CONSOLIDATED PROFIT AND LOSS STATEMENT

Year ended 31 March 2006

		The Group	
	Note	2006	2005
		S$'000	S$'000
			(Restated)
Revenue	4	**886,305**	893,860
Cost of sales		**(713,636)**	(719,600)
Gross profit		**172,669**	174,260
Other operating income	5	**8,965**	7,136
Distribution expenses		**(48,349)**	(47,737)
Administrative expenses		**(87,353)**	(84,339)
Other operating expenses		**(1,843)**	(874)
Finance costs, net	6	**(15,951)**	(11,775)
Exceptional items	7	**(11,149)**	(18,756)
Profit before share of results of associates		**16,989**	17,915
Share of results of associates		**5,160**	5,414
Profit before income tax	8	**22,149**	23,329
Income tax	10	**(4,600)**	(15,071)
Profit for the year		**17,549**	8,258
Attributable to:			
Equity holders of the Company		**13,580**	1,262
Minority interests		**3,969**	6,996
		17,549	8,258
Earnings per share (cents):			
- Basic	12	**12.40**	1.16
- Diluted	12	**12.08**	1.15

See accompanying notes to financial statements.

BALANCE SHEETS
At 31 March 2006

	Note	The Group 2006 S$'000	The Group 2005 S$'000	The Company 2006 S$'000	The Company 2005 S$'000
			(Restated)		(Restated)
Non-current assets:					
Investment properties	13	**16,075**	20,478	**800**	800
Property, plant and equipment	14	**271,946**	285,607	**6,121**	6,613
Interest in subsidiaries	15	**-**	-	**478,870**	523,277
Interest in associates	16	**58,338**	49,877	**26,579**	20,630
Available-for-sale investments	17	**4,358**	7,719	**-**	-
Deferred tax assets	31	**2,936**	2,703	**-**	-
Deferred expenditure	18	**26,791**	30,085	**1,410**	1,723
Goodwill on consolidation	19	**12,558**	12,558	**-**	-
Total non-current assets		**393,002**	409,027	**513,780**	553,043
Current assets:					
Stocks	20	**169,212**	223,898	**4,552**	4,615
Debtors	21	**202,495**	224,107	**28,661**	7,814
Derivative financial instruments	22	**1,200**	-	**1,200**	-
Available-for-sale investments	17	**15,383**	18,035	**-**	-
Assets held for sale	23	**3,386**	-	**-**	-
Tax recoverable		**1,698**	4,262	**-**	-
Deposits and prepayments	24	**8,147**	12,584	**948**	876
Bank balances, deposits and cash	25	**35,804**	41,172	**3,301**	6,902
Total current assets		**437,325**	524,058	**38,662**	20,207
Current liabilities:					
Creditors and accrued charges	26	**124,645**	150,739	**12,291**	19,007
Obligations under finance leases	27	**613**	2,814	**2**	22
Income tax payable		**4,023**	3,586	**609**	1,267
Bank loans and overdrafts	28	**98,186**	147,479	**18,068**	37,711
Notes	29	**103,571**	50,000	**103,571**	50,000
Total current liabilities		**331,038**	354,618	**134,541**	108,007
Net current assets (liabilities)		**106,287**	169,440	**(95,879)**	(87,800)
Non-current liabilities:					
Bank loans	30	**53,548**	82,057	**48,571**	65,823
Obligations under finance leases	27	**463**	5,844	**-**	2
Notes	29	**60,000**	104,367	**60,000**	104,367
Deferred tax liabilities	31	**8,696**	11,652	**625**	625
Total non-current liabilities		**122,707**	203,920	**109,196**	170,817
		376,582	374,547	**308,705**	294,426
Represented by:					
Share capital	32	**230,731**	87,563	**230,731**	87,563
Reserves		**95,011**	240,061	**77,974**	206,863
Attributable to equity holders of the Company		**325,742**	327,624	**308,705**	294,426
Minority interests		**50,840**	46,923	**-**	-
		376,582	374,547	**308,705**	294,426

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 March 2006

	Note	Share capital S$'000	Share premium S$'000	Capital/ Legal reserve# S$'000	Translation reserve S$'000
The Group					
Balance at 1 April 2004, as previously reported		85,436	139,388	(28,637)	(36,689)
Retrospective adjustments arising from change in accounting policies	39	-	-	-	-
Balance at 1 April 2004, restated		85,436	139,388	(28,637)	(36,689)
Translation loss recognised directly in equity		-	-	-	(4,846)
Profit for the year		-	-	-	-
Total (loss) profit recognised for the year		-	-	-	(4,846)
Issue of shares	32	2,127	3,718	-	-
Share-based payment	32	-	-	-	-
Capital contribution		-	-	-	-
Dividends					
- paid	11(a)	-	-	-	-
- proposed	11(b)	-	-	-	-
Dividends paid to minority shareholders of subsidiaries		-	-	-	-
Transfer to (from) reserves		-	-	38	-
Balance at 31 March 2005, restated		87,563	143,106	(28,599)	(41,535)
Prospective adjustments arising from change in accounting policies	39	-	-	(5,169)	(1,859)
Balance at 31 March 2005, restated		87,563	143,106	(33,768)	(43,394)
Translation loss		-	-	-	(6,065)
Net fair value changes on available-for-sale investments		-	-	-	-
Net loss recognised directly in equity		-	-	-	(6,065)
Profit for the year		-	-	-	-
Total (loss) profit recognised for the year		-	-	-	(6,065)
Issue of shares	32	33	29	-	-
Adjustments arising from abolition of par value of shares	32	143,135	(143,135)	-	-
Share-based payment	32	-	-	-	-
Capital contribution		-	-	-	-
Dividends					
- paid	11(a)	-	-	-	-
- proposed	11(b)	-	-	-	-
Dividends paid to minority shareholders of subsidiaries		-	-	-	-
Transfer to (from) reserves		-	-	1,622	-
Effect of deregistration of a subsidiary		-	-	-	-
Balance at 31 March 2006		**230,731**	**-**	**(32,146)**	**(49,459)**

Comprises mainly goodwill arising from acquisition of subsidiaries and associates prior to 1 April 2001.

See accompanying notes to financial statements.

Property revaluation reserve S$'000	Dividend reserve S$'000	Retained profits S$'000	Share option reserve S$'000	Fair value reserve S$'000	Attributable to equity holders of the Company S$'000	Minority interests S$'000	Total S$'000
2,093	11,019	167,551	-	-	340,161	42,209	382,370
-	-	(488)	488	-	-	-	-
2,093	11,019	167,063	488	-	340,161	42,209	382,370
-	-	-	-	-	(4,846)	8	(4,838)
-	-	1,262	-	-	1,262	6,996	8,258
-	-	1,262	-	-	(3,584)	7,004	3,420
-	-	-	-	-	5,845	-	5,845
-	-	-	516	-	516	-	516
-	-	-	-	-	-	1,846	1,846
-	(11,019)	(4,295)	-	-	(15,314)	-	(15,314)
-	2,408	(2,408)	-	-	-	-	-
-	-	-	-	-	-	(4,136)	(4,136)
(115)	-	77	-	-	-	-	-
1,978	2,408	161,699	1,004	-	327,624	46,923	374,547
-	-	6,934	-	(1,560)	(1,654)	-	(1,654)
1,978	2,408	168,633	1,004	(1,560)	325,970	46,923	372,893
-	-	-	-	-	(6,065)	(443)	(6,508)
-	-	-	-	(3,884)	(3,884)	-	(3,884)
-	-	-	-	(3,884)	(9,949)	(443)	(10,392)
-	-	13,580	-	-	13,580	3,969	17,549
-	-	13,580	-	(3,884)	3,631	3,526	7,157
-	-	-	-	-	62	-	62
-	-	-	-	-	-	-	-
-	-	-	129	-	129	-	129
-	-	-	-	-	-	2,755	2,755
-	(2,408)	(1,642)	-	-	(4,050)	-	(4,050)
-	2,521	(2,521)	-	-	-	-	-
-	-	-	-	-	-	(2,462)	(2,462)
(172)	-	(1,450)	-	-	-	-	-
-	-	-	-	-	-	98	98
1,806	**2,521**	**176,600**	**1,133**	**(5,444)**	**325,742**	**50,840**	**376,582**

STATEMENTS OF CHANGES IN EQUITY (cont'd)

Year ended 31 March 2006

	Note	Share capital S$'000	Share premium S$'000	Translation reserve S$'000	Dividend reserve S$'000	Retained profits S$'000	Share option reserve S$'000	Total S$'000
The Company								
Balance at 1 April 2004, as previously reported		85,436	139,388	(22,931)	11,019	122,154	-	335,066
Retrospective adjustments arising from change in accounting policies	39	-	-	22,931	-	(23,419)	488	-
Balance at 1 April 2004, restated		85,436	139,388	-	11,019	98,735	488	335,066
Issue of shares	32	2,127	3,718	-	-	-	-	5,845
Share-based payment	32	-	-	-	-	-	516	516
Loss for the year		-	-	-	-	(31,687)	-	(31,687)
Dividends								
- paid	11(a)	-	-	-	(11,019)	(4,295)	-	(15,314)
- proposed	11(b)	-	-	-	2,408	(2,408)	-	-
Balance at 31 March 2005, restated		87,563	143,106	-	2,408	60,345	1,004	294,426
Issue of shares	32	33	29	-	-	-	-	62
Adjustments arising from abolition of par value of shares	32	143,135	(143,135)	-	-	-	-	-
Share-based payment	32	-	-	-	-	-	129	129
Profit for the year		-	-	-	-	18,138	-	18,138
Dividends								
- paid	11(a)	-	-	-	(2,408)	(1,642)	-	(4,050)
- proposed	11(b)	-	-	-	2,521	(2,521)	-	-
Balance at 31 March 2006		**230,731**	**-**	**-**	**2,521**	**74,320**	**1,133**	**308,705**

See accompanying notes to financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2006

	Note	2006 S$'000	2005 S$'000
			(Restated)
Operating activities			
Profit before income tax		**22,149**	23,329
Adjustments for:			
Allowance for advances to an associate (written back) charged		**(503)**	14,680
Amortisation of goodwill on consolidation		**-**	1,526
Amortisation of product development expenditure and technical knowhow		**4,982**	5,339
Depreciation of property, plant and equipment		**36,264**	38,585
Dividend income from available-for-sale investments		**(1,062)**	(3,073)
Fair value gain on available-for-sale investments	7	**-**	(8,377)
Fair value gain on investment properties	5, 7	**(800)**	(3,250)
Finance costs, net	6	**15,951**	11,775
Impairment of available-for-sale investments		**-**	5,283
Interest income		**(574)**	(310)
Loss (Gain) on disposal of property, plant and equipment, net		**707**	(23)
Loss on deregistration of a subsidiary and an associate		**98**	54
Share-based payment expense	32	**129**	516
Share of results of associates		**(5,160)**	(5,414)
Operating profit before working capital changes		**72,181**	80,640
Stocks		**54,686**	(32,860)
Debtors		**22,355**	(21,097)
Deposits and prepayments		**4,437**	3,836
Creditors and accrued charges		**(25,681)**	(4,694)
Cash generated from operations		**127,978**	25,825
Interest received		**585**	302
Interest paid		**(16,268)**	(10,951)
Income tax paid		**(3,936)**	(8,423)
Net cash from operating activities		**108,359**	6,753

CONSOLIDATED CASH FLOW STATEMENT (cont'd)

Year ended 31 March 2006

	Note	2006 S$'000	2005 S$'000
			(Restated)
Investing activities			
Acquisition of associates		**(16,397)**	(15,415)
Advance to an associate		**(251)**	(16,796)
Cash received on deregistration of an associate		**-**	302
Dividends received from associates		**10,015**	2,293
Dividends received from available-for-sale investments		**1,062**	3,073
Proceeds on disposal of available-for-sale investments		**483**	457
Proceeds on disposal of property, plant and equipment		**3,235**	5,093
Purchase of property, plant and equipment (Note A)		**(28,441)**	(37,517)
Purchase of technical knowhow	18	**(1,944)**	-
Net cash used in investing activities		**(32,238)**	(58,510)
Financing activities			
Bank loans (repaid) obtained		**(79,593)**	63,599
Capital contributions from minority shareholders		**2,755**	1,846
Dividends paid	11(a)	**(4,050)**	(15,314)
Dividends paid to minority shareholders		**(2,462)**	(4,136)
Issue of notes	29	**60,000**	-
Issue of shares	32	**62**	5,845
Repayment of obligations under finance leases		**(8,079)**	(3,261)
Repayment of notes		**(50,000)**	-
Net cash (used in) generated from financing activities		**(81,367)**	48,579
Net effect of exchange rate changes in consolidating subsidiaries		**(974)**	(9,536)
Net decrease in cash and cash equivalents		**(6,220)**	(12,714)
Cash and cash equivalents at 1 April		**40,220**	52,934
Cash and cash equivalents at 31 March (Note B)		**34,000**	40,220

A. Property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S$29,036,000 (2005: S$39,445,000) of which S$595,000 (2005: S$1,928,000) was acquired under finance leases.

B. Cash and cash equivalents at 31 March comprise:

	Note	2006 S$'000	2005 S$'000
Bank balances, deposits and cash	25	**35,804**	41,172
Bank overdrafts	28	**(1,804)**	(952)
		34,000	40,220

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2006

1 General

The Company (Registration No. 199002111N) is incorporated in the Republic of Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited with its registered office and principal place of business at 97 Pioneer Road, Singapore 639579. The financial statements are expressed in Singapore dollars ("S$").

The principal activities of the Company are those of manufacturing of batteries, investment holding and the carrying out of functions as the regional headquarters of the Group.

The principal activities of its subsidiaries are as disclosed in Note 35 to the financial statements.

The financial statements of the Group and of the Company for the year ended 31 March 2006 were authorised for issue by the Board of Directors on 19 June 2006.

2 Summary of significant accounting policies

Basis of accounting

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

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") issued by the Council on Corporate Disclosure and Governance that are relevant to its operations and effective for annual periods beginning on or after 1 January 2005. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements except as disclosed in Note 39.

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

FRS 40	-	Investment Property
FRS 106	-	Exploration for and Evaluation of Mineral Resources
FRS 107	-	Financial Instruments: Disclosures
INT FRS 104	-	Determining whether an Arrangement contains a Lease
INT FRS 105	-	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
INT FRS 106	-	Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
INT FRS 107	-	Applying the Restatement Approach under FRS 29 Financial Reporting in Hyperinflationary Economics
INT FRS 108	-	Scope of FRS 102
INT FRS 109	-	Reassessment of Embedded Derivatives

Amendments to FRS 1 Presentation of Financial Statements on Capital Disclosures.

Amendments to FRS 19 Employee Benefits on Actuarial Gain and Losses.

2 Summary of significant accounting policies (cont'd)

Basis of accounting (cont'd)

Amendments to FRS 21 Effects of changes in Foreign Exchange Rates on Net Investment in a Foreign Operation.

Amendments to FRS 39 Financial Instruments: Recognition and Measurement on hedge accounting provisions, fair value option and financial guarantee contracts.

Amendments to FRS 101 First-time Adoption of Financial Reporting Standards on comparative disclosures for FRS 106 Exploration for and Evaluation of Mineral Resources.

Amendments to FRS 104 Insurance Contracts on financial guarantee contracts.

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

The Company had early adopted FRS 40 in the last financial year. The directors anticipate that the adoption of these FRSs, INT FRSs and amendments to FRSs in future periods will have no material impact on the financial statements of the Group and of the Company.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March each year. Subsidiaries incorporated in the People's Republic of China ("PRC") have adopted 31 December as financial year ends in compliance with the local statutory requirement. Adjustments have been made for the effects of any significant transactions that have occurred between the accounting year end date of the subsidiaries and 31 March.

Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

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

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover its share of those losses. If the subsidiary subsequently reports profits, all such profits are taken to the profit and loss statement until the minority's share of losses previously absorbed has been recovered.

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 the profit and loss statement.

2 Summary of significant accounting policies (cont'd)

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date.

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

Associates

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

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 balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised.

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

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

Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

2 Summary of significant accounting policies (cont'd)

Goodwill (cont'd)

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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

The Group's policy for goodwill arising on the acquisition of an associate is described under 'Associates' above.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, 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.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Investment properties

Investment properties are completed properties held on a long-term basis for their investment potential and for generation of rental income. Investment properties are stated at their fair values based on independent professional valuations at balance sheet date. A gain or loss arising from a change in the fair value of investment property is recognised in the profit and loss statement.

2 Summary of significant accounting policies (cont'd)

Property, plant and equipment

Freehold land are carried at historical cost or at their revalued amounts, being the fair value on the basis of their existing use at the date of revaluation.

Leasehold land and leasehold improvements are carried at historical cost, less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount. Buildings are carried at historical cost or at their revalued amounts, less accumulated depreciation and any impairment loss.

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

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised as income. Upon retirement or disposal of the revalued asset, the attributable revaluation surplus included in asset revaluation reserve is transferred directly to retained profits.

Depreciation is calculated to write off the cost or valuation of the properties over their estimated useful lives, using the straight-line method, on the following bases:

Buildings	-	2% to 5% per annum
Leasehold improvements	-	3 to 10 years depending on lease terms
Leasehold land with a lease term of less than 50 years	-	over the respective lease periods

Freehold land and leasehold land with a remaining lease term of 50 years or more are not depreciated.

Machinery, moulds and equipment, furniture, fixtures and equipment and motor vehicles are carried at historical cost, less accumulated depreciation and any impairment loss. Depreciation is calculated using the reducing balance method to write off the cost of the plant and equipment over their estimated useful lives, on the following bases:

Machinery, moulds and equipment	-	10% to 30% per annum
Furniture, fixtures and equipment	-	10% to 25% per annum
Motor vehicles	-	10% to 25% per annum

Machinery under construction are not depreciated until they are put into effective use.

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

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

2 Summary of significant accounting policies (cont'd)

Deferred expenditure

Deferred expenditure comprises product development expenditure and technical knowhow. Product development expenditure incurred on projects in developing new products is capitalised and deferred when the project is clearly defined, the expenditure is separately identifiable and there is reasonable certainty that the project is technically feasible and the outcome will be of commercial value. Product development expenditure is amortised, using the straight-line method, over a period of ten years commencing in the year when the product is put into commercial use.

Technical knowhow represents the cost of acquiring the right of technical knowhow (including licence) for the production of new products. The cost is amortised, using the straight-line method, over a period of three to five years from the date of acquisition.

Research expenditure is charged to the profit and loss statement in the financial year in which it is incurred.

Stocks

Stocks consisting of raw materials, work in progress and finished goods are stated at the lower of cost (first-in, first-out method) and net realisable value. Cost of work in progress and finished goods include direct material costs, direct labour costs and overheads that have been incurred in bringing the work in progress and finished goods to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

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

Investments

Investments are recognised and derecognised on a trade date basis 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 directly attributable transaction costs.

Investments classified as available-for-sale are measured at fair value at subsequent reporting dates. Available-for-sale equity investments without quoted market prices in active markets or whose fair values cannot be reliably measured are accounted for at cost or amortised cost less any impairment which has been recognised in the profit and loss statement. Gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the profit or loss for the period. Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

2 Summary of significant accounting policies (cont'd)

Financial instruments (cont'd)

Trade and other debtors

Trade and other debtors are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit and loss statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, bank overdrafts and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and 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. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Bank loans, overdrafts and notes

Interest-bearing bank loans, overdrafts and floating rate notes are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised in the profit and loss statement over the term of the borrowings.

Trade and other creditors

Trade and other creditors are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments and hedge accounting

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. The Group uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The significant interest rate risk arises from bank loans. The Group's policy is to convert a proportion of its floating rate debt to fixed rates. The Group does not use derivative financial instruments for speculative purposes.

2 Summary of significant accounting policies (cont'd)

Financial instruments (cont'd)

Derivative financial instruments are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates. The gain or loss on re-measurement to fair value is recognised immediately in the profit and loss account. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the item being hedged.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Fair value hedges

Where a derivative financial instrument hedges the change in fair value of the recognised asset or liability or an unrecognised group commitment (or an identified portion of such asset, liability or group commitment), any gain or loss in the hedging instrument is recognised in the profit and loss account. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss recognised in the profit or loss account.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the equity. The ineffective part of any gain or loss is recognised immediately in the profit and loss account. When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability or the forecast transaction for a non-financial asset or non-financial liability becomes a group commitment for which the fair value hedge accounting is applied, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or non-financial liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or financial liability, the associated gains or losses that were recognised directly in equity are reclassified into profit and loss account in the same period or periods during which the asset acquired or liability assumed affects the profit and loss account.

Where a hedge instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised immediately in the profit and loss account.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

2 Summary of significant accounting policies (cont'd)

Leases

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

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 balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of 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.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered 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 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 classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

Revenue recognition

Revenue from the sale of products is recognised when significant risks and rewards of ownership are transferred to the buyer and the amounts of revenue and the costs of transaction (including future costs) can be measured reliably.

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

Dividend income from investments and incentive for reinvestment of profit in the People's Republic of China are recognised when the shareholders' rights to receive payment have been established.

Revenue from rendering of services is recognised when the services are completed.

2 Summary of significant accounting policies (cont'd)

Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) 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 shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferrability, exercise restrictions and behavioural considerations.

Retirement benefit costs

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

Employee leave entitlement

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

Income tax

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries 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.

2 Summary of significant accounting policies (cont'd)

Income tax (cont'd)

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

Foreign currencies

Functional and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the balance sheet of the Company are presented in Singapore dollars, which is also the functional currency of the Company.

Foreign currency transactions and balances

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

- Monetary items denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date.

- Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated 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 re-translated.

Exchange differences arising on the settlement of monetary items, and on re-translation of monetary items are included in profit or loss for the period.

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

2 *Summary of significant accounting policies* (cont'd)

Foreign currencies (cont'd)

Foreign operations

The results and financial positions of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities are translated at exchange rates prevailing on the balance sheet date.

- Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

- Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Net investment in a foreign operation

Exchange differences arising from monetary items that in substance form part of the Company's net investment in a foreign operation are recognised in the Company's profit and loss account. Such exchange differences are reclassified to currency translation reserve in the consolidated financial statements. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

3 *Financial risk and management*

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the Group. The Group companies perform ongoing credit evaluation of their counterparty's financial condition and generally do not require a collateral.

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics.

Interest rate risk

The Group's interest rate risk relates to interest bearing debts and interest bearing assets.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short term borrowings. The Group enters into interest rate swap to minimise its interest rate risk. The duration of such interest rate swaps do not exceed the tenor of the undertaking debts.

3 Financial risk and management (cont'd)

Interest rate risk (cont'd)

The table below sets out the exposure to interest rate risks of the Group and the Company. Included in the table are the borrowings at carrying amounts, categorised by the earlier of the contractual repricing or maturity dates.

		Repricing period		
	Effective interest rate %	Less than 1 year S$'000	More than 1 year S$'000	Total S$'000
The Group				
Obligations under finance leases	2.6 – 7.3	2	1,074	1,076
Bank loans, floating interest rates	1.2 – 7.4	149,930	-	149,930
Notes, floating rate	3.2 – 5.3	163,571	-	163,571
Bank overdrafts	5.5 – 8.0	1,804	-	1,804
As at 31 March 2006		**315,307**	**1,074**	**316,381**
Obligations under finance leases	2.6 – 7.3	-	8,658	8,658
Bank loans, floating interest rates	0.2 – 6.5	228,584	-	228,584
Notes, fixed rate	3.7	50,000	-	50,000
Notes, floating rate	2.4 – 3.2	104,367	-	104,367
Bank overdrafts	5.3 – 5.5	952	-	952
As at 31 March 2005		383,903	8,658	392,561

		Repricing period		
	Effective interest rate %	Less than 1 year S$'000	More than 1 year S$'000	Total S$'000
The Company				
Obligations under finance leases	2.6	2	-	2
Bank loans, floating interest rates	3.4 – 6.3	66,287	-	66,287
Notes, floating rate	3.2 – 5.3	163,571	-	163,571
Bank overdrafts	5.5 – 8.0	352	-	352
As at 31 March 2006		**230,212**	**-**	**230,212**
Obligations under finance leases	2.6	-	24	24
Bank loans, floating interest rates	0.7 – 4.0	103,466	-	103,466
Notes, fixed rate	3.7	50,000	-	50,000
Notes, floating rate	2.4 – 3.2	104,367	-	104,367
Bank overdrafts	5.5	68	-	68
As at 31 March 2005		257,901	24	257,925

3 Financial risk and management (cont'd)

Interest rate risk (cont'd)

The repayment terms of the bank loans, overdrafts, finance leases and notes are disclosed in Notes 27 to 30 to the financial statements.

Foreign currency risk

The Group and Company transact business in various foreign currencies, including the Hong Kong dollar and the United States dollar and therefore are exposed to foreign exchange risks. These risks are managed either by forward foreign exchange contracts in respect of actual or forecast currency exposures through natural hedges arising from a matching sale, purchase or a matching of assets and liabilities of the same currency and amount.

The Company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk.

Liquidity risk

Liquidity risk refers to the risk in which the Group has difficulties in meeting its short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle. The Group's operations are financed mainly through equity, retained profits and bank borrowings.

Fair value of financial assets and financial liabilities

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

4 Revenue

	The Group	
	2006	**2005**
	S$'000	**S$'000**
Sales of products	**886,305**	893,860

5 Other operating income

	The Group	
	2006	**2005**
	S$'000	**S$'000**
Dividend income from available-for-sale investment in:		
Quoted securities	**780**	2,546
Unquoted securities	**282**	527
Fair value gain on investment properties (Note 13)	**800**	-
Foreign exchange gain, net	**-**	702
Gain on sale of property, plant and equipment	**-**	469
Incentive for reinvestment of profit in the People's Republic of China	**1,793**	1,281
Interest income	**574**	310
Management fee income	**1,648**	587
Rental income	**1,421**	714
Technical fee income	**1,667**	-
	8,965	7,136

6 Finance costs, net

	The Group	
	2006	**2005**
	S$'000	**S$'000**
Interest expense on:		
Bank loans and overdrafts	**10,618**	6,802
Notes	**6,129**	4,302
Finance leases	**498**	671
	17,245	11,775
Fair value gain on:		
Foreign currency forward contract	**(94)**	-
Interest rate swap	**(1,200)**	-
	15,951	11,775

7 Exceptional items

	Note	The Group 2006 S$'000	The Group 2005 S$'000
Allowance for advances to an associate		**-**	14,680
Cost in relation to the relocation of production facilities		**7,736**	-
Expenses in relation to Cadmium issue in Huizhou, China		**-**	6,142
Fair value gain on available-for-sale investments		**-**	(8,377)
Fair value gain on investment properties	13	**-**	(3,250)
Fees and expenses incurred by a subsidiary for settlement of its' prior years' tax assessment disputes with the tax authorities		**2,076**	-
Impairment of available-for-sale investments		**-**	5,283
Losses in relation to temporary cessation of operations of an associate		**1,337**	-
Provision for guarantee issued	26	**-**	4,278
		11,149	18,756

8 Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the consolidated profit and loss statements, this item has been arrived at after charging (crediting):

	The Group 2006 S$'000	The Group 2005 S$'000
Allowance for advances to an associates written back	**(503)**	**-**
Allowance for stock obsolescence charged (written back)	**2,554**	(222)
Audit fees		
Auditors of the Company	**166**	140
Other auditors	**859**	681
Non-audit fees		
Auditors of the Company	**25**	-
Other auditors	**37**	37
Cost of inventories recognised as expense	**713,636**	719,600
Foreign exchange loss, net	**706**	-
Loss on disposal of property, plant and equipment	**707**	446
Operating lease expense	**4,440**	4,600

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
At 31 March 2006

9 Staff costs

	The Group	
	2006	**2005**
	S$'000	**S$'000**
Directors' remuneration:		
Fees	**125**	125
Emoluments	**2,391**	2,957
Salaries and wages	**111,930**	123,033
Defined contribution plans	**3,555**	4,592
Share-based payment	**129**	516
	118,130	131,223

10 Income tax

	The Group	
	2006	**2005**
	S$'000	**S$'000**
Current income tax:		
Foreign	**8,266**	7,567
(Over) Under provision in prior year	**(607)**	3,444
	7,659	11,011
Deferred income tax:		
Write back for current year	**(3,004)**	(290)
(Over) Under provision in prior year	**(55)**	4,350
	(3,059)	4,060
	4,600	15,071

The Company was awarded International Headquarters ("IHQ") status by the Economic Development Board for a period of 6 years with effect from 1 July 1990. It was subsequently granted extensions of the IHQ status from 1 July 1996 to 30 June 2007. Under this scheme, dividend income received from approved qualifying corporations within the Group is exempted from Singapore tax and certain types of income received from approved qualifying corporations are taxed at a concessionary rate of 10%.

10 Income tax *(cont'd)*

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

	The Group	
	2006	**2005**
	S$'000	**S$'000**
Income tax at statutory rate	**4,430**	4,666
Add/(Less):		
Effect of different tax rates of overseas operations	**258**	34
Income not subject to tax	**(708)**	(272)
Utilisation of previously unrecognised deferred tax	**(17)**	(442)
(Over) Under provision in prior year	**(662)**	7,794
Non-allowable items	**791**	396
Unrecognised deferred tax benefits	**508**	2,895
Income tax at effective tax rate	**4,600**	15,071

11 Dividends

a) Dividends paid during the financial year are as follows:

	The Group and the Company	
	2006	**2005**
	S$'000	**S$'000**
2005 proposed final tax-exempt dividend of 2.2 Singapore cents per share	**2,408**	-
2006 interim tax-exempt dividend of 1.5 Singapore cents per share	**1,642**	-
2004 proposed final tax-exempt dividend of 10.3 Singapore cents per share	**-**	11,019
2005 interim tax-exempt dividend of 3.8 Singapore cents per share	**-**	4,159
Dividends paid in excess of amounts proposed due to issue of new ordinary shares between date of announcement of the dividend and book closure date	**-**	136
	4,050	15,314

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2006

11 Dividends (cont'd)

b) Proposed dividends at 31 March are as follows:

	The Group and the Company	
	2006	**2005**
	S$'000	**S$'000**
2006 proposed final tax-exempt dividend of 2.3 Singapore cents per share	**2,521**	-
2005 proposed final tax-exempt dividend of 2.2 Singapore cents per share	**-**	2,408

12 Earnings per share

The following data are used in computing basic and fully diluted earnings per share disclosed in the profit and loss statement.

a) Earnings

	The Group	
	2006	**2005**
	S$'000	**S$'000**
Profit attributable to equity holders of the Company	**13,580**	1,262

b) Number of shares

	The Group	
	2006	**2005**
	S$'000	**S$'000**
Weighted average number of ordinary shares used in calculating basic earnings per share	**109,477,029**	108,544,258
Adjustment for potentially dilutive ordinary shares	**2,912,070**	1,350,387
Weighted average number of ordinary shares used in calculating diluted earnings per share adjusted for the effects of all dilutive potential ordinary shares	**112,389,099**	109,894,645

13 Investment properties

	Note	The Group S$'000	The Company S$'000
At 1 April 2004			
Transfer from property, plant and equipment	14	12,133	1,047
Effect of adopting FRS 40 on opening retained profits		5,613	(246)
As restated		17,746	801
Currency realignment		(518)	(1)
Fair value gain	7	3,250	-
At 31 March 2005		20,478	800
Currency realignment		(217)	-
Transfer to property, plant and equipment	14	(4,986)	-
Fair value gain	5	800	-
At 31 March 2006		16,075	800

The carrying amount of investment property is the fair value of the property as determined by an independent appraiser having appropriate recognised professional qualification and adequate experience in the location and category of the property being valued where possible. Fair values were determined having regard to the existing use of the property, recent market transactions for similar properties in the same location as of the property being valued or capitalisation of the net rental incomes with due allowance for reversionary income potential. Where independent appraisals are not sought, fair values were determined having regard to recent market transactions for similar properties in the same location of the property being valued.

The property rental income earned by the Group from its investment properties, all of which are leased out under operating leases, amounted to S$958,000 (2005: S$658,000). Direct operating expenses arising on the investment properties in the year amounted to S$364,000 (2005: S$407,000).

13 Investment properties (cont'd)

Particulars of the properties included in investment properties are as follows:

Location	Description	Tenure
Singapore		
Symphony Heights 37 Hume Avenue, #06-04 Singapore	One unit of residential condominium of approximately 155 square metres	Freehold
China		
Land Lot K-6-B No 128 Xingguang Road/No 1558 Jiangnan Road Ningbo Science and Technology Park, Ningbo City, Zhejiang, China	A 137,886-square metre plot of land for factory building and a 9,500-square metre plot of land with a 2-storey factory and office building	50 years from 1999
Pao Lou Keng Gu Tang Au, Huizhou City Guangdong, China	A 10,200-square metre plot of land with a 3-storey factory building and a single-storey warehouse with gross floor area of 3,359 square metres and 1,000 square metres respectively	47 years from 2004
USA		
11225, 11235 (Suite B) and 11245 West Bernardo Court San Diego, CA92127-1638, USA	Three industrial buildings	Freehold

14 Property, plant and equipment

	Note	Freehold land and buildings S$'000	Leasehold land, buildings and leasehold improvements S$'000	Machinery, moulds and equipment S$'000	Machinery under construction S$'000	Furniture, fixtures, equipment and motor vehicles S$'000	Total S$'000
The Group							
Cost/Valuation:							
At 1 April 2004		34,305	58,912	410,034	10,221	47,155	560,627
Currency realignment		714	(940)	218	(101)	(319)	(428)
Transfer to investment properties	13	(4,835)	(7,962)	-	-	-	(12,797)
Transfer		-	-	6,428	(6,428)	-	-
Additions		99	6,539	13,719	12,624	6,464	39,445
Disposals		-	(5,029)	(10,240)	-	(1,760)	(17,029)
At 31 March 2005		30,283	51,520	420,159	16,316	51,540	569,818
Currency realignment		(786)	(368)	(6,740)	229	(690)	(8,355)
Reclassified as Held for sale	23	(3,856)	-	(1,215)	-	(1)	(5,072)
Transfer from investment properties	13	4,986	-	-	-	-	4,986
Transfer		-	-	9,145	(9,145)	-	-
Additions		92	5,085	13,701	7,138	3,020	29,036
Disposals		(1,502)	(681)	(8,504)	-	(3,899)	(14,586)
At 31 March 2006		29,217	55,556	426,546	14,538	49,970	575,827
Represented by:							
Cost		20,843	55,556	426,546	14,538	49,970	567,453
Valuation		8,374	-	-	-	-	8,374
Total		29,217	55,556	426,546	14,538	49,970	575,827

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*
At 31 March 2006

14 Property, plant and equipment *(cont'd)*

	Note	Freehold land and buildings S$'000	Leasehold land, buildings and leasehold improvements S$'000	Machinery, moulds and equipment S$'000	Machinery under construction S$'000	Furniture, fixtures, equipment and motor vehicles S$'000	Total S$'000
The Group							
Accumulated depreciation:							
At 1 April 2004		5,666	17,656	205,101	-	29,800	258,223
Currency realignment		151	(333)	(1,500)	-	(258)	(1,940)
Transfer to investment properties	13	(618)	(46)	-	-	-	(664)
Depreciation for the year		533	2,280	31,294	-	4,478	38,585
Disposals		-	(2,451)	(7,949)	-	(1,615)	(12,015)
At 31 March 2005		5,732	17,106	226,946	-	32,405	282,189
Currency realignment		(234)	(357)	(3,144)	-	(505)	(4,240)
Reclassified as Held for sale	23	(1,449)	-	(237)	-	-	(1,686)
Depreciation for the year		670	2,490	28,542	-	4,562	36,264
Disposals		(180)	(428)	(6,744)	-	(3,294)	(10,646)
At 31 March 2006		4,539	18,811	245,363	-	33,168	301,881
Impairment loss:							
At 1 April 2004		-	2,063	-	-	-	2,063
Currency realignment		-	(41)	-	-	-	(41)
At 31 March 2005		-	2,022	-	-	-	2,022
Currency realignment		-	(22)	-	-	-	(22)
At 31 March 2006		-	2,000	-	-	-	2,000
Net book value:							
At 31 March 2006		24,678	34,745	181,183	14,538	16,802	271,946
At 31 March 2005		24,551	32,392	193,213	16,316	19,135	285,607
Net book value of assets that would have been included in the financial statements had the assets been carried at cost less depreciation:							
At 31 March 2006		23,257	34,745	181,183	14,538	16,802	270,525
At 31 March 2005		23,152	32,392	193,213	16,316	19,135	284,208

14 Property, plant and equipment (cont'd)

	Freehold land and building S$'000	Leasehold land, building and leasehold improvements S$'000	Machinery, moulds and equipment S$'000	Furniture, fixtures, equipment and motor vehicle S$'000	Total S$'000
The Company					
Cost:					
At 1 April 2004	1,103	4,513	5,754	1,404	12,774
Transfer to investment properties (Note 13)	(1,103)	-	-	-	(1,103)
Additions	-	17	726	101	844
Disposals	-	-	(31)	-	(31)
At 31 March 2005	-	4,530	6,449	1,505	12,484
Additions	-	18	93	45	156
Disposals	-	-	(20)	(107)	(127)
At 31 March 2006	-	4,548	6,522	1,443	12,513
Accumulated depreciation:					
At 1 April 2004	56	1,003	3,236	1,053	5,348
Transfer to investment properties (Note 13)	(56)	-	-	-	(56)
Depreciation for the year	-	110	397	97	604
Disposals	-	-	(25)	-	(25)
At 31 March 2005	-	1,113	3,608	1,150	5,871
Depreciation for the year	-	111	436	87	634
Disposals	-	-	(14)	(99)	(113)
At 31 March 2006	-	1,224	4,030	1,138	6,392
Net book value:					
At 31 March 2006	-	3,324	2,492	305	6,121
At 31 March 2005	-	3,417	2,841	355	6,613

The net book value of propery, plant and equipment includes an amount of S$5,121,000 (2005: S$11,323,000) for the Group and S$43,000 (2005: S$57,000) for the Company in respect of certain machinery, moulds, equipment and motor vehicles held under finance leases (Note 27).

Land and buildings with a total net book value of S$3,914,000 (2005: S$3,845,000) for the Group have been pledged to banks as securities for banking facilities granted (Note 30).

14 Property, plant and equipment (cont'd)

The freehold land and buildings of the Group amounting to S$8,374,000 (2005: S$8,227,000) stated at valuation were revalued by an independent professional valuer in March 1994 based on the open market value on a willing buyer and willing seller basis for existing use. The resulting revaluation surpluses have been credited to the property revaluation reserve and the balance as at year end amounted to S$1,806,000 (2005: S$1,978,000) for the Group.

Particulars of the properties included in freehold land, leasehold land and buildings are as follows:

Location	Description	Tenure
Singapore		
No. 50, Gul Crescent, Singapore	A 2-storey factory building with built-up area of 2,615 square metres	60 years from 1992
97 Pioneer Road, Singapore	A 2-storey factory building with built-up area of 6,407 square metres	56 years from 1994
Taiwan		
No. 211 Chung Cheng Road, Section 2 Hukow, Hsin-chu 30302, Taiwan	A 2-storey factory building with built-up area of 6,654 square metres and a warehouse with built-up area of 169 square metres	Freehold
Room 1011, International Trade Building, No. 205 Tun Hua South Section 1, Taipei 10647, Taiwan	Office space of 220 square metres	Freehold
207, 208 & 209, Mei Chih Cheng Hukow Hsiang, Hsin-chu County, Taiwan	Three 2-storey residential buildings of approximately 255 square metres	Freehold
Malaysia		
No. 5, Jalan Tampoi Tujuh, Kawasan Perindustrian Tampoi, 81200 Johor Bahru, Johor, Malaysia	A 19,652-square metre plot of land with a 3-storey factory building with built-up area of 6,000 square metres	Freehold
	A 18,110-square metre plot of land with a warehouse with built-up area of 1,200 square metres	Freehold
Units No. A3-03, A3-04, TF-03 & TF-04 Putri Indah, Jalan Indra Putra, Johor Bahru, Johor, Malaysia	Four units of residential condominium of approximately 516 square metres	Freehold
Lot 6975, Mukim of Senai-Kulai, Johor, Malaysia	A 39,885-square metre plot of land for factory building	Freehold

14 Property, plant and equipment (cont'd)

Location	Description	Tenure
Malaysia		
#18-00 and #19-00 Pacific Mall, Johor Bahru, Johor, Malaysia	Two storeys of office buildings of approximately 2,582 square metres	Freehold
China		
Land Lot No. 9 Development District Upper Lung Fung Terrace Huizhou City Guangdong, China	A 1,385-square metre plot of land with a 7-storey staff quarters with built-up area of 6,239 square metres	20 years from 1988
No. 1-2, First Hong Ye Dong Road Hong Ye Industrial Area Tang Xia, Dongguan, Guangdong, China	A 3-storey factory building with built-up area of 4,119 square metres	50 years from 1993
Road 12, Hong Ye Road Hong Ye Industrial Area (138) Tang Xia, Dongguan, Guangdong, China	A 30,821-square metre plot of land with a 3-storey factory building and 7-storey staff quarters with built-up area of 9,840 square metres and 13,269 square metres respectively	50 years from 1995
3-603, 66, Yu Jian Lou Tang Xin Jie, Tang Xia, Dongguan, Guangdong, China	A 73-square metre staff quarters	50 years from 1994
Block No 43, Wen Hua Xin Cun Tang Xia, Dongguan, Guangdong, China	A 1,988-square metre staff quarters	50 years from 1995
Block No 41, Hong Ye Da Dao Hong Ye Industrial Area Tang Xia, Dongguan, Guangdong, China	A 1,465-square metre staff quarters	50 years from 1993
No. 1, 5 Long and No. 2, 193 Long, Yong Ye Road, Zhang Qiao Zhen, Pu Dong Area, Shanghai, China	A 2,362-square metre staff quarters	70 years from 1995

14 Property, plant and equipment (cont'd)

Location	Description	Tenure
China		
99, Dahetou Road Duantang, Ningbo, China	Four factory buildings and office buildings with built-up area of 33,266 square metres	50 years from 1998
Lot No. 22 and No. 48 Peng Nam Industrial District, Huizhou City, Guangdong, China	A 8,752-square metre plot of land with a 3-storey factory building and 5-storey staff quarters with built-up area of 6,613 square metres and 1,224 square metres respectively	48 years from 2000
Gu Tang Au Industrial Development District, Huizhou City, Guangdong, China	A 13,034-square metre plot of land with a 3-storey factory building and staff quarters with built-up area of 11,149 square metres	50 years from 1997
	A 2,008-square metre plot of land with a 7-storey staff quarters with built-up area of 4,484 square metres	50 years from 1998
	A 6,162-square metre plot of land for industrial use	50 years from 1998
	A 2,461-square metre plot of land with a 2-storey factory building with built-up area of 1,692 square metres	50 years from 2003
	A 13,590-square metre plot of land with a factory building with built-up area of 6,427 square metres	50 years from 1997
Canada		
Suite 7, 7780 Woodbine Avenue Markham, Ontario L3R 2N7, Canada	A 500-square metre office and warehouse	Freehold

14 Property, plant and equipment (cont'd)

Location	Description	Tenure
Poland		
ul. Zielona 22 PL 83-200 Starogard Gd.	A 19,736-square metre plot of land with a factory building and warehouse with built-up area of 3,060 square metres	78 years from 1997
	A plot of land of 5,911 square metres for industrial use	Freehold
USA		
11235 West Bernardo Court San Diego, CA92127-1638, USA	Industrial building for office and warehouse	Freehold

15 Interest in subsidiaires

	The Company	
	2006	**2005**
	S$'000	**S$'000**
Unquoted equity shares, at cost	**154,622**	154,622
Amounts due from subsidiaries - non-trade	**345,671**	380,321
Amounts due to subsidiaries - non-trade	**(21,423)**	(11,666)
Net	**324,248**	368,655
Total interest in subsidiaries	**478,870**	523,277

As at 31 March 2006, the net amounts due from subsidiaries are interest free and form part of the Company's net investment in the subsidiaries. These amounts are unsecured and there are no contractual obligations to repay the Company given that the eventual return of capital contribution is at the discretion and ability of the subsidiaries.

As at 31 March 2005, the net amounts due from subsidiaries are unsecured, non-interest bearing and not expected to be repaid within the next 12 months.

Details of the principal subsidiaries are set out in Note 35 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

At 31 March 2006

16 Interest in Associates

	The Group		The Company	
	2006	2005	2006	2005
	S$'000	S$'000	S$'000	S$'000
Unquoted equity shares, at cost	**55,784**	45,146	**26,579**	20,630
Goodwill on acquisition				
Prior to 1 April 2001	**(18,512)**	(18,512)	**-**	-
After 1 April 2001	**8,858**	3,099	**-**	-
	46,130	29,733	**26,579**	20,630
Advance to an associate	**17,047**	16,796	**-**	-
Less: Allowance for advance	**(14,177)**	(13,926)	**-**	-
	2,870	2,870	**-**	-
Share of post-acquisition profits	**10,872**	17,730	**-**	-
Translation adjustments	**(1,534)**	(456)	**-**	-
	58,338	49,877	**26,579**	20,630

Goodwill on acquisition prior to 1 April 2001 was written off to capital reserves. Movement of goodwill on acquisition arising after 1 April 2001 is as follows:

	The Group	
	2006	2005
	S$'000	S$'000
Cost:		
At 1 April	**3,376**	-
Arising during the year	**5,759**	3,376
At 31 March	**9,135**	3,376
Elimination of amortisation accumulated prior to the adoption of FRS 103 (Note 39)	**(277)**	-
At 31 March	**8,858**	3,376
Amortisation:		
At 1 April	**277**	-
Amortisation for the year*	**-**	277
At 31 March	**-**	277
Elimination of amortisation accumulated prior to the adoption of FRS 103 (Note 39)	**(277)**	-
At 31 March	**-**	277
Carrying amount:		
At 31 March	**8,858**	3,099

* Included in the administrative expenses in the profit and loss statement.

The Group tests goodwill for impairment when there are indications that goodwill may be impaired.

16 Interest in Associates (cont'd)

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

	The Group	
	2006	2005
	S$'000	S$'000
Total assets	**304,407**	174,421
Total liabilities	**(181,256)**	(72,167)
Net assets	**123,151**	102,254
Group's share of associates' net assets	**55,468**	47,007
Revenue	**389,883**	288,904
Profit for the year	**11,104**	17,268
Group's share of associates' profit for the year	**5,160**	5,414

The Group has not recognised losses relating to certain associates where its share of losses exceed the Group's carrying amount of its investment in those associates. The Group's cumulative share of unrecognised losses were S$2,913,000 (2005: S$1,483,000) of which S$1,430,000 was the share of the current year losses (2005: S$1,483,000). The Group has no obligation in respect of those losses.

As at 31 March 2006, the advance to an associate is unsecured, non-interest bearing and repayable on demand.

As at 31 March 2005, the advance to an associate was unsecured, non-interest bearing and had no fixed terms of repayment.

Details of the principal associates are set out in Note 36 to the financial statements.

17 Available-for-sale investments

	The Group	
	2006	2005
	S$'000	S$'000
Equity shares, at fair value		
Quoted	**18,418**	23,947
Unquoted	**1,323**	1,807
Total available-for-sale investments	**19,741**	25,754
Presented in the balance sheet as:		
Non-current assets	**4,358**	7,719
Current assets	**15,383**	18,035
	19,741	25,754

The investments above include investments in equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

17 Available-for-sale investments (cont'd)

As at 31 March 2006, the fair value of quoted securities are based on the quoted closing market prices on the last market day of the financial year.

As at 31 March 2005

- Quoted securities of S$18,035,000 was stated at fair values based on the net asset value and earnings multiples as determined by professional valuation made by an independent Investment Advisor and a Commodities Trading Advisor in Hong Kong.
- Quoted securities of S$5,912,000 was stated at cost net of allowance for diminution. With the adoption of FRS 39, these securities had been accounted for at fair value based on the quoted closing market prices as at 1 April 2005. The change of accounting policy had been accounted for prospectively in accordance with the transitional provisions of the FRS 39. The differences between the fair values and carrying amounts of these securities as at 1 April 2005 are taken to the opening balance of fair value reserve.

The investment in unquoted equity shares represents investment in a company where the recoverability of this investment is uncertain and dependent on the outcome of its activities. The investment in unquoted equity shares is carried at cost, subject to impairment test.

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

	The Group	
	2006	2005
	S$'000	S$'000
Chinese Renminbi	**15,383**	18,035
Swedish Kronor	**1,323**	1,338

18 Deferred expenditure

	The Group		The Company	
	2006	2005	2006	2005
	S$'000	S$'000	S$'000	S$'000
Product development expenditure				
Cost:				
At 1 April	**53,686**	55,582	**3,133**	3,133
Currency realignment	**(635)**	(1,896)	**-**	-
At 31 March	**53,051**	53,686	**3,133**	3,133
Accumulated amortisation:				
At 1 April	**23,601**	19,009	**1,410**	1,097
Currency realignment	**(379)**	(619)	**-**	-
Amortisation for the year*	**4,982**	5,211	**313**	313
At 31 March	**28,204**	23,601	**1,723**	1,410
Net	**24,847**	30,085	**1,410**	1,723

18 Deferred expenditure (cont'd)

	The Group		The Company	
	2006	**2005**	**2006**	**2005**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Technical knowhow				
Cost:				
At 1 April	**8,924**	9,048	**-**	-
Currency realignment	**(99)**	(124)	**-**	-
Addition	**1,944**	-	**-**	-
At 31 March	**10,769**	8,924	**-**	-
Accumulated amortisation:				
At 1 April	**8,924**	8,922	**-**	-
Currency realignment	**(99)**	(126)	**-**	-
Amortisation for the year*	**-**	128	**-**	-
At 31 March	**8,825**	8,924	**-**	-
Net	**1,944**	-	**-**	-
Total deferred expenditure at 31 March	**26,791**	30,085	**1,410**	1,723

* Included in the administrative expenses in the profit and loss statement.

19 Goodwill on consolidation

	The Group
	S$'000
Cost:	
At 1 April 2004 and 2005	16,079
Elimination of amortisation accumulated prior to the adoption of FRS 103 (Note 39)	(3,521)
At 31 March 2006	12,558
Accumulated amortisation:	
At 1 April 2004	1,995
Amortisation for the year*	1,526
At 31 March 2005	3,521
Elimination of amortisation accumulated prior to the adoption of FRS 103 (Note 39)	(3,521)
At 31 March 2006	-
Carrying amount:	
At 31 March 2006	12,558
At 31 March 2005	12,558

* Included in the administrative expenses in the profit and loss statement.

19 Goodwill on consolidation (cont'd)

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

Goodwill acquired in a business combination is allocated to the cash-generating units ("CGU") that are expected to benefit from that business combination.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next one year and extrapolates cash flows for the following five years based on a growth rate of approximately 5%.

The rate used to discount the forecast cashflows is 6%.

20 Stocks

	The Group		The Company	
	2006 S$'000	2005 S$'000	2006 S$'000	2005 S$'000
Raw materials, at cost	**54,138**	85,354	**2,169**	1,499
Work in progress				
At cost	**25,227**	34,142	**1,907**	2,645
At net realisable value	**285**	-	**285**	-
Finished goods				
At cost	**84,942**	100,291	**122**	282
At net realisable value	**4,620**	4,111	**69**	189
Total	**169,212**	223,898	**4,552**	4,615

21 Debtors

	Note	The Group 2006 S$'000	The Group 2005 S$'000	The Company 2006 S$'000	The Company 2005 S$'000
Trade					
Outside parties		**152,200**	156,561	**-**	-
Less: Allowances for doubtful debts		**(5,868)**	(5,716)	**-**	-
		146,332	150,845	**-**	-
Amounts due from:					
Subsidiaries	35	**-**	-	**4,459**	-
Associates	36	**27,258**	21,807	**-**	162
Related parties	37	**147**	153	**-**	-
		27,405	21,960	**4,459**	162
		173,737	172,805	**4,459**	162
Non-trade					
Outside parties		**14,019**	40,142	**3,052**	2,006
Amounts due from:					
Subsidiaries	35	**-**	-	**12,690**	-
Associates	36	**12,839**	6,169	**8,178**	5,315
Related parties	37	**1,900**	4,991	**282**	331
		14,739	11,160	**21,150**	5,646
		28,758	51,302	**24,202**	7,652
Total		**202,495**	224,107	**28,661**	7,814

The amounts due from subsidiaries, associates and related parties are unsecured, non-interest bearing and repayable on demand. Allowances made in respect of estimated irrecoverable amounts are determined by reference to past default experience. As at 31 March 2005, an allowance of S$754,000 has been made in respect of estimated irrecoverable amounts due from associates.

The Group's and the Company's debtors that are not denominated in the functional currencies of the respective entities are as follows:

	The Group 2006 S$'000	The Group 2005 S$'000	The Company 2006 S$'000	The Company 2005 S$'000
United States dollars	**86,547**	89,582	**6,174**	1,322
Hong Kong dollars	**5,602**	7,112	**17,849**	5,425
Chinese Renminbi	**3,463**	1,423	**2,844**	1,043
Euro	**3,077**	-	**-**	-
Singapore dollars	**1,592**	954	**-**	-

22 Derivative financial instruments

	The Group and the Company	
	2006	2005
	S$'000	S$'000
Interest rate swaps	**1,200**	-

The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings by swapping a proportion of those borrowings from floating rates to fixed rates. Contracts with nominal values of S$40 million have fixed interest payments at rates ranging from 3.2% to 3.25% per annum until 23 June 2008 and have floating interest receipts at 0.9% per annum plus Singapore Interbank Offered Rate.

The fair value of swaps entered into at 31 March 2006 is estimated at S$1,200,000 (2005: Nil). These amounts are based on quoted market prices for equivalent instruments at the balance sheet date. All of these interest rate swaps are classified as held-for-trading.

The Group utilises currency derivatives to hedge significant future transactions and cash flows. The Group is party to a variety of forward foreign exchange contracts and options in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Group's principal markets. There are no currency derivatives outstanding as at 31 March 2006.

As at 31 March 2005, the fair value of the Group's currency derivatives is estimated to be approximately S$94,000, based on quoted market prices for equivalent instruments at the balance sheet date. As the Group had not adopted FRS 39 for the preceding year, adjustments were prospectively made to the opening retained profits balance as at 1 April 2005 in accordance with the transitional provision of FRS 39.

At the balance sheet date, the total notional amount of outstanding financial derivative instruments to which the Group is committed are as follows:

	The Group			
	Notional amount		Fair value gain (loss)	
	2006	2005	2006	2005
	S$'000	S$'000	S$'000	S$'000
Forward foreign exchange contracts	-	6,582	**-**	(94)
Interest rate swap	**40,000**	-	**1,200**	-

23 Assets held for sale

		The Group	
	Note	2006	2005
		S$'000	S$'000
Reclassified from property, plant and equipment	14	**3,386**	-

The above represents a plot of freehold land with a factory building, located in Denmark being held for sale through an estate agent. The proceeds of disposal are expected to exceed the net carrying amount of the asset and, accordingly, no impairment loss has been recognised.

24 Deposits and prepayments

	The Group		The Company	
	2006	2005	2006	2005
	S$'000	S$'000	S$'000	S$'000
Deposits	**3,123**	3,402	**217**	680
Prepayments	**5,024**	9,182	**731**	196
	8,147	12,584	**948**	876

The Group's and the Company's deposits and prepayments that are not denominated in the functional currencies of the respective entities are as follows:

	The Group		The Company	
	2006	2005	2006	2005
	S$'000	S$'000	S$'000	S$'000
United States dollars	**226**	247	**219**	239
Chinese Renminbi	**136**	731	**-**	-
Singapore dollars	**80**	14	**-**	-
Hong Kong dollars	**28**	2	**28**	2
Japanese Yen	**20**	3	**-**	-
Euro	**-**	8	**-**	-

25 Bank balances, deposits and cash

	The Group		The Company	
	2006	2005	2006	2005
	S$'000	S$'000	S$'000	S$'000
Fixed deposits	**-**	1,570	**-**	-
Bank balances and cash	**35,804**	39,602	**3,301**	6,902
	35,804	41,172	**3,301**	6,902

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximate their fair values. As at 31 March 2005, the fixed deposits bore interest at rates ranging from 0.8% to 1.3% per annum.

25 Bank balances, deposits and cash (cont'd)

The Group's and the Company's bank balances, deposits and cash that are not denominated in the functional currencies of the respective entities are as follows:

	The Group		The Company	
	2006	2005	2006	2005
	S$'000	S$'000	S$'000	S$'000
United States dollars	**2,607**	6,898	**1,401**	4,663
Hong Kong dollars	**2,254**	1,449	**1,766**	1,400
Chinese Renminbi	**418**	520	**5**	1
New Taiwan dollars	**364**	1	**6**	-
Euro	**57**	228	**6**	150
Japanese Yen	**33**	648	**33**	580
Singapore dollars	**-**	282	**-**	-

26 Creditors and accrued charges

		The Group		The Company	
		2006	2005	2006	2005
	Note	S$'000	S$'000	S$'000	S$'000
Trade					
Outside parties		**82,029**	100,649	**8,064**	9,281
Amounts due to:					
Subsidiaries	35	**-**	-	**309**	2,135
Associates	36	**19,807**	22,245	**289**	397
Related parties	37	**644**	1,868	**-**	-
Interest payable		**3,419**	2,494	**3,109**	2,299
Accrued charges		**16,611**	16,131	**449**	600
		122,510	143,387	**12,220**	14,712

26 Creditors and accrued charges (cont'd)

		The Group		The Company	
		2006	2005	2006	2005
	Note	S$'000	S$'000	S$'000	S$'000
Non-trade					
Outside parties		**-**	1,759	**-**	-
Guarantee issued to a bank #		**-**	4,278	**-**	4,278
Amounts due to:					
Associates	36	**13**	74	**-**	-
Related parties	37	**2,122**	1,241	**71**	17
		2,135	7,352	**71**	4,295
Total		**124,645**	150,739	**12,291**	19,007

The amounts due to subsidiaries, associates and related parties are unsecured, non-interest bearing and repayable on demand.

In 2005, this represented the Company's obligation in respect of a guarantee issued to a bank for a loan granted to an associate (Note 7). The Company had fully repaid the obligation under the guarantee in the current year.

The Group's and the Company's creditors and accrued charges that are not denominated in the functional currencies of the respective entities are as follows:

	The Group		The Company	
	2006	2005	2006	2005
	S$'000	S$'000	S$'000	S$'000
United States dollars	**20,625**	33,615	**7,208**	10,220
Chinese Renminbi	**5,305**	1,848	**-**	-
Euro	**1,255**	180	**1,255**	57
Japanese Yen	**785**	4,509	**782**	3,993
Danish Kronor	**299**	-	**-**	2,135
Singapore dollars	**185**	148	**-**	-
Hong Kong dollars	**152**	298	**134**	22

27 Obligations under finance leases

Future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	Total minimum lease payments		Present value of payments	
	2006	**2005**	**2006**	**2005**
	S$'000	**S$'000**	**S$'000**	**S$'000**
The Group				
Within 1 year	**711**	3,155	**613**	2,814
Within 2 to 5 years	**412**	6,033	**463**	5,844
	1,123	9,188	**1,076**	8,658
Less: Future finance charges	**(47)**	(530)		
Present value of lease obligations	**1,076**	8,658		
Less: Amounts due within 1 year	**(613)**	(2,814)		
Amounts due within 2 to 5 years	**463**	5,844		
The Company				
Within 1 year	**2**	25	**2**	22
Within 2 to 5 years	**-**	2	**-**	2
	2	27	**2**	24
Less: Future finance charges	*	(3)		
Present value of lease obligations	**2**	24		
Less: Amounts due within 1 year	**(2)**	(22)		
Amounts due within 2 to 5 years	**-**	2		

* Amount less than S$1,000

It is the Group's policy to lease certain of its plant and equipment under finance leases. The average lease term is 3 years. The effective interest rates are set out in Note 3 to the financial statements. Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All obligations under finance leases are denominated in the functional currencies of the respective entities.

The fair value of the Group's lease obligations approximates their carrying amount.

28 Bank loans and overdrafts

	The Group		The Company	
	2006	2005	2006	2005
	S$'000	S$'000	S$'000	S$'000
Current portion of long-term bank loans (Note 30)	**29,713**	13,022	**16,190**	-
Short-term bank loans – unsecured	**53,340**	107,563	**1,526**	37,643
Bank overdrafts - unsecured	**1,804**	952	**352**	68
Import loans - unsecured	**13,329**	25,942	**-**	-
	98,186	147,479	**18,068**	37,711

The effective interest rates for the above are set out in Note 3 to the financial statements.

The Group's and the Company's borrowings that are not denominated in the functional currencies of the respective entities are as follows:

	The Group		The Company	
	2006	2005	2006	2005
	S$'000	S$'000	S$'000	S$'000
United States dollars	**20,027**	34,624	**16,190**	10,785

29 Notes

The Group has a S$500 million Multi-Currency Debt Issuance Programme (the "Programme"). Unsecured notes issued under the Programme are as follows:

	Date of issue	Date of redemption	The Group and the Company	
			2006	2005
			S$'000	S$'000
Series 1 Fixed rate note #	22 May 2002	22 May 2005	**-**	50,000
Series 2 Floating rate note	16 October 2003	16 October 2006	**48,571**	49,367
Series 3 Floating rate note	16 October 2003	16 October 2006	**55,000**	55,000
Series 4 Floating rate note	23 June 2005	23 June 2008	**60,000**	-
			163,571	154,367
Amounts due within 1 year			**103,571**	50,000
Amounts due within 2 to 5 years			**60,000**	104,367
			163,571	154,367

Listed on the Singapore Exchange Securities Trading Limited on 23 May 2002

29 Notes (cont'd)

The effective interest rates for the above are set out in Note 3 to the financial statements. The carrying amounts of the notes approximate their fair value. As at 31 March 2005, the fair value of the fixed rate note was S$50,100,000.

The Group's and the Company's notes that are not denominated in the functional currencies of the respective entities are as follows:

	The Group and the Company	
	2006	2005
	S$'000	S$'000
United States dollars	**48,571**	49,367

30 Bank loans

	The Group		The Company	
	2006	2005	2006	2005
	S$'000	S$'000	S$'000	S$'000
Long-term bank loans:				
Secured	**-**	15	-	-
Unsecured	**83,261**	95,064	**64,761**	65,823
	83,261	95,079	**64,761**	65,823
Less:				
Amounts due within 1 year:				
Secured	**-**	(15)	**-**	-
Unsecured	**(29,713)**	(13,007)	**(16,190)**	-
Current portion of long-term bank loans (Note 28)	**(29,713)**	(13,022)	**(16,190)**	-
Long-term portion of bank loans	**53,548**	82,057	**48,571**	65,823

As at 31 March 2005, bank loan amounting to S$15,000 was secured by a mortgage over two storeys of office building of a subsidiary. The effective interest rates for the above are set out in Note 3 to the financial statements. The carrying amounts of the bank loans approximate their fair value.

30 Bank loans (cont'd)

The long-term portions of the bank loans are repayable as follows:

	The Group		The Company	
	2006	**2005**	**2006**	**2005**
	S$'000	**S$'000**	**S$'000**	**S$'000**
More than one year but not exceeding two years	**51,734**	32,690	**48,571**	16,456
More than two years but not exceeding five years	**1,814**	49,367	**-**	49,367
	53,548	82,057	**48,571**	65,823

The Group's and the Company's bank loans that are not denominated in the functional currencies of the respective entities are as follows:

	The Group		The Company	
	2006	**2005**	**2006**	**2005**
	S$'000	**S$'000**	**S$'000**	**S$'000**
United States dollars	**51,419**	74,462	**48,571**	65,823

31 Deferred tax

	The Group		The Company	
	2006	**2005**	**2006**	**2005**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Deferred tax liabilities	**8,696**	11,652	**625**	625
Deferred tax assets	**(2,936)**	(2,703)	**-**	-
Net deferred tax liabilities	**5,760**	8,949	**625**	625

Movements in the deferred tax liabilities and assets recognised by the Group are as follows:

	Capital allowances S$'000	Revaluation of investment properties S$'000	Tax losses S$'000	Deferred expenditure S$'000	Others S$'000	Total S$'000
Deferred tax liabilities						
At 1 April 2005	14,576	650	(2,932)	2,016	(2,658)	11,652
Currency realignment	(114)	(3)	(23)	(23)	(4)	(167)
Credit to profit and loss	(6,503)	198	2,320	-	1,196	(2,789)
At 31 March 2006	7,959	845	(635)	1,993	(1,466)	8,696

31 Deferred tax (cont'd)

	Capital allowances S$'000	Revaluation of investment properties S$'000	Tax losses S$'000	Deferred expenditure S$'000	Others S$'000	Total S$'000
Deferred tax assets						
At 1 April 2005	(6)	-	(2,012)	-	(685)	(2,703)
Currency realignment	6	-	24	-	7	37
Credit to profit and loss	(130)	-	(188)	-	48	(270)
At 31 March 2006	(130)	-	(2,176)	-	(630)	(2,936)
Net deferred tax liabilities						5,760

The deferred tax liabilities of the Company of S$625,000 (2005: S$625,000) are due to temporary differences arising mainly from capital allowances.

No deferred tax assets has been recognised on the following temporary differences due to uncertainty of its recoverability:

	The Group 2006 S$'000	The Group 2005 S$'000
Unutilised tax losses	**18,133**	20,098
Difference in accounting and tax depreciation	**(270)**	66
Others	**(6)**	132
	17,857	20,296

The use of these temporary differences is subject to the agreement of the relevant tax authorities and compliance with certain provisions of the tax legislation.

32 Share capital

	The Group and the Company 2006 Number of ordinary shares	2005 Number of ordinary shares	2006 S$'000	2005 S$'000
Issued and fully paid:				
At 1 April	**109,454,168**	106,795,168	**87,563**	85,436
Issued during the year	**41,000**	2,659,000	**33**	2,127
Transferred from share premium	**-**	-	**143,135**	-
At 31 March	**109,495,168**	109,454,168	**230,731**	87,563

As a result of the Companies (Amendment) Act 2005 effective 30 January 2006, the concepts of par value and authorised share capital are abolished and the amount outstanding in the share premium account as of 30 January 2006 becomes part of the Company's share capital.

32 Share capital (cont'd)

The Company has one class of ordinary shares which carry no right to fixed income. Details of share options exercised during the financial year to subscribe for ordinary shares of the Company are as follows:

	Exercise price	Number exercised 2006 '000	Number exercised 2005 '000	Cash consideration received 2006 S$'000	Cash consideration received 2005 S$'000
1992 Scheme					
No. 7	S$3.08	-	1,319	-	4,063
1999 Scheme					
No. 1	S$1.41	-	202	-	285
No. 2	S$1.60	**30**	212	**48**	339
No. 3	S$1.25	**11**	926	**14**	1,158
		41	1,340	**62**	1,782
		41	2,659	**62**	5,845

The proceeds were used as working capital for the Company.

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

	The Group and the Company 2006 Number of share options	2006 Weighted average exercise price S$	2005 Number of share options	2005 Weighted average exercise price S$
At 1 April	**4,496,000**	**2.00**	7,670,000	2.15
Exercised during the year	**(41,000)**	**1.51**	(2,659,000)	2.20
Expired during the year	-	-	(515,000)	3.08
At 31 March	**4,455,000**	**2.02**	4,496,000	2.00
Exercisable at 31 March	**4,455,000**		4,496,000	

The weighted average share price at the date of exercise for share options exercised during the year was S$1.78 (2005: S$3.36). The options outstanding at the end of the year have a weighted remaining contractual life of 6.02 years (2005: 6.97 years).

32 Share capital (cont'd)

The estimated fair values of the options granted on 25 June 2003 is S$1,133,000. These fair values were calculated using The Black-Scholes pricing model. The inputs into the model were as follows:

Weighted average share price	S$2.63
Weighted average exercise price	S$2.50
Expected volatility	34%
Expected life	5 years
Risk free rate	2.25% - 2.375%
Expected dividend yield	5.3%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 5 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferrability, exercise restrictions and behavioural considerations. The Group recognised total expenses of S$129,000 (2005: S$516,000) related to equity-settled share-based payment transactions during the year.

33 Commitments

As at the balance sheet date, commitments of the Group and Company which have not been provided for in the financial statements are as follows:

a) Operating lease arrangements

The Group as lessee:

	The Group		The Company	
	2006	**2005**	**2006**	**2005**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Within 1 year	**3,388**	3,299	**38**	49
After 1 year and within 5 years	**4,879**	4,346	**151**	198
After 5 years	**12,759**	9,636	**1,531**	2,047
	21,026	17,281	**1,720**	2,294

Operating lease commitments are mainly in respect of non-cancellable leases for the rental of factory spaces, office premises and office equipment. Leases are negotiated and fixed for an average term of 3 to 50 years.

The Group as lessor:

The Group rents out its investment properties in Singapore, the United States of America and the People's Republic of China under operating leases. All of the properties held have committed tenants for the next 1 year.

	The Group		The Company	
	2006	**2005**	**2006**	**2005**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Within 1 year	**975**	960	**20**	20

33 Commitments (cont'd)

b) Capital expenditure commitments

	The Group	
	2006	**2005**
	S$'000	**S$'000**
Capital expenditure contracted but not provided for	**573**	3,606
Capital expenditure authorised but not contracted for	**441**	3,181
	1,014	6,787

c) Trust fund

On 5 August 2005, the Company established a "GP Batteries Industrial Safety Trust Fund" of HK$10 million (approximately S$2.2 million) to provide financial assistance and support to employees in Hong Kong and China who might have suffered from cadmium over-exposure or other occupational diseases related to battery production. This trust fund is monitored by an independent fund granting committee.

The aggregate amount of the trust fund is HK$10 million. The Group has contributed approximately HK$6 million up to 31 March 2006 and the balance of HK$4 million will be contributed in instalment when the net asset value of the trust fund falls below certain level. As a result, this balance had not been provided for in the financial statement

34 Contingent liabilities - unsecured

	The Group		The Company	
	2006	**2005**	**2006**	**2005**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Guarantees given in respect of banking and other facilities granted to:				
Subsidiaries (Note 35)	**-**	-	**273,767**	288,103
Associates (Note 36)	**8,275**	2,637	**8,275**	2,637
Others	**38**	-	**28**	-
	8,313	2,637	**282,070**	290,740

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2006

35 Subsidiaires

Details of the principal subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Proportion of ownership interest/ voting power held by the Group		Principal activities
		2006 %	2005 %	
Advanced Battery Technology Limited (4) #	British Virgin Islands	**80**	80	Intellectual property
Alkaline Batteries Limited (2) #	British Virgin Islands	**100**	100	Marketing and trading in batteries
Alkaline Batteries (L) Bhd (2) #	Malaysia	**100**	100	Marketing and trading in batteries
Bolder Technologies Pte Ltd (1)	Singapore	**100**	100	Manufacturing of batteries
Champion World Limited (7) #	British Virgin Islands	**100**	100	Investment holding
Changzhou Lithium Batteries Ltd (4) #	PRC	**55**	55	Manufacturing of batteries
Danish Polish Batteries Sp. z.o.o. (3) #	Poland	**100**	100	Manufacturing of batteries
Dongguan Chao Ba Batteries Co Ltd (4) #	PRC	**100**	100	Manufacturing of batteries
Dongguan Yinfea Battery Products Co Ltd (4) #	PRC	**100**	100	Manufacturing of batteries
Douza Investments Ltd (7) #	British Virgin Islands	**100**	100	Investment holding
EVB Technology (HK) Limited (3) #	Hong Kong	**100**	100	Manufacturing of batteries
Gold Peak Industries (North America) Inc (3) #	United States of America	**80**	80	Marketing and trading in batteries

35 Subsidiaires *(cont'd)*

Details of the principal subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Proportion of ownership interest/ voting power held by the Group		Principal activities
		2006 %	2005 %	
Gold Peak Industries (Taiwan) Limited (3)	Taiwan	**80**	80	Manufacturing of batteries
Gold Won Electrochemical Company Limited (5) #	Hong Kong	**100**	100	Investment holding and provision of logistic support
GP Batteries (China) Limited (4) #	PRC	**85**	85	Manufacturing of batteries
GP Batteries (Dongguan) Co Ltd (4) #	PRC	**100**	100	Manufacturing of batteries
GP Batteries (Malaysia) Sdn Bhd (3)	Malaysia	**100**	100	Manufacturing of batteries
GP Batteries (U.K.) Limited (5) #	United Kingdom	**51**	51	Marketing and trading in batteries
GP Battery Marketing (H.K.) Limited (3) #	Hong Kong	**100**	100	Marketing and trading in batteries
GP Battery Marketing Inc (5) #	Canada	**75**	75	Marketing and trading in batteries
GP Battery Marketing (Latin America) Inc. (5) #	United States of America	**100**	100	Marketing and trading in batteries
GP Battery Marketing (Malaysia) Sdn Bhd (3) #	Malaysia	**70**	70	Marketing and trading in batteries
GP Battery Marketing (Singapore) Pte Ltd (1)	Singapore	**100**	100	Marketing and trading in batteries
GP Battery (Poland) Sp. z.o.o. (3) #	Poland	**100**	100	Marketing and trading in batteries

35 Subsidiaires *(cont'd)*

Details of the principal subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Proportion of ownership interest/ voting power held by the Group		Principal activities
		2006 %	2005 %	
GP Battery Technology (HK) Limited (3)	Hong Kong	**100**	100	Investment holding
GP Batteries Europe B.V. (5) #	Netherlands	**80**	80	Marketing and trading in batteries
GPI International Limited (3) #	Hong Kong	**100**	100	Marketing and trading in batteries
GP Lithium Batteries (Asia) Limited (3) #	Hong Kong	**80**	80	Marketing and trading in batteries
Hayle Limited (2) #	British Virgin Islands	**100**	100	Trading in batteries and battery materials
Huizhou Advance Battery Technology Company Limited (4) #	PRC	**100**	100	Manufacturing of batteries
Huizhou Chao Ba Batteries Co Ltd (4) #	PRC	**90**	90	Marketing and trading in batteries
Huizhou Gold Won Electrochemical Company Limited (5) #	PRC	**85**	85	Manufacturing of battery parts
Huizhou Modern Battery Limited (4) #	PRC	**100**	100	Manufacturing of batteries
Huizhou Power Pack Co Ltd (4) #	PRC	**100**	100	Manufacturing of batteries
Lehman Overseas Limited (2) #	British Virgin Islands	**100**	100	Trading in batteries and battery materials
North America Land Holdings Inc (6) #	United States of America	**100**	100	Property investment

35 Subsidiaires (cont'd)

Details of the principal subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Proportion of ownership interest/ voting power held by the Group		Principal activities
		2006 %	2005 %	
Powerbank Limited (5) #	Hong Kong	**100**	100	Manufacturing of batteries
Shanghai Bi Ba Batteries Co Ltd (4) #	PRC	**100**	100	Manufacturing of batteries
Shenzhen Sylva Electrochemical Ltd (4) #	PRC	**100**	100	Manufacturing of batteries
Shenzhen JetPower Batteries Limited (4) #	PRC	**100**	100	Manufacturing of batteries
Sylva Industries Limited (3)	Hong Kong	**100**	100	Manufacturing of batteries
Whitehill Electrochemical Company Limited (3) #	Hong Kong	**100**	100	Investment holding and provision of logistic support
Zhongyin (Ningbo) Battery Co. Ltd (4)	PRC	**75**	75	Manufacturing of batteries

Held by subsidiaries of the Company
(1) Audited by Deloitte & Touche, Singapore
(2) Audited by Deloitte & Touche, Singapore for consolidation purposes
(3) Audited by overseas practices of Deloitte Touche Tohmatsu
(4) Audited by overseas practices of Deloitte Touche Tohmatsu for consolidation purposes
(5) Audited by other accounting firms as these subsidiaries are not significant
(6) Not audited as subsidiaries do not have statutory reporting requirements in their respective countries of incorporation and/or are not significant
(7) Reviewed by Deloitte & Touche, Singapore for consolidation purposes

36 Associates

Details of the principal associates are as follows:

Name of subsidiaries	Country of incorporation	Proportion of ownership interest/ voting power held by the Group		Principal activities
		2006 %	2005 %	
Advanced Electronics Batteries Energy Limited (2)*(a)	Hong Kong	**20**	-	Marketing and trading in batteries and battery products
Advance Technology Co Ltd (5) #	Taiwan	**50**	50	Manufacturing of battery parts
Aim High Group Ltd (6) #	British Virgin Islands	**50**	50	Marketing and trading in batteries
AZ Limited (6)*	Russia	**20**	20	Marketing and trading in batteries
Danionics Asia Limited (4) #	Hong Kong	**50**	50	Investment holding
Danionics (Shenzhen) Limited (2) *	PRC	**50**	50	Manufacturing of batteries
Foshan-Shi Shunde-Cu Advanced Electronics Energy Limited (2) * (a)	PRC	**20**	-	Manufacturing of batteries
Gold Yi Industries Co Ltd (2) #	Hong Kong	**45**	45	Investment holding and provision of logistic support
GP Battery Marketing (Germany) GmbH (4) #	Germany	**50**	35	Marketing and trading in batteries
GP Battery Marketing Italy S.r.l, (5) #	Italy	**40**	40	Marketing and trading in batteries
GP Battery Marketing (Korea) Limited (1) #	South Korea	**50**	50	Marketing and trading in batteries
GP Battery Marketing (Thailand) Co Ltd (1) #	Thailand	**49**	49	Marketing and trading in batteries
Huizhou Gold Yi Industries Co Ltd (3) *	PRC	**38.3**	38.3	Manufacturing of battery parts
Huizhou Long Tek Plastic Limited (3) *	PRC	**42.5**	42.5	Manufacturing of battery parts

36 Associates (cont'd)

Details of the principal associates are as follows:

Name of subsidiaries	Country of incorporation	Proportion of ownership interest/ voting power held by the Group		Principal activities
		2006 %	2005 %	
Jetview Limited [4] # [a]	British Virgin Islands	**40**	-	Investment holding
Long Tek Industries Co Ltd [2] #	Hong Kong	**50**	50	Investment holding and provision of logistic support
Ningbo GP Sanyo Energy Co., Ltd [1]	PRC	**49**	49	Manufacturing of batteries
STL Corporation [2] * [a]	Malaysia	**30**	-	Marketing and trading in batteries and battery related products
STL Technology Co., Ltd [2] * [a]	Taiwan	**30**	-	Manufacturing of battery packs and products
STL Technology SIP Co., Ltd [2] * [b]	PRC	**30**	-	Manufacturing of battery packs and products
T. G. Battery Co (China) Ltd [3] *	PRC	**42.5**	42.5	Manufacturing of batteries
T.G. Battery Co (Hong Kong) Limited [1]	Hong Kong	**50**	50	Investment holding and provision of logistic support

- \# Held by subsidiaries of the Company
- * Held by associates of the Company
- (1) Audited by overseas practices of Deloitte Touche Tohmatsu
- (2) Audited/reviewed by other accounting firms as these associates are not significant
- (3) The result of these associates which are included in the audited consolidated financial statements of their respective holding companies are not separately audited as they are not significant
- (4) Not audited as associates do not have statutory reporting requirements in their respective countries of incorporation and/or are not significant
- (5) Reviewed by Deloitte & Touche, Singapore for consolidation purposes
- (6) Audited by Deloitte & Touche, Singapore for consolidation purposes
- (a) Acquired as part of the Jetview Limited group during the financial year for a consideration of US$5,800,000
- (b) Incorporated during the financial year

37 Related party transactions

Related parties in these financial statements refer to entities owned or controlled directly or indirectly by Gold Peak Industries (Holdings) Limited ("GPIH") which has significant influence over the Company and associates. Related parties also include associates of the Group.

GPIH, a company incorporated in Hong Kong and listed on the Stock Exchange of Hong Kong Limited, is the Company's major shareholder. GPIH invests in the Company through a subsidiary, GP Industries Limited, a company incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited.

The amounts due from or to related parties are unsecured, non-interest bearing and repayable on demand unless otherwise stated. The Group has transactions with related parties on normal commercial terms as agreed between the parties as follows:

	The Group	
	2006	**2005**
	S$'000	**S$'000**
Sales to related parties	**(42)**	(225)
Purchases from related parties	**8,096**	12,591
Rental and other services received from related parties	**(160)**	(304)
Rental and other services paid to related parties	**923**	1,152
Sales to associates	**(61,937)**	(44,037)
Purchases from associates	**81,687**	74,003

The remuneration of the key management personnel, including the directors, during the year are as follows:

	The Group	
	2006	**2005**
	S$'000	**S$'000**
Short-term benefits	**2,257**	2,814
Post-employment benefits	**134**	143
Share-based payments	**47**	207
	2,438	3,164

38 Segment information

The Group's activities are primarily based in the People's Republic of China including Hong Kong and other Asian countries. The dominant source and nature of the Group's risk and returns are based on the geographical areas where its production facilities and assets are located. Therefore, the primary segment is geographical segments by location of assets.

Segment revenue, assets and capital expenditure are analysed based on the location of production facilities and assets. Capital expenditure includes the total cost incurred to acquire property, plant and equipment.

The Group operates in only one main business segment and that is the development, manufacturing, distribution and trading in batteries and battery related products.

38 Segment information *(cont'd)*

Geographical segments by location of production facilities and assets

	Asia S$'000	North and South America S$'000	Europe and Others S$'000	Elimination S$'000	Consolidated S$'000
2006					
Revenue					
External sales	778,535	48,026	59,744	-	886,305
Inter-segment sales	58,608	3	4,917	(63,528)	-
Total revenue	837,143	48,029	64,661	(63,528)	886,305
Results					
Segment results before interest, taxation and exceptional items	39,302	2,451	1,762		43,515
Exceptional items	(9,671)	-	(1,478)		(11,149)
Segment results before interest, taxation but after exceptional items	29,631	2,451	284		32,366
Interest income					574
Finance costs					(15,951)
Profit before share of results of associates					16,989
Share of results of associates	2,943	-	2,217		5,160
Profit before income tax					22,149
Income tax					(4,600)
Profit after income tax					17,549
Minority interests					(3,969)
Profit attributable to shareholders					13,580

38 Segment information (cont'd)

Geographical segments by location of production facilities and assets

	Asia S$'000	North and South America S$'000	Europe and Others S$'000	Consolidated S$'000
2006				
Balance sheet				
Segments assets	669,726	67,619	30,010	767,355
Interest in associates	47,465	-	10,873	58,338
	717,191	67,619	40,883	825,693
Unallocated assets				4,634
Consolidated total assets				830,327
Segments liabilities	116,282	2,116	6,247	124,645
Unallocated liabilities				329,100
Consolidated total liabilities				453,745
Other information				
Addition of property, plant and equipment	24,030	2,169	2,837	29,036
Non-cash expenses:				
Allowance for advances to an associate written back	(503)	-	-	(503)
Amortisation	4,982	-	-	4,982
Depreciation	33,875	995	1,394	36,264
Fair value gain on investment properties	-	(800)	-	(800)
Loss (Gain) on disposal of property, plant and equipment	750	-	(43)	707

38 Segment information (cont'd)

Geographical segments by location of production facilities and assets

	Asia S$'000	North and South America S$'000	Europe and Others S$'000	Elimination S$'000	Consolidated S$'000
2005 (Restated)					
Revenue					
External sales	778,509	52,458	62,893	-	893,860
Inter-segment sales	57,907	10	6,937	(64,854)	-
Total revenue	836,416	52,468	69,830	(64,854)	893,860
Results					
Segment results before interest, taxation and exceptional items	48,673	2,880	(3,417)		48,136
Exceptional items	(19,615)	859	-		(18,756)
Segment results before interest, taxation but after exceptional items	29,058	3,739	(3,417)		29,380
Interest income					310
Finance costs					(11,775)
Profit before share of results of associates					17,915
Share of results of associates	5,920	-	(506)		5,414
Profit before income tax					23,329
Income tax					(15,071)
Profit after income tax					8,258
Minority interests					(6,996)
Profit attributable to shareholders					1,262

38 Segment information (cont'd)

Geographical segments by location of production facilities and assets

	Asia S$'000	North and South America S$'000	Europe and Others S$'000	Consolidated S$'000
2005 (Restated)				
Balance sheet				
Segments assets	732,468	90,920	52,855	876,243
Interest in associates	41,182	-	8,695	49,877
	773,650	90,920	61,550	926,120
Unallocated assets				6,965
Consolidated total assets				933,085
Segments liabilities	138,071	2,230	10,438	150,739
Unallocated liabilities				407,799
Consolidated total liabilities				558,538
Other information				
Addition of property, plant and equipment	36,118	277	3,050	39,445
Non-cash expenses:				
Allowance for advances to an associate	14,680	-	-	14,680
Amortisation	6,865	-	-	6,865
Depreciation	34,864	853	2,868	38,585
Fair value gain on investment properties	(2,391)	(859)	-	(3,250)
Fair value gain on available-for-sale investments	(8,377)	-	-	(8,377)
Gain on disposal of property, plant and equipment	(11)	-	(12)	(23)
Impairment of available-for-sale investments	5,283	-	-	5,283

Revenue from external customers by geographical customers

	The Group 2006 S$'000	The Group 2005 S$'000
Asia	**519,214**	503,352
North and South America	**129,705**	156,436
Europe and others	**237,386**	234,072
	886,305	893,860

39 Changes in accounting policies

The accounting policies set out in Note 2 have been applied in preparing the financial statements. The adoption of new/revised FRSs and INT FRSs on the financial statements are disclosed below.

FRS 39 - Financial Instruments: Recognition and Measurement

FRS 39 requires the recognition and measurement of financial assets and liabilities. The new accounting standard moves measurement from a cost base to a fair value base for certain categories of financial assets and liabilities. The change in accounting policy has been accounted for prospectively in accordance with the transitional provisions of the FRS 39. The adoption of FRS 39 has resulted in certain investments being carried at their fair values with the corresponding adjustments being taken to fair value reserve.

Consequently, fair value adjustments of available-for-sale investments amounting to S$1,560,000 were taken up in opening fair value reserve as at 1 April 2005 in equity.

The Group does not adopt hedge accounting for its derivative financial instruments. Accordingly, derivative financial instruments with fair values of S$94,000 (liabilities) as at 1 April 2005, were recognised on the balance sheet and the resulting adjustments transferred to opening retained profits as at 1 April 2005. At 31 March 2006, the derivative financial instruments were fair valued at S$1,200,000 (assets) with the effects taken to profit and loss statement for the financial year ended.

Previously, the gain or loss on a financial instrument used to hedge a net investment in a foreign operation was taken to equity. With the adoption of FRS39, the Group is not adopting hedge accounting for such transactions. Accordingly, an amount of S$1,859,000 (debit) has been transferred from translation reserve to opening retained profits as at 1 April 2005.

As the revised accounting policy has been applied prospectively, the change has had no impact on the amounts reported for 2005 or prior periods.

FRS 102 - Share-based Payments

FRS 102 Share-based Payments requires the recognition of equity-settled share-based payments at fair value at the date of grant. Prior to the adoption of FRS 102, the Group did not recognise the financial effect of share-based payments till such payments were settled.

In accordance with the transitional provisions, the accounting standard has been applied retrospectively to all grants of equity instruments after 22 November 2002 that were unvested as of 1 April 2005. The accounting standard therefore applies to the share options granted by the Company on 25 June 2003.

For 2005, the change in accounting policy has resulted in a net decrease in profit for the year of S$516,000. The balance sheet at 31 March 2005 has been restated to reflect the recognition of a share option reserve of S$1,004,000.

For 2006, the impact of share-based payment is a net charge to the profit and loss statement of S$129,000. At 31 March 2006, the share option reserve amounted to S$1,133,000.

The share-based payments expense has been included in administrative expenses in the profit and loss statement.

39 Changes in accounting policies *(cont'd)*

FRS 103 - Business Combinations

Goodwill

FRS 103 has been adopted for financial years beginning 1 April 2005. The option of limited retrospective application of the accounting standard has not been taken up, thus avoiding the need to restate past business combinations.

After initial recognition, FRS 103 requires goodwill acquired in a business combination to be carried at cost less any accumulated impairment losses. Under FRS 36 Impairment of Assets (as revised in 2004), impairment reviews are required annually, or more frequently if there are indications that goodwill might be impaired. FRS 103 prohibits the amortisation of goodwill. Previously, under FRS 22, the Group carried goodwill in its balance sheet at cost less accumulated amortisation and accumulated impairment losses. Amortisation was charged over the estimated useful life of 10 years on a straight-line basis with the effect from the date of acquisition.

In accordance with the transitional provisions of FRS 103, the Group has applied the revised accounting policy for goodwill prospectively from the beginning of its first annual period beginning on or after 1 July, to goodwill acquired in business combinations. Therefore, from 1 April 2005, the Group has discontinued amortising such goodwill and has tested the goodwill for impairment in accordance with FRS 36. At 1 April 2005, the accumulated amortisation as at 31 March 2005 of S$3,798,000 has been eliminated, with a corresponding decrease in the gross carrying amount of goodwill leaving the net carrying amount of goodwill unchanged.

Because the revised accounting policy has been applied prospectively, the change has had no impact on amounts reported for 2005 or prior periods.

No amortisation has been charged in 2006. The charge in 2005 was S$1,803,000.

Under the previous accounting policy, S$2,417,000 of amortisation of goodwill would have been charged to the profit and loss statement during 2006, leaving a balance of goodwill of S$18,999,000 at 31 March 2006. Therefore, the impact of the change in accounting policy in 2006 is a decrease in administrative expenses and an increase in net assets at 31 March 2006 of S$2,417,000.

Excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost (previously known as negative goodwill)

FRS 103 requires that, after reassessment, any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination should be recognised immediately in the profit and loss statement. FRS 103 prohibits the recognition of negative goodwill in the balance sheet.

Previously, under FRS 22 (superseded by FRS 103), the Group capitalised negative goodwill in capital reserve.

In accordance with the transitional provisions of FRS 103, the Group has applied the revised accounting policy prospectively from 1 April 2005. Therefore, the change has had no impact on amounts reported for 2005 or prior periods.

The carrying amount of negative goodwill at 1 April 2005 has been derecognised at the transition date. Therefore, an adjustment of S$5,169,000 has been reclassed out of capital reserve to opening retained profits as at 1 April 2005.

39 Changes in accounting policies (cont'd)

FRS 21(revised) – The effects of Changes in Foreign Exchange rates

FRS 21 (revised) requires exchange difference arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation, where that monetary item is neither denominated in the functional currency of the parent nor the foreign operation to be recognised in the profit and loss accounts of the reporting entity. Upon consolidation, such exchange differences are taken to the translation reserve. The adoption of FRS 21 has been adopted retrospectively.

Adoption of FRS 39 and 103 has been applied prospectively. Adoption of FRS 21 and FRS 102 has been applied retrospectively. Accordingly, the 2005 comparative figures have been restated to take into account the change in accounting policies as shown below:

	As previously reported S$'000	Adoption of FRS 21 S$'000	Adoption of FRS 102 S$'000	As restated S$'000	Adoption of FRS 39 S$'000	Adoption of FRS 103 S$'000	As adjusted 1 April 2005 S$'000
The Group							
Shareholders' Equity							
Retained profits							
1 April 2004	167,551	-	(488)	167,063			
31 March 2005	162,703	-	(1,004)	161,699			
1 April 2005				161,699	1,765	5,169	168,633
Translation reserve							
1 April 2005	(41,535)	-	-	(41,535)	(1,859)	-	(43,394)
Capital/Legal reserve							
1 April 2005	(28,599)	-	-	(28,599)	-	(5,169)	(33,768)
Share option reserve							
1 April 2004	-	-	488	488	-	-	488
31 March 2005	-	-	1,004	1,004	-	-	1,004
Fair value reserve							
1 April 2005	-	-	-	-	(1,560)	-	(1,560)
Profit for the year ended 31 March 2005	1,778	-	(516)	1,262	-	-	1,262

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

At 31 March 2006

39 Changes in accounting policies (cont'd)

	As previously reported S$'000	Adoption of FRS 21 S$'000	Adoption of FRS 102 S$'000	As Restated S$'000
The Company				
Shareholders' Equity				
Retained profits				
1 April 2004	122,154	(22,931)	(488)	98,735
31 March 2005	91,043	(29,694)	(1,004)	60,345
Share option reserve				
1 April 2004	-	-	488	488
31 March 2005	-	-	1,004	1,004
Translation reserve				
1 April 2004	(22,931)	22,931	-	-
31 March 2005	(29,694)	29,694	-	-
Loss for the year ended 31 March 2005	(24,408)	(6,763)	(516)	(31,687)

Impact of change in accounting policy

To the extent that the changes in the Group's accounting policies as described above have had an impact on results reported for 2006 and 2005, they would have had an impact on the amounts reported for earnings per shares.

The following table summarises the impact of change in accounting policy on both basic and diluted earnings per share:

	Impact on basic earning per share		Impact on diluted earning per share	
	2006 Cents	2005 Cents	2006 Cents	2005 Cents
Fair value adjustments from available-for-sale investments	**3.55**	-	**3.46**	-
Non amortisation of goodwill	**1.65**	-	**1.60**	-
Recognition of share-based payments	**(0.12)**	(0.48)	**(0.11)**	(0.47)
Total impact of changes in accounting policy	**5.08**	(0.48)	**4.95**	(0.47)

40 Critical accounting judgements and key sources of uncertainty

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

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

(a) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

(b) Impairment of property, plant and equipment

Determining whether the property, plant and equipment is impaired requires an estimation of value in use of the property, plant and equipment. The value in use calculation requires the management to estimate the future cash flows and an appropriate discount rate in order to calculate the present value of future cash flows. The management has evaluated such estimates and is confident that no allowance for impairment is necessary.

(c) Depreciation of property, plant and equipment

The management exercises their judgement in estimating the useful lives of the depreciable assets. Depreciation is provided to write off the cost of property, plant and equipment over the estimated useful lives, using the straight-line method.

(d) Allowances for bad and doubtful debts

The company makes allowances for bad and doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables when events or changes in circumstances indicate that the balance may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables and doubtful debts expenses in the period in which such estimate has been changed.

41 Reclassifications and comparative figures

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements and following the Group's and the Company's adoption of the FRSs that became effective during the year. As a result, certain line items have been amended on the face of the balance sheet, profit and loss statement, statement of changes in equity and cash flow statements and the related notes to the financial statements. Comparative figures have been adjusted to conform with the current year's presentation. The items were reclassified as follows:

	The Group	
	Previously reported 2005 S$'000	After reclassification 2005 S$'000
Deferred tax assets	-	2,703
Other investments	7,719	-
Available-for-sale investments (Non-current)	-	7,719
Short-term investments	18,035	-
Available-for-sale investments (Current)	-	18,035
Deferred tax liabilities	(8,949)	(11,652)