

Chairman's Statement



The Group will focus on improving margins through price increases, cost control and product rationalization. It will also develop channels in the emerging markets and further promote its **GP** brand.

During the year 2007/08, prices of Zinc, Nickel and Cobalt had continued its erratic trend. Appreciating Renminbi, escalating raw material prices together with rising energy and labour costs had affected margins.

The Group's turnover for the year ended 31 March 2008 was S\$976.4 million, a rise of 19.1% over the previous year. Loss after tax attributable to equity holders of the Company was S\$4.6 million, against a net profit of S\$12.1 million for last year. Loss per share was 4.21 Singapore cents compared with an earning per share of 11.06 Singapore cents last year.

The Board of Directors recommends a final tax-exempt dividend of 2.5 Singapore cents per share. Together with the interim tax-exempt dividend paid, the total tax-exempt dividend per share for the year amounted to 3.6 Singapore cents.

During the year, the Group has continued to focus on new product introduction and applications; as well as to protect and strengthen its customer base. We have some success stories in expanding our Tier 1 customer base. Our product development group has also focused working on new chemistry and form factors.

Sales turnover for the coming year is expected to remain steady. We will continue to develop sales channels in the emerging markets and further promote its GP brand.

The Group continues to pursue operating excellence for all our factories and will focus on high-end products especially Lithium products. In the coming year, it will also position itself to take advantage of the opportunity

created by a general tight supply situation for Lithium products. It will continue its prudent practice and cost management to cushion the adverse factors that are affecting the overall business environment.

The Group's factory in Taiwan will start mass production of Boston Power's Sonata Lithium-ion notebook battery. This is expected to create a new income stream for the Group.

On behalf of the Board of Directors, I would like to express my sincere appreciation to all our shareholders, business associates and employees for their continued support.



Andrew S.O. Ng
Chairman and Chief Executive
18 June 2008