TAI SIN ELECTRIC LIMITED

BUILDING RESILIENCE
STAYING FOCUSED

ANNUAL REPORT 2013

Tai Sin®

The Electric Solutions Specialist For Asia Since 1958

CONTENTS

BUILDING RESILIENCE *THROUGH* STAYING *FOCUSED*

AND CONSTANT IMPROVEMENT TO ACHIEVE GROWTH

Our products and services play an integral part in the building of infrastructures, businesses and industries. 30 over years since our incorporation, our mission remains focused as we continue to strive for growth in Singapore and regions across.

2013 saw us continue to deliver steady growth on all fronts under challenging economic conditions. Our steady ***growth*** is attributed to our ***focused*** efforts in ***improving*** our competitive strengths and widening of solution spectrums, which includes sustainable energy efficient products.

Going forward, we will continue to adopt a prudent strategy and focus on the domestic market and existing regional business territories. In this regard, the Group will continue to explore opportunities in the building and construction sector for the Cable & Wire Segment and energy management solutions for the Electrical Material Distribution Segment. We will also continue our efforts to align the Test & Inspection Segment businesses so as to achieve better synergies across our Business Divisions.

ABOUT US

Tai Sin Electric Cables Manufacturer Pte Ltd was established with foresight and determination as a cable manufacturing business in 1980. Today, after over 30 years of strategic expansion and diversification, the Group emerged as a leading and trusted electric solutions specialist in Asia. Listed on the Stock Exchange of Singapore, SESDAQ in 1998, the exceptional growth and operational excellence was rewarded with a transfer to the SGX Main Board in 2005.

Presently known as Tai Sin Electric Limited Group of Companies, the business is streamlined into four Business Divisions. In 2012, a newly acquired group in the business of test and inspection was added to the Services Division offering alongside with Manufacturing, Distribution, and Strategic Investment. These divisions are well designed to meet the specific needs of our diverse customers ranging from end-users to contractors, manufacturers, system integrators, engineers and consultants. The business mix of the divisions has allowed the Group to continue to achieve growth during difficult times.

Having a substantial scale of operations in strategic locations continues to strengthen our value proposition to our customers. The Group operates a highly successful network distributing electrical and control products, accessories and solutions to a wide range of local and regional industries which includes Malaysia, Vietnam, Brunei, Indonesia and as far as New Zealand.

OUR MISSION

We are a transparent company driven by corporate governance and shareholder value dedicated in building people to increase knowledge and innovation. By being a customer-***focused*** company ever ***improving*** on services and quality standards, we constantly forge strong partnerships for ***growth*** and stay true to our commitment of excellent solutions for the industry.

OUR VISION

To be the leading electric solutions group in Asia Pacific region.

OUR VALUES

At Tai Sin, there are simple yet powerful values that shapes our culture and define the character of the company:

- Customer commitment, Innovation & Reliability
- Open mindset
- Teamwork
- Sense of ownership
- Open culture
- Active contribution
- Continuous improvement
- Enterprising

These remain as the anchoring pillars and serve as a strong foundation that guides the Group in the course of the business today and in the years to come.

BUSINESS DIVISIONS

Tai Sin Electric Limited

MANUFACTURING

- Tai Sin Electric Limited
- Tai Sin Electric Cables (Malaysia) Sdn Bhd
- Tai Sin Electric Cables (VN) Co Ltd
- PKS Sdn Bhd
- LKH Lamps Sdn Bhd#

DISTRIBUTION

- Lim Kim Hai Electric Co (S) Pte Ltd
- Precicon D&C Pte Ltd
- LKH Power Distribution Pte Ltd
- Vynco Industries (NZ) Limited
- Lim Kim Hai Electric (VN) Co Ltd
- LKH Lightings Sdn Bhd#

SERVICES

- Cast Laboratories Pte Ltd
- CiPGi Pte Ltd
- Castconsult Sdn Bhd
- PT Cast Laboratories Indonesia
- Castlab (Thailand) Company Limited^

STRATEGIC INVESTMENT

- Tai Sin Electric International Pte Ltd
- Tai Sin (Vietnam) Pte Ltd
- V.L. Holdings Limited
- Equalight Resources Sdn Bhd
- Castlab International Pte Ltd*
- United Geotechnics Pte Ltd
- Nylect International Pte Ld

\# Ceased operations during the financial year
^ Classified as held for sale during the financial year
* Struck off w.e.f 6th September 2013

$305.33
REVENUE
IN MILLION

9.44
REVENUE
UP IN %

$57.42
GROSS PROFIT
IN MILLION

$23.57
CASH AND CASH
EQUIVALENT IN MILLION

$129.59
SHAREHOLDER'S
FUND IN MILLION

MORE THAN
1000
EMPLOYEES

$24.16
PROFIT BEFORE
INCOME TAX IN MILLION

55
YEARS IN
BUSINESS

4.86 CENTS
EARNINGS PER SHARE

29.76 CENTS
NAV PER SHARE

CHAIRMAN'S STATEMENT

"We will **focus** on our core competencies, **improve** on our service level and increase our product offerings. These efforts will thereby level up our workforce efficiency, improve productivity and hence support us in achieving sustainable **growth** in the market where pockets of opportunities can still be found."

Dear Shareholders,

The financial year ended June 30, 2013 was challenging for us, as business conditions were tempered by global economic uncertainties. However, the Group's performance against a background of difficult operating conditions surpassed our expectations.

Group turnover for the year reached $305.33 million, up 9.44% from $279.00 million. In contrast with 2012 when the bulk of the revenue was derived from the Commercial & Residential Sector, revenue generated this year was mostly derived from the Infrastructure Sector.

Our Test & Inspection (T&I) Segment, which was acquired last year, contributed $27.78 million in revenue from its first full year of operations under Tai Sin Electric Group.

Total Group profit before income tax was up slightly to $24.16 million, from $22.16 million a year ago.

Earnings per share for the year under review rose slightly to 4.86 cents, from 4.28 cents previously.

The Group's net asset value ("NAV") stood at $129.59 million, translating into NAV per share of 29.76 cents, some 8.89% higher than the 27.33 cents for 2012. The overall balance sheet for the period under review remains healthy.

The Board is pleased with the Group's performance and is happy to propose a final dividend of 1.5 cents, bringing the total to 2.25 cents. This works out to be $9.80 million, accounting for 46.31% of profit attributable to shareholders for the 2013 financial year.

OPERATIONS REVIEW

Cable & Wire (C&W) Segment

This segment continued to be the major revenue and profit contributor, accounting for 55.44% of the Group's total sales and 78.86% of profit before income tax. Cables and wires sold reached a high of $169.26 million, an increase of 6.00% from last year, on the back of full deliveries to infrastructure projects secured two years ago.

However, revenue from the rest of the market in the C&W Segment, especially in the Commercial & Residential and the Industrial Sectors, suffered a drop as a result of fewer projects taking delivery in financial year 2013.

Our regional cable and wire manufacturing Tri-Plant Axis Strategy has proven to be a strategic contributor to the C&W Segment located in Singapore, Malaysia and Vietnam. This strategy has played an important role in producing customised cables and wires for on-time delivery to customers in the ASEAN region. Continued prudent management of copper purchasing together with our central material procurement policy has generally lowered our raw material cost through economies of scale. This has helped to prop up yield in the face of pricing pressures on our finished products.

Electrical Material Distribution (EMD) Segment

This segment's electrical and control products business contributed 31.49% of the Group's total revenue. Segment revenue was $96.13 million, 2.10% higher than the $94.16 million from the previous year, the slight increase was mainly attributed to several major contracts within the Infrastructure and Commercial & Residential Sectors being delivered completely within the financial year. Contribution from other clusters within the Industrial Sectors had decreased slightly.

In Singapore, its revenue was sustained by increased sales to the Infrastructure Sector projects and several commercial projects, especially to Data Centres. This was, however, compensated by a decline in the Electronics Cluster within the Industrial Sector, that had experienced weaker production output in the year under review. Revenue from the Oil & Gas Cluster held steady, while there was a slight increase of sales in the General Manufacturing Cluster. This segment's Export and Trading business held its own and managed to maintain its sales forecast.

In New Zealand, its revenue also contributed to the increased in the segment, a result of new range of products being added to its portfolio. Their participation in promotions and trade shows continued to maintain its presence in the market.

In Vietnam, although there was a slight increase in revenue, mainly due to fulfillment of contracts in the current financial year, margins were eroded as a result of intense competition and lack of projects in the market.

Other Business Segments

Our new acquisition, Cast Laboratories Pte Ltd & its subsidiaries, contributed $27.78 million to the total Group turnover for its first full-year reporting period. The Group sees prospect in leveraging on its long-established presence in the Commercial & Residential and Infrastructure Sectors locally to further grow its revenue stream. This Segment will continue to expand its material testing, investigation and certification business into the region, namely; Malaysia, Indonesia and Myanmar.

The switchboard manufacturing operations in Brunei continued to make headways, maintaining its sales with a slew of public housing construction and infrastructure projects awarded and delivered in the current financial year.

During the year under review, the cessation of the Group's lamp and lighting manufacturing operations in Malaysia was kick-started. This followed an earlier decision to cease operations, as it was no longer practical to compete effectively in a highly-saturated market.

Highlights of Financial Position and Cash Flow

Higher sales in the 4th quarter of the financial year under review saw trade receivables increased by $9.54 million, to $94.65 million. As a result of increased sales in the C&W Segment, the corresponding higher purchases led to an increase in inventories and trade payables by $2.53 million and $4.79 million respectively. Other payables increased by $0.75 million - mainly because of bonus accruals and provision of onerous contracts.

Cash and cash equivalent at the end of the financial year increased to $23.57 million, compared to $16.90 million at the end of the previous financial year.

Net cash from operating activities of $16.80 million was mostly due to the result of higher sales & purchases and income tax paid during the year.

Net cash of $3.42 million was used for the purchase of plant and equipment, after taking into account net proceeds from disposal of plant and equipment and dividend received from an associate.

For financing activities, net cash of $7.00 million was used for the repayment of bank borrowings, finance leases, dividend payment and interest paid.

THRUSTING FORWARD, RISING TO THE CHALLENGE

Outlook & Strategy

Continued economic uncertainties arising from challenges faced by the Eurozone countries and lack of strong evidence of full recovery in the US and Japan economies, had hampered growth in the first half of FY 2013. For Asia, especially the emerging economies of India and China, growth had moderated somewhat and reverberated across other countries in the region. Sentiments have remained weak with expectations of a mild recovery in the 1st half of FY 2014, and stronger growth in 2nd half of FY 2014.

More importantly for us was that the Singapore government's package of measures to cool the residential and, subsequently, the commercial property market seemed to have taken effect by the beginning of our new financial year. Reports had indicated that there would be an oversupply of private residential property from 2016. Sales of commercial property had also slowed.

In view of this development, our C&W Segment will continue to focus on the domestic market, especially in the private and public infrastructure works, while casting a wider net in the region to expand market footprint.

We will also further leverage on our Singapore-Malaysia-Vietnam cable and wire production capabilities and our Tri-Plant Axis Strategy to better serve the market in the region.

Our cable & wire marketing team plans to further energise its efforts in Johor where we already have a presence, especially in the Iskandar region, to tap on the Infrastructure and Residential & Commercial Sectors that are expected to come on stream over the next 5 years.

Beyond our shore, plans are being considered for entry into Myanmar, and a stronger presence in Batam where we have some commercial dealings. Where necessary, we may have to consider investing new facilities in promising new and existing markets.

For the EMD Segment, projected new capital investment in the Electronics Cluster expected in 2nd half of FY 2014 means that we will have to be better geared to harvest more contracts. The slew of EMD Segment initiatives will include a wider and better range of products to match the development aspirations of the Industrial Sector.

The EMD Segment is continuously refreshing its business plan that includes forging new partnerships, revamping its customer service programme and extending its offering to include more 'Green' products and solutions. The segment has also successfully expanded its portfolio over the years to include products for instrumentation and industrial safety.

Going forward, the segment also intends to explore potential opportunities in Myanmar and other countries in the region, using Singapore as a test-bed for its distributed products.

For the T&I Segment fronted by Cast Laboratories Pte Ltd & its subsidiaries, we see immense opportunities in the region and will initially explore extending its compliance and certification services into other markets where we have an active presence.

Gearing Up For a More Challenging Environment

Going forward, we believe that the Group has to become stronger and more resilient in order to build an even more sustainable business eco-system. Our management team has already planned to foster among the staff a greater sense of belonging to and pride in the company in the medium term. It will also set higher aspirations and provide a clearer roadmap for the entire Group in the years ahead.

Our strategy will include further increasing staff understanding and appreciation of the Group's business, especially in its core competencies, business sustainability and the need for growth in the face of challenging market conditions.

We will ***focus*** on our core competencies, improve on our service level and increase our product offerings. These efforts will thereby level up our workforce efficiency, ***improve*** productivity and hence support us in achieving a sustainable ***growth*** in the market where pockets of opportunities can still be found.

Other plans will involve growing existing markets, extending our range of products and services, further upgrading employee skills and expanding production capabilities and market footprint through acquisitions where necessary.

A major part of the effort includes investing in the up-skilling of our human capital and empowering our people to become more effective and productive in their respective areas of operations.

Our various Singapore operations have already utilised a substantial amount of the Singapore Government's Productivity and Innovation Credit scheme (PIC) for staff upgrading and investment in more advanced information technology systems and production equipment to support the Group's growth. It will continue to find new ways to do things better, and more productively.

Towards More Inclusive CSR

While the Group, especially the Singapore operations, has been lending a hand to those in need, we are cognizant of the fact that our corporate social responsibility has to go beyond philanthropy.

We are prepared to undertake new initiatives to make our CSR effort more inclusive, as we are aware that the success of our organisation is inextricably linked to the future of our employees, our customers and the communities we serve directly and indirectly.

The potential social and environmental impact of our Group on the bigger eco-system means that we will have to take steps to integrate changes into our business model, to improve our production, sourcing and work processes.

We are on the right track, as we have already embarked on a programme to further raise the quality and productivity of our staff. We have also for some time now been introducing environmentally-friendly processes and materials into the production systems, as part of our green initiative.

Having attained ISO 14001 and OHSAS 18001 for our main cable production facility in Singapore, we have also achieved the Singapore Green Building Council's Certification Scheme for Green Building Products Mark for projects in the building and construction industry. We hope to replicate the eco achievements in Singapore for the Group's operations in other countries.

CONCLUSION

Economic uncertainties may appear daunting, but we have been there before. With the "can do" spirit, we will continue to address new challenges confidently with strategic foresight and prudence. We will build on our core competencies and presence in established markets to reinforce the sustainability of our business in the years ahead.

We have been recognised as a company with intrinsic value. It is imperative that we continue to grow that value for the benefit of the shareholders who have put their faith in our company's potential.

I am pleased that the management team has done much forward planning to ensure that the company will continue to deliver results.

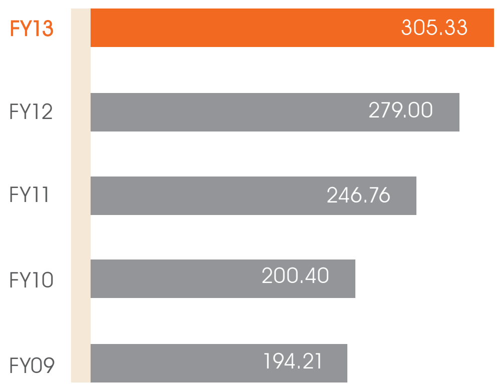
On behalf of the Board, I would like to thank all of the Group's valued customers and business partners for their continued support and co-operation. Our deep appreciation also goes to the management team and the staff for their unwavering dedication and contributions to the success of the company.

To all the stakeholders and shareholders, we say a big thank you for their loyal support and assure them of our commitment to the continuing growth of the company.

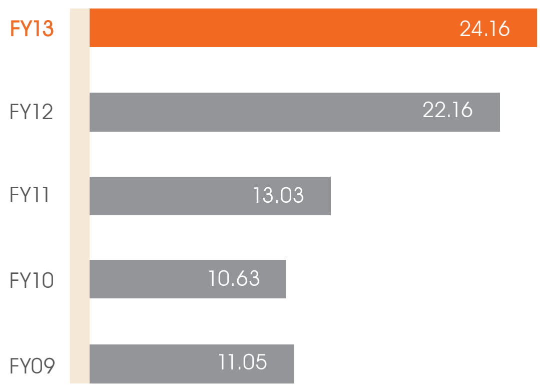
Professor Lee Chang Leng Brian
Chairman

FINANCIAL HIGHLIGHTS

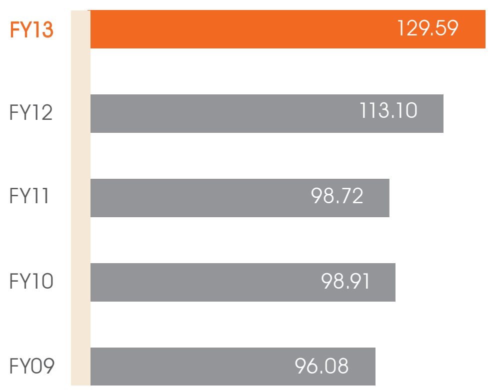
Turnover
(S$'m)



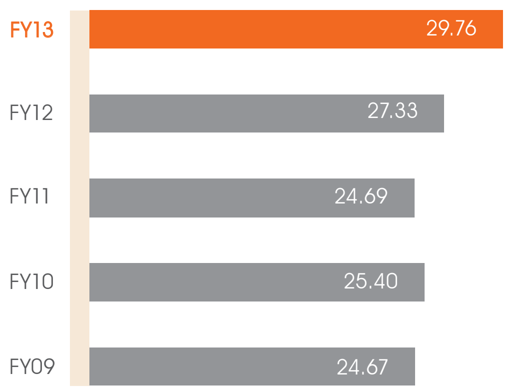
Profit Before Income Tax
(S$'m)



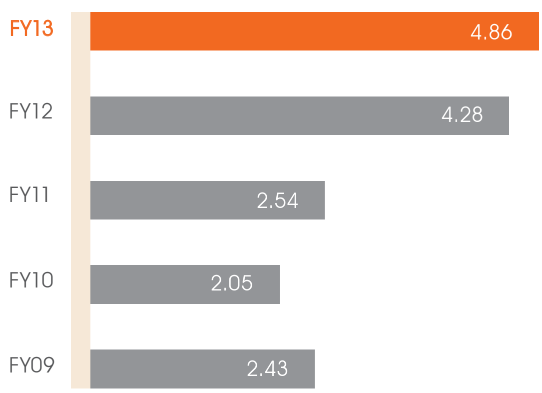
Shareholder's Funds
(S$'m)



Net Asset Value Per Share
(cents)



EPS
(cents)



PROFESSOR LEE CHANG LENG BRIAN, JP PBM BBM

Chairman, Non-Executive and Independent Director

Date of Appointment as Director:

- August 2002 as Non-Executive and Independent Director
- November 2003 as Non-Executive Chairman

Length of Service as Director (as at 30 June 2013):

11 years

Board Committee Served on:

- Audit Committee (Member)
- Nominating Committee (Chairman)
- Remuneration Committee (Member)

Academic & Professional Qualifications:

- Bachelor of Engineering in Electrical Engineering, University of New South Wales, Australia
- Master of Engineering Science in Electrical Engineering, University of New South Wales, Australia
- Fellow of the Institution of Engineering and Technology, United Kingdom
- Fellow of Academy of Engineering Singapore
- Fellow of Institution of Engineers, Singapore
- Professional Engineer, Singapore
- Chartered Engineer, United Kingdom

Present Directorships as at 30 June 2013:

Listed companies

- Non-Executive and Independent Director, New Toyo International Holdings Ltd

Others

- Former Vice President, Member of the Board of Trustees and Member of the Council of the Institution of Electrical Engineers, United Kingdom
- Founding Dean of the School of Electrical and Electronic Engineering of Nanyang Technological Institute / University

LIM BOON HOCK BERNARD

Chief Executive Officer / Executive Director

Date of Appointment as Director:

- September 1997 as Executive Director
- June 2003 as Chief Operating Officer
- July 2013 as Chief Executive Officer

Length of Service as Director (as at 30 June 2013):

16 years

Board Committee Served On:

Nil

Academic & Professional Qualifications:

- Bachelor of Arts (Social Sciences), Curtin University of Technology, Perth, Western Australia
- Master of Business Administration, University of Strathclyde, United Kingdom

Present Directorships as at 30 June 2013:

Listed companies

Nil

Others

- Vice Chairman of School Advisory Committee of Temasek Primary School
- Member of General Council of National Arthritis Foundation

BOARD OF DIRECTORS

LIM CHYE HUAT @ BOBBY LIM CHYE HUAT, PBM BBM KStJ

Executive Director

Date of Appointment as Director:

- October 1997 as Managing Director
- July 2013 as Executive Director

Length of Service as Director (as at 30 June 2013):

16 years

Board Committee Served On:

- Nominating Committee (Member)

Academic & Professional Qualifications:

- Honorary Fellow of Singapore Institute of Engineering Technologies
- Fellow of the Chartered Management Institute, United Kingdom
- Board's Certificate of Proficiency In Business Management, National Productivity Board of Singapore

Present Directorships as at 30 June 2013:

Listed companies

Nil

Others

- Member Council of The National St. John Council
- Patron of Toa Payoh East CCC
- Immediate Past Chairman of the Lighthouse School (formerly known as Singapore School of the Visually Handicapped) Management Committee
- Managing Director of Lim Kim Hai Electric Co (S) Pte Ltd from 1972 to 1997

TAY JOO SOON

Non-Executive and Independent Director

Date of Appointment as Director

- April 2007 as Non-Executive and Independent Director

Length of Service as Director (as at 30 June 2013):

6 years

Board Committee Served On:

- Audit Committee (Chairman)
- Nominating Committee (Member)
- Remuneration Committee (Member)

Academic & Professional Qualifications:

- Fellow of the Institute of Singapore Chartered Accountants
- Fellow of the Institute of Chartered Accountants, Australia
- Member of Certified Public Accountant, Australia
- Member of Singapore Institute of Accredited Tax Professionals
- Member of the Malaysian Institute of Certified Public Accountants

Present Directorships as at 30 June 2013:

Listed companies

- Non-Executive Chairman, Shanghai Asia Holdings Limited

Others

- Practising Chartered Accountant of Tay Joo Soon & Co since 1970
- Director of Holcim (Singapore) Pte Ltd

SOON BOON SIONG

Non-Executive and Independent Director

Date of Appointment as Director:

- November 2012 as Non-Executive and Independent Director

Length of Service as Director (as at 30 June 2013):

1 year

Board Committee Served On:

- Audit Committee (Member)
- Nominating Committee (Member)
- Remuneration Committee (Chairman)

Academic & Professional Qualification:

- Degree in Business Administration, University of Singapore

Present Directorships as at 30 June 2013:

Listed companies

- Non-Executive and Independent Director, Dynamic Colours Limited

Others

- Managing Director – Corporate Finance of Partners Capital (Singapore) Pte Ltd

KEY MANAGEMENT

CORPORATE

LIM BOON HOCK BERNARD
Chief Executive Officer; Tai Sin Electric Limited
Join Since: 1997

LIM CHYE HUAT @ BOBBY LIM CHYE HUAT, PBM BBM KStJ
Executive Director; Tai Sin Electric Limited
Join Since: 1997

LIN CHEN MOU
General Manager – Group Manufacturing (Cable Division); Tai Sin Electric Limited
Join Since: 1983

PANG YEW CHOY ANDY
Country Director – Vietnam; Tai Sin Electric Limited
General Director; Tai Sin Electric Cables (VN) Co Ltd
Director – Business Development; Tai Sin Electric Cables (Malaysia) Sdn Bhd
Join Since: 1988

LIM LIAN ENG SHARON
Senior Manager – Group Information Technology; Tai Sin Electric Limited
General Manager – Operations; Lim Kim Hai Electric Co (S) Pte Ltd
Join Since: 2000

MANUFACTURING

LEE CHOON MUI PATRICIA
Deputy General Manager – Operations; Tai Sin Electric Cables (Malaysia) Sdn Bhd
Join Since: 1998

TEH CHOON KONG
Deputy General Director – Operations; Tai Sin Electric Cables (VN) Co Ltd
Join Since: 2003

CHANG CHAI WOON MICHAEL
Executive Director; PKS Sdn Bhd
Join Since: 1989

NG SHU GOON TONY
General Manager; PKS Sdn Bhd
Join Since: 1989

DISTRIBUTION

LIM CHAI LAI @ LOUIS LIM CHAI LAI
Chairman; Lim Kim Hai Electric Co (S) Pte Ltd
Join Since: 1967

CHIA AH HENG
Deputy Chairman; Lim Kim Hai Electric Co (S) Pte Ltd
Join Since: 1969

ONG WEE HENG
Chief Executive Officer; Lim Kim Hai Electric Co (S) Pte Ltd
Join Since: 1979

JOYCE TAN SAY CHENG
General Manager; Precicon D&C Pte Ltd
Join Since: 1987

DANIEL POON KWANG POO
General Manager; LKH Power Distribution Pte Ltd
Join Since: 1980

JOHN VALE
Chief Executive Officer; Vynco Industries (NZ) Limited
Join Since: 1991

SIMON VALE
General Manager; Vynco Industries (NZ) Limited
Join Since: 2004

SIN TUYET MAI
General Director; Lim Kim Hai Electric (VN) Co Ltd
Deputy General Director – Sales & Marketing; Tai Sin Electric Cables (VN) Co Ltd
Join Since: 2004

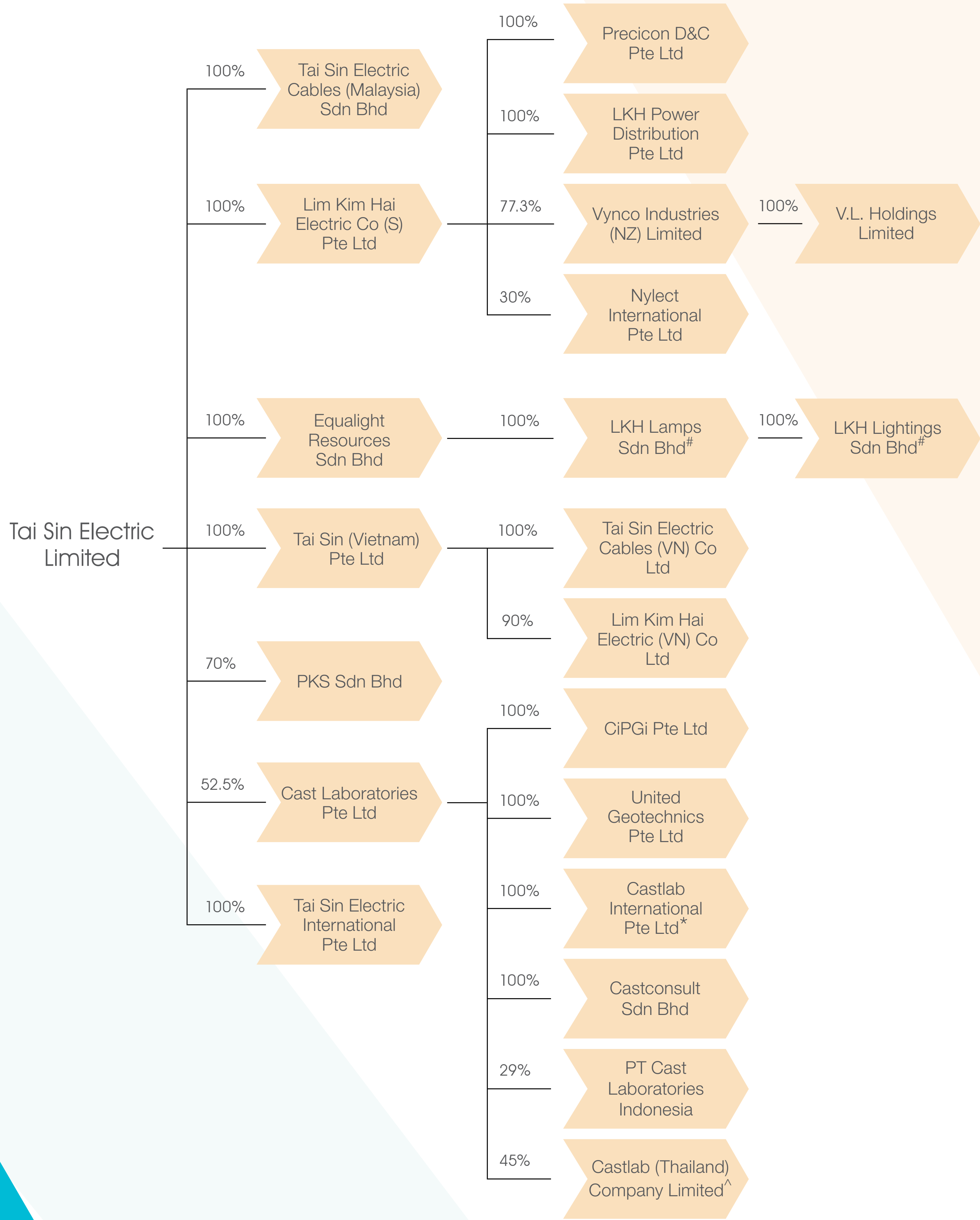
SERVICES

WILLIAM TAY YEW CHYE
Executive Chairman; Cast Laboratories Pte Ltd
Join Since: 1985

LIM ENG HENG
Chief Executive Officer; Cast Laboratories Pte Ltd
Join Since: 1991

VICTOR TIAN MONG CHING
Executive Director; Cast Laboratories Pte Ltd
Join Since: 1981

CORPORATE STRUCTURE



Ceased operations during the financial year
^ Classified as held for sale during the financial year
* Struck off w.e.f 6th September 2013

CORPORATE INFORMATION

Board of Directors

Lee Chang Leng Brian
Non-Executive Chairman

Lim Boon Hock Bernard
Chief Executive Officer / Executive Director

Lim Chye Huat @ Bobby Lim Chye Huat
Executive Director

Tay Joo Soon
Non-Executive Director

Soon Boon Siong
Non-Executive Director

Audit Committee

Tay Joo Soon
Chairman

Lee Chang Leng Brian
Soon Boon Siong

Nominating Committee

Lee Chang Leng Brian
Chairman

Tay Joo Soon
Soon Boon Siong
Lim Chye Huat @ Bobby Lim Chye Huat

Remuneration Committee

Soon Boon Siong
Chairman

Lee Chang Leng Brian
Tay Joo Soon

Secretary

Tan Shou Chieh

Company Registration Number

198000057W

Registered Office

24 Gul Crescent, Jurong Town
Singapore 629531
Tel: 6672 9292
Fax: 6861 4084
Email: ir@taisin.com.sg

Share Registrars & Share Transfer Office

B.A.C.S Private Limited
63 Cantonment Road
Singapore 089758
Tel: 6593 4848

Auditors

Deloitte & Touche LLP
Certified Public Accountants
6 Shenton Way #32-00
DBS Building Tower Two
Singapore 068809
Partner-In-Charge:
Rankin Brandt Yeo
Date of Appointment: October 25, 2010

Principal Bankers

United Overseas Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Oversea-Chinese Banking Corporation Limited
Malayan Banking Berhad
DBS Bank Ltd
Standard Chartered Bank
CIMB Bank Berhad

The Board of Directors of Tai Sin Electric Limited is committed to upholding the spirit and letter of the 2005 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 2005 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 Chief Executive Officer (CEO)
Principle 6: Access to Information

The Board oversees the business affairs and risk governance of the Group, reviews and evaluates the financial performance, and 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 the operating and financial performance of the Group, overseeing the process of risk management, 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 Committee. These committees function with specific terms of reference. The number of meetings held during the financial year ended June 30, 2013 and the attendance of the directors are as follows:

	Board	Audit	Remuneration	Nominating
No. of meetings held	4	4	2	4
Directors	No of Meetings Attended			
Lee Chang Leng Brian	3	3	2	4
Lim Boon Hock Bernard	4	N.A.	N.A.	N.A.
Lim Chye Huat @ Bobby Lim Chye Huat	4	N.A.	N.A.	4
Tay Joo Soon	4	4	2	4
Soon Boon Siong ^	3	3	1	1

The Board comprises five directors as follows:

Three Non-Executive And Independent Directors
Lee Chang Leng Brian (Chairman)
Tay Joo Soon
Soon Boon Siong ^

Two Executive Directors
Lim Boon Hock Bernard
Lim Chye Huat @ Bobby Lim Chye Huat

^ Appointed as Non-Executive Independent Director and Audit Committee Member w.e.f. November 7, 2012 and Remuneration Committee Chairman and Nominating Committee Member w.e.f. November 8, 2012

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

To ensure that the Board is able to fulfill its responsibilities, management provides Board members with 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 Senior Manager - Group Corporate Development assists the Board to ensure that Board procedures, rules and regulations relating thereto are complied with. Where a decision is required between Board meetings, a directors' resolution is circulated with supporting papers for approval, in accordance with the Articles of Association of the Company.

Each director has direct access to the Company's senior management and the Company Secretary. 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 Nominating Committee comprises:

- Lee Chang Leng Brian (Chairman w.e.f. November 8, 2012) *
- Tay Joo Soon *
- Soon Boon Siong *
- 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 Group CEO) 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 (equivalent to a Group CEO) by the Board for a fixed term not exceeding 5 years.

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

Remuneration Committee ("RC")

Principle 7: Procedures for Developing Remuneration Policies
Principle 8: Level and Mix of Remuneration
Principle 9: Disclosure of Remuneration

The Remuneration Committee comprises:

- Soon Boon Siong (Chairman w.e.f. November 8, 2012) *
- Lee Chang Leng Brian *
- Tay Joo Soon *

* Independent Director

The RC's written terms of reference include:

i. Propose a framework of remuneration and approve recommendations on remuneration policies and packages for directors and key executives;

ii. Structure a proportion of executive directors' remuneration to link rewards to performance; and

iii. Review and recommend to the Board the terms of renewal of directors' service contracts.

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, 2013.

Name of Director	Remuneration ($'000)	Director's Fees	Salary & CPF	Bonus and Other Variable Performance Components	Total
Lim Boon Hock Bernard	797	–	32%	68%	100%
Lim Chye Huat @ Bobby Lim Chye Huat	466	–	78%	22%	100%
Lee Chang Leng Brian	44	100%	–	–	100%
Tay Joo Soon	42	100%	–	–	100%
Soon Boon Siong	27	100%	–	–	100%

For the financial year ended June 30, 2013, the top five key executives of the Group (who are not also directors of the Company) are as follows:

Remuneration Band	Key Executives	Director's Fees	Salary & CPF	Bonus and Other Variable Performance Components	Total
$250,000 to below $350,000	Pang Yew Choy Andy	8%	73%	19%	100%
	Lin Chen Mou	5%	67%	28%	100%
	Ong Wee Heng	7%	74%	19%	100%
	Lim Chai Lai @ Louis Lim Chai Lai	6%	75%	19%	100%
	Chia Ah Heng	6%	76%	18%	100%

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

For the financial year ended June 30, 2013, Lim Lian Eng Sharon, who is an immediate family member of Lim Chye Huat @ Bobby Lim Chye Huat received remuneration within the band of $150,000 to below $250,000, which comprised 78% of Salary & CPF and 22% of Bonus and Other Variable Performance Components.

Audit Committee ("AC")

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

The Audit Committee comprises:

- Tay Joo Soon (Chairman) *
- Lee Chang Leng Brian *
- Soon Boon Siong (Appointed w.e.f. November 7, 2012) *

* Independent Directors

The AC performs the following functions:

i. Review the annual audit plans of the external and internal auditors, their findings and recommendations;

ii. Review the adequacy and effectiveness of internal controls by considering written reports from internal and external auditors, and management responses and actions to correct any deficiencies;

iii. Review the Group's quarterly results announcements and annual consolidated financial statements in conjunction with the external auditor's comments before submitting to the Board for approval;

iv. Review interested person transactions; and

v. Review the independence of external auditors, their fees and recommend the nomination of the external auditors for appointment or 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.

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, 2013 that will prejudice their independence and objectivity.

The Group's internal controls, including financial, operational and compliance controls, and risk management policies and systems maintained by management (collectively, "internal controls") 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 Company outsourced its internal audit function to an external professional firm that reports to the AC and administratively to the Group CEO. 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.

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 the respective human resource department of the companies within the Group.

The AC, assisted by the internal and external auditors has reviewed the adequacy and effectiveness of the Group's internal controls and together with the Board, is satisfied that there have been no major weakness in the existing system of internal controls. Nevertheless, the system of internal controls is designed to manage, rather than eliminate risks, and therefore cannot provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities.

Based on the internal controls established and maintained by the Group, work performed by the internal auditors and the statutory audit conducted by the external auditors to address critical risk areas, the Board, with the concurrence of the AC, is satisfied that the system of internal controls, including financial, operational and compliance controls, were adequate to meet the needs of the Group's existing business objectives as at June 30, 2013.

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 quarterly 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 SGXST. This Internal Code provides guidance and prescribes the internal regulations with regard to dealings in the Company's securities by its officers.

FINANCIAL CONTENTS

The directors present their report together with the audited consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the financial year ended June 30, 2013.

1 DIRECTORS

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

Executive

Lim Boon Hock Bernard (Chief Executive Officer)
Lim Chye Huat @ Bobby Lim Chye Huat

Non-executive

Lee Chang Leng Brian (Chairman)
Soon Boon Siong (Appointed on November 7, 2012)
Tay Joo Soon

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate, except for the options mentioned in paragraph 5 of the Report of the Directors.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year had no interests in the share capital of the company and related corporations as recorded in the Register of Directors' Shareholdings kept by the company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in name of directors		Shareholdings in which directors are deemed to have an interest	
Name of directors and company in which interests are held	At July 1, 2012	At June 30, 2013	At July 1, 2012	At June 30, 2013
Tai Sin Electric Limited	Number of shares			
Lim Chye Huat @ Bobby Lim Chye Huat	31,935,771	34,216,897	22,420,520	24,021,985
Lim Boon Hock Bernard	43,688,986	47,249,627	1,836,606	1,967,792
Tay Joo Soon	500,000	500,000	–	–

The directors' interests in the shares and options of the company at July 21, 2013 were the same as at June 30, 2013.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director of the company has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except 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, 2013 are:

Soon Boon Siong (Chairman)
Tay Joo Soon
Lee Chang Leng Brian

(a) *Options to take up unissued shares*

On April 8, 2002 ("Offering Date"), options were granted pursuant to the Scheme to 141 employees (collectively the "Participants") of the company to subscribe for 17,680,000 ordinary shares 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 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 had 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, there were no shares of the company or any corporation in the group issued by virtue of the exercise of options to take up unissued shares.

(c) The information on Participants who received 5% or more of the total number of options available under the Scheme is as follows:

Name of participants	Options granted during the financial year	Aggregate options granted since commencement of Scheme to the end of the financial year	Aggregate options exercised since commencement of Scheme to the end of the financial year	Aggregate options outstanding at the end of the financial year
Employees				
Lin Chen Mou	–	1,250,000	(1,250,000)	–
Lim Ewe Lee	–	1,500,000	(1,500,000)	–
Lai Kon Seng	–	1,500,000	(1,500,000)	–
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 of the company is chaired by Tay Joo Soon, an independent director, and includes Lee Chang Leng Brian and Soon Boon Siong, both independent directors. The Audit Committee has met four times during the current financial year and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the company:

a) the audit plans and results of the internal auditors' examination and evaluation of the group's internal accounting controls;

b) the group's financial and operating results and accounting policies;

c) the statement of financial position and statement of changes in equity of the company and the consolidated financial statements of the group before their submission to the directors' of the company and external auditors' report on those financial statements;

d) the quarterly, half-yearly and annual announcements as well as the related press releases on the results and financial position of the company and the group;

e) the co-operation and assistance given by management to the group's external and internal auditors; and

f) the re-appointment of the external auditors of the group.

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

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the group 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 Boon Hock Bernard

Lim Chye Huat @ Bobby Lim Chye Huat

Singapore
September 20, 2013

STATEMENT OF DIRECTORS

In the opinion of the directors, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company as set out on pages 28 to 91 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, 2013, and of the results, changes in equity and cash flows of the group and 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 Boon Hock Bernard

Lim Chye Huat @ Bobby Lim Chye Huat

Singapore
September 20, 2013

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 statements of financial position of the group and the company as at June 30, 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 28 to 91.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide 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.

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 about 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 of financial statements that give a true and fair view 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, the consolidated financial statements of the group and the statement of financial position 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, 2013 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.

Report on Other Legal and Regulatory Requirements

In our opinion, 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
Chartered Accountants
Singapore

September 20, 2013

STATEMENTS OF FINANCIAL POSITION

June 30, 2013

	Note	Group June 30, 2013 $'000	Group June 30, 2012 $'000 (Restated)	Group July 1, 2011 $'000 (Restated)	Company June 30, 2013 $'000	Company June 30, 2012 $'000 (Restated)	Company July 1, 2011 $'000 (Restated)
ASSETS							
Current assets							
Cash and bank balances	6	24,481	19,492	18,022	11,299	10,838	8,552
Trade receivables	7	94,645	85,107	64,913	49,317	41,420	36,160
Other receivables	8	2,551	2,693	1,343	6,044	3,841	6,014
Derivative financial instruments	22	1,424	–	–	–	–	–
Inventories	9	66,124	63,592	65,912	39,741	38,281	40,426
		189,225	170,884	150,190	106,401	94,380	91,152
Assets classified as held for sale	10	1,427	–	–	–	–	–
Total current assets		190,652	170,884	150,190	106,401	94,380	91,152
Non-current assets							
Subsidiaries	11	–	–	–	32,375	31,395	26,696
Associates	12	4,850	4,078	3,266	–	–	–
Property, plant and equipment	13	23,168	23,305	18,349	4,479	4,084	3,734
Investment properties	14	1,171	1,211	1,221	–	–	–
Leasehold prepayments	15	181	712	758	–	–	–
Other receivables	8	59	60	–	–	–	–
Intangible assets	16	2,174	2,468	41	–	–	–
Deferred tax assets	17	176	179	225	–	–	–
Total non-current assets		31,779	32,013	23,860	36,854	35,479	30,430
Total assets		222,431	202,897	174,050	143,255	129,859	121,582
LIABILITIES AND EQUITY							
Current liabilities							
Bank overdrafts and short-term bank borrowings	18	36,105	37,062	37,224	15,909	18,317	24,925
Trade payables	19	31,421	26,627	22,718	15,934	10,398	9,010
Other payables	20	10,269	9,522	7,564	2,950	2,204	2,117
Current portion of finance leases	21	630	720	31	–	–	–
Derivative financial instruments	22	–	110	222	–	–	148
Current portion of long-term borrowings	23	198	884	302	–	–	–
Income tax payable		3,283	3,547	2,154	2,362	2,490	1,220
Total current liabilities		81,906	78,472	70,215	37,155	33,409	37,420
Non-current liabilities							
Non-current portion of finance leases	21	331	690	133	–	–	–
Long-term borrowings	23	966	1,028	2,224	–	–	–
Deferred tax liabilities	17	1,893	1,749	892	322	322	183
Deferred liabilities		47	77	–	–	–	–
Total non-current liabilities		3,237	3,544	3,249	322	322	183
Capital, reserves and non-controlling interests							
Share capital	24	56,288	51,723	49,488	56,288	51,723	49,488
Treasury shares	25	(950)	(950)	(950)	(950)	(950)	(950)
Reserves	26	74,255	62,331	50,185	50,440	45,355	35,441
Equity attributable to the shareholders of the company		129,593	113,104	98,723	105,778	96,128	83,979
Non-controlling interests		7,695	7,777	1,863	–	–	–
Total equity		137,288	120,881	100,586	105,778	96,128	83,979
Total liabilities and equity		222,431	202,897	174,050	143,255	129,859	121,582

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year Ended June 30, 2013

	Note	Group 2013 $'000	Group 2012 $'000 (Restated)
Revenue	27	305,328	278,998
Cost of sales		(247,909)	(227,526)
Gross profit		57,419	51,472
Other operating income	28	2,958	4,443
Selling and distribution expenses		(16,520)	(15,204)
Administrative expenses		(19,064)	(16,463)
Other operating expenses		(313)	(1,511)
Finance costs	29	(1,238)	(1,328)
Share of profit of associates		917	753
Profit before income tax		24,159	22,162
Income tax expense	30	(3,046)	(2,905)
Profit for the year	31	21,113	19,257
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		189	(130)
Changes in share of other comprehensive income of an associate		26	30
Other comprehensive income (loss) for the year, net of tax		215	(100)
Total comprehensive income for the year		21,328	19,157
Profit attributable to:			
Shareholders of the company		21,159	18,645
Non-controlling interests		(46)	612
		21,113	19,257
Total comprehensive income attributable to:			
Shareholders of the company		21,397	18,566
Non-controlling interests		(69)	591
		21,328	19,157
Earnings per share			
Basic (cents)	32	4.86	4.28
Diluted (cents)	32	4.86	4.28

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year Ended June 30, 2013

	Note	Share capital $'000	Treasury shares $'000	Reserves: Revaluation reserve $'000	Reserves: Foreign currency translation reserve $'000	Reserves: Other reserve $'000	Reserves: Accumulated profits $'000	Equity attributable to shareholders of the company $'000	Non-controlling interests $'000	Total equity $'000
Group										
Balance at July 1, 2011, as previously reported		49,488	(950)	3,791	(1,743)	(442)	54,076	104,220	1,964	106,184
Effects of change in accounting policy	39	–	–	(3,791)	19	–	(1,725)	(5,497)	(101)	(5,598)
Balance at July 1, 2011, as restated		49,488	(950)	–	(1,724)	(442)	52,351	98,723	1,863	100,586
Total comprehensive income for the year, as restated		–	–	–	(79)	–	18,645	18,566	591	19,157
Issue of share capital	24	2,235	–	–	–	–	(2,235)	–	–	–
Acquisition of additional interests in a subsidiary		–	–	–	–	61[a]	–	61	(61)	–
Capital contribution by non-controlling interests		–	–	–	–	–	–	–	13	13
Non-controlling interests from acquisition of subsidiaries	35	–	–	–	–	–	–	–	5,696	5,696
Dividend paid to non-controlling interests		–	–	–	–	–	–	–	(325)	(325)
Final dividend for the previous year paid	33	–	–	–	–	–	(1,763)	(1,763)	–	(1,763)
Interim dividend for the year paid	33	–	–	–	–	–	(2,483)	(2,483)	–	(2,483)
Balance at June 30, 2012, as restated		51,723	(950)	–	(1,803)	(381)	64,515	113,104	7,777	120,881
Total comprehensive income for the year		–	–	–	238	–	21,159	21,397	(69)	21,328
Issue of share capital	24	4,565	–	–	–	–	(4,565)	–	–	–
Dividend paid to non-controlling interests		–	–	–	–	–	–	–	(13)	(13)
Final dividend for the previous year paid	33	–	–	–	–	–	(1,642)	(1,642)	–	(1,642)
Interim dividend for the year paid	33	–	–	–	–	–	(3,266)	(3,266)	–	(3,266)
Balance at June 30, 2013		56,288	(950)	–	(1,565)	(381)	76,201	129,593	7,695	137,288

Note:

[a] In 2012, the Group increased its equity interest in a subsidiary from 51% to 100%. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid was recognised directly in equity.

	Note	Share capital $'000	Treasury shares $'000	Reserves: Revaluation reserve $'000	Reserves: Accumulated profits $'000	Total equity $'000
Company						
Balance at July 1, 2011, as previously reported		49,488	(950)	2,295	37,021	87,854
Effects of change in accounting policy	39	–	–	(2,295)	(1,580)	(3,875)
Balance at July 1, 2011, as restated		49,488	(950)	–	35,441	83,979
Total comprehensive income for the year, as restated		–	–	–	16,395	16,395
Issue of share capital	24	2,235	–	–	(2,235)	–
Final dividend for the previous year paid	33	–	–	–	(1,763)	(1,763)
Interim dividend for the year paid	33	–	–	–	(2,483)	(2,483)
Balance at June 30, 2012, as restated		51,723	(950)	–	45,355	96,128
Total comprehensive income for the year		–	–	–	14,558	14,558
Issue of share capital	24	4,565	–	–	(4,565)	–
Final dividend for the previous year paid	33	–	–	–	(1,642)	(1,642)
Interim dividend for the year paid	33	–	–	–	(3,266)	(3,266)
Balance at June 30, 2013		56,288	(950)	–	50,440	105,778

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended June 30, 2013

	2013 $'000	2012 $'000 (Restated)
Operating activities		
Profit before income tax	24,159	22,162
Adjustments for:		
Depreciation expense	3,628	2,808
Amortisation expense	294	140
Interest income	(21)	(23)
Fair value of right to exercise Personal Undertaking from non-controlling interests of a subsidiary	(1,370)	–
Interest expense	1,238	1,328
Loss (Gain) on disposal of property, plant and equipment	4	(37)
Property, plant and equipment written off	28	1,071
Inventories written off	392	285
(Reversal of) Allowance for inventories obsolescence	(183)	276
Reversal of impairment loss of property, plant and equipment	(469)	–
Impairment loss on investment of an associate	22	–
Bad debts written off	134	184
Allowance for doubtful receivables	126	37
Provision (Reversal of provision) for onerous contracts	200	(817)
Fair value adjustments on derivative financial instruments taken to profit or loss	(164)	(112)
Excess of fair values of net identifiable assets over consideration (Note 35)	–	(1,754)
Share of profit of associates	(917)	(753)
Operating cash flows before movement in working capital	27,101	24,795
Trade receivables	(9,841)	(8,967)
Other receivables	138	(125)
Contract work-in-progress	–	89
Inventories	(2,797)	1,593
Trade payables	4,840	129
Other payables	569	(1,688)
Deferred liabilities	(31)	(5)
Cash generated from operations	19,979	15,821
Income tax paid	(3,178)	(1,497)
Net cash from operating activities	16,801	14,324
Investing activities		
Acquisition of subsidiaries (Note 35)	–	(109)
Purchase of property, plant and equipment [(a)]	(3,632)	(2,865)
Proceeds from disposal of property, plant and equipment	126	164
Dividend received from an associate	65	–
Purchase of intangible assets	–	(17)
Interest received	21	23
Net cash used in investing activities	(3,420)	(2,804)

	2013 $'000	2012 $'000 (Restated)
Financing activities		
Proceeds from short-term bank borrowings	106,282	116,838
Repayment of short-term bank borrowings	(105,559)	(118,554)
Repayment of finance lease obligations	(855)	(388)
Proceeds from long-term bank borrowings	400	–
Repayment of long-term bank borrowings	(1,123)	(3,018)
Repayment of redeemable bond	–	(700)
Capital contribution from non-controlling interests	13	–
Interest paid	(1,238)	(1,328)
Dividend paid	(4,908)	(4,246)
Dividend paid to non-controlling interests	(13)	(25)
Net cash used in financing activities	(7,001)	(11,421)
Net increase in cash and cash equivalents	6,380	99
Cash and cash equivalents at beginning of year	16,897	16,660
Effects of exchange rate changes on the balance of cash held in foreign currencies	292	138
Cash and cash equivalents at end of year [(b)]	23,569	16,897

Notes:

(a) Purchase of property, plant and equipment

During the financial year, the group acquired property, plant and equipment with an aggregate cost of $4,038,000 (2012 : $3,230,000) of which $406,000 (2012 : $365,000) was acquired by means of finance leases. Cash payment of $3,632,000 (2012 : $2,865,000) were made to purchase property, plant and equipment.

(b) Cash and cash equivalents at end of year

The cash and cash equivalents consist of the following:

	2013 $'000	2012 $'000
Cash and bank balances (Note 6)	24,481	19,492
Bank overdrafts (Note 18)	(912)	(2,595)
Total	23,569	16,897

See accompanying notes to financial statements.

1 GENERAL

The company (Registration No. 198000057W) is incorporated in Singapore with its principal place of business and registered office at 24 Gul Crescent, Jurong Town, Singapore 629531. The company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

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

The principal activities of the subsidiaries and associates are stated in Notes 11 and 12 respectively to the financial statements.

The consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the year ended June 30, 2013 were authorised for issue by the Board of Directors on September 20, 2013.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis 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 - On July 1, 2012, the group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. 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 year, except as disclosed below:

Amendments to FRS 1 *Presentation of Financial Statements - Amendments relating to Presentation of Items of Other Comprehensive Income ("OCI")*

The group has applied the amendments to FRS 1 Presentation of items of Other Comprehensive Income that require items of other comprehensive income to be grouped into two categories in the other comprehensive income section : (a) items that will not be reclassified subsequently to profit or loss and (b) items that maybe reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes other than the above-mentioned presentation changes, the application of the amendments to FRS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

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

- FRS 27 (Revised) *Separate Financial Statements*
- FRS 110 *Consolidated Financial Statements*
- FRS 112 *Disclosure of Interests in Other Entities*
- FRS 113 *Fair Value Measurement*
- Amendments to FRS 32 *Financial Instruments: Presentation* and FRS 107 *Financial Instruments: Disclosure – Offsetting Financial Assets and Financial Liabilities*

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FRS 110 *Consolidated Financial Statements* and FRS 27 *Separate Financial Statements*

FRS 110 replaces the control assessment criteria and consolidation requirements currently in FRS 27 and INT FRS 12 Consolidation - Special Purpose Entities.

FRS 110 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. It also provides more extensive application guidance on assessing control based on voting rights or other contractual rights. Under FRS 110, control assessment will be based on whether an investor has (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the returns. FRS 27 remains as a standard applicable only to separate financial statements.

FRS 110 will take effect from financial years beginning on or after January 1, 2014, with full retrospective application.

After taking into account the new definition of control and the additional guidance on control set out in FRS 110, management anticipates that the application of FRS 110 will not have a material impact on the accounting for the group's ownership interest in its subsidiaries.

FRS 112 *Disclosure of Interests in Other Entities*

FRS 112 requires an entity to provide more extensive disclosures regarding the nature of and risks associated with its interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

FRS 112 will take effect from financial years beginning on or after January 1, 2014, and the group is currently estimating the extent of additional disclosures needed.

FRS 113 *Fair Value Measurements*

FRS 113 is a single new Standard that applies to both financial and non-financial items. It replaces the guidance on fair value measurement and related disclosures in other Standards, with the exception of measurement dealt with under FRS 102 *Share-based Payment*, FRS 17 *Leases*, net realisable value in FRS 2 *Inventories* and value-in-use in FRS 36 *Impairment of Assets*.

FRS 113 provides a common fair value definition and hierarchy applicable to the fair value measurement of assets, liabilities, and an entity's own equity instruments within its scope, but does not change the requirements in other Standards regarding which items should be measured or disclosed at fair value.

The disclosure requirements in FRS 113 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair-value hierarchy currently required for financial instruments only under FRS 107 Financial instruments: Disclosures will be extended by FRS 113 to cover all assets and liabilities within its scope.

FRS 113 will be effective prospectively from annual periods beginning on or after January 1, 2013. Comparative information is not required for periods before initial application.

Management anticipates that the application of FRS 113 may affect certain amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

Amendments to FRS 32 *Financial Instruments: Presentation* and FRS 107 *Financial Instruments: Disclosure – Offsetting Financial Assets and Financial Liabilities*

The amendments to FRS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of 'currently has a legal enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments to FRS 107 require entities to disclose information about rights of set-off and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The amendments to FRS 107 are required for annual periods beginning on or after January 1, 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods. However, the amendments to FRS 32 are effective for annual periods beginning on or after January 1, 2014, with retrospective application required.

The management anticipates that the application of amendments to FRS 107 will result in more extensive disclosures on offsetting financial assets and financial liabilities. However, the management is still evaluating the impact of the amendments to FRS 32 on the financial assets and liabilities that have been set-off on the statement of financial position.

Management anticipates that the adoption of the above FRSs and amendments to FRSs in 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 except as disclosed above.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose 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 statement of comprehensive income from the effective date of acquisition and 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 into line with those used by other members of the group.

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

Non-controlling interests in subsidiaries are identified separately from the group's equity therein. The interest of non-controlling shareholders that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement or*, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BUSINESS COMBINATIONS – The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the group to the former owners of the acquiree and equity interests issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the group's previously held interest in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with FRS 102 *Share-based Payment* at the acquisition date; and

- 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* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year from acquisition date.

The accounting policy for initial measurement of non-controlling interests is described above.

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

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 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 (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets 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, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in active markets are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest 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 the end of each reporting period. 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, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 to 120 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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 or 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 on profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derecognition of financial assets

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest 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 foreign exchange rate risk, including foreign exchange forward contracts. The group does not use derivative financial instruments for speculative purposes. Further details of derivative financial instruments are disclosed in Note 22 to the financial statements.

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 the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged item that is attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the statement of comprehensive income relating to the hedged item.

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

Financial guarantee contracts

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 *Provisions, 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.

The group as lessee

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 statement of financial position 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 the liability. Finance charges are charged directly to profit or loss.

Rentals payable under operating leases are charged to profit or loss 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.

The group as lessor

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.

ASSETS CLASSIFIED AS HELD FOR SALE - Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

INVENTORIES - Inventories are stated 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 company and other manufacturing entities. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The 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. Work-in-progress and 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

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

Freehold properties	-	2.5%
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%

With effect from July 1, 2012, the group and company changed its accounting policy to measure its leasehold and freehold land and buildings from the Revaluation Model to the Cost Model. See details and effects of the change in Note 39.

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

Depreciation is not provided on freehold land.

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

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

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

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

The estimated useful life, residual value and depreciation method are reviewed at the end of each reporting period, 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 profit or loss.

INTANGIBLE ASSETS - Intangible assets acquired in a business combination are identified and recognised separately from goodwill if the assets and their fair values can be measured reliably. The cost of such intangible assets is their fair value as at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated impairment losses, on the same basis as intangible assets acquired separately.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated useful lives. The amortisation period and method are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events or circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Intangible assets relating to customer relationships and proprietary application software acquired in a business combination have finite useful lives and are measured at cost less accumulated amortisation and impairment losses. These intangible assets are amortised to profit or loss on a straight-line basis over their estimated useful lives as follows:

Customer relationships	-	9 years
Proprietary application software	-	5 years

Patents, trademarks and technical fees which are amortised using the straight-line method over their useful lives of between 3 to 20 years.

Software costs that are directly associated with identifiable software controlled by the group that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Internally developed software are initially capitalised at cost which includes the purchase price (net of any discounts and rebates, and government grant) and other directly attributable costs of preparing the software for its intended use. Direct expenditure which enhances or extends the performance of software beyond its specifications and which can be reliably measured is added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Software is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 10 years.

The period and method of amortisation of the software are reviewed at least at each financial year end. The effects of any revision of the amortisation period or method are included in the profit or loss for the period in which the changes arise. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS - At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 for which the estimates of future cash flows have not been adjusted.

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 profit or loss, 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 profit or loss, 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

ASSOCIATES – Associates are entities over which the group has significant influence and that are 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.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position 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 profit or loss.

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 end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

Onerous contracts

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

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

Sale of goods

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Insurance recovery claim

Insurance recovery claim is recognised when the right to receive the claim has been established.

Rendering of services

Revenue from rendering of services that are of short duration is recognised upon billings raised for performance of services.

Revenue from rendering of services that are project-based is recognised when the services are rendered, by reference to completion of the specific transaction and upon acceptance by the customer.

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 have 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 profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contribution. 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 end of the reporting period.

SHARE-BASED PAYMENTS - The group issues equity-settled share-based payments to qualifying 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 statement of comprehensive income 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 end of the reporting period.

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 on taxable temporary differences arising on investments in subsidiaries and associates, 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.

Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

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 statement of financial position 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 rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. 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 profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Exchange differences on transactions entered into in order to hedge certain foreign currency risks are described in the derivative financial instruments accounting policy above.

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 at the end of the reporting period. 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 recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

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 recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS – 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.

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*

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Fair value of right to exercise Personal Undertaking from non-controlling interests of a subsidiary

Note 22 to the financial statements describes the company's rights to exercise the Personal Undertaking from certain non-controlling shareholders ("Guarantors") of a subsidiary. As at the end of the reporting period, the company was entitled to exercise its rights to increase its shareholdings in Cast Laboratories Pte Ltd ("Cast Lab") from 52.5% to 77.8%. The fair value gain based on the additional 25.3% interest in the net assets of Cast Lab and its subsidiaries ("Cast Lab Group") as at June 30, 2013 was estimated to be $2.77 million. However, the $2.77 million was not recognised in full as management intended to negotiate with the Guarantors based on the rationale detailed in Note 22(b). Subsequent to the year-end, the company agreed with the Guarantors to transfer their shares in Cast Lab to the company such that the company's interest in Cast Lab increases to 65%. The fair value gain of the additional 12.5% interest amounts to $1.37 million and has been recognised by the group as a derivative financial instrument and in other operating income for the year ended June 30, 2013.

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

(b) *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of 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 collectability 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 end of the reporting period 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.

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 differences between (1) the committed selling prices and estimated cost of sales for the unfulfilled sales quantities committed in respect of contracts for which delivery has substantially commenced by the end of the financial year and (2) the committed prices and estimated cost for the services committed in respect of uncompleted contracts.

The provision for onerous contracts at the end of the reporting period is disclosed in Note 20 to the financial statements.

iii) Allowance for inventories

The policy for allowance for inventories for the group is based on 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 end of the reporting period is disclosed in Note 9 to the financial statements.

iv) Impairment of investments in subsidiaries and associates

Management of the company performs impairment assessment of the recoverable amount of the investments in subsidiaries and associates at the end of each reporting period to determine whether there is any indication that its subsidiaries and associates are impaired. Where there is an indicator of impairment, the recoverable amounts of investment in subsidiaries and associates 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 and advances to subsidiaries at end of the reporting period was $32,375,000 (2012: $31,395,000), which is net of an impairment loss of $11,600,000 (2012: $11,600,000).

The carrying amount of investments in associates at the end of the reporting period is disclosed in Note 12 to the financial statements.

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

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

v) Impairment of property, plant and equipment

The group has recorded its freehold land at cost.

The group's freehold properties, leasehold land and buildings are stated at cost less accumulated depreciation and impairment loss. Where there is an indication of impairment, the recoverable amounts of the freehold land, freehold properties, leasehold land and leasehold buildings would be determined by management using independent valuers.

The group has assessed the recoverable value of its freehold land, freehold properties, leasehold land and leasehold buildings to be $46,895,000 as at June 30, 2013 (2012 : $16,975,000; 2011 : $18,112,000), and as this equals or exceeds the cost of each of the individual properties, management has concluded that there is no impairment with regard to these properties. Hence, management reversed the impairment loss of $469,000 in the current year. In making its judgement, management engaged professional third party valuers in 2013 to perform a valuation exercise on the land and buildings to ensure that the fair value reflects the current economic conditions in Singapore, Malaysia, Brunei and Vietnam and have updated their estimates based on latest property prices in current year.

The group has assessed the carrying amounts of the other plant and equipment and concluded that there is no indicators of impairment.

vi) Impairment of investment properties

The group's investment properties are stated at 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 properties as at the end of the reporting period was $1,171,000 (2012: $1,211,000). No impairment is deemed to be necessary by management.

vii) Assessment of the impact to the group from Canterbury earthquake

The group has operations in Canterbury, New Zealand. During the financial year ended June 30, 2012, as a result of the earthquakes and aftershocks in Canterbury, the group had suffered some damage to its land and buildings. The group also suffered damage to its office equipment, machinery, furniture and fittings, inventories and business interruption, all of which are covered under the group's insurance policy.

The group is still negotiating a final insurance settlement and an amount up to $1,020,000 may still be receivable. As negotiations are not yet complete, this amount has not been recorded by the group. To date, the group has received monies of $1,892,000 in relation to the damaged properties and inventories and this has been included in other operating income in 2012. All affected properties and assets have been fully written off in prior years.

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

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

viii) Impairment of customer relationships

The management of the Group performs an impairment assessment of the customer relationships to determine whether there is any indication that they may be impaired as at June 30, 2013. In making this assessment, management considers the estimates and assumptions used in determining the carrying value of customer relationships including account attrition, expected lives and other factors. Significant changes in these estimates and assumptions could adversely impact the valuation of the customer relationships.

Management has assessed that the estimates and assumptions used in prior years remain appropriate and no impairment in customer relationships is required. The carrying value of customer relationships is $1,783,000 (2012: $2,016,000) as at the end of the reporting period.

ix) Useful lives of property, plant and equipment

As described in Note 2, the group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the financial year, the group revised the useful lives of machinery, tools and equipment included as plant and machinery in its Test & Inspection Segment from five years to eight years in order to align this to industry practice. The financial effect of this reassessment assuming the assets are held until the end of their estimated useful lives is to decrease depreciation expense in the current financial year and over the remaining useful lives of plant and machinery by $379,000 each year.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period.

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Financial assets				
Loans and receivables (including cash and cash equivalents)	120,659	106,359	66,604	56,049
Derivative financial instruments	1,424	–	–	–
Financial liabilities				
Amortised cost	77,904	75,571	34,386	30,900
Derivative financial instruments	–	110	–	–

(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.

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

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

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

- 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.

At the end of the reporting period, the carrying amounts of significant monetary assets and monetary liabilities that are not denominated in the functional currencies of the respective group entities are as follows:

	Group				Company			
	Liabilities		Assets		Liabilities		Assets	
	2013	2012	2013	2012	2013	2012	2013	2012
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
United States dollar	14,681	10,839	4,661	4,186	9,847	8,284	2,020	1,529
Euro	2,238	1,654	52	425	1,208	901	–	–
Singapore dollar	314	149	3,046	904	–	–	–	–

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 22.

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 after factoring in the impact of forward foreign exchange contracts. 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.

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)

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		Singapore Dollar impact	
	2013	2012	2013	2012	2013	2012
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Profit or loss	1,002	656	62	(85)	(225)	(101)
Company						
Profit or loss	783	676	121	90	–	–

The impact to profit or loss is mainly attributable to the exposure outstanding on receivables and payables at the end of the reporting period in the group.

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

ii) Interest rate risk management

The group's exposure to the risk of changes in interest rates relates mainly to bank borrowings. The group actively reviews its debt portfolio to achieve the most favourable interest rates available.

The interest rates and terms of repayment for bank borrowings, leases and long-term borrowings of the group are disclosed in Notes 18, 21 and 23 to the financial statements.

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

The interest rates and repricing period for fixed deposits are disclosed in Note 6 to the financial statements.

Management has considered the total outstanding borrowings as well as their current interest rate environment and does not expect the effect of changes in interest rate on these borrowings to be significant.

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 group has no significant concentration of credit risk.

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 company is exposed to a concentration of credit risk as trade receivables amounting to about 19% (2012 : 9%) are due mainly from a key customer with good payment history.

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.

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

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
By geographical areas				
Singapore	73,669	66,300	49,124	40,688
Malaysia	10,598	8,974	309	120
Brunei	3,432	3,543	50	82
New Zealand	2,553	2,669	–	–
Vietnam	5,046	3,515	115	201
Thailand	74	137	57	111
Japan	168	326	168	327
Indonesia	319	780	50	447
Others	110	249	–	–
Total gross trade receivables	95,969	86,493	49,873	41,976

iv) Liquidity risk management

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 liabilities in the statements of financial position.

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

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

iv) Liquidity risk management (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					
2013					
Non-interest bearing	–	39,674	–	–	39,674
Finance lease liability (fixed rate)	5.49	654	344	(37)	961
Fixed interest rate instruments	2.87	37,346	994	(1,071)	37,269
		77,674	1,338	(1,108)	77,904
2012					
Non-interest bearing	–	35,187	–	–	35,187
Finance lease liability (fixed rate)	4.69	770	721	(81)	1,410
Fixed interest rate instruments	3.98	39,456	1,069	(1,551)	38,974
		75,413	1,790	(1,632)	75,571
Company					
2013					
Non-interest bearing	–	18,477	–	–	18,477
Fixed interest rate instruments	1.38	16,129	–	(220)	15,909
		34,606	–	(220)	34,386
2012					
Non-interest bearing	–	12,583	–	–	12,583
Fixed interest rate instruments	1.45	18,583	–	(266)	18,317
		31,166	–	(266)	30,900

The maximum amount that the company could be forced to settle under the corporate guarantee in relation to credit facilities granted to subsidiaries in Note 34 is $57,166,000 (2012 : $60,079,000). The earliest period that the guarantee could be called is within 1 year (2012 : 1 year) from the end of the reporting period. The company considers that it is more likely than not that no amount will be payable under the arrangement.

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. 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 assets in the statements of financial position.

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

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

iv) Liquidity risk management (Cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustments	Total
	% p.a.	$'000	$'000	$'000	$'000	$'000
Group						
2013						
Non-interest bearing	–	120,590	59	–	–	120,649
Fixed interest rate instruments	0.25	10	–	–	– [(a)]	10
		120,600	59	–	–	120,659
2012						
Non-interest bearing	–	105,323	55	5	–	105,383
Fixed interest rate instruments	0.84	984	–	–	(8)	976
		106,307	55	5	(8)	106,359
Company						
2013						
Non-interest bearing	–	66,604	–	–	–	66,604
2012						
Non-interest bearing	–	56,049	–	–	–	56,049

(a) Amount less than $1,000

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 $54,000 in assets (2012 : $110,000 in liabilities) as at June 30, 2013.

The fair value of the right to exercise Personal Undertaking from non-controlling interests of the subsidiary amounted to $1,370,000 (2012: $Nil) as at June 30, 2013.

v) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables 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.

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

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

v) Fair values of financial assets and financial liabilities (Cont'd)

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

The group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a. quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

b. inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

c. inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of the group's derivative financial instruments relating to forward foreign exchange contracts and the right to exercise Personal Undertaking from non-controlling interests of the subsidiary is classified as Level 2 and Level 3 respectively. There are no movements between different levels during the year.

(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 18, 21 and 23 (net of cash and cash equivalents) and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated profits as disclosed in Notes 24 to 26.

The group is required to maintain compliance with covenants imposed by banks and these include a minimum tangible net worth amount and a maximum gearing ratio. The group is in compliance with these externally imposed covenant requirements for the financial years ended June 30, 2013 and 2012.

The Board of Directors reviews the capital structure regularly to achieve an appropriate capital structure. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions and the risk of characteristics of the underlying assets.

The group's overall strategy remains unchanged from 2012.

5 RELATED PARTY TRANSACTIONS

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	
	2013	2012
	$'000	$'000
Sales to associates	(5,680)	(3,119)
Purchases from an associate	–	16
Purchases of plant and equipment from an associate	16	14
Interest income from an associate	(3)	(4)
Management fee from an associate	(15)	(6)
Redemption of redeemable bond from a director	–	700
Acquisition of interests in subsidiaries from a director (Note 35)	–	800
Companies in which key management have interests:		
Sales	(3,293)	(1,888)
Purchases	422	363
Purchases of plant and equipment	–	28
Freight and handling charges	644	537

Compensation of directors and key management personnel

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

	Group	
	2013	2012
	$'000	$'000
Short-term benefits	5,093	4,595
Post-employment benefits	170	150
	5,263	4,745

6 CASH AND BANK BALANCES

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Cash and bank balances	24,471	18,516	11,299	10,838
Fixed deposits	10	976	–	–
	24,481	19,492	11,299	10,838

The fixed deposits bear interest ranging at 0.25% (2012 : 0.20% to 2.87%) per annum and are due within 12 months. The fixed deposits can be converted to a known amount of cash at minimum charges at short notice.

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	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
United States dollar	2,054	1,015	1,014	300
Euro	1	76	–	–
Singapore dollar	1,128	7	–	–

7 TRADE RECEIVABLES

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Outside parties	91,833	83,460	47,047	39,905
Less: Allowance for doubtful receivables	(1,324)	(1,386)	(556)	(556)
	90,509	82,074	46,491	39,349
Related parties (Note 5)	1,844	1,054	50	82
Subsidiaries (Note 11)	–	–	1,365	963
Associates (Note 12)	2,292	1,979	1,411	1,026
	94,645	85,107	49,317	41,420

The average credit period on sales of goods is 30 to 120 days (2012 : 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.

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

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Not past due and not impaired	57,739	51,833	31,880	27,629
Past due but not impaired (i)	19,662	18,574	–	–
	77,401	70,407	31,880	27,629
Past due and reviewed for impairment				
- collectively assessed (ii)	17,798	15,283	17,991	14,345
Less: Allowance for impairment	(554)	(583)	(554)	(554)
	17,244	14,700	17,437	13,791
Impaired receivables – individually assessed (ii), (iii):				
- Past due more than 6 months and no response to repayment demands	769	803	2	2
Less: Allowance for impairment	(769)	(803)	(2)	(2)
	–	–	–	–
Total trade receivables, net	94,645	85,107	49,317	41,420

7 TRADE RECEIVABLES (CONT'D)

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
(i) Aging of receivables that are past due but not impaired				
< 3 months	13,451	12,922	–	–
3 months to 6 months	2,883	2,680	–	–
6 months to 12 months	1,838	1,737	–	–
> 12 months	1,490	1,235	–	–
	19,662	18,574	–	–

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

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

Movements in the allowance for doubtful receivables:

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Balance at beginning of the year	1,386	832	556	788
Increase in allowance due to acquisition	–	884	–	–
Amounts written off during the year	(188)	(364)	–	(232)
Currency realignment	–	(3)	–	–
Charge to profit or loss	126	37	–	–
Balance at end of the year	1,324	1,386	556	556

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

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
United States dollar	1,539	1,963	125	202
Euro	51	241	–	–
Singapore dollar	1,918	197	–	–

8 OTHER RECEIVABLES

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Subsidiaries (Note 11)	–	–	5,975	3,777
Associates (Note 12)	95	233	–	–
Related parties	33	–	–	–
Non-controlling interests	–	13	–	–
Advances to staff	191	495	4	7
Prepayments	853	547	56	50
Leasehold prepayments (current portion) (Note 15)	4	14	–	–
Deposits	448	360	7	7
Advance to suppliers	220	425	–	–
Insurance claims	–	199	–	–
Tax recoverable	–	7	–	–
Others	766	460	2	–
Total	2,610	2,753	6,044	3,841
Less: Non-current other receivables	(59)	(60)	–	–
Current other receivables	2,551	2,693	6,044	3,841

The amounts due from subsidiaries, associates, related parties, non-controlling interests and advances to staff are unsecured, interest-free and repayable on demand.

The fair value of the non-current portion approximates its carrying amount.

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

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
United States dollar	1,068	1,208	881	1,027
Euro	–	108	–	–
Singapore dollar	–	700	–	–

9 INVENTORIES

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Raw materials	16,888	13,241	13,541	10,799
Work-in-progress	9,234	9,232	4,100	5,040
Finished goods, at cost	32,345	34,877	15,686	16,818
Goods-in-transit	7,657	6,242	6,414	5,624
	66,124	63,592	39,741	38,281

Inventories with a carrying amount of $Nil (2012 : $8.41 million) have been pledged as security for certain of the group's bank overdrafts and short-term bank borrowings (Note 18) and long-term borrowings (Note 23).

There was a write back of inventories obsolescence of $183,000 (2012 : an allowance of $276,000) during the current year. The inventories were written back as they were sold at prices above cost in the current year. In addition, $392,000 (2012 : $285,000) of inventories were written off as they were assessed to be not saleable.

10 ASSETS CLASSIFIED AS HELD FOR SALE

The major classes of assets comprising the disposal assets classified as held for sale are as follows:

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Property, plant and equipment[(a)]	856	–	–	–
Leasehold prepayment[(a)]	511	–	–	–
Investment in an associate	60	–	–	–
	1,427	–	–	–

(a) Management decided to sell its leasehold land and buildings held by Equalight Resources Sdn. Bhd. in Kuantan, Malaysia. Negotiations with several interested parties had subsequently taken place and the subsidiary entered into a Sales and Purchase Agreement for the sales of the property with an approximate selling price of $2.65 million (RM 6.65 million) on January 15, 2013. At the end of the financial year, the title deed had not yet been transferred to the new owners as the final approval from the government authorities was only obtained in July 2013.

The proceeds of disposal are expected to exceed the net carrying amount of the properties of $1,367,000 and accordingly, no impairment loss has been recognised on the classification of these assets as held for sale.

11 SUBSIDIARIES

	Company	
	2013	2012
	$'000	$'000
Unquoted equity shares, at cost	28,202	28,202
Less: Impairment loss	(1,959)	(1,959)
	26,243	26,243
Deemed investment [(a)]	4,113	3,256
Advances	11,660	11,537
Less: Allowance for impairment loss	(9,641)	(9,641)
	32,375	31,395

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 subsidiaries for 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. An impairment loss of $11,600,000 (2012 : $11,600,000) has been recorded by the company for its total cost of investment and advances relating to a subsidiary as this subsidiary has been continuously loss-making.

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

Movements in the allowance for impairment loss:

	Company	
	2013	2012
	$'000	$'000
Balance at beginning of the year	11,600	11,040
Amounts written off during the year	–	(211)
Charge to profit or loss	–	771
Balance at end of the year	11,600	11,600

11 SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of company	Principal activities/ Country of incorporation and operation	Effective equity interest held by the group 2013 %	2012 %
Tai Sin Electric Cables (Malaysia) Sdn. Bhd. (b)	Cable and wire manufacturer and dealer in such products/ Malaysia	100	100
PKS Sdn Bhd (b)	Electrical switchboards feeder pillars and components manufacturer and dealer in such products/ Brunei	70	70
Equalight Resources Sdn. Bhd. (c)	Investment holding/ Malaysia	100	100
LKH Lamps Sdn. Bhd. (subsidiary of Equalight Resources Sdn. Bhd.) (c)	Ceased operations. Previously manufacture and sale of lights and lighting components/ Malaysia	100	100
LKH Lightings Sdn. Bhd. (subsidiary of LKH Lamps Sdn. Bhd.) (c)	Ceased operations. Previously trading of lights and lighting components/ Malaysia	100	100
Tai Sin (Vietnam) Pte Ltd (a)	Intermediate investment holding/ Singapore	100	100
Tai Sin Electric Cables (VN) Company Limited (subsidiary of Tai Sin (Vietnam) Pte Ltd) (d)	Cable and wire manufacturer and dealer in such products/ Vietnam	100	100
Lim Kim Hai Electric (VN) Company Limited (subsidiary of Tai Sin (Vietnam) Pte Ltd) (d)	Trading of electrical products/ Vietnam	90	90
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
Tai Sin Electric International Pte Ltd (a)	Dormant/ Singapore	100	100
Vynco Industries (NZ) Limited (subsidiary of Lim Kim Hai Electric Co (S) Pte Ltd) (e)	Distributor of electrical products and investment holding/ New Zealand	77.3	77.3

11 SUBSIDIARIES (CONT'D)

Name of company	Principal activities/ Country of incorporation and operation	Effective equity interest held by the group	
		2013 %	2012 %
V.L. Holdings Limited (subsidiary of Vynco Industries (NZ) Limited) [e]	Property investment company/ New Zealand	77.3	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
Cast Laboratories Pte Ltd [a]	Laboratories for tests, experiments and researches and provisions of quality consultancy services and investment holding/ Singapore	52.5	52.5
CiPGi Pte Ltd (subsidiary of Cast Laboratories Pte Ltd) [a]	Provision of technical testing services, analysis services, construction and infrastructure maintenance activities/ Singapore	52.5	52.5
Castconsult Sdn Bhd (subsidiary of Cast Laboratories Pte Ltd) [b]	General construction and technical engineering/ Malaysia	52.5	52.5
Castlab International Pte Ltd (subsidiary of Cast Laboratories Pte Ltd) [a] [f]	Investment holding and management services to related companies/ Singapore	52.5	52.5
United Geotechnics Pte Ltd (subsidiary of Cast Laboratories Pte Ltd) [a] [g]	Laboratories testing, experiments and researches on all kinds of substance and materials, and the provisions of quality consultancy services/ Singapore	52.5	52.5

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

(b) Audited by member firms of Deloitte Touche Tohmatsu Limited.

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

(d) Audited by DTL Auditing Company, a member firm of Crowe Horwath International.

(e) Audited by BDO Christchurch.

(f) Struck off subsequent to the year.

(g) In the process of being struck off.

12 ASSOCIATES

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Unquoted equity shares, at cost	1,906	2,033	–	–
Share of post-acquisition results and reserves, net of dividends received	2,944	2,045	–	–
	4,850	4,078	–	–

Details of the group's associates and its significant investments are as follows:

Name of associates	Principal activities/ Country of incorporation and operation	Proportion of ownership interest		Proportion of voting power held	
		2013	2012	2013	2012
		%	%	%	%
Held by Lim Kim Hai Electric Co (S) Pte Ltd					
Nylect International Pte. Ltd. [(a)]	Investment holding/ Singapore	30	30	30	30
Held by Nylect International Pte. Ltd.					
Nylect Engineering Pte Ltd [(a)]	Mechanical and electrical design and installation/ Singapore	100	100	100	100
PT Nylect Engineering [(b)]	Mechanical and electrical design and installation/ Indonesia	70	70	70	70
Nylect Technology Ltd [(b)] Vietnam	Mechanical and electrical design and installation/ Vietnam	100	100	100	100
Shanghai Nylect Engineering Co., Ltd [(a)]	Mechanical and electrical design and installation/ People's Republic of China	100	100	100	100
Held by Nylect Engineering Pte Ltd					
NEPL Pte Ltd [(a)]	Mechanical and electrical design and installation/ Singapore	100	100	100	100
Nylect Engineering (M) Sdn. Bhd. [(b)]	Mechanical and electrical design and installation/ Malaysia	62.5	70	62.5	70

12 ASSOCIATES (CONT'D)

Name of associates	Principal activities/ Country of incorporation and operation	Proportion of ownership interest		Proportion of voting power held	
		2013 %	2012 %	2013 %	2012 %
<u>Held by Nylect Engineering Pte Ltd (cont'd)</u>					
PT Nylect Engineering [b]	Mechanical and electrical design and installation/ Indonesia	30	30	30	30
<u>Held by Shanghai Nylect Engineering Co., Ltd</u>					
Shanghai En Yi Lighting Equipment Co., Ltd [b]	Supply of lighting, equipment/ People's Republic of China	100	100	100	100
<u>Held by Cast Laboratories Pte Ltd</u>					
PT Cast Laboratories Indonesia [d]	Provision of oil and gas, non-construction, testing and analysis services/ Indonesia	29	29	29	29
Castlab (Thailand) Company Limited [c]	Provision of specialised, geotechnics services/ Thailand	45	45	45	45

[a] Audited by RSM Chio Lim LLP, Singapore and member firms of RSM International.

[b] Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.

[c] Classified as assets held for sale during the year (Note 10).

[d] Not required to be audited by the law of its country of incorporation. For the purpose of consolidation, unaudited management accounts were used as the results of the associates were not considered to be significant.

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

	2013 $'000	2012 $'000
Total assets	32,371	28,299
Total liabilities	(15,976)	(14,795)
Net assets	16,395	13,504
Group's share of associates' net assets	4,850	4,078
Revenue	62,266	38,050
Profit for the year	2,992	2,455
Group's share of profit for the year	917	753

12 ASSOCIATES (CONT'D)

The financial year end of certain associates is December 31, which is not co-terminous with that of the group. The equity accounting for the results of the associates is based on the unaudited consolidated financial statements for the period ended June 30, 2013.

13 PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Freehold properties $'000	Leasehold land and buildings $'000	Office equipment and furniture $'000	Plant and machinery $'000	Motor vehicles $'000	Total $'000
Group							
Cost:							
At July 1, 2011, as previously reported	1,246	2,325	18,096	5,025	19,424	1,946	48,062
Reclassification of freehold land previously recorded as freehold properties	1,156	(1,156)	–	–	–	–	–
Reclassification of freehold properties previously recorded as leasehold buildings	–	1,019	(1,019)	–	–	–	–
Effects of change in accounting policy (Note 39)	–	–	2,155	–	–	–	2,155
At July 1, 2011, as restated	2,402	2,188	19,232	5,025	19,424	1,946	50,217
Currency realignment	(40)	(28)	(27)	(43)	(73)	(9)	(220)
Additions	–	23	5	1,244	1,477	481	3,230
Acquisition of subsidiaries (Note 35)	–	–	1,085	504	3,670	533	5,792
Disposals	–	–	–	(441)	(331)	(251)	(1,023)
Write-offs	–	(1,170)	–	(38)	(30)	–	(1,238)
At June 30, 2012, as restated	2,362	1,013	20,295	6,251	24,137	2,700	56,758
Currency realignment	(24)	(1)	19	(48)	–	(5)	(59)
Additions	–	138	3	1,396	2,134	367	4,038
Disposals	–	–	–	(126)	(299)	(343)	(768)
Write-offs	–	–	–	(210)	(833)	(40)	(1,083)
Assets reclassified as held for sale (Note 10)	–	–	(1,157)	(131)	(196)	–	(1,484)
At June 30, 2013	2,338	1,150	19,160	7,132	24,943	2,679	57,402

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land $'000	Freehold properties $'000	Leasehold land and buildings $'000	Office equipment and furniture $'000	Plant and machinery $'000	Motor vehicles $'000	Total $'000
Group (Cont'd)							
Accumulated depreciation:							
At July 1, 2011, as previously reported	–	115	2,964	3,320	16,120	1,005	23,524
Reclassification of freehold properties previously recorded as leasehold buildings	–	242	(242)	–	–	–	–
Effects of change in accounting policy (Note 39)	–	–	7,868	–	–	–	7,868
At July 1, 2011, as restated	–	357	10,590	3,320	16,120	1,005	31,392
Currency realignment	–	(5)	(8)	(26)	(67)	(6)	(112)
Depreciation, as restated	–	29	655	899	854	332	2,769
Disposals	–	–	–	(374)	(309)	(213)	(896)
Write-offs	–	(119)	–	(23)	(25)	–	(167)
At June 30, 2012, as restated	–	262	11,237	3,796	16,573	1,118	32,986
Currency realignment	–	–	1	(23)	5	(2)	(19)
Depreciation	–	31	560	1,099	1,421	477	3,588
Disposals	–	–	–	(98)	(254)	(286)	(638)
Write-offs	–	–	–	(201)	(814)	(40)	(1,055)
Assets reclassified as held for sale (Note 10)	–	–	(302)	(130)	(196)	–	(628)
At June 30, 2013	–	293	11,496	4,443	16,735	1,267	34,234
Impairment:							
At July 1, 2011	476	–	–	–	–	–	476
Currency realignment	(9)	–	–	–	–	–	(9)
At June 30, 2012	467	–	–	–	–	–	467
Currency realignment	2	–	–	–	–	–	2
Reversal	(469)	–	–	–	–	–	(469)
At June 30, 2013	–	–	–	–	–	–	–
Carrying amount:							
At June 30, 2013	2,338	857	7,664	2,689	8,208	1,412	23,168
At June 30, 2012, as restated	1,895	751	9,058	2,455	7,564	1,582	23,305
At June 30, 2011, as restated	1,926	1,831	8,642	1,705	3,304	941	18,349

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold land and buildings $'000	Office equipment and furniture $'000	Plant and machinery $'000	Motor vehicles $'000	Total $'000
Company					
Cost:					
At July 1, 2011, as previously reported	6,325	1,417	13,182	985	21,909
Effects of change in accounting policy (Note 39)	1,032	–	–	–	1,032
At July 1, 2011, as restated	7,357	1,417	13,182	985	22,941
Additions	3	71	795	227	1,096
Disposals	–	(8)	(208)	(90)	(306)
At June 30, 2012 , as restated	7,360	1,480	13,769	1,122	23,731
Additions	–	37	1,031	147	1,215
Disposals	–	–	(241)	(6)	(247)
Write-offs	–	(29)	–	–	(29)
At June 30, 2013	7,360	1,488	14,559	1,263	24,670
Accumulated depreciation:					
At July 1, 2011, as previously reported	1,283	1,345	10,950	625	14,203
Effects of change in accounting policy (Note 39)	5,004	–	–	–	5,004
At July 1, 2011, as restated	6,287	1,345	10,950	625	19,207
Depreciation, as restated	197	34	388	105	724
Disposals	–	(9)	(185)	(90)	(284)
At June 30, 2012, as restated	6,484	1,370	11,153	640	19,647
Depreciation	178	46	430	130	784
Disposals	–	–	(208)	(3)	(211)
Write-offs	–	(29)	–	–	(29)
At June 30, 2013	6,662	1,387	11,375	767	20,191
Carrying amount:					
At June 30, 2013	698	101	3,184	496	4,479
At June 30, 2012, as restated	876	110	2,616	482	4,084
At June 30, 2011, as restated	1,070	72	2,232	360	3,734

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 (28 years 7 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 B Kawasan Perindustrian Beribi 1 Jalan Gadong BE1118 Bandar Seri Begawan Negara Brunei Darussalam	Leasehold (20 years from July 1, 2012)	Factory building
No. 20 VSIP II, Street 2, Vietnam- Singapore Industrial Park 2 Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam	Leasehold (50 years from June 29, 2006)	Factory building
388, 390 & 396 Tuam Street New Zealand	Freehold	Freehold land
27 Defu Lane 6 Singapore 539380	Leasehold (37 years from February 1, 1979)	Factory building
18 Boon Lay Way #02-136 TradeHub 21 Singapore 609966	Leasehold (60 years from December 10, 2003)	Industrial building

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Had the group and company carried the freehold land, freehold properties, leasehold land and buildings at valuation, the net book value will have been $46,895,000 (2012 : $16,975,000 ; 2011 : $18,112,000) and $21,000,000 (2012 : $4,679,000 ; 2011 : $ 5,042,000) respectively.

The carrying amount of motor vehicles, plant and machinery under finance leases for the group as at June 30, 2013 is $1,477,000 (2012 : $1,782,000 ; 2011 : $53,000).

The carrying amount of assets pledged to the bank (Note 23) as at June 30, 2013 is $1.12 million (2012 : $3.74 million ; 2011 : $3.88 million).

14 INVESTMENT PROPERTIES

	Group $'000
Cost:	
At July 1, 2011	1,530
Addition through acquisition of subsidiaries (Note 35)	29
At June 30, 2012, 2013	1,559
Accumulated depreciation:	
At July 1, 2011	309
Depreciation for the year	39
At June 30, 2012	348
Depreciation for the year	40
At June 30, 2013	388
Carrying amount:	
At June 30, 2013	1,171
At June 30, 2012	1,211

The group's investment properties comprise the following:

Location	Title	Description
63 Hillview Avenue #10-21 Singapore 669569 ("Property A")	Freehold	Flatted factory unit
Unit No. 6-4, 6th floor Diamond Tower Pangsapuri Garden City Jalan Merdeka, 75000 Melaka Malaysia ("Property B")	Leasehold (99 years from July 28, 1997)	Condominium unit

The fair value of the investment property ("Property A") as at July 1, 2013 amounted to $3,500,000 and had been determined on the basis of valuations carried out by an independent valuer having an appropriate recognised professional qualification. It took 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.

14 INVESTMENT PROPERTIES (CONT'D)

The fair value of the investment property ("Property B") as at June 9, 2010 amounted to $32,000 and had been determined on the basis of valuations carried out by an independent valuer having an appropriate recognised professional qualification. It took 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.

Management has assessed the fair value of the properties based on latest transacted property prices in the same location and noted that the fair value of $3,500,000 and $32,000 for "Property A" and "Property B" respectively were reasonable.

The property rental income from the group's investment properties which are leased out under operating lease amounted to $59,000 (2012: $78,000). Direct operating expenses (including repairs and maintenance) arising from the rental-generating investment properties amounted to $20,000 (2012 : $19,000).

15 LEASEHOLD PREPAYMENTS

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Leasehold prepayments	696	726	–	–
Less : Assets reclassified as held for sale (Note 10)	(511)	–	–	–
Less : Current portion included as prepayment (Note 8)	(4)	(14)	–	–
	181	712	–	–

Leasehold prepayments comprise prepaid land rentals for use of land in Vietnam (2012: Malaysia and Vietnam). These are charged to profit or loss on a straight-line basis over the term of the relevant lease of approximately 50 years (2012: 50 to 55 years).

16 INTANGIBLE ASSETS

	Customer relationships $'000	Proprietary application software $'000	Internally developed software $'000	Patents, trademarks and technical fees $'000	Total $'000
Group					
Cost:					
At July 1, 2011	–	–	–	182	182
Additions through acquisition of subsidiaries (Note 35)	2,114	219	217	–	2,550
Additions	–	–	17	–	17
Currency realignment	–	–	–	(3)	(3)
At June 30, 2012	2,114	219	234	179	2,746
Currency realignment	–	–	–	(1)	(1)
At June 30, 2013	2,114	219	234	178	2,745
Accumulated amortisation:					
At July 1, 2011	–	–	–	141	141
Currency realignment	–	–	–	(3)	(3)
Amortisation for the year	98	25	–	17	140
At June 30, 2012	98	25	–	155	278
Currency realignment	–	–	–	(1)	(1)
Amortisation for the year	233	44	–	17	294
At June 30, 2013	331	69	–	171	571
Carrying amount:					
At June 30, 2013	1,783	150	234	7	2,174
At June 30, 2012	2,016	194	234	24	2,468

17 DEFERRED TAX ASSETS (LIABILITIES)

	Group			Company		
	2013 $'000	2012 $'000	2011 $'000	2013 $'000	2012 $'000	2011 $'000
		(Restated)	(Restated)		(Restated)	(Restated)
Deferred tax assets	176	179	225	–	–	–
Deferred tax liabilities	(1,893)	(1,749)	(892)	(322)	(322)	(183)

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

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

Deferred tax assets

	Provisions $'000	Unutilised capital allowances $'000	Tax losses $'000	Total $'000
Group				
At July 1, 2011	170	(79)	134	225
(Charge) Credit to profit or loss	(119)	106	(33)	(46)
Currency realignment	(1)	4	(3)	–
At June 30, 2012	50	31	98	179
(Charge) Credit to profit or loss	(50)	146	(99)	(3)
Currency realignment	–	(1)	1	–
At June 30, 2013	–	176	–	176

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

Deferred tax liabilities

	Accelerated tax depreciation $'000	Others $'000	Total $'000
Group			
At July 1, 2011, as previously reported	(1,007)	–	(1,007)
Effects of change in accounting policy (Note 39)	115	–	115
At July 1, 2011, as restated	(892)	–	(892)
Acquisition of subsidiaries	(551)	(252)	(803)
Charge to profit or loss, as restated	(67)	11	(56)
Currency realignment	2	–	2
At June 30, 2012, as restated	(1,508)	(241)	(1,749)
Charge to profit or loss	(154)	27	(127)
Currency realignment	(17)	–	(17)
At June 30, 2013	(1,679)	(214)	(1,893)

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

	Provisions $'000	Accelerated tax depreciation $'000	Revaluation of properties $'000	Total $'000
Company				
At July 1, 2011, as previously reported	139	(322)	(97)	(280)
Effects of change in accounting policy (Note 39)	–	–	97	97
At July 1, 2011, as restated	139	(322)	–	(183)
Charge to profit or loss	(139)	–	–	(139)
At June 30, 2012, as restated	–	(322)	–	(322)
Charge to profit or loss	–	–	–	–
At June 30, 2013	–	(322)	–	(322)

18 BANK OVERDRAFTS AND SHORT-TERM BANK BORROWINGS

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Bank loan – secured	4,365	4,508	–	–
Bank overdrafts	912	2,595	–	–
Trust receipts and bills payable to banks	30,828	29,959	15,909	18,317
	36,105	37,062	15,909	18,317

The group's bank overdrafts and short-term bank borrowings are secured by the following:

i) negative pledge over all assets of a subsidiary;

ii) corporate guarantee of RM57.70 million ($22.96 million) [2012 : RM57.70 million ($22.96 million)], US$10.0 million ($12.67 million) [2012: US$10.0 million ($12.80 million)] and $8.0 million (2012 : $8.0 million) by the company (Note 34); and

iii) corporate guarantee of $520,000 (2012 : $600,000) by a subsidiary.

The bank overdrafts and short-term bank borrowings bear fixed interest rates ranging from 1.29% to 9.0% (2012: 1.39% to 12.0%) and 1.29% to 1.52% (2012: 1.39% to 1.51%) for the group and company respectively per annum and are due within 12 months.

Significant group and company's bank overdrafts and short-term bank borrowings that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
United States dollar	2,735	–	–	–

19 TRADE PAYABLES

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Outside parties	30,683	25,883	11,156	8,845
Related parties (Note 5)	738	744	–	–
Subsidiaries (Note 11)	–	–	4,778	1,553
	31,421	26,627	15,934	10,398

The average credit period on purchases of goods is 90 days (2012 : 90 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	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
United States dollar	11,915	9,802	9,847	8,284
Euro	2,238	1,654	1,208	901
Singapore dollar	296	118	–	–

20 OTHER PAYABLES

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Accruals	7,110	7,249	1,858	1,529
Provision for directors' fees	137	186	33	128
Provision for onerous contracts	200	–	–	–
Deposit from customers	1,551	962	407	19
Deposits received for sale of property	265	–	–	–
Sundry payables	1,006	825	222	98
Subsidiary (Note 11)	–	–	430	430
Non-controlling interests	–	300	–	–
	10,269	9,522	2,950	2,204

20 OTHER PAYABLES (CONT'D)

The amounts due to subsidiary and non-controlling interests are unsecured, interest-free and repayable on demand.

Provision for onerous contracts

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Balance at beginning of year	–	817	–	817
Charge (Credit) to profit or loss	200	(817)	–	(817)
Balance at end of year	200	–	–	–

Management assesses for fixed price onerous contracts for which deliveries and services are expected to be made after the year end. The provision for onerous contracts at the end of the reporting period is $200,000 (2012 : $Nil). All deliveries made and services rendered during the financial year ended June 30, 2013 which have incurred losses are charged to cost of sales in profit or loss in the financial year ended June 30, 2013.

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

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
United States dollar	31	1,037	–	–
Singapore dollar	18	31	–	–

21 OBLIGATION UNDER FINANCE LEASES

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Amounts payable under finance leases:				
Within one year	654	770	630	720
In the second to fifth year inclusive	344	721	331	690
	998	1,491	961	1,410
Less: Future finance charges	(37)	(81)	N/A	N/A
Present value of leases	961	1,410	961	1,410
Less: Amount due for settlement within 12 months (shown under current liabilities)			(630)	(720)
Amount due for settlement after 12 months			331	690

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

The carrying amounts of the group's finance lease payables at June 30, 2013 and 2012 approximate their fair value.

The rates of interest for the finance leases was 2.80% to 7.90% (2012: 3.71% to 14.95%) per annum.

22 DERIVATIVE FINANCIAL INSTRUMENTS

	2013		2012	
	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000
Group				
Forward foreign exchange contracts[(a)]	54	–	–	(110)
Right to exercise Personal Undertaking from non-controlling interests of a subsidiary[(b)]	1,370	–	–	–
	1,424	–	–	(110)

(a) Forward foreign exchange contracts

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.

Details of the group's forward foreign currency contracts outstanding as at the end of the reporting period are as follows:

	Foreign currency		Notional contract value		Fair value	
	2013 FC'000	2012 FC'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Group						
Buy Euro						
Less than 12 months	980	1,230	1,567	2,082	68	(105)
Buy United States dollar						
Less than 12 months	–	75	–	98	–	(3)
Sell Singapore dollar						
Less than 12 months	500	252	483	250	(14)	(2)

The fair value of forward foreign exchange contracts for the group and company amounted to $54,000 in assets (2012 : $110,000 in liabilities). These amounts are based on quoted market prices for equivalent instruments at the end of the reporting period. Changes in the fair value of the forward foreign exchange contracts are recorded in profit or loss immediately.

(b) Fair value of right to exercise Personal Undertaking from non-controlling interests of a subsidiary

The company owns 2,254,147 out of 4,293,613 issued and fully paid-up shares of Cast Laboratories Pte Ltd ("Cast Lab"), representing 52.5% of its issued and fully paid-up share capital.

As part of the terms of the acquisition of Cast Lab and its subsidiaries ("Cast Lab Group"), all the Vendors (save and except for Mr. Bobby Lim) agreed to jointly and severally warrant and undertake to the company ("Personal Undertaking") that the Net Tangible Assets ("NTA") of Cast Lab Group based on management accounts or the audited consolidated financial statements for the period up to financial year ending June 30, 2012 ("NTA June 2012"), whichever is available at the material time, would not decrease more than 5% of its NTA based on the audited consolidated financial statements for the period ended June 30, 2011 ("NTA June 2011").

22 DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair value of right to exercise Personal Undertaking from non-controlling interests of a subsidiary (Cont'd)

In the event that the NTA June 2012 of the Cast Lab Group should decrease by more than 5% of its NTA June 2011, three non-controlling shareholders of Cast Lab ("Guarantors") shall transfer such additional shares in Cast Lab at the consideration of $3.00 to the company according to the formulae set out in the Investment Agreement signed on January 12, 2012. In general terms, the total dollar amount of shortfall in NTA will be compensated by an equivalent number of shares in Cast Lab (valued at NTA June 2012 per share) to be transferred to the company. The Personal Undertaking was to terminate on August 29, 2012 or any other date to be mutually agreed upon.

On August 21, 2012 by mutual agreement, the Personal Undertaking was extended to terminate on September 30, 2013 or any other date to be mutually agreed upon. The new agreed Net Tangible Assets comparative dates were June 30, 2011 versus management accounts or the audited consolidated financial statements for the period up to financial year ending June 30, 2013 ("NTA June 2013"), whichever is available at the material time. Net Tangible Assets would exclude the $3,150,000 of share capital subscribed by the company.

At the end of the current financial year, the shortfall in NTA based on the management accounts as at June 30, 2013 amounted to $1.52 million. The company would be entitled to exercise its rights under the Personal Undertaking to be compensated for the shortfall in NTA by requiring the Guarantors to surrender and transfer an aggregate of 1,086,345 Cast Lab shares to Tai Sin. This would increase Tai Sin's shareholding to 77.8% of Cast Lab and result in the recognition of a fair value gain of $2.77 million based on an additional 25.3% interest in the net assets of the Cast Lab Group.

However, Tai Sin was considering certain options as at June 30, 2013 including a further (but final) extension for the Personal Undertaking to terminate on August 31, 2014 and/or increasing its additional interest in Cast Lab to a percentage to be negotiated up to a maximum of 25.3%. The directors of the company were of the view that as at June 30, 2013 and till the date the terms for extending the Personal Undertaking with the Guarantors was finalised and mutually agreed upon, recognition of $2.77 million would be inappropriate as it did not represent a fair indication of the potential asset arising from the Personal Undertaking and because there was at the moment, no intention to transfer all the relevant shares to the company.

The company's rationale for extending the Personal Undertakings was as follows:-

(i) With a view to diversify its activities, the company acquired the Cast Lab Group which is engaged in independent testing, inspection and certification services as well as heat treatment and specialized geotechnical services in Singapore with regional presence in Malaysia, Indonesia and Thailand.

(ii) The Guarantors are part of the key management team with significant market knowledge and management experience in the business in which the Cast Lab Group is engaged. The management of the company does not have such expertise.

(iii) The company prefers the Guarantors to hold some shares in Cast Lab so their interests are aligned with those of the company.

(iv) While the company is fully entitled to enforce its rights under the Personal Undertaking, it has chosen a flexible conciliatory approach with a view to motivate and incentivise the Cast Lab management team to significantly improve performance of Cast Lab Group.

(v) The company would also prefer to work and resolve issues with the Cast Lab management team to achieve the anticipated long term benefits realisable from the acquisition of the Cast Lab Group.

Subsequent to the year-end, the company agreed with the Guarantors to transfer their shares in Cast Lab to the company such that the company's interest in Cast Lab increases to 65.0%. The fair value of this additional interest of 12.5% amounts to $1.37 million and has been recognised by the group as a derivative financial instrument.

For purposes of accounting for the fair value of the Personal Undertaking as at June 30, 2013, management assessed that accounting for the additional 25.3% would not be representative as it did not intend to exercise in full and therefore did not represent the future economic benefits expected to flow to the group. Management concluded that the additional 12.5% interest of Cast Lab is more representative of the actual intent of management and the benefits expected.

23 LONG-TERM BORROWINGS

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Long–term loans – secured	1,164	1,912	–	–
The borrowings are repayable as follows:				
On demand or within one year	198	884	–	–
Second to fifth year inclusive	966	1,028	–	–
	1,164	1,912	–	–
Less: Amount due for settlement within one year (shown under current liabilities)	(198)	(884)	–	–
Amount due for settlement after one year	966	1,028	–	–

The secured long-term loans bear interest at fixed rates ranging from 6.06% to 7.82% (2012 : 2.17% to 7.82%) per annum.

The average term of borrowings entered into is 5 years and the carrying amount of the group's borrowings at June 30, 2013 and June 30, 2012 approximates its fair value.

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

The loans are secured by the following:

i) personal guarantees by shareholders of a subsidiary up to NZ$520,000 ($512,000);

ii) registered debenture over the assets of a subsidiary;

iii) corporate guarantee of NZ$475,000 ($468,000) [2012 : NZ$475,000 ($478,000)] and $Nil (2012 : $600,000) by certain subsidiaries; and

iv) a legal charge over the freehold land of a subsidiary.

24 SHARE CAPITAL

	Group and Company	
	Number of ordinary shares	$'000
Issued and paid up capital:		
At July 1, 2011	402,534,700	49,488
Issue of share capital pursuant to scrip dividend (Note 33)	13,970,732	2,235
At June 30, 2012	416,505,432	51,723
Issue of share capital pursuant to scrip dividend (Note 33)	21,737,359	4,565
At June 30, 2013	438,242,791	56,288

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

25 TREASURY SHARES

	Group and Company	
	Number of ordinary shares	$'000
At July 1, 2011, June 30, 2012 and June 30, 2013	2,727,000	950

26 RESERVES

Other Reserves

Other reserves include share of post-acquisition reserve of an associate and reserves arising from the acquisition of additional interests in subsidiaries.

In accordance with the relevant laws and regulations in People's Republic of China, the associate of the group is required to appropriate a minimum of 10% of the net profit after taxation after deducting losses carried forward reported in the statutory accounts to the statutory reserve until the balance of such reserve reached 50% of its registered share capital.

The amount to be set aside is determined by the Board of Directors annually in accordance with the relevant regulations. This reserve cannot be used for purposes other than those for which it is created and is not distributed as cash dividends but it can be used to offset losses or be capitalised as capital.

27 REVENUE

	Group	
	2013	2012
	$'000	$'000
Sales of goods	277,550	266,072
Rendering of services	27,778	12,926
	305,328	278,998

28 OTHER OPERATING INCOME

	Group	
	2013	2012
	$'000	$'000
Gain on disposal of property, plant and equipment	–	37
Interest income from deposits	21	23
Rental income	59	78
Insurance recovery claim	–	1,892
Import tax refund	1	47
Scrap sales	562	459
Excess of fair value of net identifiable assets acquired over consideration (Note 35)	–	1,754
Net exchange gain	20	–
Reversal of impairment loss of property, plant and equipment	469	–
Fair value adjustment on derivative financial instruments taken to profit or loss	164	–
Fair value of right to exercise Personal Undertaking from non-controlling interests of a subsidiary	1,370	–
Government grant	137	–
Others	155	153
	2,958	4,443

29 FINANCE COSTS

	Group	
	2013	2012
	$'000	$'000
Interest expense	1,238	1,328

30 INCOME TAX EXPENSE

	Group	
	2013	2012
	$'000	$'000
Income tax		(Restated)
Current	3,316	3,167
Overprovision in prior years	(402)	(365)
	2,914	2,802
Deferred income tax		
Current	84	98
Underprovision in prior years	48	5
	132	103
Total income tax expense	3,046	2,905

Domestic income tax is calculated at 17% (2012 : 17%) 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	
	2013	2012
	$'000	$'000
Profit before income tax	24,159	22,162
Income tax expense at domestic rate of 17% (2012 : 17%)	4,107	3,767
Non-allowable items	(159)	(347)
Deferred tax benefits not recognised	–	147
Utilisation of deferred tax benefits previously not recognised	–	(1)
Overprovision of taxation in prior years	(354)	(360)
Tax rebates	(173)	(228)
Effect of different tax rates of subsidiaries operating in other jurisdictions	84	(8)
Productivity and Innovation Credit enhanced deduction	(263)	(130)
Others	(196)	65
	3,046	2,905

30 INCOME TAX EXPENSE (CONT'D)

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

	Group	
	2013	2012
	$'000	$'000
Tax loss carry forwards		
Balance at beginning of year	7,772	9,361
Adjustment	789	(1,116)
Currency realignment	–	(152)
Arising during the year	–	318
Amount utilised during the year	(766)	(639)
Balance at end of year	7,795	7,772
Unutilised investment allowance		
Balance at beginning of year	1,560	1,593
Currency realignment	–	(33)
Balance at end of year	1,560	1,560
Unutilised capital allowance		
Balance at beginning of year	2,012	1,977
Adjustment	(66)	(15)
Currency realignment	–	(41)
Arising during the year	–	101
Amount utilised during the year	(108)	(10)
Balance at end of year	1,838	2,012
Total	11,193	11,344
Deferred tax benefits on above:		
Recorded	3	189
Unrecorded	2,796	2,647

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.

31 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	Group	
	2013	2012
	$'000	$'000
Directors' remuneration:		
of the company	1,391	1,238
of the subsidiaries	2,721	2,111
Total directors' remuneration	4,112	3,349
Directors' fee	249	221
Audit fees:		
Auditors of the company	285	205
Other auditors	54	51
Non-audit fees:		
Paid to auditors of the company	10	10
Other auditors	21	33
Cost of inventories recognised as expense	223,681	216,876
Foreign currency exchange adjustment (gain) loss	(21)	182
Fair value adjustments on derivative financial instruments	(164)	36
Property, plant and equipment written off	28	1,071
Inventories written off	392	285
Bad debts written off	134	184
Allowance for doubtful receivables	126	37
Amortisation of leasehold prepayments	9	14
Employee benefits expense	40,023	29,077
Cost of defined contribution plans included in employee benefits expense	2,580	2,022

32 EARNINGS PER SHARE

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

Earnings

	Group	
	2013	2012
	$'000	$'000
		(Restated)
Earnings for the purposes of calculation of basic and diluted earnings per share (profit for the year attributable to equity holders of the company)	21,159	18,645

Number of shares

Number of ordinary shares for the purpose of basic earnings per share and diluted earnings per share after consideration of scrip dividend issued	435,515,791	435,515,791

33 DIVIDENDS

During the financial year ended June 30, 2013, the company declared and paid dividends totalling $9.473 million. Details were as follows:

(a) Final tax-exempt dividend of 1.5 cent per ordinary share in respect of the financial year ended June 30, 2012 totalling $6.207 million. $1.642 million of the dividend was paid via cash and the remaining $4.565 million was paid via the issue of scrip dividend (Note 24).

(b) Interim tax-exempt dividend of 0.75 cent per ordinary share in respect of the financial year ended June 30, 2013 totalling $3.266 million.

During the financial year ended June 30, 2012, the company declared and paid dividends totalling $6.481 million. Details were as follows:

(a) Final tax-exempt dividend of 1.0 cent per ordinary share in respect of the financial year ended June 30, 2011 totalling $3.998 million. $1.763 million of the dividend was paid via cash and the remaining $2.235 million was paid via the issue of scrip dividend (Note 24).

(b) Interim tax-exempt dividend of 0.6 cent per ordinary share in respect of the financial year ended June 30, 2012 totalling $2.483 million.

Subsequent to June 30, 2013, the directors of the company recommended that a final tax-exempt dividend be paid at 1.5 cent per ordinary share totalling $6.533 million for the financial year ended June 30, 2013. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

34 CONTINGENT LIABILITIES

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Corporate guarantee in relation to credit facilities granted to subsidiaries (Notes 18 and 23)	–	–	57,166	60,079
Financial support granted to subsidiaries	–	–	–	1,071
Performance guarantees (secured)	122	127	–	–
Performance guarantees (unsecured) (i)	4,349	4,361	2,932	2,932
	4,471	4,488	60,098	64,082

(i) The performance guarantees of the group in 2013 and 2012 are covered by corporate guarantee provided by the company.

35 ACQUISITION OF SUBSIDIARIES

On January 12, 2012, the group entered into a conditional Investment Agreement ("IA") to acquire 52.5% of the issued and fully paid-up share capital of Cast Laboratories Pte Ltd ("Cast Lab") for a total purchase consideration of $4,500,000 and to regulate the affairs of Cast Lab and the respective rights of its shareholders on the terms and conditions set out in the IA. The IA was completed on January 31, 2012.

Cast Lab was incorporated in Singapore on February 16, 1981 with its principal activity being provision of technical testing services, analysis services, construction and infrastructure maintenance activities. Cast Lab Group offers independent testing, inspection and certification services as well as heat treatment and specialised geotechnical services in Singapore with regional presence in Malaysia, Indonesia and Thailand.

The group has acquired the Cast Lab Group for various reasons, the primary reason being to diversify the business activities of the group.

Identifiable assets and liabilities at the date of acquisition

	2012 Fair value $'000
Cash and bank balances	4,598
Trade and other receivables	12,948
Contract work-in-progress	89
Property, plant and equipment	5,792
Investment property	29
Intangible assets	2,550
Investment in associates	19
Trade and other payables	(8,093)
Income tax payable	(80)
Bank overdrafts	(207)
Other bank borrowings	(494)
Deferred tax liabilities	(803)
Redeemable bond	(700)
Long-term bank borrowings	(2,429)
Finance lease payables	(1,269)
Net assets	11,950

The receivables acquired (which principally comprised trade receivables) in these transactions with a fair value of $12,948,000 had gross contractual amounts of $13,832,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected was $884,000.

Excess of fair value of net identifiable assets over consideration arising on acquisition

	2012 Fair value $'000
Consideration transferred	4,500
Plus: Non-controlling interests	5,696
Less: Fair value of identifiable net assets acquired	(11,950)
Excess of fair value of net identifiable assets over consideration	(1,754)

35 ACQUISITION OF SUBSIDIARIES (CONT'D)

The non-controlling interests (47.5%) in Cast Lab Group recognised at the acquisition date was measured by reference to the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets and amounted to $5,696,000.

The excess of fair value of net identifiable assets over consideration of $1,754,000 was primarily due to the estimated fair value of the customer relationships included in intangible assets.

Net cash outflow on acquisition of subsidiaries

	2012 Fair value $'000
Total consideration, satisfied by cash	4,500
Less: Cash and cash equivalent acquired	(4,391)
Net cash flows arising from acquisition of subsidiaries	109

Impact of acquisitions on the results of the group

Included in the profit for 2012 is $171,000 attributable to the additional business generated by the Cast Lab Group. Revenue for the period amounted to $12.93 million.

Had the business combination during the year been effected at July 1, 2011, the revenue of the group would have been $294.80 million in 2012, and the profit for the year would have been $17.65 million.

36 COMMITMENTS

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Commitment to purchase fixed quantum of copper from suppliers at market rates at date of delivery	36,082	37,725	36,082	37,725

37 OPERATING LEASE COMMITMENTS

The group as lessee

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Minimum lease payments under operating leases recognised as an expense in the year	3,053	1,336	336	299

37 OPERATING LEASE COMMITMENTS (CONT'D)

At the end of the reporting period, the group and company has outstanding commitments under non-cancellable operating leases which fall due as follows:

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Future minimum lease payments payable:				
Within one year	2,063	2,018	342	333
In the second to fifth year inclusive	3,223	3,460	1,357	1,328
After five years	8,456	8,889	4,650	4,973
Total	13,742	14,367	6,349	6,634

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.

Certain leases have varying terms and are subject to revisions to reflect current market rental and value. The operating lease commitments estimated above were in respect of these leases determined assuming the same rental expense fixed as at end of the reporting period till the end of the lease.

<u>The group as lessor</u>

The group rents out its investment properties under operating leases. Rental income earned during the year was $59,000 (2012 : $78,000) (Note 14).

At the end of the reporting period, the outstanding commitments under non-cancellable operating leases which fall due as follows:

	Group	
	2013	2012
	$'000	$'000
Future minimum lease receivables:		
Within one year	79	35
In the second to fifth year inclusive	139	–
Total	218	35

38 SEGMENT INFORMATION

Information reported to the group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is categorised as follows:

(i) Cable & Wire;

(ii) Switchboard;

(iii) Electrical Material Distribution;

(iv) Test & Inspection; and

(v) Others

38 SEGMENT INFORMATION (CONT'D)

Accordingly, the above are the group's reportable segments under FRS 108. Information regarding the group's reportable segments is presented below. There is no change to amounts reported for the prior year as the segment information reported internally is provided to the group's chief operating decision maker on a similar basis.

	Cable & Wire $'000	Switchboard $'000	Electrical Material Distribution $'000	Test & Inspection $'000	Others $'000	Elimination $'000	Total $'000
Segment revenue and results							
2013							
REVENUE							
External sales	169,259	11,292	96,134	27,778	865	–	305,328
Inter-segment sale	15,451	–	9	–	14	(15,474)	–
Total revenue	184,710	11,292	96,143	27,778	879	(15,474)	305,328
RESULT							
Segment result	19,983	967	3,425	(748)	832	–	24,459
Interest expense	(937)	–	(90)	(152)	(59)	–	(1,238)
Interest income	5	1	10	5	–	–	21
Share of profit of associates	–	–	825	92	–	–	917
Income tax expense							(3,046)
Non-controlling interests							46
Profit attributable to shareholders of the company							21,159
2012 (restated)							
REVENUE							
External sales	159,677	11,283	94,161	12,926	951	–	278,998
Inter–segment sales	13,065	–	10	–	–	(13,075)	–
Total revenue	172,742	11,283	94,171	12,926	951	(13,075)	278,998
RESULT							
Segment result	15,351	1,205	4,961	240	957	–	22,714
Interest expense	(968)	–	(148)	(136)	(76)	–	(1,328)
Interest income	–	4	15	4	–	–	23
Share of profit of associates	–	–	691	62	–	–	753
Income tax expense							(2,905)
Non–controlling interests							(612)
Profit attributable to shareholders of the company							18,645

Revenue reported above represents revenue generated from external customers. There were inter-segment sales of $15,474,000 (2012 : $13,075,000) during the year.

38 SEGMENT INFORMATION (CONT'D)

The accounting policies of the reportable segments are the same as the group's accounting policies described in Note 2. Segment profit represents profit earned by each segment without allocation of income tax expense and non-controlling interests. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

SEGMENT ASSETS

	Cable & Wire $'000	Switchboard $'000	Electrical Material Distribution $'000	Test & Inspection $'000	Others $'000	Total $'000
Segment assets:						
2013						
Segment assets	136,045	5,686	49,483	24,144	1,993	217,351
Interest in associates	–	–	4,774	76	–	4,850
Unallocated segment assets						230
Consolidated total assets						222,431
2012 (restated)						
Segment assets	119,921	5,923	46,915	23,377	2,497	198,633
Interest in associates	–	–	3,988	90	–	4,078
Unallocated segment assets						186
Consolidated total assets						202,897

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets attributable to each segment.

All assets are allocated to reportable segments other than the deferred tax assets.

	Cable & Wire $'000	Switchboard $'000	Electrical Material Distribution $'000	Test & Inspection $'000	Others $'000	Total $'000
Other segment information:						
2013						
Additions to non-current assets	1,667	45	892	1,432	2	4,038
Depreciation and amortisation	1,121	81	1,051	1,648	21	3,922
Non-cash expenses (income) other than depreciation and amortisation	(296)	2	(1,342)	532	(199)	(1,303)
2012 (restated)						
Additions to non-current assets	1,338	150	1,060	697	2	3,247
Depreciation and amortisation	1,023	195	1,091	600	39	2,948
Non-cash expenses (income) other than depreciation and amortisation	(419)	(43)	1,372	–	310	1,220

38 SEGMENT INFORMATION (CONT'D)

Geographical information

The group operates in five principal geographical areas – Singapore, Malaysia, Brunei, New Zealand and Vietnam.

The group's revenue from external customers and information about its segment assets (non-current assets excluding investments in associates and deferred tax assets) by geographical location are detailed below:

	Revenue $'000	Non-current assets $'000
2013		
Singapore	224,787	19,405
Malaysia	28,135	3,259
Brunei	11,662	104
New Zealand	16,718	1,671
Vietnam	15,531	2,314
Others	8,495	–
	305,328	26,753
2012 (restated)		
Singapore	201,729	19,832
Malaysia	24,340	3,883
Brunei	13,369	141
New Zealand	15,479	2,106
Vietnam	14,759	1,794
Others	9,322	–
	278,998	27,756

39 EFFECT OF CHANGE IN ACCOUNTING POLICY

With effect from July 1, 2012, the group and company changed its accounting policy to measure its leasehold and freehold land and buildings using the Cost Model in accordance with FRS 16 Property, Plant and Equipment. In prior years, the group and company used the Revaluation Model whereby leasehold and freehold land and buildings were carried at fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Management is of the opinion that the Cost Model is a more appropriate measurement because the group and company use its land and buildings for the generation of revenue from its core business activities instead of holding them as investment properties. Industrial properties have seen a recent upward surge in valuations. If recorded at current valuations, the group and company will be impacted in the future by higher depreciation as a result of the upward valuations. However, if market forces were to change and/or cooling measures implemented, the valuations could drop significantly resulting in lower depreciation. Management does not believe carrying the land and buildings at valuation and subsequently depreciating based on the adjusted carrying values is a proper reflection of the business and related operating costs as the properties have been held for many years and management does not intend to sell the properties in the foreseeable future. Under the Cost Model, the group and company will measure its land and buildings at cost less accumulated depreciation and accumulated impairment losses.

In accordance to FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors, this change in accounting policy has been applied retrospectively and comparatives have been restated.

39 EFFECT OF CHANGE IN ACCOUNTING POLICY (CONT'D)

Effect of the change on the current year and comparative figures

The change in accounting policy has been applied retrospectively. The effects of the change on the financial statements are as follows:

	Group	
	2013	2012
	$'000	$'000
Decrease in costs of sales	157	375
Decrease in administrative expenses	67	67
Decrease in deferred tax expense	–	14
Increase in profit for the year	224	456
Increase in profit attributable to shareholders of the company	224	456
Increase in basic earnings per share ("EPS") (cents)		
EPS before change in accounting policy	4.81	4.18
EPS after change in accounting policy	4.86	4.28

	Group			Company		
	2013	2012	2011	2013	2012	2011
	$'000	$'000	$'000	$'000	$'000	$'000
Decrease in property, plant and equipment	36,036	5,271	5,713	20,302	3,803	3,972
Decrease in deferred tax liability	5,445	129	115	2,934	97	97
Decrease in reserve	30,222	5,041	5,497	17,368	3,706	3,875
Decrease in non-controlling interests	369	101	101	–	–	–

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, 2013.

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, 2013, or if not then subsisting, entered into since the end of the previous financial year.

ISSUED AND FULLY PAID-UP CAPITAL (INCLUDING TREASURY SHARES)	:	$55,338,264
ISSUED AND FULLY PAID-UP CAPITAL (EXCLUDING TREASURY SHARES)	:	$56,288,461
NUMBER OF SHARES ISSUED (EXCLUDING TREASURY SHARES)	:	435,515,791
NUMBER/PERCENTAGE OF TREASURY SHARES	:	2,727,000 (0.63%)
CLASS OF SHARES	:	ORDINARY SHARES FULLY PAID
VOTING RIGHTS	:	1 VOTE PER SHARE

DISTRIBUTION OF SHAREHOLDINGS AS AT 17TH SEPTEMBER 2013

Size of shareholdings	No. of shareholders	%	No. of Shares	%
1 - 999	162	4.75	72,619	0.02
1,000 - 10,000	1,389	40.76	8,618,185	1.98
10,001 - 1,000,000	1,813	53.20	106,353,388	24.42
1,000,001 and above	44	1.29	320,471,599	73.58
Total	3,408	100.00	435,515,791	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 17TH SEPTEMBER 2013

No.	Name of shareholders	No. of shares	%
1	LIM BOON HOCK BERNARD	46,802,402	10.75
2	LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	34,216,897	7.86
3	LIM BOON CHIN BENJAMIN (LIN WENJIN BENJAMIN)	30,843,072	7.08
4	GOH SOO LUAN	24,021,985	5.52
5	LIM CHAI LAI @ LOUIS LIM CHAI LAI	16,392,909	3.76
6	LIM BOON HOH BENEDICT (LIN WENHE BENEDICT)	14,919,642	3.42
7	LIM HIANG LAN	14,371,532	3.30
8	LIM LIAN HIONG	13,999,132	3.21
9	LIM PHEK CHOO CONSTANCE	12,267,142	2.82
10	LIM LIAN ENG	8,876,048	2.04
11	CHAN KUM LIN CAROLYN	8,586,733	1.97
12	CHEN SHYH YI	7,090,001	1.63
13	GERALDINE CHENG HUA YONG	6,668,468	1.53
14	CITIBANK NOMINEES SINGAPORE PTE LTD	6,652,000	1.53
15	CHIA AH HENG	6,161,607	1.41
16	YEN TSUNG HUA	5,122,140	1.18
17	GERALD CHENG KAI YONG	4,532,816	1.04
18	AU AH YIAN	4,530,360	1.04
19	DBS NOMINEES PTE LTD	3,611,301	0.83
20	SEE BENG LIAN JANICE	3,359,888	0.77
		273,026,075	62.69

FREE FLOAT OF EQUITY SECURITIES

On the basis in information available to the Company approximately 40.89% 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 17, 2013

LIST OF SUBSTANTIAL SHAREHOLDERS AND THEIR SHAREHOLDINGS AS AT 17TH SEPTEMBER 2013 BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS

	No. 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)	34,216,897	24,021,985
Mdm. Goh Soo Luan (2)	24,021,985	34,216,897
Mr. Lim Boon Hock Bernard (3)	47,249,627	1,967,792
Mdm. Pang Yoke Chun (4)	1,967,792	47,249,627
Mr. Lim Boon Chin Benjamin	30,843,072	NIL
Mr. Lim Chai Lai @ Louis Lim Chai Lai (5)	16,392,909	8,586,733
Mdm. Chan Kum Lin (6)	8,586,733	16,392,909

Notes:-

(1) Mr. Lim Chye Huat @ Bobby Lim Chye Huat is deemed to have an interest in the 24,021,985 shares held by his wife, Mdm. Goh Soo Luan.

(2) Mdm. Goh Soo Luan is deemed to have an interest in the 34,216,897 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 1,967,792 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 47,249,627 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 8,586,733 shares held by his wife, Mdm. Chan Kum Lin.

(6) Mdm. Chan Kum Lin is deemed to have an interest in the 16,392,909 shares held by her husband, Mr. Lim Chai Lai @ Louis Lim Chai Lai.

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 Wednesday, October 23, 2013 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, 2013 together with the Auditors' Report thereon.

2. To declare a final one-tier tax exempt dividend of $0.015 per ordinary share for the year ended June 30, 2013.

3. To approve the payment of up to $156,000 as Directors' fees for the year ending June 30, 2014. (2013 : $128,000)

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

   (a) Mr. Lim Chye Huat @ Bobby Lim Chye Huat; and

   (b) Mr. Soon Boon Siong.

5. To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:-

   (a) "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Prof. Lee Chang Leng Brian who is over 70 years of age, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

   (b) "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr. Tay Joo Soon who is over 70 years of age, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

6. 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 resolutions as Ordinary Resolutions:-

7. 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."

8. Authority to issue new shares pursuant to Scrip Dividend Scheme

"That the Directors of the Company be and are hereby authorised for the purposes of, in connection with or where contemplated by the Tai Sin Electric Limited Scrip Dividend Scheme to:-

(i) allot and issue from time to time shares in the capital of the Company ("Shares") and/or make or grant offers, agreements or options that might or would require Shares in the capital of the Company to be issued during the continuance of this authority or thereafter, at any time and upon such terms and conditions and to or with such persons as the Directors of the Company may, in their absolute discretion, deem fit; and

(ii) issue Shares in the capital of the Company in pursuance of any offer, agreement, or option made or granted by the Directors of the Company while such authority was in force (notwithstanding that such issues of such Shares pursuant to the offer, agreement or option may occur after the expiration of the authority contained in this Resolution)."

9. To transact any other business of an Annual General Meeting.

BY ORDER OF THE BOARD

Tan Shou Chieh
Secretary

Singapore, October 3, 2013

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) The ordinary resolution proposed in item 3 above, is to facilitate payment of Directors' fees to Non-executive Directors on a continuing "as-earned" current year basis, for the financial year ending 30 June 2014 ("FY 2014").

If shareholders' approval is obtained for this proposal, payment of Directors' fees to the Non-executive Directors will be pro-rated or apportioned accordingly and made on or after the last day of each quarter in FY 2014 in respect of the period then ended. If, for unforeseen reasons, payments are required to be made to Directors in excess of the amount proposed in item 3, the Company will revert to shareholders for approval at the subsequent Annual General Meeting before any such payments are made.

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

(4) Prof. Lee Chang Leng Brian is considered to be an independent director by the Board of Directors, and if re-appointed under item 5(a) above, will remain as an Audit Committee Member.

(5) Mr. Tay Joo Soon is considered to be an independent director by the Board of Directors, and if re-appointed under item 5(b) above, will remain as the Audit Committee Chairman.

(6) The ordinary resolution proposed in item 7 above, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue new shares or instruments convertible into shares in the Company subject to the limits imposed by the Resolution, for such purposes as they consider would be in the interests of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

(7) The ordinary resolution proposed in item 8 above, if passed, will authorise the Directors of the Company to issue shares pursuant to the Tai Sin Electric Limited Scrip Dividend Scheme principally to members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

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 23, 2013 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 for year ending 30 June 2014		
4.	(a) Re-election of Mr. Lim Chye Huat @ Bobby Lim Chye Huat as a Director		
	(b) Re-election of Mr. Soon Boon Siong as a Director		
5.	(a) Re-appointment of Prof. Lee Chang Leng Brian as a Director		
	(b) Re-appointment of Mr. Tay Joo Soon as a Director		
6.	Re-appointment of Auditors and fixing their remuneration		
7.	As special business - approving the Mandate for the Directors to issue new shares and/or convertible instruments		
8.	As special business - authorising the Directors to issue new shares pursuant to the Tai Sin Electric Limited Scrip Dividend Scheme		

Dated this ____________ day of ________________________ 2013.

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.

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