Sustaining our Capabilities

Annual Report 2009

Tai Sin®

The Electric Solutions Specialist For Asia Since 1958

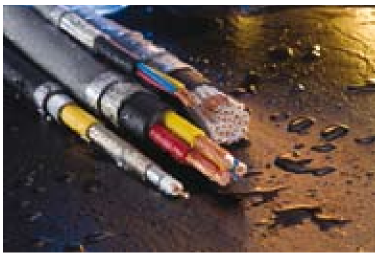
Tai Sin will continue its leap towards greater heights by sustaining its capabilities. It continues its relentless pursuit of excellence by building upon core values of commitment to **quality,** focused **development** and financial **prudence.**

ABOUT Us

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 Group of Companies. Listed on the Stock Exchange of Singapore SESDAQ in 1998, the Group's exceptional growth and operational excellence has enabled its listing to be transferred to the SGX Main Board in 2005.

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

Today, the Group's geographical presence extends to as far as the Middle East 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.



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CHAIRMAN'S Statement

Tight cash and credit management, effective cost control, including reduction in fixed costs without staff retrenchment and paring of expenses on service providers, helped to further reduce pressure on profit margins.

The year under review saw the global economy immersed in one of the most severe recessions in decades. The business environment for the Group was fraught with tough challenges both at home and abroad.

Prudent resource management and a strong product base supported by professional capabilities had enabled the Group to soften the impact of the adverse economic conditions on its performance across all market territories.

Despite having to cross many hurdles, the Group managed well to turn in revenue of $194.21 million, down 24.4 per cent from $256.92 million for the previous year. The major cause of the lower revenue was a sharp drop of 36.8 per cent in average copper price, from US$7,784 to US$4,919 per tonne during the year under review. Caught in a situation of buying high, selling low, the Cable and Wire segment's contribution to revenue slid by 27.4 per cent. Deferment and cancellation of projects due to credit squeeze on customers and a sharp drop in demand resulting from the recession, caused sales to decline further especially in the second and third quarters of the financial year.

However, with prudent financial and resource management, the Group manage to achieve a profit before tax of $11.05 million for the year, a drop of 59.6 per cent from $27.35 million for the previous year. Profit after tax was $9.29 million, down 58.6 per cent from $22.44 million for FY2008. Tight cash and credit management, effective cost control, including reduction in fixed costs without staff retrenchment and paring of expenses on service providers, helped to further reduce pressure on profit margins.

Strong inventory management by turning goods into cash at every opportunity also contributed markedly to the bottom line. This resulted in inventories declining by $27.98 million.

Greater efforts in collection of trade receivables helped to increase net cash from operating activities by more than four times to $44.05 million from $9.86 million.

With an impacted bottom line, earnings per ordinary share dropped 57.6 per cent to 2.43 cents from 5.73 cents. Net asset value per share inched up 4 per cent to 24.67 cents from 23.72 cents in FY2008.

OPERATIONS REVIEW

Manufacturing Segment

The Manufacturing Segment comprises the Cable & Wire, Switchboards and Lamps & Lightings businesses.

The Cable & Wire segment continued to lead in sales posting revenue of $117.82 million, which was down 28.1 per cent from FY2008. Sales from this segment accounted for 60.7 per cent of total Group revenue.

The Singapore government's financial assistance scheme for small and medium sized companies helped to soften the impact of the downturn in the fourth quarter, as the bridging loans enabled them to take deliveries that were earlier cancelled or deferred.

Sales abroad suffered as the worldwide recession made its impact felt in Malaysia and Vietnam, where the Group has manufacturing facilities. Many projects in Malaysia and Vietnam were either suspended or did not materialise during the year under review.

The Switchboards segment held its own and enjoyed a marginal increase in sales to $6.59 million from $6.56 million with sustained businesses from industrial plants.

Sales of Lamps & Lightings saw a small decline to $2.40 million from $2.80 million for FY2008.

Electrical Material Distribution (EMD) Segment

Revenue for the year was $68.85 million, down 21.2 per cent from $87.35 million the previous year. This segment continued to be the second biggest contributor to total turnover at 35.5 per cent. It was a difficult year for EMD segment, as the poor performance of the electronics industry worldwide weighed heavily on performance.

The pharmaceutical and oil & gas cluster generally performed well, as on-going projects yielded a reasonable volume of sales. The utility, infrastructure and transport cluster also benefited from public sector projects.

The cluster catering to the general manufacturing industries restructured its team and strategies and managed to maintain its sales volume.

Marina Barrage

Micron

Jurong Point

Changi Airport

BUSINESS OUTLOOK

Raw material prices will continue to impact our business in the coming years. Although there are still mixed sentiments on the prospects of economic recovery worldwide, the Group remains cautiously optimistic on the business outlook the coming year.

Our effort to position Tai Sin as a Leading Electric Solutions Specialist for Asia has allowed us to further redefine and reinforce our core competencies, improve on our customer-centric approach to business and further catalyse our value chain to deliver better services over a bigger market footprint. We believe that our stepped up internationalisation effort, especially our venture into the Middle East, will help to generate new revenue streams in the years ahead.

Outlook for Manufacturing Segment

The 2008-2009 recession was a unique one, triggered by an unwarranted world financial crisis that precipitated into a sharp market plunge. The massive fall in worldwide demand brought the price of copper down to a new low and cut deeply into sales and bottom lines.

For the Cable and Wire segment, we will continue to practise effective price hedging to soften the impact of price volatility on the business.

The Singapore Ministry of Trade & Industry had maintained its economic growth forecast for 2009 at a contraction of 4.0 to 6.0 per cent, while analysts have predicted positive growth for the economy for 2010.

CHAIRMAN'S Statement

It is encouraging to note that the construction sector had grown by about 24 per cent in the first quarter and 19 per cent in the second quarter of 2009.

With the easing of credits in Singapore, we hoped to see more projects being revived and new ones implemented. Especially important are public sector projects, several of which were deferred to 2010, which can help to cushion the shortfall in demand from the industrial sector.

Elsewhere in the region, there are indications that the economies are improving and the team will work harder on the overseas markets in 2010.

Our plants in Malaysia and Vietnam will form an important base for us to supply to more markets in the region, as well as those in the Gulf States of the Middle East. It is hoped that there will be more government spending to further support the sputtering recovery in these areas, as this will be an avenue of growth for our business.

Biopolis

Cycle & Carriage Showroom

HarbourFront

Park Hotel

Outlook for Electrical Material Distribution (EMD) Segment

In Singapore and the surrounding region, we expect contributions from sales to the infrastructure and building sectors to improve as sentiments pick up.

Activities in the pharmaceutical and oil & gas segments continue to be promising. We look forward to more industrial projects being taken off the drawing board to the construction stage.

With the completion of our warehouse in Sharjah, LKH Electric Middle East (FZE) is ready to use the facilities as a springboard into the Gulf markets via channel partners.

Over in Vietnam, the outlook is expected to improve. Our manufacturing facility there, which is fully operational, will be ready to meet the requirements of the local market and other countries in the region.

The lessons from the recession will help us to be even better prepared for the economic recovery in territories where we have operations, especially with a more highly optimised supply chain to address the needs of customers.

DIVIDENDS

Despite the current economic climate, I am pleased to recall that the Company has paid two interim dividends of 1.0 cent in total. In addition, the Board is recommending a final tax-exempt one-tier dividends of 0.5 cents per ordinary share for FY2009.

The proposed final dividend payout amounting to $1.95 million is subject to the approval of the shareholders at the forthcoming Annual General Meeting on October 29, 2009. Upon approval, the dividend will be paid on November 20, 2009.

IN APPRECIATION

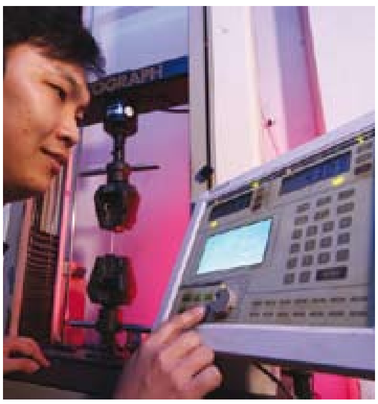
The year under review has been very difficult for everyone in the Group. On behalf of the Board, I wish to express our appreciation to all our shareholders, customers, business partners, employees and management for their continuing strong support and commitment to the company. We look forward to more encouragement and support as we continue our journey of success in the ever-changing business landscape that lies ahead.

Professor Lee Chang Leng Brian
Chairman

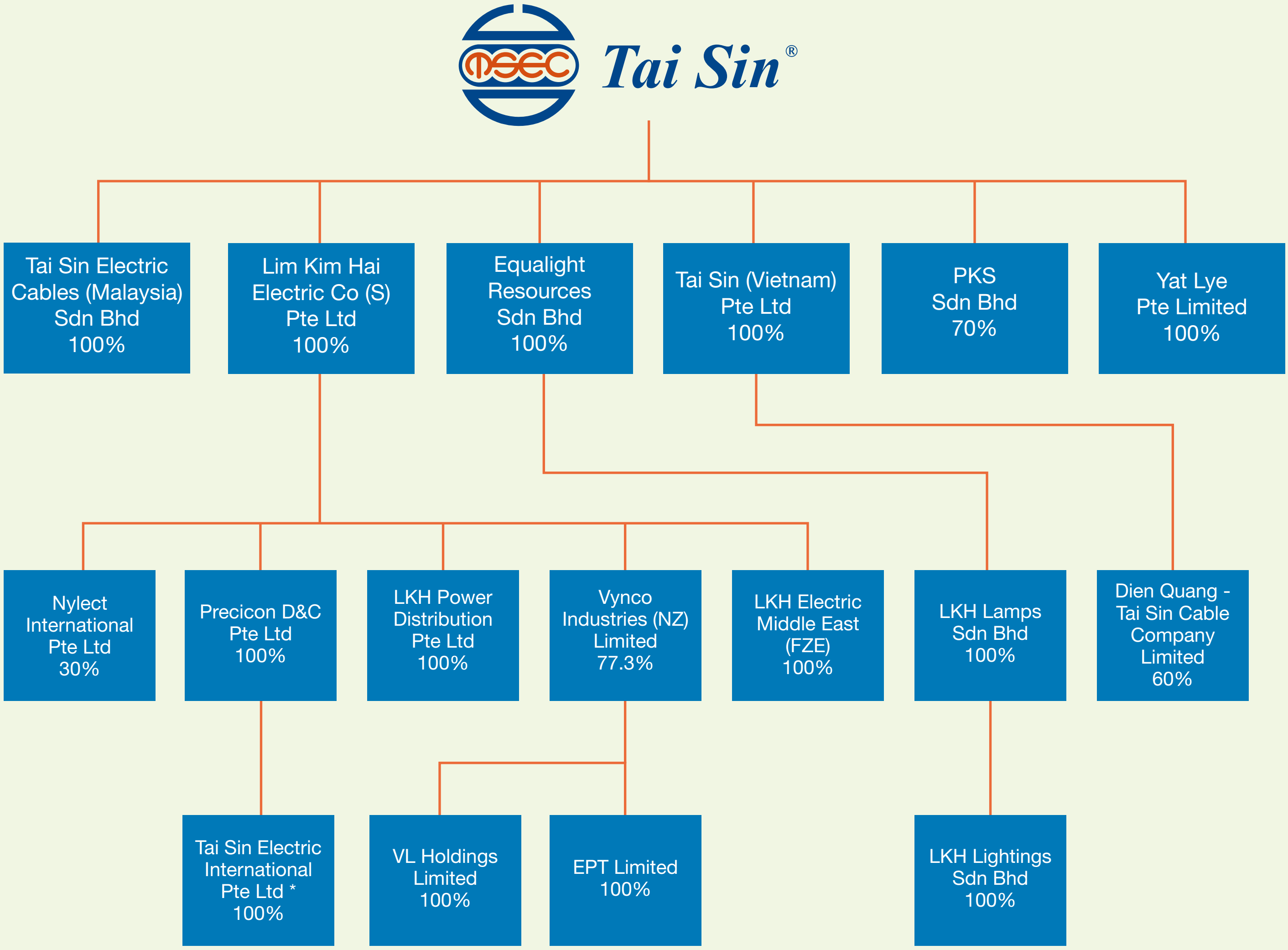
September 24, 2009
Singapore

Commitment to *quality*

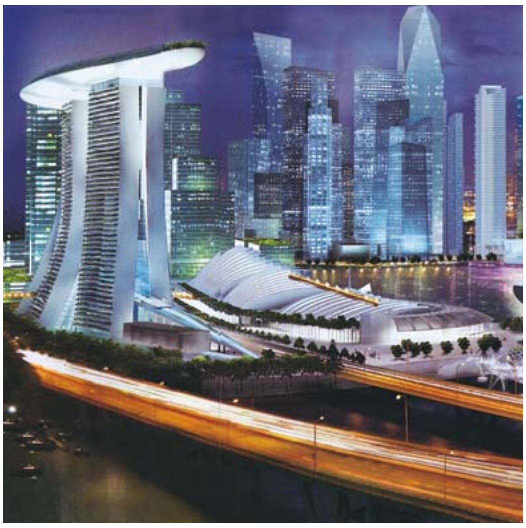
We provide customised and innovative solutions for our clients, thus strengthening our reputation for reliability and building robust long-term relationships with our customers.

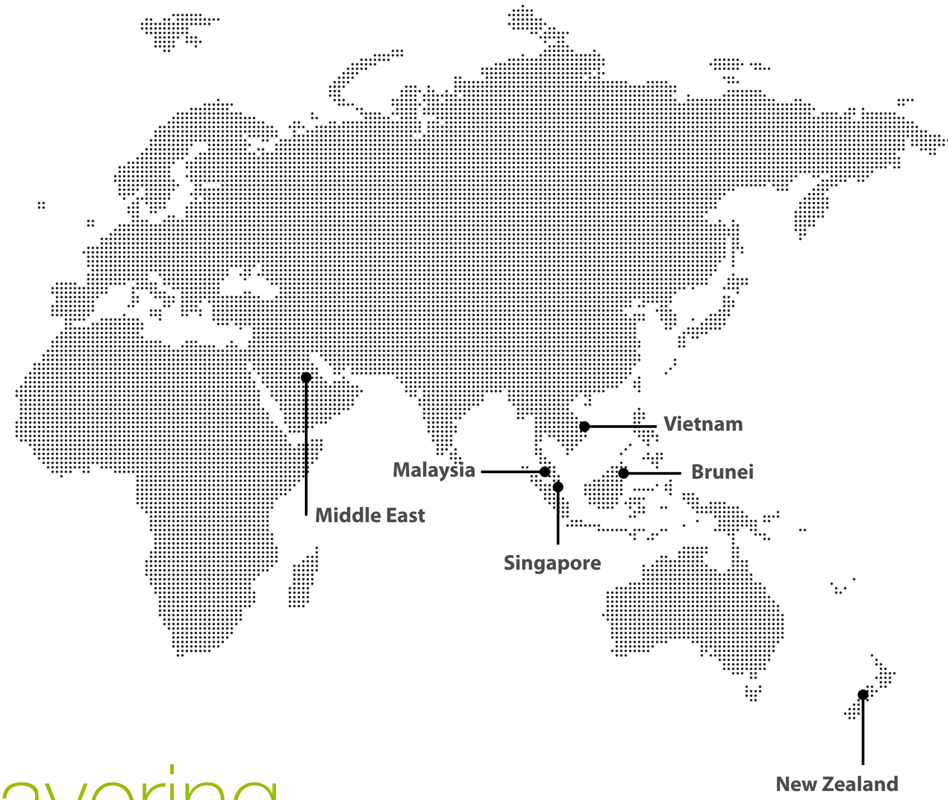


GROUP Structure



* Formerly known as PC2M Asia Pacific Pte Ltd


Singapore



Unwavering *focus*

The Group continues to enhance its core competencies and develop new initiatives to grow while maintaining its strategic partnerships. The group is resolute in achieving its goal of being the leading electric solutions specialist in Asia.


Malaysia


Middle East


New Zealand

BOARD of Directors

LEE CHANG LENG BRIAN

Prof. Lee Chang Leng Brian was appointed the Independent Non-Executive Director in August 2002, and has since 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 is also a member of the Nominating Committee. 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 HLN Technologies Ltd and the current Chairman of The National St. John Council.

RICHARD WEE LIANG HUAT @ RICHARD WEE LIANG CHIAT

Mr. Richard Wee Liang Chiat was appointed as Independent Non-Executive Director in April 1988. He was appointed as the Chairman on 1 September 2009 of the Remuneration and Share Option and Nominating Committee of the Company and as a member of the Audit Committee. Mr. Wee is the Director and Audit Committee Member of Hubline Berhad as well as the Chairman and Managing Director of Eastern Oxygen Industries Sdn Bhd. Mr. Wee graduated with a Diploma of Management Development Programme from the Asian Institute of Management in Manila, the Philippines, and he 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 1 September 2009 of the Audit Committee and as a member of the Nominating and Remuneration and Share Option Committee of the Company. Mr. Tay also runs his own firm, Tay Joo Soon & Co., as a proprietor since it was founded in 1970. Currently a practising Certified Public Accountant, he has amassed in–depth knowledge from over 30 years 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 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

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 1 July 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 1 July 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 is the Company's Senior Manager of Group Corporate Development and Marketing Communications. As a Senior Manager in 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 is the Company's Senior Manager of Group Information Technology. She also heads the IT department of Lim Kim Hai Electric Co (S) Pte Ltd and its subsidiaries. Her responsibilities include managing and delivering systems to meet the business requirements for the Group as well as overseeing the ISO Quality System for Lim Kim Hai Electric to continually streamline and improve process efficiencies. Since graduating from the University of Glamorgan, UK with a First Class Honours degree in Computer Science, Ms. Lim has amassed over 20 years of experience in business information systems development and implementation. She also holds a Masters degree in Health Service Management from Flinders University, Australia.

LIM EWE LEE

Mr. Lim Ewe Lee is the Executive Director and 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 functions 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 is currently the Company's Country Director for Vietnam and is responsible for the country's business development. He is also the General Director of our subsidiary, Dien Quang - Tai Sin Cable Company Ltd. He joined Lim Kim Hai Electric in 1988 and has more than 20 years of experience in project tender and management covering the mechanical and electrical contracting businesses.

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 Executive Director and 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 policies for Vynco while overseeing Vynco's daily management and operations in New Zealand.


Financial *prudence*

Better financial management was a key focus for the Group, allowing us to strengthen our balance sheet and cash flow, empowering the Group to ride through the global economic slowdown.



FINANCIAL Highlights

Turnover
(S$'m)

Shareholder's Funds
(S$'m)

Profit Before Income Tax
(S$'m)

Net Asset Value Per Share
(cents)

EPS
(cents)

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

Nominating Committee
Richard Wee Liang Huat @ Richard Wee Liang Chiat
Chairman
Lee Chang Leng Brian
Tay Joo Soon
Lim Chye Huat @ Bobby Lim Chye Huat

Remuneration and Share Option Committee
Richard Wee Liang Huat @ Richard Wee Liang Chiat
Chairman
Lee Chang Leng Brian
Tay Joo Soon

Secretaries
Mrs. Low nee Tan Leng Fong
Tan Shou Chieh

Company Registration Number
198000057W

Registered Office
24 Gul Crescent, Jurong Town
Singapore 629531
Tel: 6861 3401 Fax: 6861 4084
Email: mailbox1@taisin.com.sg

Share Registrars & Share Transfer Office
B.A.C.S Private Limited
63 Cantonment Road
Singapore 089758
Tel: 6323 6200

Auditors
Deloitte & Touche LLP
Certified Public Accountants
6 Shenton Way #32-00
DBS Building Tower Two
Singapore 068809
Partner-In-Charge:
Seah Gek Choo
Date of Appointment: October 30, 2008

Principal Bankers
United Overseas Bank Limited
Oversea-Chinese Banking Corporation Limited
The Hong Kong & Shanghai Banking Corporation Limited
Malayan Banking Berhad
DBS Bank Ltd
CIMB Bank Berhad
Standard Chartered Bank

CORPORATE GOVERNANCE

The Board of Directors of Tai Sin Electric Limited is committed to upholding the spirit and letter of the Code of 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: The 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, monitoring and reviewing financial performances of the Group, ensuring 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 reference. The number of meetings held during the financial year ended June 30, 2009 and the attendance of the directors are as follows:

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

CORPORATE GOVERNANCE

To ensure that the Board is able to fulfill its responsibilities, management provides Board members with monthly 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 Group Planning and Internal Control Manager 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:

- Richard Wee Liang Huat @ Richard Wee Liang Chiat (Chairman w.e.f. September 1, 2009) *
- Lee Chang Leng Brian *
- Tay Joo Soon *
- Lim Chye Huat @ Bobby Lim Chye Huat

  * 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.

CORPORATE GOVERNANCE

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:

- Richard Wee Liang Huat @ Richard Wee Liang Chiat (Chairman w.e.f. September 1, 2009) *
- Lee Chang Leng Brian *
- Tay Joo Soon *

* 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 paid to 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, 2009

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	100%	–	–	100%
	Lim Boon Hock Bernard	82%	18%	–	100%

For the financial year ended June 30, 2009, the top five key executives of the Group (who are not also directors of the Company) are Pang Yew Choy Andy, Ong Wee Heng, Lim Chai Lai @ Louis Lim Chai Lai, Chia Ah Heng and Lin Chen Mou. The remuneration of the top five key executives did not exceed $250,000.

CORPORATE GOVERNANCE

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, 2009, Lim Lian Eng Sharon, who is an immediate family member of the Lim Chye Huat @ Bobby Lim Chye Huat has remuneration exceeding S$150,000.

Audit Committee ("AC")

Principle 10: Accountability
Principle 11: Audit Committee
Principle 12: Internal Controls
Principle 13: Internal Audit

The Audit Committee of the Company comprises:

- Tay Joo Soon (Chairman w.e.f. September 1, 2009) *
- Lee Chang Leng Brian *
- Richard Wee Liang Huat @ Richard Wee Liang Chiat *

  * 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. The AC is given 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, 2009 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 for its assets. The AC has reviewed the effectiveness of the Group's internal controls with the internal and external auditors. The Board is satisfied that there have been no major weakness in the existing system of internal controls.

The Company outsourced its internal audit function to an external professional firm that reports to the AC and administratively to the Managing Director. The Internal Auditor has appropriate standing within the group and meets the standards of the Professional Practice of Internal Auditing set by the Institute of the Internal Auditors. 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.

CORPORATE GOVERNANCE

The AC has approved and implemented a Whistle-Blowing 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-Blowing 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 office.

FINANCIAL CONTENTS

REPORT OF THE DIRECTORS

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, 2009.

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.

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, 2008**	**At June 30, 2009**	**At July 1, 2008**	**At June 30, 2009**
Tai Sin Electric Limited	Number of shares			
Lim Chye Huat @ Bobby Lim Chye Huat	36,326,370	36,326,370	18,842,500	20,142,500
Lim Boon Hock Bernard	39,250,000	39,250,000	1,650,000	1,650,000
Richard Wee Liang Huat @ Richard Wee Liang Chiat	3,000,000	3,000,000	–	–
Tay Joo Soon	300,000	500,000	–	–
Vynco Industries (NZ) Limited	Number of shares of NZ$1 each			
Lim Chye Huat @ Bobby Lim Chye Huat	115,000	–	–	–

The directors' interests in the shares and options of the company at July 21, 2009 were the same at June 30, 2009.

REPORT OF THE DIRECTORS

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 as at June 30, 2009 are:

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

Subsequent to June 30, 2009, the chairman of the committee was rotated from Tay Joo Soon to Richard Wee Liang Huat @ Richard Wee Liang Chiat.

(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 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 during the financial year ended June 30, 2007.

During the financial year, no options to take up unissued shares of the company or any corporation in the group were granted.

(b) *Options exercised*

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

REPORT OF THE DIRECTORS

(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)	–
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 carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. The nature and extent of the functions performed by the Audit Committee are described in the Annual Report under 'Corporate Governance'.

The audit 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
September 24, 2009

INDEPENDENT AUDITORS' REPORT

To the Members of Tai Sin Electric Limited

Report on the Financial Statements

We have audited the financial statements of Tai Sin Electric Limited (the "company") and its subsidiaries (the "group") which comprise the balance sheets of the group and the company as at June 30, 2009, 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 24 to 84.

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.

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, 2009 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

Singapore
September 24, 2009

BALANCE SHEETS

June 30, 2009

	Note	Group		Company	
		2009 $'000	2008 $'000 (restated)	2009 $'000	2008 $'000
ASSETS					
Current assets					
Cash and bank balances	6	18,160	13,617	11,801	6,654
Trade receivables	7	46,849	70,577	26,915	41,978
Other receivables	8	860	1,199	2,727	2,867
Derivative financial instruments	9	–	28	–	–
Inventories	10	36,638	64,617	16,981	40,175
Total current assets		102,507	150,038	58,424	91,674
Non-current assets					
Subsidiaries	11	–	–	23,216	23,899
Associate	12	2,332	–	–	–
Property, plant and equipment	13	26,339	22,584	7,543	7,814
Investment property	14	1,297	1,335	–	–
Construction-in-progress		–	7	–	–
Leasehold prepayments	15	880	847	–	–
Intangible assets	16	17	2	–	–
Available-for-sale investments	17	34	33	–	–
Club membership	18	11	11	–	–
Development costs	19	–	152	–	–
Deferred tax assets	20	316	570	–	298
Total non-current assets		31,226	25,541	30,759	32,011
Total assets		133,733	175,579	89,183	123,685

BALANCE SHEETS

June 30, 2009

	Note	Group		Company	
		2009 $'000	2008 $'000 (restated)	2009 $'000	2008 $'000
LIABILITIES AND EQUITY					
Current liabilities					
Bank overdrafts and other bank borrowings	21	11,025	37,901	–	23,959
Trade payables	22	14,949	24,591	5,555	10,758
Other payables	23	3,463	9,598	644	4,723
Current portion of finance leases	24	32	57	–	–
Derivative financial instruments	9	24	–	–	–
Current portion of long-term borrowings	25	1,064	627	–	–
Income tax payable		1,568	5,157	920	4,167
Total current liabilities		32,125	77,931	7,119	43,607
Non-current liabilities					
Non-current portion of finance leases	24	66	57	–	–
Long-term borrowings	25	2,142	1,463	–	–
Deferred tax liabilities	20	934	699	419	–
Total non-current liabilities		3,142	2,219	419	–
Capital and reserves					
Share capital	26	47,319	47,319	47,319	47,319
Treasury shares	27	(950)	(750)	(950)	(750)
Reserves		49,714	46,044	35,276	33,509
Equity attributable to the shareholders of the company		96,083	92,613	81,645	80,078
Minority interests		2,383	2,816	–	–
Total equity		98,466	95,429	81,645	80,078
Total liabilities and equity		133,733	175,579	89,183	123,685

See accompanying notes to financial statements.

CONSOLIDATED PROFIT AND LOSS STATEMENT

Year ended June 30, 2009

		Group	
	Note	2009 $'000	2008 $'000
Revenue	29	194,209	256,919
Other operating income	30	2,987	1,081
Changes in inventories of finished goods and work in progress		(18,436)	8,059
Raw materials and consumables used/purchase of inventories		(137,773)	(200,604)
Writeback of (Provision for) for onerous contract		3,450	(1,750)
Employee benefits expense		(18,987)	(21,954)
Depreciation and amortisation expense		(2,573)	(2,748)
Other operating expenses		(11,059)	(10,138)
Finance costs	31	(1,261)	(1,518)
Share of profit of an associate		492	–
Profit before income tax		11,049	27,347
Income tax expense	32	(1,755)	(4,903)
Profit for the year	33	9,294	22,444
Attributable to:			
Shareholders of the company		9,474	22,403
Minority interests		(180)	41
		9,294	22,444
Earnings per share			
Basic (cents)	34	2.43	5.73
Diluted (cents)	34	2.43	5.73

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended June 30, 2009

	Note	Share capital $'000	Treasury shares $'000	Reserves: Revaluation reserve $'000	Reserves: Foreign currency translation reserve $'000	Reserves: Hedging reserve $'000	Reserves: Other reserve $'000	Reserves: Accumulated profits $'000	Equity attributable to shareholders of the company $'000	Minority interests $'000	Total equity $'000
Group											
Balance at July 1, 2007		47,319	–	1,821	220	13	–	30,467	79,840	2,590	82,430
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	27	–	(750)	–	–	–	–	–	(750)	–	(750)
Capital investment by minority shareholders		–	–	–	–	–	–	–	–	363	363
Final dividend for the previous year paid	35	–	–	–	–	–	–	(3,910)	(3,910)	–	(3,910)
Interim dividend for the year paid	35	–	–	–	–	–	–	(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

STATEMENTS OF CHANGES IN EQUITY

Year ended June 30, 2009

				Reserves							
	Note	Share capital $'000	Treasury shares $'000	Revaluation reserve $'000	Foreign currency translation reserve $'000	Hedging reserve $'000	Other reserve $'000	Accumulated profits $'000	Equity attributable to shareholders of the company $'000	Minority interests $'000	Total equity $'000
Currency translation differences		–	–	–	(51)	–	–	–	(51)	(26)	(77)
Gain on revaluation of land and buildings		–	–	2,471	–	–	–	–	2,471	132	2,603
Deferred tax liability on revaluation of land and buildings		–	–	(501)	–	–	–	–	(501)	(31)	(532)
Net expenses recognised directly in equity		–	–	1,970	(51)	–	–	–	1,919	75	1,994
Profit for the year		–	–	–	–	–	–	9,474	9,474	(180)	9,294
Total recognised income and expense for the year		–	–	1,970	(51)	–	–	9,474	11,393	(105)	11,288
Shares buy back	27	–	(200)	–	–	–	–	–	(200)	–	(200)
Capital investment by minority shareholders		–	–	–	–	–	–	–	–	144	144
Share of post acquisition reserve of an associate		–	–	–	43	–	24	–	67	–	67
Acquisition of additional interest in a subsidiary		–	–	–	–	–	–	–	–	(172)	(172)
Dividend paid to minority shareholders		–	–	–	–	–	–	–	–	(300)	(300)
Final dividend for the previous year paid	35	–	–	–	–	–	–	(3,895)	(3,895)	–	(3,895)
Interim dividends for the year paid	35	–	–	–	–	–	–	(3,895)	(3,895)	–	(3,895)
Balance at June 30, 2009		47,319	(950)	3,791	(840)	–	24	46,739	96,083	2,383	98,466

STATEMENTS OF CHANGES IN EQUITY

Year ended June 30, 2009

	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 June 30, 2007		47,319	–	1,821	13	18,210	67,363
Fair value adjustment on interest rate swap during the year, representing 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
Shares buy back	27	–	(750)	–	–	–	(750)
Final dividend for the previous year paid	35	–	–	–	–	(3,910)	(3,910)
Interim dividend for the year paid	35	–	–	–	–	(3,905)	(3,905)
Balance at June 30, 2008		47,319	(750)	1,821	–	31,688	80,078
Gain on revaluation of land and buildings		–	–	571	–	–	571
Deferred tax liability on revaluation of land and buildings		–	–	(97)	–	–	(97)
Net expense recognised directly in equity		–	–	474	–	–	474
Profit for the year		–	–	–	–	9,083	9,083
Total recognised income for the year		–	–	474	–	9,083	9,557
Shares buy back	27	–	(200)	–	–	–	(200)
Final dividend for the previous year paid	35	–	–	–	–	(3,895)	(3,895)
Interim dividends for the year paid	35	–	–	–	–	(3,895)	(3,895)
Balance at June 30, 2009		47,319	(950)	2,295	–	32,981	81,645

See accompanying notes to financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Year ended June 30, 2009

	2009 $'000	2008 $'000
Operating activities		
Profit before income tax	11,049	27,347
Adjustments for:		
Depreciation expense	2,571	2,729
Amortisation expense	2	19
Interest income	(22)	(4)
Interest expense	1,261	1,518
(Gain) Loss on disposal of property, plant and equipment	(1,622)	86
Property, plant and equipment written off	3	8
Inventories written off	287	396
(Reversal of) Allowance for doubtful receivables	(384)	377
(Reversal of) Provision for onerous contracts	(3,450)	1,750
Fair value adjustments on derivative financial instruments taken to income statement	52	(114)
Gain on disposal of a subsidiary	(7)	–
Impairment loss of property, plant and equipment	489	–
Excess of fair values of net identifiable assets over consideration	(26)	–
Share of profit of an associate	(492)	–
Operating cash flows before movement in working capital	9,711	34,112
Trade receivables	23,872	(1,524)
Other receivables	434	(150)
Contract work-in-progress	–	33
Inventories	27,492	(15,473)
Trade payables	(9,494)	(2,995)
Other payables	(2,536)	1,218
Cash generated from operations	49,479	15,221
Interest received	22	4
Income tax paid	(5,448)	(5,367)
Net cash from operating activities	44,053	9,858
Investing activities		
Purchase of property, plant and equipment [b]	(1,129)	(3,491)
Proceeds from disposal of property, plant and equipment	1,725	722
Construction-in-progress	(894)	(289)
Leasehold prepayments	(32)	(38)
Acquisition of a subsidiary (Note 40)	(1,166)	–
Acquisition of additional interests in a subsidiary	(172)	–
Acquisition of investment in an associate	(1,800)	–
Addition of intangible assets	(1)	–
Proceeds from disposal of a subsidiary [a]	4	–
Net cash used in investing activities	(3,465)	(3,096)

CONSOLIDATED CASH FLOW STATEMENT

Year ended June 30, 2009

	2009 $'000	2008 $'000
Financing activities		
Proceeds from short-term bank borrowings	56,433	104,878
Repayment of short-term bank borrowings	(83,711)	(91,053)
Repayment of finance lease obligations	(71)	(103)
Proceeds from long-term bank borrowings	1,486	511
Repayment of long-term bank borrowings	(1,160)	(2,112)
Capital contribution by minority shareholders	144	363
Interest paid	(1,261)	(1,518)
Dividend paid	(7,790)	(7,815)
Dividend paid to minority shareholders	(300)	–
Shares buy back	(200)	(750)
Net cash (used in) from financing activities	(36,430)	2,401
Net increase in cash and cash equivalents	4,158	9,163
Cash and cash equivalents at beginning of year	12,162	2,037
Effects of exchange rate changes on the balance of cash held in foreign currencies	(17)	962
Cash and cash equivalents at end of year (c)	16,303	12,162

Notes:

(a) Disposal of a subsidiary

During the financial year ended June 30, 2009, the group disposed of the entire issued and paid-up share capital of its wholly-owned subsidiary, PC2M Solutions (M) Sdn Bhd, for a cash consideration of RM 10,000 (equivalent to $4,222). The assets and liabilities disposed and the gain on disposal of the subsidiary are not material. Accordingly, disclosure on the assets and liabilities disposed are not presented.

(b) Purchase of property, plant and equipment

During the financial year, the group acquired property, plant and equipment with an aggregate cost of $1,184,000 (2008 : $3,491,000) of which $55,000 (2008 : $Nil) was acquired by means of finance leases. Cash payment of $1,129,000 (2008 : $3,491,000) were made to purchase property, plant and equipment.

(c) Cash and cash equivalents at end of year

The cash and cash equivalents consists of the following:

	2009 $'000	2008 $'000
Cash and bank balances (Note 6)	18,160	13,617
Bank overdrafts (Note 21)	(1,857)	(1,455)
Total	16,303	12,162

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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 11 to the financial statements.

The financial statements of the group and the balance sheet and statement of changes in equity of the company for the year ended June 30, 2009 were authorised for issue by the Board of Directors on September 24, 2009.

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, 2008. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the group's and company's accounting policies and has no material effect on the amounts reported for the current or prior years.

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

FRS 1	-	Presentation of Financial Statements (Revised)
FRS 27	-	Consolidated and Separate Financial Statements (Revised)
FRS 103	-	Business Combinations (Revised)
FRS 108	-	Operating Segments
Amendments to FRS 107	-	Financial Instruments: Improving Disclosures about Financial Instruments

FRS 1 (Revised) will be effective for annual periods beginning on or after January 1, 2009, and will change the basis for presentation and structure of the financial statements. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRS.

FRS 27 (Revised) is effective for annual periods beginning on or after July 1, 2009. Apart from matters of presentation, the principal amendments to FRS 27 that will impact the group concerning the accounting treatment for transactions that result in changes in a parent's interest in a subsidiary. It is likely that these amendments will significantly affect the accounting for such transactions in future accounting periods, but the extent of such impact will depend on the detail of the transactions, which cannot be anticipated. The changes will be adopted prospectively for transactions after the date of adoption of the revised standard and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

FRS 103 (Revised) is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July 1, 2009. Similarly, FRS 103 is concerned with accounting for business combination transactions. The changes to the standard are significant, but their impact can only be determined once the detail of future business combination transactions is known. The amendments to FRS 103 will be adopted prospectively for transactions after the date of adoption of the revised standard and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FRS 108 will be effective for annual periods beginning on or after January 1, 2009 and supersedes FRS 14 - Segment Reporting. FRS 108 requires operating segments to be identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, FRS 14 requires an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the company's 'system of internal financial reporting to key management personnel' serving only as the starting point for the identification of such segments. As a result, following the adoption of FRS 108, the identification of the group's reportable segments may change.

Amendments to FRS 107 will be effective for annual periods begining on or after January 1, 2009, and will require enhanced disclosures about the fair value measurements and liquidity risk.

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

Management anticipates that the adoption of other 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.

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 and associate 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income 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

Available-for-sale financial assets

Investments are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs.

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 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 the profit and loss statement. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the revaluation reserve is included in the profit and loss statement for the period. Dividends on available-for-sale equity instruments are recognised in the 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 the 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 are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term 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 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 the profit and loss statement.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (Cont'd)

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 the 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.

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. The group does not use derivative financial instruments for speculative purposes.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities and equity instruments (Cont'd)

<u>Derivative financial instruments (Cont'd)</u>

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 the 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 the profit and loss statement depends on the nature of the hedge relationship.

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

<u>Fair value hedge</u>

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the 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 the profit and loss statement from that date.

<u>Financial guarantee contracts</u>

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

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.

<u>The Group as lessee</u>

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.

<u>The Group as lessor</u>

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

INVENTORIES - Inventories are measured at the lower of cost and net realisable value. Inventories comprise electrical and electronic components and products, lights and lighting components and cable and wire products 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The cost 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 are 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.

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.

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 accumulated profits.

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

Freehold property	-	2%
Leasehold land and buildings	-	1.67% to 10.4%
Office equipment and furniture	-	7.5% to 100%
Plant and machinery	-	10% to 20%
Motor vehicles	-	15% to 20%

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.

INVESTMENT PROPERTY - Investment property is carried at cost less accumulated depreciation and any impairment losses. The depreciation is charged so as to write off the cost of the investment property over its estimated useful life at annual rate of 2% using the straight-line method.

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.

The gain or loss arising on disposal or retirement of an item of investment property 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

INTANGIBLE ASSETS - Intangible assets include patents, trademarks and technical fees which are amortised using the straight-line method over their useful lives of between 3 to 20 years. Intangible assets are stated at cost less accumulated amortisation and 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.

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

CLUB MEMBERSHIP - Club membership is stated at cost less impairment losses, in net recoverable value that has been recognised in the profit and loss statement.

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 on the same basis as intangible assets acquired separately. Where an indication of impairment exists, the carrying amount is assessed and written down immediately to its recoverable amount.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At each balance sheet date, the group reviews the carrying amounts of its non-financial 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.

ASSOCIATE - An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate) are not recognised, unless the group has incurred legal or constructive obligations or made payments on behalf of the associate.

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

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

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.

<u>Onerous contracts</u>

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.

<u>Sale of goods</u>

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 group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

Dividend income

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

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

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

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

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

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 is charged or credited to the profit and loss statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

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

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are 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).

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

(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 to the financial statements.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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

(b) Key sources of estimation uncertainty (Cont'd)

ii) Provision for onerous contracts (Cont'd)

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 is disclosed in Note 23 to the financial statements.

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. The carrying amount of inventories at the balance sheet date is disclosed in Note 10 to the financial statements.

iv) Impairment of investments in subsidiaries and associate

Management of the company performs impairment assessment of the recoverable amount of the investments in subsidiaries and associate at each balance sheet date to determine whether there is any indication that a subsidiary and associate are impaired. Where there is an indicator of impairment, the recoverable amounts of investment in subsidiaries and associate would be determined based on higher of fair value less costs to sell and value-in-use calculations. The value-in-use calculations require the use of judgements and estimates.

The carrying amount of investments in subsidiaries at balance sheet date was $23,216,000 (2008: $23,899,000), which is net of an impairment loss of $11,664,000 (2008: $11,012,000).

The carrying amount of investments in associate as at the balance sheet date is disclosed in Note 12 to the financial statements.

v) Revaluation of freehold land and leasehold land and buildings

The group had recorded its land and buildings at valuation at $17,034,000 as at June 30, 2009 (2008: $4,500,000). In making its judgement, management engages professional third party valuers to perform a valuation exercise on the land and buildings to ensure that the fair value reflects the current economic conditions.

vi) Fair value of investment property

The group's investment property is stated as cost less accumulated depreciation and impairment loss. Where there is an indication of impairment, the recoverable amount of investment property would be determined by management using independent valuers.

The estimated market value may differ from the price at which the investment property could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of factors not within management's control, such as market conditions.

The carrying amount of the investment property as at balance sheet date was $1,297,000 (2008 : $1,335,000). No impairment is deemed to be necessary by management.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) *Categories of financial instruments*

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Financial assets				
Loans and receivables (including cash and cash equivalents)	65,285	84,547	41,374	51,373
Derivative financial instruments	–	28	–	–
Available-for-sale investments	34	33	–	–
Financial liabilities				
Amortised cost	32,204	74,218	6,199	39,440
Derivative financial instruments	24	–	–	–

(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 dollar and other foreign currencies relative to the Singapore dollar.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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 (inclusive of intercompany balances) are as follows:

	Group				Company			
	Liabilities		Assets		Liabilities		Assets	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
United States dollar	8,251	10,891	5,850	2,734	2,644	8,497	3,359	3,270
Euro	1,143	1,159	6	5	478	81	–	–
Australian dollar	60	140	5	16	–	–	–	–

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. 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 before tax will increase (decrease) by:

	United States Dollar impact		Euro impact		Australian Dollar impact	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Group						
Profit before tax	240	816	114	115	6	12
Company						
Profit before tax	(72)	523	48	8	–	–

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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

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

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, leases and long-term borrowings of the group are disclosed in Notes 21, 24 and 25 to the financial statements.

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 to the financial statements.

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 of the group 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 amounted to about 11% (2008 : 22%) 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 receivables are disclosed in Note 7 to the financial statements.

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 gross trade receivables based on the information provided to key management is as follows:

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
By geographical areas				
Singapore	35,363	57,547	24,049	42,532
Malaysia	4,154	8,386	–	39
Brunei	1,941	2,056	50	22
New Zealand	1,605	2,139	–	–
Vietnam	1,689	1,131	626	474
Japan	1,845	187	1,845	187
Others	1,576	942	1,407	231
Total gross trade receivables	48,173	72,388	27,977	43,485
By customer types				
Multi-national corporations	3,138	16,031	1,035	12,416
Single-company enterprises	43,468	54,920	25,933	30,315
Others	1,567	1,437	1,009	754
Total gross trade receivables	48,173	72,388	27,977	43,485

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustments	Total
	% p.a.	$'000	$'000	$'000	$'000
Group					
2009					
Non-interest bearing	–	17,875	–	–	17,875
Finance lease liability (fixed rate)	9.22	35	83	(20)	98
Variable interest rate instruments	6.05	1,309	–	(75)	1,234
Fixed interest rate instruments	6.42	11,551	2,513	(1,067)	12,997
		30,770	2,596	(1,162)	32,204
2008					
Non-interest bearing	–	34,113	–	–	34,113
Finance lease liability (fixed rate)	8.97	62	74	(22)	114
Variable interest rate instruments	7.25	1,560	–	(105)	1,455
Fixed interest rate instruments	5.22	39,008	1,681	(2,153)	38,536
		74,743	1,755	(2,280)	74,218
Company					
2009					
Non-interest bearing	–	6,199	–	–	6,199
2008					
Non-interest bearing	–	15,481	–	–	15,481
Fixed interest rate instruments	4.01	24,919	–	(960)	23,959
		40,400	–	(960)	39,440

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 anticipate that the cash flow will occur in a different period.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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)

	Weighted average effective interest rate	On demand or within 1 year	Adjustments	Total
	% p.a.	$'000	$'000	$'000
Group				
2009				
Non-interest bearing	–	63,732	–	63,732
Fixed interest rate instruments	2.08	1,620	(33)	1,587
		65,352	(33)	65,319
2008				
Non-interest bearing	–	83,564	–	83,564
Fixed interest rate instruments	1.49	1,031	(15)	1,016
		84,595	(15)	84,580
Company				
2009				
Non-interest bearing	–	41,368	–	41,368
Fixed interest rate instruments	0.45	6	–	6
		41,374	–	41,374
2008				
Non-interest bearing	–	51,367	–	51,367
Fixed interest rate instruments	0.45	6	–	6
		51,373	–	51,373

Derivative financial instruments

The fair value of the gross settled foreign exchange forward contracts which are on demand or within one year payable amounted to $24,000 in liabilities as at June 30, 2009 (2008 : $28,000 in assets).

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 17. Management does not expect significant impact arising from equity price risks as the investments are not significant to the group.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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

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

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.

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 prices. 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, 2009 and June 30, 2008. Accordingly, fluctuation in market price of copper is not expected to have any significant impact on the profit and loss statement of the group.

(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 21, 24 and 25, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated profits as disclosed in Notes 26 to 28.

The group is required by covenants imposed by banks to maintain a maximum gearing ratio for its credit facilities. The group is in compliance with its externally imposed capital requirements for the financial year ended June 30, 2009 and 2008.

The group's overall strategy remains unchanged from 2008.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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

	Group	
	2009 $'000	2008 $'000
Sales to related parties	(7,656)	(2,961)
Sales to associate	(2,694)	–
Purchases from a related party	2,395	2,394
Rental paid to related parties	56	202
Acquisition of additional interests in a subsidiary from a director	172	–
Acquisition of a subsidiary from directors of a subsidiary	1,201	–
Disposal of a subsidiary to directors of a subsidiary	(4)	–

Compensation of directors and key management personnel

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

	Group	
	2009 $'000	2008 $'000
Short-term benefits	2,982	3,623
Post-employment benefits	123	106
	3,105	3,729

6 CASH AND BANK BALANCES

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Cash and bank balances	16,573	12,601	11,795	6,648
Fixed deposits	1,587	1,016	6	6
	18,160	13,617	11,801	6,654

The fixed deposits bear interest ranging from 0.10% to 4.00% (2008 : 0.45% to 0.83%) per annum and are due within 12 months.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

6 CASH AND BANK BALANCES (CONT'D)

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	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Denominated in:				
Australian dollar	–	16	–	–
Euro	6	5	–	–
United States dollar	1,297	1,507	1,135	163

7 TRADE RECEIVABLES

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Outside parties	44,281	71,230	25,311	42,113
Less: Allowance for doubtful receivables	(1,324)	(1,811)	(1,062)	(1,507)
	42,957	69,419	24,249	40,606
Related parties (Note 5)	3,892	1,158	1,939	495
Subsidiaries (Note 11)	–	–	727	877
	46,849	70,577	26,915	41,978
Retention sums included in trade receivables above:				
Outside parties	159	179	–	–

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 (2008 : 30 to 120 days). No interest is charged on the trade receivables.

In determining the recoverability of a trade receivable, the group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date. Management believes that there is no further allowance required in excess of the allowance for doubtful receivables as there has been no significant change in credit quality and the amounts of receivables (net of allowances) are still considered recoverable.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

7 TRADE RECEIVABLES (CONT'D)

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

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Not past due and not impaired	29,655	39,456	17,010	20,368
Past due but not impaired (i)	7,519	9,853	–	–
	37,174	49,309	17,010	20,368
Past due and reviewed for impairment				
- collectively assessed (ii)	10,675	22,668	10,905	23,010
Less: Allowance for impairment	(1,000)	(1,400)	(1,000)	(1,400)
	9,675	21,268	9,905	21,610
Impaired receivables – individually assessed (ii), (iii):				
- Past due more than 6 months and no response to repayment demands	324	411	62	107
Less: Allowance for impairment	(324)	(411)	(62)	(107)
	–	–	–	–
Total trade receivables, net	46,849	70,577	26,915	41,978

(i) Aging of receivables that are past due but not impaired

< 3 months	6,701	8,375	–	–
3 months to 6 months	774	1,178	–	–
6 months to 12 months	44	300	–	–
	7,519	9,853	–	–

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

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

Movement in the allowance for doubtful receivables:

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Balance at beginning of the year	1,811	1,561	1,507	1,200
Amounts written off during the year	(68)	(94)	(23)	(37)
Amounts recovered during the year	(32)	(15)	(32)	–
Currency realignment	(3)	(18)	–	–
(Credit) Charge to profit and loss statement	(384)	377	(390)	344
Balance at end of the year	1,324	1,811	1,062	1,507

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

7 TRADE RECEIVABLES (CONT'D)

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

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Denominated in:				
United States dollar	1,683	1,199	1,669	484

8 OTHER RECEIVABLES

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Subsidiaries (Note 11)	–	–	2,608	2,650
Advances to staff	148	207	49	91
Prepayments	392	352	49	73
Leasehold prepayments (current portion) (Note 15)	15	14	–	–
Deposits	87	96	20	53
Tax recoverable	105	19	–	–
Advance to suppliers	–	379	–	–
Others	113	132	1	–
	860	1,199	2,727	2,867

The amounts due from subsidiaries and advances to staff 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	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Denominated in:				
United States dollar	–	28	555	2,623

9 DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Forward foreign exchange contracts	(24)	28	–	–

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

9 DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

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	
	2009 FC'000	2008 FC'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Group						
Buy Euro						
Less than 5 months	224	400	486	863	(24)	28
Buy United States dollar						
Less than 2 weeks	–	2,455	–	3,354	–	–*
Buy Singapore dollar						
Less than 2 months	25	–	25	–	– *	–
Company						
Buy United States dollar						
Less than 2 weeks	–	2,455	–	3,354	–	–*

The fair value of forward foreign exchange contracts amounted to $24,000 in liabilities (2008 : $28,000 in assets). These amounts are based on quoted market prices for equivalent instruments at the balance sheet date. Changes in the fair value of the forward foreign exchange contracts are designated and qualified as fair value hedge and are recorded in the profit and loss statement immediately.

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

10 INVENTORIES

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Raw materials	2,757	11,513	1,209	9,856
Work-in-progress	4,849	9,794	2,868	6,559
Finished goods, at net realisable value	27,427	40,797	11,988	22,057
Goods-in-transit	1,605	2,513	916	1,703
	36,638	64,617	16,981	40,175

Inventories with a carrying amount of $5.74 million (2008 : $8.82 million) have been pledged as security for certain of the group's bank overdrafts and other bank borrowings (Note 21) and long-term borrowings (Note 25).

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

11 SUBSIDIARIES

	Company	
	2009 $'000	2008 $'000
Unquoted equity shares, at cost	23,447	19,172
Less: Impairment loss	(2,170)	(2,170)
	21,277	17,002
Deemed investment [(a)]	1,010	515
Advances	10,423	15,224
Less: Allowance for impairment loss	(9,494)	(8,842)
	23,216	23,899

The advances to subsidiaries are unsecured, interest-free, substantially non-trade in nature and are deemed to be part of the net investments as they are not expected to be repaid in the foreseeable future.

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 due to the continuing losses of these subsidiaries. The carrying amount of the investment in subsidiaries at June 30, 2009 was greater than the recoverable amount and an impairment loss of $652,000 (2008: Nil) was recognised and charged to other operating expenses.

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

Details of the subsidiaries are as follows:

Name of company	Principal activities/ Country of incorporation and operation	Effective equity interest held by the group	
		2009 %	2008 %
Tai Sin Electric Cables (Malaysia) Sdn Bhd [(c)]	Cable and wire manufacturer and dealer in such products/ Malaysia	100	100
PKS Sdn Bhd [(b) (i)]	Electrical switch-boards feeder pillars and components manufacturer and dealer in such products/ Brunei	70	70
Equalight Resources Sdn Bhd [(c)]	Investment holding/ Malaysia	100	90
LKH Lamps Sdn Bhd (subsidiary of Equalight Resources Sdn Bhd) [(c)]	Manufacture and sale of lights and lighting components/ Malaysia	100	90
LKH Lightings Sdn Bhd (subsidiary of LKH Lamps Sdn Bhd) [(c)]	Trading of lights and lighting components/ Malaysia	100	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

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

11 SUBSIDIARIES (CONT'D)

Name of company	Principal activities/ Country of incorporation and operation	Effective equity interest held by the group 2009 %	2008 %
Dien Quang - Tai Sin Cable Company Limited (subsidiary of Tai Sin (Vietnam) Pte Ltd) [e]	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]	Dormant/ Singapore	100	100
Vynco Industries (NZ) Limited (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) [f]	Distributor of enclosures and electrical equipment/ New Zealand	77.3	63.7
EPT Limited (subsidiary of Vynco Industries (NZ) Limited) [f]	Dormant/ New Zealand	77.3	63.7
V.L. Holdings Limited (subsidiary of Vynco Industries (NZ) Limited) [f]	Property investment company/ New Zealand	77.3	–
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) [h]	Dormant/ Malaysia	–	100
LKH Electric Middle East (FZE) (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) [g]	Distributor of electrical and electronic components/ United Arab Emirates	100	100

[a] Audited by Deloitte & Touche LLP, Singapore.

[b] Audited by member firms of Deloitte Touche Tohmatsu.

[c] Audited by member firms of Ernst & Young.

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

[e] Audited by DTL Auditing company.

[f] Audited by Polson Higgs Business Advisors.

[g] For purposes of consolidation, management accounts were used as the result of the subsidiary was not considered to be significant.

[h] During the financial year, the interest in the company was sold to the directors of a certain subsidiary.

[i] During the financial year, equity interest in PKS Sdn Bhd was transferred from Tai Sin Electric Cables (Malaysia) Sdn Bhd to the company.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

12 ASSOCIATE

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Unquoted equity shares, at cost	1,800	–	–	–
Share of post-acquisition results and reserves, net of dividends received	532	–	–	–
	2,332	–	–	–

Details of the group's significant associate as at June 30, 2009 are as follows:

Name of associate	Principal activities/Country of incorporation and operation	Proportion of ownership interest		Proportion of voting power held	
		2009	2008	2009	2008
		%	%	%	%
Nylect International Pte Ltd [1]	Investment holding/Singapore	30	–	30	–
Held by Nylect International Pte Ltd					
Nylect Engineering Pte Ltd [1]	Mechanical and electrical design and installation/Singapore	100	100	100	100
PT Nylect Engineering [2]	Mechanical and electrical design and installation/Indonesia	70	70	70	70
Nylect Technology Ltd [2]	Mechanical and electrical design and installation/Vietnam	100	100	100	100
Held by Nylect Engineering Pte Ltd					
Shanghai Nylect Engineering Co., Ltd [2]	Mechanical and electrical design and installation/ People's Republic of China	100	100	100	100

(1) Audited by RSM Chio Lim LLP.

(2) Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.

Summarised financial information in respect of the group's associate is set out below:

	2009
	$'000
Total assets	16,956
Total liabilities	(9,181)
Net assets	7,775
Group's share of associate's net assets	2,332
Revenue	26,400
Profit for 2009	374
Share of post-acquisition results and reserves, net of dividends received	532

The financial year end of Nylect International Pte Ltd is December 31, which is not co-terminous with that of the group. The equity accounting for the results of the associate is based on the unaudited consolidated financial statements ended June 30, 2009.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

13 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Freehold properties	Leasehold land and buildings	Office equipment and furniture	Plant and machinery	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Cost or valuation:							
At July 1, 2007 (as previously stated)	918	1,530	19,745	3,895	18,818	1,343	46,249
Prior period adjustment (Note 41)	–	(1,530)	–	–	–	–	(1,530)
At July 1, 2007 (as restated)	918	–	19,745	3,895	18,818	1,343	44,719
Reclassification to leasehold prepayments	–	–	(670)	–	–	–	(670)
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	–	19,950	4,516	20,004	1,306	46,638
Transfer from construction in progress	–	–	–	–	901	–	901
Revaluation adjustment	–	–	(1,273)	–	–	–	(1,273)
Currency realignment	(8)	158	11	(121)	(46)	(19)	(25)
Arising from acquisition of a subsidiary	–	1,985	–	–	–	–	1,985
Additions	–	–	127	591	214	252	1,184
Disposals	–	–	(2)	(242)	(2,415)	(227)	(2,886)
Reclassification	415	–	(415)	–	–	–	–
Transfer from development cost	–	–	–	136	2	–	138
At June 30, 2009	1,269	2,143	18,398	4,880	18,660	1,312	46,662
Comprising:							
June 30, 2009							
At cost	–	2,143	2,633	4,880	18,660	1,312	29,628
At valuation	1,269	–	15,765	–	–	–	17,034
	1,269	2,143	18,398	4,880	18,660	1,312	46,662

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land	Freehold properties	Leasehold land and buildings	Office equipment and furniture	Plant and machinery	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
June 30, 2008							
At cost	862	–	15,450	4,516	20,004	1,306	42,138
At valuation	–	–	4,500	–	–	–	4,500
	862	–	19,950	4,516	20,004	1,306	46,638
Accumulated depreciation:							
At July 1, 2007 (as previously stated)	–	156	3,412	2,289	15,776	742	22,375
Prior period adjustment (Note 41)	–	(156)	–	–	–	–	(156)
At July 1, 2007 (as restated)	–	–	3,412	2,289	15,776	742	22,219
Reclassification to leasehold prepayments	–	–	(88)	–	–	–	(88)
Currency realignment	–	–	(31)	(140)	(320)	(18)	(509)
Depreciation	–	–	741	616	1,154	179	2,690
Disposals	–	–	(54)	(33)	(160)	(11)	(258)
At June 30, 2008	–	–	3,980	2,732	16,450	892	24,054
Elimination on revaluation	–	–	(3,876)	–	–	–	(3,876)
Currency realignment	–	–	–	(80)	(30)	(10)	(120)
Depreciation	–	14	746	609	991	173	2,533
Disposals	–	–	(1)	(235)	(2,380)	(164)	(2,780)
Transfer from development cost	–	–	–	23	–	–	23
At June 30, 2009	–	14	849	3,049	15,031	891	19,834
Impairment:							
Impairment loss recognised during the year and balance at June 30, 2009	489	–	–	–	–	–	489
Carrying amount:							
At June 30, 2009	780	2,129	17,549	1,831	3,629	421	26,339
At June 30, 2008	862	–	15,970	1,784	3,554	414	22,584

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold land and buildings	Office equipment and furniture	Plant and machinery	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000
Company					
Cost or valuation:					
At July 1, 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
Additions	52	52	152	–	256
Disposals	–	(28)	–	(81)	(109)
Revaluation adjustment	(168)	–	–	–	(168)
At June 30, 2009	6,277	1,392	11,996	534	20,199
Comprising:					
June 30, 2009					
At cost	1,377	1,392	11,996	534	15,299
At valuation	4,900	–	–	–	4,900
	6,277	1,392	11,996	534	20,199
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
Accumulated depreciation:					
At July 1, 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
Depreciation	330	47	605	79	1,061
Disposals	–	(28)	–	(44)	(72)
Elimination on revaluation	(739)	–	–	–	(739)
At June 30, 2009	564	1,312	10,349	431	12,656
Carrying amount:					
At June 30, 2009	5,713	80	1,647	103	7,543
At June 30, 2008	5,420	75	2,100	219	7,814

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The group's freehold land, freehold properties, 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
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
20 VSIP II, Street 2, Vietnam Singapore Industrial Park II (Ben Cat District) Binh Duong Province Vietnam	Leasehold (50 years from June 29, 2006)	Factory building
388, 390 & 396 Tuam Street New Zealand	Freehold	Industrial buildings

The group engaged independent valuers, Associated Property Consultants Pte Ltd, C H Williams Talhar & Wong (S) Sdn Bhd, RE Group Associates Sdn Bhd and Henry Butcher (Malaysia) Sdn Bhd to determine the fair value of the properties. The fair values are determined by reference to open market values. The dates of the revaluation were May 19, 2009, April 6, 2009 and September 15, 2008 for the various properties.

The carrying amount of freehold properties, leasehold land and buildings at end of year that would have been included in the financial statements had they been carried at cost less accumulated depreciation is $14.85 million and $2.67 million (2008 : $13.67 million and $2.89 million) for the group and company respectively.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The carrying amount of motor vehicles and office equipment and furniture under finance leases for the group as at June 30, 2009 are $53,000 (2008 : $17,000) and $27,000 (2008 : $130,000) respectively.

The carrying amount of assets pledged to the bank (Note 25) as at June 30, 2009 are $4.36 million (2008 : $4.25 million).

Impairment loss of $489,000 (2008: Nil) for a freehold land was determined by comparing the carrying amount of the property against fair values as determined by independent valuers. The fair value is determined by reference to open market value. The impairment loss was recorded in other operating expenses.

14 INVESTMENT PROPERTY

	Group
	$'000
Cost:	
At July 1, 2007 (as previously stated)	–
Prior period adjustment (Note 41)	1,530
At July 1, 2007 (as restated) and at 2008 and 2009	1,530
Accumulated depreciation:	
At July 1, 2007 (as previously stated)	–
Prior period adjustment (Note 41)	156
At July 1, 2007 (as restated)	156
Depreciation for the year	39
At June 30, 2008	195
Depreciation for the year	38
At June 30, 2009	233
Carrying amount:	
At June 30, 2009	1,297
At June 30, 2008	1,335

The fair value of the group's investment property as at June 30, 2009 amounted to $1,800,000 (2008: $1,800,000) and has been determined on the basis of valuations carried out by an independent valuer having an appropriate recognised professional qualification. It takes into account recent experience in the location and category of the properties being valued. The valuation was arrived at by reference to market evidence of transaction prices for similar properties and was performed in accordance with International Valuation Standard.

Rental income earned by the Group from the investment property amounted to $68,000 (2008 : $62,000). Direct operating expenses arising on the investment property during the year amounted to $23,000 (2008: $21,000).

The group's investment property comprises the following:

Location	Title	Description
63 Hillview Avenue #10-21 Singapore 669569	Freehold	Flatted factory unit

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

15 LEASEHOLD PREPAYMENTS

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Leasehold prepayments	895	861	–	–
Less: Current portion included as prepayment (Note 8)	(15)	(14)	–	–
	880	847	–	–

Leasehold prepayments comprise prepaid land rentals for use of land in Vietnam and Malaysia. These are charged to the profit and loss statement on a straight-line basis over the term of the relevant lease of approximately 50 and 55 years respectively.

The carrying amount of certain prepaid land rentals pledged to the bank for a certain subsidiary as at June 30, 2009 are $565,000 (2008: $582,000).

16 INTANGIBLE ASSETS

	Group $'000
Cost:	
At July 1, 2007	122
Currency realignment	(7)
At June 30, 2008	115
Transfer from development cost	23
Additions	1
At June 30, 2009	139
Accumulated amortisation:	
At July 1, 2007	119
Currency realignment	(7)
Amortisation for the year	1
At June 30, 2008	113
Currency realignment	(1)
Transfer from development cost	8
Amortisation for the year	2
At June 30, 2009	122
Carrying amount:	
At June 30, 2009	17
At June 30, 2008	2

Amortisation of intangible assets of $2,000 (2008: $1,000) has been included under depreciation and amortisation expenses.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

17 AVAILABLE-FOR-SALE INVESTMENTS

	Group	
	2009 $'000	2008 $'000
Quoted equity shares, at fair value	34	33

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.

18 CLUB MEMBERSHIP

	Group	
	2009 $'000	2008 $'000
Unquoted investment, at cost	11	11

19 DEVELOPMENT COSTS

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

	Group $'000
Cost:	
At July 1, 2007	237
Currency realignment	(28)
At June 30, 2008	209
Transfer to property, plant and equipment	(138)
Transfer to intangibles assets	(23)
Currency realignment	(48)
At June 30, 2009	–
Accumulated amortisation:	
At July 1, 2007	45
Amortisation for the year	18
Currency realignment	(6)
At June 30, 2008	57
Transfer to property, plant and equipment	(23)
Transfer to intangibles assets	(8)
Currency realignment	(26)
At June 30, 2009	–
Carrying amount:	
At June 30, 2009	–
At June 30, 2008	152

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

20 DEFERRED TAX ASSETS (LIABILITIES)

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Deferred tax assets	316	570	–	298
Deferred tax liabilities	(934)	(699)	(419)	–

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, 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
Credit (Charge) to profit and loss statement	(631)	(167)	546	(252)
Currency realignment	–	3	(5)	(2)
At June 30, 2009	(11)	(214)	541	316

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

Deferred tax liabilities

	Provision $'000	Accelerated tax depreciation $'000	Tax losses $'000	Revaluation of properties $'000	Total $'000
Group					
At July 1, 2007	306	(1,087)	15	–	(766)
Credit (Charge) to profit and loss statement	(306)	376	(3)	–	67
At June 30, 2008	–	(711)	12	–	(699)
Charge to equity	–	–	–	(532)	(532)
Currency realignment	–	–	(2)	3	1
Charge to profit and loss statement	–	296	–	–	296
At June 30, 2009	–	(415)	10	(529)	(934)

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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

	Provision $'000	Accelerated tax depreciation $'000	Revaluation of properties $'000	Total $'000
Company				
At July 1, 2007	306	(322)	–	(16)
Charge to profit and loss statement	314	–	–	314
At June 30, 2008	620	(322)	–	298
Credit to profit and loss statement	(620)	–	–	(620)
Charge to equity	–	–	(97)	(97)
At June 30, 2009	–	(322)	(97)	(419)

21 BANK OVERDRAFTS AND OTHER BANK BORROWINGS

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Bank loan – secured	2,457	1,137	–	–
Bank overdrafts	1,857	1,455	–	–
Trust receipts and bills payable to banks	6,711	35,309	–	23,959
	11,025	37,901	–	23,959

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 RM52.20 million ($21.45 million) [2008 : RM51.50 million ($21.42 million)], B$1.84 million ($1.84 million) [2008 : B$0.84 million ($0.84 million)], US$5.00 million ($7.25 million) [2008 : US$3.00 million ($4.08 million)] and $22.37 million (2008 : $25.07 million) by the company (Note 36). The corporate guarantees also cover the long-term borrowings in Note 25;

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 2.1% to 21.5% (2008 : 2.4% to 21.5%) per annum and are due within 12 months.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

21 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	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Denominated in:				
United States dollar	1,202	884	–	–

22 TRADE PAYABLES

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Outside parties	14,838	24,398	4,638	10,064
Related parties (Note 5)	111	193	–	–
Subsidiaries (Note 11)	–	–	917	694
	14,949	24,591	5,555	10,758

The average credit period on purchases of goods is 90 days (2008 : 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	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Denominated in:				
Australian dollar	60	140	–	–
Euro	1,143	1,159	478	81
United States dollar	4,068	9,142	2,644	8,497

23 OTHER PAYABLES

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Accruals	2,290	4,072	521	1,074
Provision for directors' fees	64	192	64	64
Provision for onerous contracts	–	3,450	–	3,450
Customer's deposit	537	76	–	–
Sundry payables	564	1,700	59	135
Advance from directors of certain subsidiaries	–	108	–	–
Others	8	–	–	–
	3,463	9,598	644	4,723

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

Provision for onerous contract	Group and Company	
	2009	2008
	$'000	$'000
Balance at beginning of year	3,450	1,700
(Credit) Charge to profit and loss statement	(3,450)	1,750
Balance at end of year	–	3,450

Management has made assessment for fixed price onerous contracts which deliveries are expected to be made after the year end. A reversal of provision of $3,450,000 was made as at June 30, 2009 (2008: provision of $1,750,000). All deliveries made during the financial year ended June 30, 2009 which have incurred losses have been charged to the profit and loss statement in the current financial year.

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

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Denominated in:				
United States dollar	–	865	–	–

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

24 OBLIGATION UNDER FINANCE LEASES

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Amounts payable under finance leases:				
Within one year	40	66	32	57
In the second to fifth year inclusive	74	65	66	57
	114	131	98	114
Less: Future finance charges	(16)	(17)		
Present value of leases	98	114		

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, 2009 and 2008 approximates its fair value.

The rates of interest for the finance leases range from 6.28% to 12.85% (2008 : 6.28% to 12.76%) per annum.

25 LONG-TERM BORROWINGS

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Long-term loans - secured	3,206	2,090	–	–
The borrowings are repayable as follows:				
On demand or within one year	1,064	627	–	–
Second to fifth year inclusive	2,142	1,463	–	–
	3,206	2,090	–	–
Less: Amount due for settlement within one year (shown under current liabilities)	(1,064)	(627)	–	–
Amount due for settlement after one year	2,142	1,463	–	–

The secured long-term loans bear interest at fixed rates ranging from 6.04% to 12.75% (2008 : 6.50% to 10.25%) per annum.

The avssserage term of borrowings entered into is 5 years and the carrying amount of the group's borrowings at June 30, 2009 and 2008 approximates its fair value.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

25 LONG-TERM BORROWINGS (CONT'D)

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 21 and 36);

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.

26 SHARE CAPITAL

	Group and Company			
	2009	**2008**	**2009**	**2008**
	'000	**'000**	**$'000**	**$'000**
	Number of ordinary shares			
Issued and paid up capital:				
At beginning and 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 dividend.

27 TREASURY SHARES

	Group and Company	
	Number of ordinary shares	**$'000**
At July 1, 2008	1,727,000	750
Repurchased during the year	1,000,000	200
At end of June 30, 2009	2,727,000	950

The company acquired 1,000,000 (2008 : 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 $200,000 (2008 : $750,000) and has been deducted from shareholders' equity. The shares are held as 'treasury shares'.

28 OTHER RESERVES

Pursuant to the laws and regulations in the People's Republic of China ("PRC"), the associate of the group is required to make appropriation from profit after income tax as reported in the PRC statutory financial statements to statutory surplus reserves at rates determined by the Board of Directors.

The statutory surplus reserves fund may be used to make up losses incurred and, with approval from relevant government authority, to increase capital for expansion of production.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

29 REVENUE

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

	Group	
	2009 $'000	2008 $'000
Sales of goods	194,209	256,839
Contract revenue	–	80
	194,209	256,919

30 OTHER OPERATING INCOME

	Group	
	2009 $'000	2008 $'000
Net foreign exchange adjustment gain	–	609
Gain on disposal of property, plant and equipment	1,622	–
Allowance for doubtful receivables written back	384	–
Interest income from deposits	22	4
Rental income	68	62
Doubtful receivables recovered	32	15
Provision for stock obsolescence written back	–	4
Management fee income	–	11
Excess of fair values of identifiable assets over consideration	26	–
Gain on disposal of a subsidiary	7	–
Scrap sales	199	–
Others	627	376
	2,987	1,081

31 FINANCE COSTS

	Group	
	2009 $'000	2008 $'000
Interest expense	1,261	1,518

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

32 INCOME TAX EXPENSE

	Group	
	2009	**2008**
	$'000	**$'000**
Income tax		
Current	1,806	5,575
Over provision in prior years	(8)	(300)
	1,798	5,275
Deferred income tax		
Current	(34)	(338)
Overprovision in prior years	(9)	(34)
	(43)	(372)
Total income tax expense	1,755	4,903

Domestic income tax is calculated at 17% (2008 : 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	
	2009	**2008**
	$'000	**$'000**
Profit before income tax	11,049	27,347
Income tax expense at domestic rate of 17% (2008 : 18%)	1,878	4,922
Non-allowable items	24	192
Deferred tax benefits not recognised	240	220
Utilisation of deferred tax benefits previously not recognised	(161)	(53)
Over provision of taxation in prior years	(17)	(334)
Tax rebates	(118)	(145)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(173)	104
Effect of change in tax rate	31	3
Others	51	(6)
	1,755	4,903

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

32 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	
	2009 $'000	2008 $'000
Tax loss carryforwards		
Balance at beginning of year	6,127	4,866
Adjustment	(1,007)	3
Currency realignment	(78)	277
Arising during the year	2,915	981
Amount utilised during the year	(642)	–
Balance at end of year	7,315	6,127
Unutilised investment allowance		
Balance at beginning of year	1,631	1,737
Currency realignment	(17)	(106)
Amount utilised during the year	–	(183)
Arising during the year	–	183
Balance at end of year	1,614	1,631
Unutilised capital allowance		
Balance at beginning of year	2,062	2,015
Adjustment	855	29
Currency realignment	(24)	(123)
Arising during the year	275	141
Balance at end of year	3,168	2,062
Total	12,097	9,820
Deferred tax benefits on above:		
Recorded	551	570
Unrecorded	2,335	2,399

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

33 PROFIT FOR THE YEAR

	Group	
	2009 $'000	2008 $'000
Directors' remuneration:		
of the company	719	842
of the subsidiaries	1,367	1,523
Total directors' remuneration	2,086	2,365
Directors' fee	64	192
Non-audit fees:		
Paid to auditors of the company	16	9
Paid to other auditors	–	18
Cost of inventories recognised as expense	152,759	194,295
Foreign currency exchange adjustment loss (gain)	836	(609)
Fair value adjustments on derivative financial instruments	52	(114)
Property, plant and equipment written off	3	8
(Reversal of) Allowance for doubtful receivables	(384)	377
Impairment loss on property, plant and equipment	489	–
Amortisation of leasehold prepayments	32	38
Gain on disposal of a subsidiary	(7)	–

34 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:

<u>Earnings</u>

	Group	
	2009 $'000	2008 $'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)	9,474	22,403

<u>Number of shares</u>

	Group	
	2009	2008
Weighted average number of ordinary shares for the purposes of basic earnings per share and diluted earnings per share	389,686,333	391,173,875

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

35 DIVIDENDS

During the financial year ended June 30, 2008, the company declared and paid dividends totalling $7.815 million. Details were as follows:

(a) Final dividend of 1.0 cent per ordinary share less tax in respect of the financial year ended June 30, 2007 totalling $3.91 million.

(b) Interim tax-exempt dividend of 1.0 cent per ordinary share in respect of the financial year ended June 30, 2008 totalling $3.905 million.

During the financial year ended June 30, 2009, the company declared and paid dividends totalling $7.79 million. Details are as follows:

(a) Final tax-exempt dividend of 1.0 cent per ordinary share in respect of the financial year ended June 30, 2008 totalling $3.895 million.

(b) First interim tax-exempt dividend of 0.5 cent per ordinary share in respect of the financial year ended June 30, 2009 totalling $1.9475 million.

(c) Second interim tax-exempt dividend of 0.5 cent per ordinary share in respect of the financial year ended June 30, 2009 totalling $1.9475 million.

Subsequent to June 30, 2009, the directors of the company recommended that a final tax exempt dividend be paid at 0.5 cent per ordinary share totalling $1.9475 million for the financial year ended June 30, 2009. 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.

36 CONTINGENT LIABILITIES

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Corporate guarantee in relation to credit facilities granted to subsidiaries (Notes 21 and 25)	–	–	52,915	51,409
Financial support granted to subsidiaries	–	–	1,637	3,199
Performance guarantees (secured, Note 21)	126	248	–	–
Performance guarantees (unsecured) [(i)]	2,031	2,147	892	959
	2,157	2,395	55,444	55,567

[(i)] The performance guarantees in 2008 and 2009 are covered by corporate guarantee of the company.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

37 COMMITMENTS

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
(a) Capital expenditure				
Estimated amounts committed for future capital expenditure but not provided for in the financial statements	150	494	–	494
(b) Others				
Copper contracts	10,511	45,377	10,511	45,377

38 OPERATING LEASE COMMITMENTS

The group as lessee

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Minimum lease payments under operating leases recognised as an expense in the year	573	917	226	231

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

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Future minimum lease payments payable:				
Within one year	565	888	219	257
In the second to fifth year inclusive	1,712	1,972	862	966
After five years	6,229	7,054	2,489	3,174
Total	8,506	9,914	3,570	4,397

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.

The lease of land is subject to annual adjustment to market rate with any increase capped at a percentage of the immediate preceding year's rental.

The group as lessor

The group rents out its investment property in Singapore under operating leases. Rental income earned during the year was $68,000 (2008 : $62,000) (Note 14). There are no outstanding commitment as at year end.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

39 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.

Income from associate are allocated as they are specifically attributable to business segments, and correspondingly the investment in associate are included as segment assets of the group.

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

39 SEGMENT INFORMATION (CONT'D)

2009

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	116,057	6,586	2,395	68,850	321	–	194,209
Inter–segment sales	1,759	–	–	–	42	(1,801)	–
Total revenue	117,816	6,586	2,395	68,850	363	(1,801)	194,209
RESULT							
Segment result	7,689	567	739	2,823	(22)	–	11,796
Interest expense	(829)	–	(25)	(31)	(1)	–	(886)
Unallocated interest expense							(375)
Interest income	14	7	–	1	–	–	22
Share of profit of an associate	–	–	–	492	–	–	492
Income tax expense							(1,755)
Minority interests							180
Profit attributable to shareholders of the company							9,474

	Cable and wire $'000	Switchboards $'000	Lamps and lighting products $'000	Electrical material distribution $'000	Sanitary $'000	Total $'000
OTHER INFORMATION						
Segment assets	82,886	5,787	3,437	38,638	337	131,085
Interest in associate	–	–	–	2,332	–	2,332
Unallocated segment assets						316
Consolidated total assets						133,733
Segment liabilities	13,503	648	403	10,561	8	25,123
Unallocated segment liabilities						10,144
Consolidated total liabilities						35,267
Capital expenditure	1,460	9	8	602	–	2,079
Depreciation and amortisation	1,472	129	102	861	9	2,573
Non-cash (income) expenses other than depreciation and amortisation	1,145	(29)	(1,648)	490	1	(41)

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

39 SEGMENT INFORMATION (CONT'D)

Geographical segments

	Revenue $'000	Segment assets $'000	Total capital expenditure $'000
Singapore	153,204	96,850	621
Malaysia	15,798	17,202	20
Brunei	6,586	5,849	9
New Zealand	12,145	6,763	224
Vietnam	6,067	6,723	1,190
UAE	409	346	15
	194,209	133,733	2,079

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

39 SEGMENT INFORMATION (CONT'D)

2008 (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 (income) 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

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

40 ACQUISITION OF SUBSIDIARY

On October 30, 2008, Vynco Industries (NZ) Limited (a subsidiary of the group) acquired 100% of the issued share capital of V.L. Holdings Limited ("VL") for cash consideration of NZ$1,360,000 (equivalent to $1,201,000). The group's effective interest in VL is 77.3%. This transaction has been accounted for by the purchase method of accounting.

VL contributed no revenue and a net loss of $14,000 to the group's profit before income tax.

If the acquistion had been completed on July 1, 2008, total group revenue for the year would have been unchanged and profit before income tax for the year would have been $11,015,000.

The net identifiable assets (equivalent to the fair values) acquired in the transaction are as follows:

	Acquiree's fair value $'000
Net identifiable assets acquired:	
Property, plant and equipment	1,985
Cash and bank balances	35
Other payables and accruals	(3)
Bank borrowings	(790)
	1,227
Excess of fair values of net identifiable assets over consideration	(26)
Total consideration, satisfied by cash	1,201
Less: Cash and cash equivalents acquired	(35)
Net cash flows arising from acquistion of subsidiary	1,166

41 RECLASSIFICATIONS AND COMPARATIVE FIGURES

The following reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements:

1. Prepaid leases are classified from property, plant and equipment and separately disclosed as leasehold prepayments. The current portion of leasehold prepayments has been reclassified as current assets; and

2. Property held for generation of rental has been reclassified from property, plant and equipment and separately presented as investment property.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

41 RECLASSIFICATIONS AND COMPARATIVE FIGURES (CONT'D)

The items were reclassified as follows:

	Group	
	Previously reported	After reclassification
	2008 $'000	2008 $'000
Balance Sheet		
Current assets		
Other receivables	1,189	1,199
Non-current assets		
Property, plant and equipment	24,501	22,584
Investment property	–	1,335
Leasehold prepayments	275	847

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 24 to 83 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, 2009 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
September 24, 2009

INFORMATION REQUIRED UNDER THE LISTING MANUAL

Interested Person Transactions

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

(a) The Company did not seek a shareholders' general mandate pursuant to Rule 920 of the Listing Manual for recurrent interested party transactions during the financial year under review.

(b) There is no interested person transactions (excluding any transaction which is less than $100,000) during the financial year ended June 30, 2009.

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, 2009, or if not then subsisting, entered into since the end of the previous financial year.

ANALYSIS OF SHAREHOLDINGS

As at September 14, 2009

ISSUED AND FULLY PAID-UP CAPITAL (INCLUDING TREASURY SHARES)	:	$46,368,776
ISSUED AND FULLY PAID-UP CAPITAL (EXCLUDING TREASURY SHARES)	:	$47,318,973
NUMBER OF SHARES ISSUED (EXCLUDING TREASURY SHARES)	:	389,478,000
NUMBER/PERCENTAGE OF TREASURY SHARES	:	2,727,000 (0.70%)
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	136	3.59	56,850	0.02
1,000 - 10,000	1,713	45.24	11,034,499	2.83
10,001 - 1,000,000	1,894	50.03	101,147,813	25.97
1,000,001 and above	43	1.14	277,238,838	71.18
Total	3,786	100.00	389,478,000	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of shareholders	No. of shares	%
1	Lim Boon Hock Bernard	38,875,000	9.98
2	Lim Chye Huat @ Bobby Lim Chye Huat	36,326,370	9.33
3	Lim Boon Chin Benjamin (Lin Wenjin Benjamin)	25,662,000	6.59
4	Goh Soo Luan	20,142,500	5.17
5	Lim Lian Hiong	14,426,500	3.70
6	United Overseas Bank Nominees Pte Ltd	13,071,500	3.36
7	Lim Hiang Lan	11,949,500	3.07
8	Lim Phek Choo Constance	11,532,000	2.96
9	Lim Lian Eng	7,797,000	2.00
10	Chan Kum Lin Carolyn	7,000,000	1.80
11	Chen Shyh Yi	6,228,080	1.60
12	Chia Ah Heng	6,161,500	1.58
13	Geraldine Cheng Hua Yong	5,941,000	1.52
14	Yen Tsung Hua	5,122,140	1.32
15	Tan Kiat Khoon & Sons Private Limited	4,380,000	1.12
16	Gerald Cheng Kai Yong	4,286,000	1.10
17	Lim Boon San Lionel	3,887,000	1.00
18	HSBC (Singapore) Nominees Pte Ltd	3,880,000	1.00
19	Hong Leong Finance Nominees Pte Ltd	3,780,000	0.97
20	Lim Chai Lai	3,745,500	0.96
		234,193,590	60.13

FREE FLOAT OF EQUITY SECURITIES

On the basis in information available to the Company approximately 43.73% 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.

ANALYSIS OF SHAREHOLDINGS

As at September 14, 2009

LIST OF SUBSTANTIAL SHAREHOLDERS AND THEIR SHAREHOLDINGS AS AT 14TH SEPTEMBER 2009 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	25,662,000	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 Albizia Room, Level 2, Jurong Country Club, 9 Science Centre Road, Singapore 609078 on Thursday, October 29, 2009 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, 2009 together with the Auditors' Report thereon.

2. To declare a final one-tier tax exempt dividend of $0.005 per ordinary share for the year ended June 30, 2009.

3. To approve the payment of $64,000 as Directors' Fees for the year ended June 30, 2009. (2008 : $64,000)

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

   (a) Mr. Lim Boon Hock Bernard; and

   (b) Mr. Tay Joo Soon.

5. To re-appoint Deloitte & Touche 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 conversion or exercise of any convertible securities or 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."

NOTICE OF ANNUAL GENERAL MEETING

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

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 12, 2009

NOTES:

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

(2) Mr. Tay Joo Soon is considered to be an independent director by the Board of Directors, and if re-appointed under item 4(b) above, will remain as an Audit Committee Member.

(3) The ordinary resolution proposed in item 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)

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.

PROXY FORM

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 29, 2009 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated with an "X" hereunder. If no specific direction as to voting is given, the proxy/ proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Resolutions relating to:	For	Against
1.	Adoption of Accounts and Reports		
2.	Declaration of Final Dividend		
3.	Approval of Directors' Fees		
4.	(a) Re-election of Mr. Lim Boon Hock Bernard as a Director		
	(b) Re-election of Mr. Tay Joo Soon as a Director		
5.	Re-appointment of Auditors and fixing their remuneration		
6.	As special business - approving the Mandate for the Directors to issue new shares and/or convertible instruments		

Dated this ________ day of __________________ 2009.

Total Number of Shares Held

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

IMPORTANT:
PLEASE READ NOTES OVERLEAF

NOTES:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf.

2. Where a member appoints two proxies, he shall specify the proportion of his shares to be represented by each proxy and if no proportion is specified, the first named proxy shall be deemed to represent all of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

3. A proxy need not be a member of the Company.

4. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and also in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies will be deemed to relate to all the shares held by you.

5. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at 24 Gul Crescent, Jurong Town, Singapore 629531 not less than 48 hours before the time set for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. The Company shall be entitled to reject any instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Tai Sin®
The Electric Solutions Specialist For Asia Since 1958

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