

CHAIRMAN'S STATEMENT



Andrew S.O. Ng
Chairman and Chief Executive

“ We will continue to broaden alliances and partnership with parties that can leverage on our technology. The opportunities in e-mobility will be an exciting arena for the Group. ”

The first quarter of our financial year 2008/09 started with continued fluctuating raw material prices and volatile currencies. As the year progressed, the unprecedented global financial market turmoil and credit contraction created even greater challenges for our business as well as the customers we serve.

Turnover decreased by 11.5% over the previous year to S\$864.1million. Profit after tax attributable to equity holders of the Company was S\$0.7 million, compared to

a net loss of S\$4.6 million for last year. Gross profit margin was 16.9% vis-a-vis previous year's 16.3%. Earnings per share was 0.65 Singapore cents, up from a loss per share of 4.21 Singapore cents over last year.

The Board of Directors recommends a final tax-exempt (1-tier) dividend of 1.5 Singapore cents per share. Together with the interim tax-exempt (1-tier) dividend paid, the total tax-exempt (1-tier) dividend per share for the year amounted to 2.6 Singapore cents.

During the year, the Group has continued its cost control measures and efforts in plant rationalization, resulting in productivity improvement and greater efficiency. We have placed more focus on key product lines that were able to generate greater margins. Additional resources were channeled to new product development.

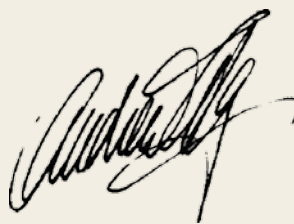
The Group's early and continuing efforts in electric vehicle batteries have positioned us to capitalize on the rising interest in this new mode of transportation as companies and individuals have begun placing greater attention on being "green" and "sustainable". On the high-end electric bicycles front, we are currently a significant world supplier especially in the European market. We will continue to broaden alliances and partnership with parties that can leverage on our technology. The opportunities in e-mobility will be an exciting arena for the Group.

Towards the end of the financial year, the Group formed a five-year strategic alliance with Boston-Power Inc. of the US to develop and manufacture Lithium-ion batteries for notebook computers. As the production ramps up in the coming year, this could become an additional revenue source for the Group.

Looking ahead, the Group will continue to enhance its brand management and solidify its position in emerging markets. It remains optimistic about the consumer battery market and resources have been set aside to further strengthen its market position.

Although business outlook remains volatile, the Group is confident that harnessing on its strengths, it is well-positioned to ride through this challenging time and will be in good stead when the economy recovers. The management will seek to improve the future funding structure of the Group when the financial market stabilizes.

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



Andrew S.O. Ng
Chairman and Chief Executive
18 June 2009

Battery Application in Electric Transportation

Capitalizing on the opportunities in e-mobility, the Group will accelerate forward with greater strength and vigor.



