading is calculated on the weighted-average basis. The cost of raw materials for manufacturing entities is calculated on the first-in-first-out basis. Finished goods for manufacturing entities is calculated using the weighted-average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 losses. 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 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 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 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 10.40%
Office equipment and furniture	-	7.50% to 100%
Plant and machinery	-	10% to 20%
Motor vehicles	-	15% to 20%

The estimated useful lives 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

CLUB MEMBERSHIP - Club membership is stated at cost less impairment losses, where the carrying amount exceeds its estimated recoverable amount.

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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

Where the outcome of a long term contract can be estimated reliably, revenue is recognised by reference to the stage of completion of the contract at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion.

Where the outcome of a long term contract cannot be estimated reliably, revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable.

Revenue from rendering of services that are of short duration are recognised when the service is completed.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

SHARE-BASED PAYMENTS - The group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value of the equity instruments 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 number of equity instruments that will eventually vest.

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.

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 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are measured and 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 and statement of changes in equity of the company are presented in Singapore dollars, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At 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.

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

Management is not aware of any critical judgements involved that have significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) ***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.

i) Allowance for doubtful receivables

Allowance for doubtful receivables of the group is based on an assessment 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.

ii) Provision for onerous contracts

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.

iii) Allowance for inventories

The policy for allowance for inventories for the group is based on the management's judgement and evaluation of the saleability and the aging analysis of the individual inventory item. A considerable amount of judgement is required in assessing the ultimate realisation of these inventories, including the current market price and movement trend of each inventory.

iv) Impairment of investments in subsidiaries

The management of the company performs impairment assessment of the recoverable amount of the investments in subsidiaries at each balance sheet date to determine whether there is any indication that a subsidiary is impaired. The carrying amount of investments in subsidiaries at balance sheet date was $23,899,000 (2007 : $22,394,000).

v) Revaluation of freehold and leasehold land and buildings

Management of the group believe that the carrying amounts of the properties approximate their market values as at June 30, 2008 and no revaluation is required. In making judgement, management engages professional third party valuers to perform a desktop valuation exercise of the properties to ensure that their values reflect the current economic conditions.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) *Categories of financial instruments*

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Financial assets				
Cash and cash equivalents and receivables	84,537	76,183	51,373	41,851
Derivative financial instruments	28	13	–	13
Available-for-sale investments	33	39	–	–

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Financial liabilities				
Amortised cost	74,218	64,512	39,440	28,424
Derivative financial instruments	–	86	–	–

(b) *Financial risk management policies and objectives*

The group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the group. Management reviews the overall financial risk management on specific areas, such as market risk (including foreign exchange risk, interest rate risk, equity price risk), credit risk, liquidity risk, cash flow interest rate risk, use of derivative financial instruments and investing excess cash.

The group uses a variety of derivative financial instruments to manage its exposure to interest rate, foreign currency and price risk, including:

- short-term forward copper contracts to secure its usage demands and manage the price risk; and
- short-term forward foreign contracts to manage the foreign currency exchange rate risk.

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

i) Foreign exchange risk management

The group 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 relative to the Singapore dollars.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

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

i) Foreign exchange risk management (cont'd)

The carrying amounts of significant monetary assets and monetary liabilities denominated in non-functional currencies are as follows:

	Group				Company			
	Liabilities		Assets		Liabilities		Assets	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
United States dollars	10,891	11,603	2,734	1,753	8,497	9,530	3,270	680
Euro	1,159	2,076	–	–	81	67	–	–
Australian dollars	140	134	16	35	–	19	–	–

Management enters into short-term forward foreign currency exchange contracts to manage foreign currency exchange rate risk. The group's commitments on forward foreign exchange contracts at year end are disclosed in Note 9.

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

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the Singapore dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

If the Singapore dollar appreciates (depreciates) by 10% against the relevant foreign currency, profit and loss statement will increase (decrease) by:

	US dollar impact		Euro impact		Australian dollar impact	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Group						
Profit and loss statement	816	985	116	208	12	10
Company						
Profit and loss statement	523	885	8	7	–	2

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

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

Foreign currency sensitivity (cont'd)

The impact to the profit and loss statement is mainly attributable to the exposure outstanding on receivables and payables at year end in the group.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

ii) Interest rate risk management

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.

The interest rates and terms of repayment for bank borrowings, long-term borrowings and finance leases of the group are disclosed in Notes 20, 23 and 24 respectively.

Significant portion of the group's borrowings are on fixed rate interest basis. Accordingly, future fluctuation in interest rate is not expected to have any significant impact on the profit and loss statement of the group.

The interest rates and repricing period for fixed deposits are disclosed in Note 6.

Summary quantitative date of the group's interest-bearing financial instruments can be found in Section (iv) of this note.

iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The company is exposed to a concentration of credit risk as trade receivables accounted to about 22% (2007: 5%) are due mainly from a key customer with good historical records.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Further details of credit risks on trade and other receivables are disclosed in Note 7 and 8.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

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

iii) Credit risk management (cont'd)

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

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
By geographical areas				
Singapore	57,547	54,651	42,532	38,909
Malaysia	8,386	11,495	39	70
Brunei	2,056	2,591	22	79
New Zealand	2,139	2,123	–	–
Vietnam	1,131	296	474	221
Others	1,129	990	418	148
Total gross trade receivables	72,388	72,146	43,485	39,427
By customer types				
Multi-national corporations	16,031	8,144	12,416	3,644
Individuals	54,920	62,420	30,315	35,388
Others	1,437	1,582	754	395
Total gross trade receivables	72,388	72,146	43,485	39,427

iv) Liquidity risk

The group maintains sufficient cash and cash equivalents, availability of adequate committed funding lines from financial institutions and internally generated cash flows to finance their activities. The group finances their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

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

iv) Liquidity risk (cont'd)

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group and company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the balance sheet.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Total
	% p.a.	$'000	$'000	$'000
Group				
2008				
Non-interest bearing	–	34,113	–	34,113
Finance lease liability (fixed rate)	8.97	57	57	114
Variable interest rate instruments	7.25	1,455	–	1,455
Fixed interest rate instruments	5.22	37,073	1,463	38,536
		72,698	1,520	74,218
2007				
Non-interest bearing	–	34,888	–	34,888
Finance lease liability (fixed rate)	8.84	118	98	216
Variable interest rate instruments	7.09	3,097	–	3,097
Fixed interest rate instruments	6.00	24,436	1,875	26,311
		62,539	1,973	64,512

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

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

iv) Liquidity risk (cont'd)

Liquidity and interest risk analyses (cont'd)

Non-derivative financial liabilities (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Total
	% p.a.	$'000	$'000	$'000
Company				
2008				
Non-interest bearing	–	15,481	–	15,481
Fixed interest rate instruments	4.01	23,959	–	23,959
		39,440	–	39,440
2007				
Non-interest bearing	–	15,732	–	15,732
Fixed interest rate instruments	4.73	12,692	–	12,692
		28,424	–	28,424

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the group and the company anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Total
	% p.a.	$'000	$'000	$'000
Group				
2008				
Non-interest bearing	–	83,554	–	83,554
Fixed interest rate instruments	1.49	1,016	–	1,016
		84,570	–	84,570
2007				
Non-interest bearing	–	76,206	–	76,206
Fixed interest rate instruments	0.67	16	–	16
		76,222	–	76,222

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

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

iv) Liquidity risk (cont'd)

Liquidity and interest risk analyses (cont'd)

Non-derivative financial assets (cont'd)

	Weighted average effective interest rate % p.a.	On demand or within 1 year $'000	Within 2 to 5 years $'000	Total $'000
Company				
2008				
Non-interest bearing	–	51,367	–	51,367
Fixed interest rate instruments	0.45	6	–	6
		51,373	–	51,373
2007				
Non-interest bearing	–	41,845	–	41,845
Fixed interest rate instruments	0.45	6	–	6
		41,851	–	41,851

Derivative financial instruments

The following table details the liquidity analysis for derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows/(outflows) on the derivative instrument that settle on a net basis and the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

	On demand or within 1 year $'000
Group	
2008	
Gross settled:	
Foreign exchange forward contracts	28
2007	
Net settled:	
Interest rate swaps	13
Gross settled:	
Foreign exchange forward contracts	(86)

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

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

v) Equity price market management

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

Further details of these equity investments can be found in Note 16. Management does not expect significant impact arising from equity price risks as the investments are not significant to the group.

vi) Fair values of financial assets and financial liabilities

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

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

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

vii) 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 the group's control, including the general state of the global economy and the level of industrial development worldwide.

The costing and selling prices of its cable and wire products move in tandem with the movement in the copper prices on the LME. The short validity period of its quotations help to mitigate against an open position to adverse movements in copper price. In addition, management enters into short-term forward copper contracts to secure its copper consumption for certain specific confirmed sales. There are no forward copper contracts outstanding as at June 30, 2008. Accordingly, fluctuations in market price of copper is not expected to have any significant impact on the profit and loss statement of the group.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(c) Capital risk management policies and objectives

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

The capital structure of the group consists of debt, which includes the borrowings disclosed in Notes 20, 23 and 24, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 25 to 26.

The group's overall strategy remains unchanged from 2007.

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.

During the year, group entities entered into the following significant transactions with related parties:

	Group	
	2008 $'000	2007 $'000
Sales to related parties	(2,961)	(2,447)
Purchases from a related party	2,394	2,069
Rental paid to related parties	202	185

During the financial year ended June 30, 2007, available-for-sale-investment in Timor Electric Cable & Wire Sdn Bhd, which was previously written off was sold for a consideration of RM1 to a director, Mr Richard Wee Liang Huat @ Richard Wee Liang Chiat.

Compensation of directors and key management personnel

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

	Group	
	2008 $'000	2007 $'000
Short-term benefits	3,623	3,377
Post-employment benefits	106	92
	3,729	3,469

6 CASH AND BANK BALANCES

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Cash and bank balances	12,601	5,118	6,648	2,611
Fixed deposits	1,016	16	6	6
	13,617	5,134	6,654	2,617

The fixed deposits bear interest ranging from 0.45% to 0.83% (2007: 0.45% to 0.83%) 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	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Denominated in:				
Australian dollars	16	35	–	–
United States dollars	1,507	655	163	487

7 TRADE RECEIVABLES

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Outside parties	71,230	71,893	42,113	38,533
Less: Allowance for doubtful debts	(1,811)	(1,561)	(1,507)	(1,200)
	69,419	70,332	40,606	37,333
Related parties (Note 5)	1,158	253	495	79
Subsidiaries (Note 12)	–	–	877	815
	70,577	70,585	41,978	38,227
Retention sums included in trade receivables above:				
Outside parties	179	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 sales of goods is 30 to 120 days (2007: 30 to 90 days). No interest is charged on the trade receivables.

7 TRADE RECEIVABLES (CONT'D)

The table below is an analysis of trade receivables as at June 30:

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Not past due and not impaired	39,456	43,221	20,368	21,350
Past due but not impaired (i)	9,853	10,966	–	–
	49,309	54,187	20,368	21,350
Past due and reviewed for impairment – collectively assessed (ii)	22,668	17,598	23,010	18,077
Less: Allowance for impairment	(1,400)	(1,200)	(1,400)	(1,200)
	21,268	16,398	21,610	16,877
Impairment receivables – individually assessed (ii), (iii):				
- Past due more than 6 months and no response to repayment demands	411	361	107	–
Less: Allowance for impairment	(411)	(361)	(107)	–
	–	–	–	–
Total trade receivables, net	70,577	70,585	41,978	38,227

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
(i) Aging of receivables that are past due but not impaired				
< 3 months	8,375	9,346	–	–
3 months to 6 months	1,178	1,360	–	–
6 months to 12 months	300	260	–	–
	9,853	10,966	–	–

(ii) These amounts are stated before any deduction for impairment losses.

(iii) These receivables are not secured by any collateral or credit enhancements.

7 TRADE RECEIVABLES (CONT'D)

Movement in the allowance for doubtful debts:

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Balance at beginning of the year	1,561	1,396	1,200	1,000
Amounts written off during the year	(94)	–	(37)	–
Amounts recovered during the year	(15)	(13)	–	(2)
Currency realignment	(18)	8	–	–
Charge to profit and loss statement	377	170	344	202
Balance at end of the year	1,811	1,561	1,507	1,200

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

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Denominated in:				
United States dollars	1,199	901	484	–

8 OTHER RECEIVABLES

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Subsidiaries (Note 12)	–	–	2,650	890
Advances to staff	207	242	91	117
Prepayments	352	280	73	51
Leasehold prepayments (current portion)	4	6	–	–
Deposits	96	378	53	252
Advance to suppliers	379	–	–	–
Others	151	216	–	–
	1,189	1,122	2,867	1,310

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	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Denominated in:				
United States dollars	28	197	2,623	193

9 DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Forward foreign exchange contracts	28	(86)	–	–
Interest rate swaps	–	13	–	13
	28	(73)	–	13

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		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Forward foreign exchange contracts	4,217	2,706	3,354	1,174

Details of the group's forward foreign currency contracts outstanding as at balance sheet date are as follows:

Outstanding contracts	Foreign currency		Notional contract value		Fair value	
	2008 FC'000	2007 FC'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Group						
Buy Euro						
Less than 5 months	400	740	863	1,532	28	(86)
Buy United States dollar						
Less than 2 weeks	2,455	763	3,354	1,174	–	–
Company						
Buy United States dollar						
Less than 2 weeks	2,455	763	3,354	1,174	–*	–*

The fair value of forward foreign exchange contracts amounted to $28,000 in assets (2007: $86,000 in liabilities). 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.

*At balance sheet date, the management have determined the fair values of the currency derivatives for the company to be insignificant.

Interest rate swap

The group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings by swapping a portion 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.

There is no interest rate swap entered into as at June 30, 2008. The fair value of swap entered into at June 30, 2007 is estimated at $13,000. 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. Measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

10 CONTRACT WORK-IN-PROGRESS

	Group 2008 $'000	Group 2007 $'000
Current asset		
Cost incurred and recognised profits	–	1,524
Less: Attributable loss	–	(203)
	–	1,321
Less: Progress billings	–	(1,288)
Excess of work-in-progress over billings	–	33

11 INVENTORIES

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Raw materials	11,513	3,315	9,856	1,154
Work-in-progress	9,794	10,040	6,559	7,068
Finished goods	40,797	33,199	22,057	16,280
Goods-in-transit	2,513	3,979	1,703	3,876
	64,617	50,533	40,175	28,378

Inventories with a carrying amount of $8.82 million (2007: $8.47 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 2008 $'000	Company 2007 $'000
Unquoted equity shares, at cost	19,172	19,172
Less: Impairment loss	(2,170)	(2,170)
	17,002	17,002
Deemed investment[a]	515	–
Advances	15,224	14,234
Less: Allowance for impairment loss	(8,842)	(8,842)
	23,899	22,394

The advances to subsidiaries are unsecured interest free, substantially non-trade in nature and are deemed to be part of the net investments.

Impairment loss is recognised for certain subsidiaries which the recoverable amounts are estimated to be less than the carrying amount of the cost of investment.

(a) The deemed investments arise from the fair value of corporate guarantees given to subsidiaries to secure the bank facilities.

12 SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of company	Principal activities/ Country of incorporation and operation	Effective equity interest held by the Group 2008 %	2007 %
Tai Sin Electric Cables (Malaysia) Sdn Bhd [c]	Cable and wire manufacturer and dealer in such products/ Malaysia	100	100
PKS Sdn Bhd (subsidiary of Tai Sin Electric Cables (Malaysia) Sdn Bhd) [b]	Electrical switch-boards feeder pillars and components manufacturer and dealer in such products/ Brunei	70	70
Equalight Resources Sdn Bhd [c]	Investment holding/ Malaysia	90	90
LKH Lamps Sdn Bhd (subsidiary of Equalight Resources Sdn Bhd) [c]	Manufacture and sale of lights and lighting components/ Malaysia	90	90
LKH Lightings Sdn Bhd (subsidiary of LKH Lamps Sdn Bhd) [c]	Trading of lights and lighting components/ Malaysia	90	90
Yat Lye Pte Limited [d]	Retailer contractor and provision of sanitary and plumbing services/ Singapore	100	100
Tai Sin (Vietnam) Pte Ltd [a]	Intermediate investment holding/ Singapore	100	100
Dien Quang - Tai Sin Cable Company Limited (subsidiary of Tai Sin (Vietnam) Pte Ltd) [b]	Cable and wire manufacturer and dealer in such products/ Vietnam	60	60
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) [a]	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) [c]	Distributor of enclosures and electrical equipment/ New Zealand	63.7	63.7

12 SUBSIDIARIES (CONT'D)

Name of company	Principal activities/ Country of incorporation and operation	Effective equity interest held by the Group	
		2008	2007
		%	%
EPT Limited (subsidiary of Vynco Industries (NZ) Limited) [c]	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
LKH Electric Middle East (FZE) (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) [e]	Distributor of electrical and electronic components/ United Arab Emirates	100	–

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

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

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

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

(e) The subsidiary was incorporated and was inactive during the financial year and hence, management accounts were used for consolidation.

13 PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Freehold property $'000	Leasehold land and buildings $'000	Office equipment and furniture $'000	Plant and machinery $'000	Motor vehicles $'000	Total $'000
Group							
Cost or valuation:							
At July 1, 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
Transfer from construction-in-progress	–	–	1,258	3	74	–	1,335
Currency realignment	(56)	–	(367)	(222)	(488)	(30)	(1,163)
Additions	–	–	734	961	1,774	22	3,491
Disposals	–	–	(750)	(121)	(174)	(29)	(1,074)
At June 30, 2008	862	1,530	20,620	4,516	20,004	1,306	48,838
Comprising:							
June 30, 2008							
At cost	918	1,530	16,487	4,738	20,492	1,336	45,501
At valuation	–	–	4,500	–	–	–	4,500
Currency realignment	(56)	–	(367)	(222)	(488)	(30)	(1,163)
	862	1,530	20,620	4,516	20,004	1,306	48,838
June 30, 2007							
At cost	895	1,530	15,158	3,666	18,675	1,311	41,235
At valuation	–	–	4,500	–	–	–	4,500
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, 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
Disposals	–	–	(4)	(121)	(73)	–	(198)
At June 30, 2007	–	156	3,412	2,289	15,776	742	22,375
Currency realignment	–	–	(31)	(140)	(320)	(18)	(509)
Depreciation	–	5	775	616	1,154	179	2,729
Disposals	–	–	(54)	(33)	(160)	(11)	(258)
At June 30, 2008	–	161	4,102	2,732	16,450	892	24,337
Carrying amount:							
At June 30, 2008	862	1,369	16,518	1,784	3,554	414	24,501
At June 30, 2007	918	1,374	16,333	1,606	3,042	601	23,874

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold land and buildings $'000	Office equipment and furniture $'000	Plant and machinery $'000	Motor vehicles $'000	Total $'000
Company					
Cost or valuation:					
At July 1, 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
Additions	717	75	1,216	–	2,008
Disposals	–	(28)	(447)	–	(475)
At June 30, 2008	6,393	1,368	11,844	615	20,220
Comprising:					
June 30, 2008					
At cost	1,893	1,368	11,844	615	15,720
At valuation	4,500	–	–	–	4,500
	6,393	1,368	11,844	615	20,220
June 30, 2007					
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, 2006	381	1,256	8,625	208	10,470
Depreciation	279	58	894	103	1,334
Disposals	–	(42)	(40)	–	(82)
At June 30, 2007	660	1,272	9,479	311	11,722
Depreciation	313	49	693	85	1,140
Disposals	–	(28)	(428)	–	(456)
At June 30, 2008	973	1,293	9,744	396	12,406
Carrying amount:					
At June 30, 2008	5,420	75	2,100	219	7,814
At June 30, 2007	5,016	49	1,596	304	6,965

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
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 approximate 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 $2.89 million (2007: $2.40 million) for the company and group. The freehold property, leasehold land and buildings of the subsidiaries are carried at cost.

The carrying amount of motor vehicles and office equipment and furniture under finance leases for the group as at June 30, 2008 are $17,000 (2007: $30,000) and $130,000 (2007: $10,000) respectively.

The carrying amount of assets pledged to the bank (Note 24) for the subsidiaries as at June 30, 2008 are $5.68 million (2007: $7.52 million).

14 LEASEHOLD PREPAYMENTS

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Leasehold prepayments	280	243	–	–
Less: Current portion included as prepayment (Note 8)	(5)	(6)	–	–
	275	237	–	–

Leasehold prepayments comprise prepaid land rentals for use of land in Vietnam. These have been capitalised as long-term and are charged to the profit and loss statement on a straight-line basis over the term of the relevant lease of approximately 50 years.

15 INTANGIBLE ASSETS

	Group $'000
Cost:	
At July 1, 2006	119
Currency realignment	3
At June 30, 2007	122
Currency realignment	(7)
At June 30, 2008	115
Accumulated amortisation:	
At July 1, 2006	115
Currency realignment	3
Amortisation for the year	1
At June 30, 2007	119
Currency realignment	(7)
Amortisation for the year	1
At June 30, 2008	113
Carrying amount:	
At June 30, 2008	2
At June 30, 2007	3

Amortisation of intangible assets of $1,000 (2007: $1,000) has been included under depreciation and amortisation expenses.

16 AVAILABLE-FOR-SALE INVESTMENTS

	Group	
	2008	2007
	$'000	$'000
Quoted equity shares, at fair value	33	39

The investments above offer the group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on the quoted closing market prices on the last market day of the financial year.

17 CLUB MEMBERSHIP

	Group	
	2008	2007
	$'000	$'000
Unquoted investment, at cost	11	12

The carrying amount of unquoted investment approximates its fair value.

18 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 commenced.

	Group
	$'000
Cost:	
At July 1, 2006	194
Currency realignment	43
At June 30, 2007	237
Currency realignment	(28)
At June 30, 2008	209
Amortisation:	
At July 1, 2006	20
Amortisation for the year	19
Currency realignment	6
At June 30, 2007	45
Amortisation for the year	18
Currency realignment	(6)
At June 30, 2008	57
Carrying amount:	
At June 30, 2008	152
At June 30, 2007	192

19 DEFERRED TAX ASSETS (LIABILITIES)

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Deferred tax assets	570	291	298	–
Deferred tax liabilities	(699)	(766)	–	(16)

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

Deferred tax assets

	Provision $'000	Accelerated tax depreciation $'000	Tax losses $'000	Total $'000
Group				
At July 1, 2006	–	300	2	302
Credit (Charge) to profit and loss statement	–	7	(17)	(10)
Currency realignment	–	–	(1)	(1)
At June 30, 2007	–	307	(16)	291
Credit (Charge) to profit and loss statement	620	(340)	25	305
Currency realignment	–	(17)	(9)	(26)
At June 30, 2008	620	(50)	–	570
Company				
At July 1, 2006	(483)	380	(95)	(198)
Credit (Charge) to profit and loss statement	161	(74)	95	182
At June 30, 2007	(322)	306	–	(16)
Credit (Charge) to profit and loss statement	–	314	–	314
At June 30, 2008	(322)	620	–	298

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

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

Deferred tax liabilities

	Accelerated tax depreciation $'000	Provision $'000	Tax losses $'000	Revaluation of properties $'000	Total $'000
Group					
At July 1, 2006	(1,291)	380	34	(95)	(972)
Credit (Charge) to profit and loss statement	207	(74)	(19)	95	209
Currency realignment	(3)	–	–	–	(3)
At June 30, 2007	(1,087)	306	15	–	(766)
Credit (Charge) to profit and loss statement	376	(306)	(3)	–	67
At June 30, 2008	(711)	–	12	–	(699)

20 BANK OVERDRAFTS AND OTHER BANK BORROWINGS

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Bank loan – secured	1,137	–	–	–
Bank overdrafts	1,455	3,097	–	–
Trust receipts and bills payable to banks	35,309	22,621	23,959	11,192
	37,901	25,718	23,959	11,192

The bank overdrafts and other bank borrowings are secured by the following:

i) legal charge over leasehold and freehold factory land and buildings of certain subsidiaries;

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

iii) corporate guarantee of RM51.50 million ($21.42 million) [2007: RM58.40 million ($25.87 million), B$840,000 ($840,000) [2007: B$920,000 ($920,000)], US$3.0 million ($4.08 million) [2007: US$Nil ($Nil)] and $25.07 million (2007: $27.12 million) by the company (Note 34). The corporate guarantee also covers the long-term borrowings in Note 24;

iv) personal guarantees by director of a subsidiary;

v) debenture over all assets of a subsidiary; and

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

The bank overdrafts and other bank borrowings bear fixed interest rates ranging from 2.4% to 21.5% (2007: 1.00% to 7.75%) per annum and are due within 12 months.

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

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	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Denominated in:				
United States dollars	884	507	–	–

21 TRADE PAYABLES

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Outside parties	24,398	28,028	10,064	11,665
Related parties (Note 5)	193	141	–	–
Subsidiaries (Note 12)	–	–	694	372
	24,591	28,169	10,758	12,037

The average credit period on purchases of goods is 60 days (2007: 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	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Denominated in:				
Australian dollars	140	134	–	19
Euro	1,159	2,076	81	67
Japanese yen	23	33	–	–
Sterling pound	16	6	–	–
United States dollars	9,142	11,096	8,497	9,530

22 OTHER PAYABLES

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Accruals	4,072	3,637	1,074	1,086
Provision for directors' fees	192	273	64	92
Provision for onerous contracts	3,450	1,700	3,450	1,700
Customer's deposit	76	120	–	–
Sundry payables	1,700	1,109	135	–
Advance from directors of certain subsidiaries	108	–	–	–
Others	–	–	–	817
	9,598	6,839	4,723	3,695

The company has made an additional provision of $1,750,000 (2007: $800,000) for fixed price onerous contracts which deliveries are expected to be made after the year end. All deliveries made during the financial year ended June 30, 2008 which have incurred losses have been charged to the profit and loss statement in the current financial year.

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

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

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Denominated in:				
United States dollars	865	–	–	–

23 OBLIGATION UNDER FINANCE LEASES

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Amounts payable under finance leases:				
Within one year	66	131	57	118
In the second to fifth year inclusive	65	110	57	98
After five years	–	2	–	–
	131	243	114	216
Less: Future finance charges	(17)	(27)		
Present value of leases	114	216		

23 OBLIGATION UNDER FINANCE LEASES (CONT'D)

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, 2008 and 2007 approximates its fair value.

The rates of interest for the finance leases range from 6.28% to 12.76% (2007: 3.65% to 12.76%) per annum.

24 LONG-TERM BORROWINGS

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Long-term loans - unsecured	–	1,500	–	1,500
Long-term loans - secured	2,090	2,190	–	–
	2,090	3,690	–	1,500
The borrowings are repayable as follows:				
On demand or within one year	627	1,815	–	1,500
Second to fifth year inclusive	1,463	1,875	–	–
	2,090	3,690	–	1,500
Less: Amount due for settlement within one year (shown under current liabilities)	(627)	(1,815)	–	(1,500)
Amount due for settlement after one year	1,463	1,875	–	–

The unsecured long-term loans bear interest at fixed rate of 3.30% per annum and expired as at June 30, 2008.

The secured long-term loans bear interest at fixed rates ranging from 6.50% to 10.25% (2007: 6.50% to 8.96%) per annum.

The average term of borrowings entered into is 5 years and the carrying amount of the group's borrowings at June 30, 2008 and 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) legal charge over leasehold land and buildings of certain subsidiaries;

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

iii) corporate guarantees by the company (see Notes 20 and 34);

iv) personal guarantees by director of a subsidiary;

v) debenture over all assets of a subsidiary; and

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

25 SHARE CAPITAL AND OPTIONS

Share capital

	Group and Company			
	2008	**2007**	**2008**	**2007**
	'000	**'000**	**$'000**	**$'000**
	Number of ordinary shares			
Issued and paid up capital:				
At beginning of year	392,205	249,650	47,319	33,005
Additional shares issued	–	130,735	–	13,074
Share options exercised	–	11,820	–	1,478
Rights issue expenses	–	–	–	(238)
At end of year	392,205	392,205	47,319	47,319

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends.

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 33) to subscribe for rights shares. The interim dividend totalling $13.07 million was settled by the rights shares.

Share options

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.

All the options have been either exercised or forfeited in the year ended June 30, 2007 and no new 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 movement during the year are as follows:

	Group and Company	
	Number of share options	**Weighted average exercise price $**
Outstanding as at July 1, 2006	12,320,000	0.125
Exercised during the year	(11,820,000)	0.125
Forfeited during the year	(500,000)	0.125
Outstanding as at June 30, 2007 and June 30, 2008	–	

The weighted average share price at the date of exercise for share options exercised during the year was $Nil (2007: $0.125).

There is no option outstanding at the end of the financial year ended June 30, 2007 and 2008.

26 TREASURY SHARES

	Group and Company	
	Number of ordinary shares	$'000
Repurchased during the year	1,727,000	750
At end of June 30, 2008	1,727,000	750

The company acquired 1,727,000 of its own shares through purchase on the Singapore Exchange during the year. The total amount paid to acquire the shares was $750,000 and has been deducted from shareholders' equity. The shares are held as 'treasury shares'.

27 REVENUE

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

	Group	
	2008 $'000	2007 $'000
Sales of goods	256,839	232,554
Contract revenue	80	168
	256,919	232,722

28 OTHER OPERATING INCOME

	Group	
	2008 $'000	2007 $'000
Net foreign exchange adjustment gain	609	176
Gain on disposal of property, plant and equipment	–	1
Allowance for doubtful debts written back	–	18
Interest income from deposits	4	16
Rental income	3	5
Doubtful debts recovered	15	13
Provision for stock obsolescence written back	4	–
Management fee income	11	–
Others	435	230
	1,081	459

29 FINANCE COSTS

	Group	
	2008	2007
	$'000	$'000
Interest expense from:		
Bank borrowings	1,496	1,668
Finance leases	21	27
Others	1	6
	1,518	1,701

30 INCOME TAX EXPENSE

	Group	
	2008	2007
	$'000	$'000
Income tax		
Current	5,575	5,426
(Over) Under provision in prior years	(300)	8
	5,275	5,434
Deferred income tax		
Current	(338)	(199)
Over provision in prior years	(34)	–
	(372)	(199)
Total income tax expense	4,903	5,235

Domestic income tax is calculated at 18% (2007: 18%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

	Group	
	2008	2007
	$'000	$'000
Profit before tax	27,347	26,161
Income tax expense at domestic rate of 18% (2007: 18%)	4,922	4,709
Non-allowable items	192	113
Deferred tax benefits not recognised	220	164
Utilisation of deferred tax benefits previously not recognised	(53)	(8)
(Over) Under provision of taxation in prior years	(300)	8
Tax rebates	(145)	(110)
Effect of different tax rates of subsidiaries operating in other jurisdictions	104	264
Effect of change in tax rate	3	31
(Over) Under provision of deferred tax in prior years	(34)	–
Others	(6)	64
Tax expense for the year	4,903	5,235

30 INCOME TAX EXPENSE (CONT'D)

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

	Group	
	2008	2007
	$'000	$'000
Tax loss carryforwards		
Balance at beginning of year	4,866	4,442
Adjustment	3	(391)
Currency realignment	277	283
Arised during the year	981	574
Amount utilised during the year	–	(42)
Balance at end of year	6,127	4,866
Unutilised investment allowance		
Balance at beginning of year	1,737	2,696
Adjustment	–	(959)
Currency realignment	(106)	–
Amount utilised during the year	(183)	–
Arised during the year	183	–
Balance at end of year	1,631	1,737
Unutilised capital allowance		
Balance at beginning of year	2,015	1,840
Adjustment	29	(265)
Currency realignment	(123)	102
Arised during the year	141	338
Balance at end of year	2,062	2,015
Total	9,820	8,618
Deferred tax benefits on above:		
recorded	570	291
unrecorded	2,399	2,001

Deferred tax benefit varies 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.

30 INCOME TAX EXPENSE (CONT'D)

Group relief

Subject to the satisfaction of the conditions for group relief, $700,000 of tax losses arising in June 30, 2007 were transferred from subsidiaries under the group relief system. These tax losses are transferred at no consideration.

There is no transfer of tax losses from subsidiaries in the current year.

31 PROFIT FOR THE YEAR

	Group	
	2008 $'000	2007 $'000
Directors' remuneration:		
of the company	842	947
of the subsidiaries	1,523	1,398
Total directors' remuneration	2,365	2,345
Directors' fee	192	273
Employee benefits expense (including directors' remuneration):		
Cost of defined contribution plans	1,490	1,263
Salaries, bonus and others	20,464	17,993
Total employee benefits expense	21,954	19,256
Non-audit fees:		
Paid to auditors of the company	9	9
Paid to other auditors	18	12
Cost of inventories recognised as expense	194,295	172,772
Provision for onerous contracts expense	1,750	800
Foreign currency exchange adjustment gain	(609)	(176)
Fair value adjustments on derivative financial instruments	(114)	177
Net inventories written off	396	751
Property, plant and equipment written off	8	6
Loss (Gain) on disposal of property, plant and equipment	86	(1)
Impairment loss recognised on trade receivables	377	170
Depreciation and amortisation:		
Amortisation expense	19	20
Depreciation expense	2,729	2,944
	2,748	2,964

32 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	
	2008	2007
	$'000	$'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)	22,403	20,811

Number of shares

	Group	
	2008	2007
Weighted average number of ordinary shares for the purposes of basic earnings per share and diluted earnings per share	391,173,875	352,602,900

33 DIVIDENDS

During the financial year ended June 30, 2008, the company paid a final one tier tax exempt dividend of 1.0 cent per ordinary share totalling $3.91 million in respect of the financial year ended June 30, 2007.

For 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, 2008, the directors proposed that a final one tier tax exempt dividend of 1.0 cent per ordinary share totalling $3.91 million. 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.

34 CONTINGENT LIABILITIES (UNSECURED)

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Corporate guarantee in relation to credit facilities granted to subsidiaries (Notes 20 and 24)	–	–	51,409	53,911
Financial support granted to subsidiaries	–	–	3,199	2,442
	–	–	54,608	56,353

35 COMMITMENTS

		Group		Company	
		2008	2007	2008	2007
		$'000	$'000	$'000	$'000
(a)	Capital expenditure:				
	Estimated amounts committed for future capital expenditure but not provided for in the financial statements	494	1,372	494	896
(b)	Copper forward contracts:				
	Buy:				
	US$'000	–	296	–	296
	Equivalent in Singapore dollars	–	454	–	454
(c)	Others				
	Copper contracts	45,377	35,370	45,377	35,370
	Performance guarantees (secured, Note 20)	248	254	–	–
	Performance guarantees (unsecured) [(i)]	2,147	2,311	959	917
	Total	47,772	37,935	46,336	36,287

(i) The performance guarantees are covered by corporate guarantee of the company.

36 OPERATING LEASE COMMITMENTS

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Minimum lease payments under operating leases recognised as an expense in the year	917	1,020	231	231

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

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Future minimum lease payments payable:				
Within one year	888	814	257	240
In the second to fifth year inclusive	1,972	2,079	966	919
After five years	8,430	7,108	4,550	3,234
Total	11,290	10,001	5,773	4,393

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.

37 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 of 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.

37 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 to acquire property, plant and equipment, and intangible assets.

2008

Business segments

	Cable and wire $'000	Switchboards $'000	Lamps and lighting products $'000	Electrical material distribution $'000	Sanitary $'000	Elimination $'000	Total $'000
REVENUE							
External sales	159,790	6,558	2,066	87,316	1,189	–	256,919
Inter–segment sales	4,096	–	731	33	–	(4,860)	–
Total revenue	163,886	6,558	2,797	87,349	1,189	(4,860)	256,919
RESULT							
Segment result	24,312	636	(686)	4,453	146	–	28,861
Interest expense	(1,169)	–	(28)	(61)	(6)	–	(1,264)
Unallocated interest expense							(254)
Interest income	2	–	–	2	–	–	4
Income tax expense							(4,903)
Minority interests							(41)
Profit attributable to shareholders of the company							22,403

37 SEGMENT INFORMATION (CONT'D)

Business segments (cont'd)

	Cable and wire $'000	Switchboards $'000	Lamps and lighting products $'000	Electrical material distribution $'000	Sanitary $'000	Total $'000
OTHER INFORMATION						
Segment assets	121,357	5,688	4,323	42,807	806	174,981
Unallocated segment assets						598
Consolidated total assets						175,579
Segment liabilities	50,644	418	1,743	16,653	42	69,500
Unallocated segment liabilities						10,650
Consolidated total liabilities						80,150
Capital expenditure	2,903	31	2	845	–	3,781
Depreciation and amortisation	1,524	136	208	866	14	2,748
Non-cash expenses other than depreciation and amortisation	(395)	8	253	128	(121)	(127)

Geographical segments

	Revenue $'000	Segment assets $'000	Total capital expenditure $'000
Singapore	198,129	134,251	2,640
Malaysia	35,576	24,291	352
Brunei	6,559	5,867	31
New Zealand	15,052	5,635	212
Vietnam	1,603	5,535	546
	256,919	175,579	3,781

37 SEGMENT INFORMATION (CONT'D)

2007

Business segments

	Cable and wire $'000	Switchboards $'000	Lamps and lighting products $'000	Electrical material distribution $'000	Sanitary $'000	Elimination $'000	Total $'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

	Cable and wire $'000	Switchboards $'000	Lamps and lighting products $'000	Electrical material distribution $'000	Sanitary $'000	Total $'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 expenses other than depreciation and amortisation	20	7	63	216	275	581

37 SEGMENT INFORMATION (CONT'D)

Geographical segments

	Revenue $'000	Segment assets $'000	Total capital expenditure $'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

38 EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the financial year ended June 30, 2008, a subsidiary had subscribed to 1,800,000 ordinary shares at a consideration of $1,800,000 in Nylect International Pte Ltd ("Nylect"), a company incorporated in Singapore. This subscription amounts to a 30% equity interest in Nylect, and accordingly, Nylect became an associate of the group.

Statement of Directors

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 33 to 89 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, 2008 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

Lim Boon Hock Bernard

Singapore
August 28, 2008

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, 2008 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 Limited	Rental Income	$178,336

Material Contracts

There were no material contracts (including loans) of the Company and its subsidiaries involving the interest of the chief executive officer or any director or controlling shareholders, either still subsisting at the end of the financial year ended June 30, 2008, or if not then subsisting, entered into since the end of the previous financial year.

Analysis of Shareholdings

As at September 15, 2008

ISSUED AND FULLY PAID-UP CAPITAL (INCLUDING TREASURY SHARES)	:	$46,569,270
ISSUED AND FULLY PAID-UP CAPITAL (EXCLUDING TREASURY SHARES)	:	$47,318,973
NUMBER OF SHARES ISSUED (EXCLUDING TREASURY SHARES)	:	390,478,000
NUMBER/PERCENTAGE OF TREASURY SHARES	:	1,727,000 (0.44%)
CLASS OF SHARES	:	ORDINARY SHARES FULLY PAID
VOTING RIGHTS	:	1 VOTE PER SHARE

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of Shares	%
1 - 999	130	3.39	53,360	0.01
1,000 - 10,000	1,776	46.32	11,505,499	2.95
10,001 - 1,000,000	1,882	49.09	93,680,813	23.99
1,000,001 and above	46	1.20	285,238,328	73.05
Total	3,834	100.00	390,478,000	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of shareholders	No. of shares	%
1	Lim Boon Hock Bernard	38,875,000	9.96
2	Lim Chye Huat @ Bobby Lim Chye Huat	36,326,370	9.30
3	Lim Boon Chin Benjamin (Lin Wenjin Benjamin)	24,000,000	6.15
4	Goh Soo Luan	20,142,500	5.16
5	Lim Lian Hiong	14,426,500	3.69
6	United Overseas Bank Nominees Pte Ltd	13,331,500	3.41
7	Lim Hiang Lan	11,949,500	3.06
8	Lim Phek Choo Constance	11,532,000	2.95
9	Lim Lian Eng	7,797,000	2.00
10	DBS Nominees Pte Ltd	7,093,500	1.82
11	Chan Kum Lin Carolyn	7,000,000	1.79
12	Chia Ah Heng	6,161,500	1.58
13	Geraldine Cheng Hua Yong	5,941,000	1.52
14	Hong Leong Finance Nominees Pte Ltd	5,869,000	1.50
15	Chen Shyh Yi	5,454,080	1.40
16	Yen Tsung Hua	5,122,140	1.31
17	Gerald Cheng Kai Yong	4,286,000	1.10
18	OCBC Securities Private Ltd	3,971,288	1.02
19	HSBC (Singapore) Nominees Pte Ltd	3,905,000	1.00
20	Lim Boon San Lionel	3,887,000	1.00
		237,070,878	60.72

FREE FLOAT OF EQUITY SECURITIES

On the basis of information available to the Company approximately 44.11% 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.

LIST OF SUBSTANTIAL SHAREHOLDERS AND THEIR SHAREHOLDINGS AS AT 15TH SEPTEMBER 2008 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	20,142,500
Mdm. Goh Soo Luan (2)	20,142,500	36,326,370
Mr. Lim Boon Hock Bernard (3)	39,250,000	1,650,000
Mdm. Pang Yoke Chun (4)	1,650,000	39,250,000
Mr. Lim Boon Chin Benjamin	24,000,000	NIL
Mr. Lim Chai Lai @ Louis Lim Chai Lai (5)	13,745,500	7,000,000
Mdm. Chan Kum Lin (6)	7,000,000	13,745,500
Mr. Chia Ah Heng (7)	6,161,500	14,426,500
Mdm. Lim Lian Hiong (8)	14,426,500	6,161,500

Notes:-

(1) Mr. Lim Chye Huat @ Bobby Lim Chye Huat is deemed to have an interest in the 20,142,500 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 39,250,000 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 7,000,000 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 and his nominee.

(7) Mr. Chia Ah Heng is deemed to have an interest in the 14,426,500 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.

Notice of Annual General Meeting

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Tai Sin Electric Limited will be held at Ficus 2 & 3, Level 2, Jurong Country Club, 9 Science Centre Road, Singapore 609078 on Thursday, October 30, 2008 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, 2008 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, 2008.

3. To approve the payment of $64,000 as Directors' Fees for the year ended June 30, 2008. (2007 : $187,000)

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

   (a) Prof. Lee Chang Leng Brian; and

   (b) Mr. Richard Wee Liang Huat @ Richard Wee Liang Chiat.

5. To re-appoint Deloitte & Touche LLP 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 total number of issued shares excluding treasury shares 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 total number of issued shares excluding treasury shares of the Company;

   (ii) for the purpose of determining the aggregate number of shares that may be issued under (i) above, the percentage of issued shares shall be based on the total number of issued shares excluding treasury shares 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 bonus issue, 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 13, 2008

Notes:

(1) A member of the Company entitled to attend and vote at the above Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 24 Gul Crescent, Jurong Town, Singapore 629531 not less than 48 hours before the time for holding the Meeting.

(2) Prof. Lee Chang Leng Brian is considered to be an independent director by the Board of Directors, and if re-appointed under item 4(a) above, will remain as an Audit Committee Member.

(3) Mr. Richard Wee Liang Huat @ Richard Wee Liang Chiat is considered to be an independent director by the Board of Directors, and if re-appointed under item 4(b) above, will remain as an Audit Committee Member.

(4) The ordinary resolution proposed in item 6 above, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue new shares or instruments convertible into shares in the Company subject to the limits imposed by the Resolution, for such purposes as they consider would be in the interests of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

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TAI SIN ELECTRIC LIMITED
(Incorporated in the Republic of Singapore -
Company Registration No: 198000057W)

PROXY FORM

IMPORTANT
1. For investors who have used their CPF monies to buy shares of Tai Sin Electric 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 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, 2008 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated with an "X" hereunder. If no specific direction as to voting is given, the proxy/ proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Resolutions relating to:	For	Against
1.	Adoption of Accounts and Reports		
2.	Declaration of Final Dividend		
3.	Approval of Directors' Fees		
4.	(a) Re-election of Prof. Lee Chang Leng Brian as a Director		
	(b) Re-election of Mr. Richard Wee Liang Huat @ Richard Wee Liang Chiat as a Director		
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____________________2008.

Total Number of Shares Held

IMPORTANT:
PLEASE READ NOTES OVERLEAF

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

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.

Corporate Directory

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Tai Sin®

The Electric Solutions Specialist For Asia Since 1958

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