CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2014

	Note	The Group 2014 S$'000	The Group 2013 S$'000 (Restated)
Revenue	4	**695,407**	721,071
Cost of sales		**(539,175)**	(570,485)
Gross profit		**156,232**	150,586
Other operating income	5a	**6,002**	24,602
Distribution expenses		**(51,027)**	(49,912)
Administrative expenses		**(78,662)**	(83,567)
Other operating expenses	5b	**(57,811)**	(19,392)
Finance costs	6	**(7,362)**	(8,708)
(Loss) Profit before share of results of associates		**(32,628)**	13,609
Share of results of associates		**(4,681)**	(9,558)
(Loss) Profit before income tax	7	**(37,309)**	4,051
Income tax	9	**(10,648)**	(11,124)
Loss for the year		**(47,957)**	(7,073)
Loss attributable to:			
Equity holders of the Company		**(51,957)**	(16,182)
Non-controlling interests		**4,000**	9,109
		(47,957)	(7,073)
Earnings (Loss) per share (cents):			
- Basic	11	**(42.97)**	(13.76)
- Diluted	11	**(42.97)**	(13.76)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2014

	The Group	
	2014	**2013**
	S$'000	**S$'000**
Loss for the year	**(47,957)**	(7,073)
Other comprehensive (loss) income:		
Items that may be subsequently reclassified to Profit or Loss:		
Translation differences arising from consolidation of foreign operations	**4,537**	(2,672)
Available-for-sale financial assets		
- Fair value gain (loss) arising during the year	**1,382**	(614)
Other comprehensive income (loss) for the year, net of tax	**5,919**	(3,286)
Total comprehensive loss for the year	**(42,038)**	(10,359)
Total comprehensive (loss) income attributable to:		
Equity holders of the Company	**(46,727)**	(19,468)
Non-controlling interests	**4,689**	9,109
	(42,038)	(10,359)

See accompanying notes to financial statements.

STATEMENTS OF FINANCIAL POSITION

31 March 2014

	Note	The Group 2014 S$'000	The Group 2013 S$'000	The Company 2014 S$'000	The Company 2013 S$'000
Non-current assets					
Investment property	12	**1,601**	1,123	**–**	–
Property, plant and equipment	13	**215,240**	228,543	**772**	1,784
Interest in subsidiaries	14	**–**	–	**332,354**	364,739
Interest in associates	15	**52,066**	60,410	**16,382**	18,482
Available-for-sale investments	16	**4,722**	3,664	**–**	–
Deferred tax assets	26	**5,713**	4,635	**–**	–
Intangible assets	17	**–**	80	**–**	–
Goodwill on consolidation	18	**13,485**	16,773	**–**	–
Deposits and prepayments	22	**156**	445	**16**	16
Total non-current assets		**292,983**	315,673	**349,524**	385,021
Current assets					
Stocks	19	**95,396**	100,175	**–**	–
Debtors	20	**122,570**	160,649	**117,583**	79,060
Derivative financial instruments	21	**–**	265	**–**	–
Tax recoverable		**896**	1,291	**–**	–
Deposits and prepayments	22	**7,996**	9,117	**564**	840
Bank balances and cash		**93,979**	64,371	**10,661**	1,096
		320,837	335,868	**128,808**	80,996
Assets held for sale	35	**1,847**	–	**–**	–
Total current assets		**322,684**	335,868	**128,808**	80,996
Current liabilities					
Creditors and accrued charges	23	**146,314**	131,208	**121,032**	58,660
Derivative financial instruments	21	**679**	10	**–**	–
Obligations under finance leases	24	**291**	375	**64**	100
Income tax payable		**2,502**	3,029	**257**	266
Bank loans and overdrafts	25	**149,813**	158,904	**79,152**	81,106
Total current liabilities		**299,599**	293,526	**200,505**	140,132
Net current assets (liabilities)		**23,085**	42,342	**(71,697)**	(59,136)
Non-current liabilities					
Bank loans	25	**2,103**	31,238	**42**	28,655
Obligations under finance leases	24	**108**	423	**–**	63
Deferred tax liabilities	26	**3,809**	4,012	**–**	–
Total non-current liabilities		**6,020**	35,673	**42**	28,718
Net assets		**310,048**	322,342	**277,785**	297,167
Represented by					
Share capital	27	**257,400**	231,257	**257,400**	231,257
Reserves		**(9,154)**	37,633	**20,385**	65,910
Attributable to equity holders of the Company		**248,246**	268,890	**277,785**	297,167
Non-controlling interests		**61,802**	53,452	**–**	–
		310,048	322,342	**277,785**	297,167

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 March 2014

	Note	Share capital S$'000	Capital reserve # S$'000	Legal reserve S$'000	Translation reserve S$'000	Property/ asset revaluation reserve S$'000	Retained profits S$'000	Share option reserve (Note 27) S$'000	Fair value reserve S$'000	Attributable to equity holders of the Company S$'000	Non-controlling interests S$'000	Total S$'000
The Group												
Balance at 1 April 2012		231,257	(33,872)	18,435	(132,426)	3,358	202,647	1,133	614	291,146	46,927	338,073
Total comprehensive (loss) income for the year:												
(Loss) Profit for the year		–	–	–	–	–	(16,182)	–	–	(16,182)	9,109	(7,073)
Other comprehensive loss for the year		–	–	–	(2,672)	–	–	–	(614)	(3,286)	–	(3,286)
Total		–	–	–	(2,672)	–	(16,182)	–	(614)	(19,468)	9,109	(10,359)
Transactions with owners, recognised directly in equity:												
Dividends paid	10(a)	–	–	–	–	–	(2,747)	–	–	(2,747)	–	(2,747)
Dividends paid to non-controlling interests in subsidiaries		–	–	–	–	–	–	–	–	–	(1,873)	(1,873)
Transfer to (from) reserves		–	–	2,972	–	–	(2,972)	–	–	–	–	–
Effects of changes in shareholdings on non-controlling interests, net		–	(130)	–	89	–	–	–	–	(41)	(711)	(752)
Total		–	(130)	2,972	89	–	(5,719)	–	–	(2,788)	(2,584)	(5,372)
Balance at 31 March 2013		231,257	(34,002)	21,407	(135,009)	3,358	180,746	1,133	–	268,890	53,452	322,342
Balance at 1 April 2013		231,257	(34,002)	21,407	(135,009)	3,358	180,746	1,133	–	268,890	53,452	322,342
Total comprehensive (loss) income for the year:												
(Loss) Profit for the year		–	–	–	–	–	(51,957)	–	–	(51,957)	4,000	(47,957)
Other comprehensive income for the year		–	–	–	3,848	–	–	–	1,382	5,230	689	5,919
Total		–	–	–	3,848	–	(51,957)	–	1,382	(46,727)	4,689	(42,038)
Transactions with owners, recognised directly in equity:												
Issue of shares, net of expenses	27	26,143	–	–	–	–	–	–	–	26,143	–	26,143
Dividends paid	10(a)	–	–	–	–	–	(1,099)	–	–	(1,099)	–	(1,099)
Dividends paid to non-controlling interests in subsidiaries		–	–	–	–	–	–	–	–	–	(5,009)	(5,009)
Transfer to (from) reserves		–	–	371	–	–	762	(1,133)	–	–	–	–
Effects of changes in shareholdings on non-controlling interests		–	1,039	–	–	–	–	–	–	1,039	8,670	9,709
Total		26,143	1,039	371	–	–	(337)	(1,133)	–	26,083	3,661	29,744
Balance at 31 March 2014		**257,400**	**(32,963)**	**21,778**	**(131,161)**	**3,358**	**128,452**	**–**	**1,382**	**248,246**	**61,802**	**310,048**

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

	Note	Share capital S$'000	Retained profits S$'000	Share option reserve (Note 27) S$'000	Translation reserve S$'000	Total S$'000
The Company						
Balance at 1 April 2012		231,257	69,462	1,133	171	302,023
Total comprehensive income (loss) for the year:						
Loss for the year		–	(2,151)	–	–	(2,151)
Other comprehensive income for the year		–	–	–	42	42
Total		–	(2,151)	–	42	(2,109)
Transactions with owners, recognised directly in equity:						
Dividends paid	10(a)	–	(2,747)	–	–	(2,747)
Balance at 31 March 2013		231,257	64,564	1,133	213	297,167
Balance at 1 April 2013		231,257	64,564	1,133	213	297,167
Total comprehensive loss for the year:						
Loss for the year		–	(44,193)	–	–	(44,193)
Other comprehensive loss for the year		–	–	–	(233)	(233)
Total		–	(44,193)	–	(233)	(44,426)
Transactions with owners, recognised directly in equity:						
Dividends paid	10(a)	–	(1,099)	–	–	(1,099)
Issue of shares, net of expenses	27	26,143	–	–	–	26,143
Transfer to retained earnings	27	–	1,133	(1,133)	–	–
Total		26,143	34	(1,133)	–	25,044
Balance at 31 March 2014		**257,400**	**20,405**	**–**	**(20)**	**277,785**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2014

	The Group	
	2014 S$'000	2013 S$'000 (Restated)
Operating activities		
(Loss) Profit before income tax	**(37,309)**	4,051
Adjustments for:		
Allowance for doubtful debts (trade)	**1,162**	1,017
Allowance for stock, net	**4,875**	29
Amortisation of customer relationship	**80**	321
Compensation expense (income) accrued	**5,243**	(10,508)
Depreciation of property, plant and equipment	**21,625**	25,820
Dividend income from available-for-sale investments	**–**	(19)
Fair value gain on investment property	**(460)**	–
Finance costs, net	**7,362**	8,708
Loss on disposal of available-for-sale investments	**5**	–
Impairment loss on available-for-sale investments	**–**	607
Impairment loss on goodwill	**3,512**	–
Impairment loss on property, plant and equipment	**16,787**	4,877
Provision for impairment loss on interest in associates	**1,688**	10,000
Impairment loss on receivables due from an associate		
Trade	**3,588**	–
Non trade	**22,294**	2,912
Interest income	**(715)**	(497)
Gain on disposal of property, plant and equipment, net	**(497)**	(5,345)
Property, plant and equipment written off	**529**	238
Realised gain on derivative financial instruments	**(1,158)**	(197)
Share of results of associates	**4,681**	9,558
Stocks write-down	**2,833**	–
Unrealised fair value loss (gain) on derivative financial instruments	**679**	(255)
Unrealised foreign exchange gain	**(1,695)**	(652)
Operating profit before working capital changes	**55,109**	50,665
Stocks	**(990)**	5,455
Debtors	**6,126**	21,259
Deposits and prepayments	**1,245**	(129)
Creditors and accrued charges	**9,439**	(34,011)
Cash generated from operations	**70,929**	43,239
Income tax paid	**(9,894)**	(8,425)
Net cash from operating activities	**61,035**	34,814
Investing activities		
Acquisition of additional equity interests in subsidiaries	**–**	(752)
Deposits paid for purchase of property, plant and equipment	**(140)**	(445)
Consideration received on dilution of interest in a subsidiary	**9,709**	–
Dividends received from associates	**2,179**	1,003
Dividends received from available-for-sale investments	**–**	19
Interest received	**720**	528
Investment in associates	**(963)**	(77)
Proceeds on disposal of property, plant and equipment	**1,034**	6,969
Proceeds on disposal of available-for-sale investments	**371**	–
Purchase of available-for-sale investments	**–**	(679)
Purchase of property, plant and equipment (note A)	**(19,090)**	(19,568)
Net cash used in investing activities	**(6,180)**	(13,002)

	The Group 2014 S$'000	The Group 2013 S$'000 (Restated)
Financing activities		
Drawdown of term loans	**–**	10,141
Repayment of term loans	**(29,082)**	(17,615)
Other short term bank loans repaid	**(9,144)**	(10,864)
Dividends paid	**(1,099)**	(2,747)
Dividends paid to non-controlling interests	**(5,009)**	(1,873)
Repayment of obligations under finance leases	**(376)**	(570)
Interest paid	**(7,286)**	(8,748)
Issue of shares	**26,143**	–
Net cash used in financing activities	**(25,853)**	(32,276)
Net increase (decrease) in cash and cash equivalents	**29,002**	(10,464)
Cash and cash equivalents at 1 April	**63,463**	73,317
Effect of exchange rate changes on the balance of cash held in foreign currencies	**1,514**	610
Cash and cash equivalents at 31 March (note B)	**93,979**	63,463

A. Property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S$26,306,000 (2013 :S$20,913,000) of which:

- S$429,000 (2013 :S$689,000) were acquired under finance leases;
- S$Nil (2013 : S$656,000) were transferred from deposits paid for property, plant and equipment;
- S$6,787,000 (2013 : S$Nil) were transferred from other debtors which relate to the consideration of compensation income earned in 2013; and
- S$19,090,000 (2013: S$19,568,000) were acquired with cash.

B. Cash and cash equivalents at 31 March comprise:

	Note	2014 S$'000	2013 S$'000
Bank balances and cash		**93,979**	64,371
Bank overdrafts	25	**–**	(908)
		93,979	63,463

See accompanying notes to financial statements.

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 3 Fusionopolis Link #06-10 Nexus @one-north Singapore 138543. The financial statements are expressed in Singapore dollars ("S$").

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

The principal activities of its key subsidiaries are as disclosed in Note 30 to the financial statements.

The financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 March 2014 were authorised for issue by the Board of Directors on 17 June 2014.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been 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"). Historical costs is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ADOPTION OF NEW AND REVISED STANDARDS

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2013. A "package of five" FRS on consolidation, joint arrangements, associates and disclosures were issued and effective for financial periods commencing 1 April 2015 which comprises FRS 110 *Consolidated Financial Statements*, FRS 111 *Joint Arrangements*, FRS 112 *Disclosure of Interests in Other Entities*, FRS 27 (Revised) *Separate Financial Statements* and FRS 28 (Revised) *Investments in Associates and Joint Ventures*. Subsequent to the issue of these standards, amendments to FRS 110, FRS 111 and FRS 112 were issued to clarify certain transitional guidance on the first-time application of the standards. In the current year, the Group has early adopted FRS 110, FRS 111, FRS 112, FRS 27 (Revised) and FRS 28 (Revised) together with the amendments to FRS 110, FRS 111 and FRS 112 regarding the transitional guidance.

The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below:

Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*

The Group has applied the amendments to FRS 1 *Presentation of Items of Other Comprehensive Income* retrospectively for the first time in the current year, and renamed the 'statement of comprehensive income' as the 'statement of profit or loss and other comprehensive income'. Under the amendments to FRS 1, the Group also grouped items of other comprehensive income into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Other than the above mentioned presentation changes, the application of the amendments to FRS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

FRS 113 *Fair Value Measurement*

The Group has applied FRS 113 for the first time in the current year. FRS 113 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The fair value measurement requirements of FRS 113 apply to both financial instrument items and non-financial assets for which other FRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

FRS 113 includes extensive disclosure requirements, although specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. Consequently the company has not made any new disclosures required by FRS 113 for the comparative period.

Other than the additional disclosures, the application of FRS 113 has not had any material impact on the amounts recognised in the financial statements.

FRS 112 *Disclosure of Interests in Other Entities*

FRS 112 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of FRS 112 has resulted in more extensive disclosures in the consolidated financial statements.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- Amendments to FRS 32 *Financial Instruments: Presentation*
- Amendments to FRS 36 *Impairment of Assets*

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Amendments to FRS 32 *Financial Instruments: Presentation*

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

The amendments to FRS 32 are effective for annual periods beginning on 1 April 2014, with retrospective application required.

The management does not anticipate that the application of these amendments to FRS 32 will have a significant impact on the Group's consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

Amendments to FRS 36 *Impairment of Assets*

The amendments to FRS 36 restrict the requirement to disclose the recoverable amount of an asset or cash generating unit (CGU) to periods in which an impairment loss has been recognised or reversed. The amendments also expand and clarify the disclosure requirements applicable when such asset or CGU's recoverable amount has been determined on the basis of fair value less costs of disposal, such as the level of 'fair value hierarchy' within which the fair value measurement of the asset of CGU has been determined, and where the fair value measurements are at Level 2 or 3 of the fair value hierarchy, a description of the valuation techniques used and any changes in that valuation technique, key assumptions used including discount rate(s) used.

Upon adoption of the amendments to FRS 36, the Group expects additional disclosures arising from any asset impairment loss or reversals, and where their respective recoverable amounts are determined based on fair value less costs of disposal.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year. Subsidiaries are entities controlled by the Company. Control is achieved when the Company:

– has power over the investee;

– is exposed, or has rights, to variable returns from its involvement with the investee; and

– has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company's voting rights in an investee are sufficient to give it power, including:

– the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

– potential voting rights held by the Company, other vote holders or other parties;

– rights arising from other contractual arrangements; and

– any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BASIS OF CONSOLIDATION (cont'd)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposes of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

All significant inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

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

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

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

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

BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BUSINESS COMBINATIONS (cont'd)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

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

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

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instrument: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ASSOCIATES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

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

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

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

GOODWILL

Goodwill arising from a business combination is recognised as an asset (except for those arising prior to adoption of FRS 103 *Business Combinations*, which were adjusted to equity) at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. 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 its carrying amount, 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 or the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

INVESTMENT PROPERTY

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

PROPERTY, PLANT AND EQUIPMENT

Freehold land is carried at historical cost or at its revalued amount, being the fair value on the basis of its existing use at the date of revaluation. In accordance with FRS 16 *Property, plant and equipment*, where one-off revaluation had been performed between 1 January 1984 and 31 December 1996 (both dates inclusive), the Group need not revalue these properties with sufficient regularities.

Leasehold land and leasehold improvements are carried at historical cost, less accumulated depreciation and any accumulated 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 accumulated impairment loss.

Machinery, moulds and equipment, furniture, fixtures and equipment and motor vehicles are carried at historical cost, less accumulated depreciation and any accumulated impairment loss.

Any revaluation surplus arising from the revaluation of freehold land and buildings is recognised in other comprehensive income and accumulated in property/asset 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 profit or loss to the extent of the deficit previously charged. A decrease in carrying amount arising from 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/asset revaluation reserve relating to a previous revaluation of that asset.

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Upon retirement or subsequent sale of a revalued asset, the attributable revaluation surplus included in property/asset revaluation reserve is transferred directly to retained earnings. No transfer is made from the property/asset revaluation reserve to retained earnings except when an asset is derecognised.

Depreciation is charged so as to write off the cost/revalued amount 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	-	over the respective lease periods

Freehold land is not depreciated.

Depreciation is charged using the straight line or 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

Assets under construction are carried at cost, less any recognised impairment loss and are not depreciated until they are ready for their intended use.

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

INTANGIBLE ASSETS

Internally-generated intangible assets - product development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. The cost is amortised, using the straight-line method, over its estimated commercial life, not exceeding a period of ten years, commencing in the year when the product is put into commercial use.

Intangible assets acquired - technical knowhow

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.

The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Such assets are tested for impairment in accordance with the policy below.

Intangible assets acquired in a business combination - customer relationship

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date and amortised using the straight-line method, over a period of five years.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

FINANCIAL INSTRUMENTS

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FINANCIAL INSTRUMENTS (cont'd)

A financial asset is classified as held for trading if:

– it has been acquired principally for the purpose of selling in the near future; or

– it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

– it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

– such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

– the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

– it forms part of a contract containing one or more embedded derivatives, and FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 3.

Available-for-sale financial assets

Certain shares and debt securities held by the Group are classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described in Note 3. Gains and losses arising from changes in fair value are recognised directly in the other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in the fair value reserve is reclassified to profit or loss for the period. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

The investment in unquoted equity instruments whereby the fair value cannot be measured reliably is carried at cost less any accumulated impairment loss. Impairment loss is not reversed. Gain or loss on disposal is included in profit or loss.

Loans and receivables

Trade debtors and other debtors that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term debtors when the effect of discounting is immaterial.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FINANCIAL INSTRUMENTS (cont'd)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

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

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

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the assets carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of debtors where the carrying amount is reduced through the use of an allowance account. When a debtor is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FINANCIAL INSTRUMENTS (cont'd)

Derecognition of financial assets

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

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

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to fluctuations in interest rates, foreign exchange rates and raw material prices.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group does not designate any derivative for hedging purposes.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

LEASES

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

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Group as lessor

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

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 of the equity instruments (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 the number of equity instruments 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 management's best estimate, for the effects of non-transferrability, exercise restrictions and behavioural considerations.

LEGAL RESERVE

Legal reserve represents the amount transferred from profit after taxation of the subsidiaries incorporated in the People's Republic of China (excluding Hong Kong) (the "PRC") in accordance with the PRC legal requirement. The legal reserve cannot be reduced except where approval is obtained from the relevant PRC authority to apply the amount either in setting off the accumulated losses or increasing capital.

REVENUE RECOGNITION

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

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

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

Rental income is recognised on a straight-line basis over the term of the relevant lease.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

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

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

Income from providing financial guarantee is recognised in profit or loss over the guarantee period on a straight-line basis.

BORROWING COSTS

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

RETIREMENT BENEFIT COSTS

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT

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

GOVERNMENT GRANTS

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

INCOME TAX

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

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

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 from investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

INCOME TAX (cont'd)

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

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

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

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of each reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component in equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION (cont'd)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in translation reserve.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation (except for those arising prior to adoption of FRS 103 *Business Combinations*) are treated as assets and liabilities of the foreign operation and translated at the closing rate.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand and demand deposits and bank overdrafts that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. 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.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified a held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with FRS 39 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

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

3 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) *Categories of financial instruments*

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

	The Group		The Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Financial assets				
Fair value through profit or loss (FVTPL):				
Held for trading	–	265	–	–
Loans and receivables (including cash and cash equivalents)	218,073	228,378	128,393	82,413
Available-for-sale financial assets	4,722	3,664	–	–

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

	The Group		The Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Financial liabilities				
Fair value through profit or loss (FVTPL):				
Held for trading	679	10	–	–
Amortised cost	298,629	322,148	200,290	168,584

(b) *Financial risk management policies and objectives*

The management monitors and manages the financial risks relating to the operations of the Group through analysing exposures by degree and magnitude of risks. These risks include market risk (including foreign exchange risk, interest rate risk and equity price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group's major financial instruments include trade and other receivables, trade and other payables, bank balances and bank loans. Details of these financial instruments are disclosed in the respective notes. The Group enters into a variety of derivative financial instruments to manage its exposure to fluctuations in interest rates, foreign exchange rates and raw material prices, including:

- non-deliverable commodity contracts of raw nickel to manage the risk arising from the fluctuations of nickel prices;
- forward exchange contracts to hedge the exchange rate risks arising from trade receivables and trade payables, and firm commitments to buy or sell goods; and
- interest rate swaps to mitigate the risk of rising interest rates.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. In managing the Group's exposure to fluctuations in foreign exchange rate, and raw material prices, the Group will use forward contracts to hedge up to a maximum period of 12 months.

The Group does not hold or issue derivative financial instruments for speculative purposes.

3 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

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

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The Group transacts business in various foreign currencies, including the United States dollars, Hong Kong dollars, Chinese Renminbi, Japanese Yen and Euro and therefore is exposed to foreign exchange risk.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	The Group				The Company			
	Liabilities		Assets		Liabilities		Assets	
	2014	2013	2014	2013	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
United States dollars	**12,579**	17,902	**21,196**	37,328	**53,823**	20,588	**32,664**	16,303
Chinese Renminbi	**7,501**	27,279	**15,491**	20,167	**–**	–	**7,141**	6,119
Hong Kong dollars	**19,105**	6,144	**6,646**	4,295	**37,418**	36,864	**48,146**	44,759
Japanese Yen	**1,073**	4,016	**42**	5	**–**	–	**–**	–
Euro	**7,224**	1,612	**390**	894	**5,012**	27	**–**	–

Certain companies in the Group use forward contracts to hedge their exposure to foreign currency risk in the local reporting currency.

The Company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

Further details on the forward exchange derivative instruments are found in Note 21 to the financial statements.

Foreign currency sensitivity

The following table details the sensitivity to a 5% increase and decrease in the functional currency of each group entity against the relevant foreign currencies. 5% is the sensitivity rate used. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

3 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

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

(i) Foreign exchange risk management (cont'd)

If the functional currency of each group entity strengthens by 5% against the relevant foreign currency loss for the year will increase (decrease) by:

	The Group [I]		The Company [II]	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
United States dollars impact	**431**	971	**(1,058)**	(214)
Chinese Renminbi impact	**399**	(356)	**357**	306
Hong Kong dollars impact	**(623)**	(92)	**536**	395
Japanese Yen impact	**(52)**	(201)	**–**	–
Euro impact	**(342)**	(36)	**(251)**	(1)

A 5% weakening of the functional currency of each group entity would have the equal but opposite effect of the above amount on the basis that all other variables remain constant.

(I) This is mainly attributable to the exposure on outstanding receivables, payables and bank loans at year end in the Group.

(II) This is mainly attributable to the exposure on outstanding inter-company receivables, payables and bank loans at the year end.

(ii) Interest rate risk management

Summary quantitative data of the Group's interest-bearing financial instruments can be found in Section (v) of this Note. 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 does not exceed the tenure of the underlying debts. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of each reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used.

If interest rates had been 50 basis points higher or lower and all other variables were held constant:

- the Group's loss for the year ended 31 March 2014 would increase/decrease by S$760,000 (2013: increase/decrease by S$951,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings; and
- the Company's loss for the year ended 31 March 2014 would increase/decrease by S$396,000 (2013 : S$549,000). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

3 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

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

(iii) Equity price risk management

The Group is exposed to equity risks arising from equity investments classified as available-for-sale. Available-for-sale equity investments are held for strategic rather than trading purposes. The Group does not actively trade available-for-sale investments.

Further details of these equity investments can be found in Note 16 to the financial statements.

Equity price sensitivity

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

In respect of available-for-sale equity investments, if the equity price or valuation had been 5% higher/lower while all other variables were held constant:

- the Group's loss for the year ended 31 March 2014 would decrease/increase by S$Nil (2013 : S$90,000); and
- the Group's fair value reserves would increase/decrease by S$142,000 (2013 : increase/decrease by S$Nil).

(iv) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed regularly.

Trade debtors consist of a large number of customers spreading across diverse industries and geographical areas. Ongoing credit evaluation is performed and, where appropriate, credit guarantee insurance cover is purchased.

The Group does not have significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are reputable financial institutions.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, and financial guarantee that the Group may be called upon, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Further details of credit risks on trade and other debtors are disclosed in Note 20 to the financial statements.

3 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

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

(iv) Credit risk management (cont'd)

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

	The Group		The Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
By geographical areas				
Asia	**59,368**	64,091	**45,141**	41,764
North and South America	**10,750**	12,774	**–**	–
Europe and others	**33,034**	35,751	**–**	–
	103,152	112,616	**45,141**	41,764

(v) Liquidity risk management

The Group maintains sufficient cash and cash equivalents, borrowings with different tenures and internally generated cash flows to finance their activities. The Group minimises liquidity risk by keeping committed credit lines available.

As at 31 March 2014, the Company's current liabilities exceeded its current assets by S$71,697,000 (2013 : S$59,136,000). The financial statements of the Company have been prepared on a going concern basis as the management is of the view that its major shareholder will continue to provide financial support to enable the Company to meet its financial obligations as and when they fall due. Its major shareholder has undertaken to provide the Company with sufficient liquidity to enable the Company to meet its funding needs.

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

3 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

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

(v) Liquidity risk management (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	% p.a.	S$'000	S$'000	S$'000	S$'000	S$'000
The Group						
2014						
Non-interest bearing	–	146,314	–	–	–	146,314
Finance lease liability (fixed rate)	3.72	445	115	–	(161)	399
Variable interest rate instruments	3.83	155,379	2,145	170	(5,778)	151,916
		302,138	2,260	170	(5,939)	298,629
2013						
Non-interest bearing	–	131,208	–	–	–	131,208
Finance lease liability (fixed rate)	3.99	411	501	–	(114)	798
Variable interest rate instruments	3.45	165,361	31,522	666	(7,407)	190,142
Financial guarantees	–	1,604	–	–	(1,604)	–
		298,584	32,023	666	(9,125)	322,148
The Company						
2014						
Non-interest bearing	–	121,032	–	–	–	121,032
Finance lease liability (fixed rate)	4.34	65	–	–	(1)	64
Variable interest rate instruments	3.53	81,696	42	–	(2,544)	79,194
Financial guarantees	–	211,520	–	–	(211,520)	–
		414,313	42	–	(214,065)	200,290
2013						
Non-interest bearing	–	58,660	–	–	–	58,660
Finance lease liability (fixed rate)	4.34	105	64	–	(6)	163
Variable interest rate instruments	3.15	84,389	29,291	–	(3,919)	109,761
Financial guarantees	–	218,361	–	–	(218,361)	–
		361,515	29,355	–	(222,286)	168,584

Derivative financial instruments

The liquidity analysis for derivative financial instruments is disclosed in Note 21 to the financial statements.

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current debtors and creditors 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.

3 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

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

(vi) Fair value of financial assets and financial liabilities (cont'd)

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

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

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

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

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

Financial instruments measured at fair value

	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000
The Group				
2014				
Financial assets				
Available-for-sale investments	2,844	2,844	–	–
Financial liabilities				
Derivative financial instruments	679	–	679	–
2013				
Financial assets				
Available-for-sale investments	1,812	1,812	–	–
Derivative financial instruments	265	–	265	–
	2,077	1,812	265	–
Financial liabilities				
Derivative financial instruments	10	–	10	–

The Company had no financial assets and liabilities carried at fair value.

3 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Notes 24 and 25 and equity attributable to equity holders of the Company, comprising issued capital as disclosed in Note 27, reserves and retained profits.

The Group's overall strategy remains unchanged from 2013. The Group and the Company are in compliance with externally imposed capital requirements which include PRC legal requirement to set aside a legal reserve and financial covenants to maintain certain financial ratios required by the financial institutions for the facilities granted as at 31 March of 2014 and 2013.

4 REVENUE

	The Group	
	2014	**2013**
	S$'000	**S$'000**
Sales of products	**695,407**	721,071

5a OTHER OPERATING INCOME

		The Group	
	Note	**2014**	**2013**
		S$'000	**S$'000**
Compensation income	37	–	10,508
Dividend income from available-for-sale investment in unquoted securities		–	19
Fair value gain on investment property	12	**460**	–
Gain on disposal of property, plant and equipment, net		**497**	5,345
Government grant		**1,390**	1,198
Interest income		**715**	497
Realised gain on derivative financial instruments		**1,158**	197
Rental income		**1,077**	1,032
Technical fee income		**103**	4,695
Unrealised fair value gain on derivative financial instruments		–	255
Others		**602**	856
		6,002	24,602

5b OTHER OPERATING EXPENSES

	Note	The Group 2014 S$'000	The Group 2013 S$'000
Compensation expense	i	**5,243**	–
Impairment loss on available-for-sale investments		**–**	607
Impairment loss on receivables due from associates			
Trade	ii	**3,588**	–
Non trade	ii	**22,294**	2,912
Provision for impairment loss on interest in associates	ii	**1,688**	10,000
Impairment loss on goodwill	iii	**3,512**	–
Impairment loss on property, plant and equipment	iii	**16,787**	4,877
Stocks write-down	iii	**2,833**	–
Others		**1,866**	996
		57,811	19,392

i) A provision for compensation of S$5,243,000 regarding an unfinished project caused by the winding down of the operations of the Vectrix Group of companies which comprises Vectrix Holdings Limited, Vectrix International Limited, Vectrix LLC and Vectrix Sp.z.o.o. ("Vectrix Group")

ii) Inclusive of impairment loss totalling S$26,333,000 made in respect of Vectrix Group. During the year, the Group reviewed the recoverable amount of the Group's investment in and amounts due from associate. Due to the wind down of the operation of the Vectrix Group, an impairment loss of S$26,333,000 (2013: S$10,000,000) was recognised for carrying amount and amount due from Vectrix Group. This is mainly due to no in-flow of future economic benefits is expected from Vectrix Group.

iii) Inclusive of impairment loss and stocks write-down of S$18,945,000 made in respect of the goodwill, inventory and plant and equipment of Gold Peak Industries (Taiwan) Limited due to the Group's effort to reduce capacity by consolidating the rechargeable Lithium battery plants. The recoverable amount of the relevant assets has been determined on the basis of their value in use. The discount rate used in measuring value in use is 12% (2013: 8%).

6 FINANCE COSTS

	The Group 2014 S$'000	The Group 2013 S$'000
Interest expense on:		
Bank loans and overdrafts	**7,302**	8,643
Finance leases	**60**	65
	7,362	8,708

7 (LOSS) PROFIT BEFORE INCOME TAX

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

	The Group	
	2014	2013
	S$'000	S$'000
Allowance for doubtful debts (trade) [b]	**1,162**	1,017
Allowance for stock, net	**4,875**	29
Audit fees:		
Auditors of the Company	**338**	338
Other auditors	**704**	844
Non-audit fees:		
Auditors of the Company	**35**	14
Other auditors	**179**	121
Cost of inventories recognised as expense	**539,175**	570,485
Foreign exchange loss, net [a]	**152**	311
Gain on disposal of property, plant and equipment, net [a]	**(497)**	(5,345)
Loss on disposal of available-for-sale investments [a]	**5**	–
Operating lease expense	**5,782**	6,096
Property, plant and equipment written off [a]	**529**	238
Realised gain on derivative financial instruments	**(1,158)**	(197)
Unrealised fair value loss (gain) on derivative financial instruments [a]	**679**	(255)

(a) Included in other operating expenses/other operating income in the consolidated statement of profit or loss.

(b) Included in distribution expenses in the consolidated statement of profit or loss.

8 STAFF COSTS

	The Group	
	2014	2013
	S$'000	S$'000
Directors' remuneration:		
Fees	**140**	140
Emoluments		
of the Company	**1,910**	1,721
of the subsidiaries	**400**	762
Salaries and wages	**95,301**	97,426
Defined contribution plans	**3,188**	3,964
	100,939	104,013

9 INCOME TAX

	The Group	
	2014	2013
	S$'000	S$'000
		(Restated)
Current income tax:		
Provision for current year	**9,625**	9,419
Overprovision in respect of prior years	**(852)**	(943)
Withholding tax on overseas income	**1,166**	378
	9,939	8,854
Deferred income tax:		
Write-back for current year	**(1,966)**	(172)
Under (Over) provision in respect of prior years	**822**	(169)
	(1,144)	(341)
Share of taxation of associates:		
Provision for current year	**1,853**	1,046
Under provision in respect of prior years	**–**	1,565
	1,853	2,611
	10,648	11,124

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2013 : 17%) to profit before income tax as a result of the following differences:

	The Group	
	2014	2013
	S$'000	S$'000
(Loss) Profit before income tax	**(37,309)**	4,051
Income tax (benefit) expense at statutory rate	**(6,343)**	689
Add/(Less):		
Effect of different tax rates of overseas operations	**(716)**	722
Income not subject to tax	**(66)**	(278)
Utilisation of previously unrecognised deferred tax benefits	**(1,825)**	(2,617)
(Over) Under provision in respect of prior years	**(30)**	453
Non allowable items	**5,207**	3,479
Unrecognised deferred tax benefits	**13,255**	8,298
Withholding tax on overseas income	**1,166**	378
Income tax at effective tax rate	**10,648**	11,124

10 DIVIDENDS

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

	The Group and the Company	
	2014	2013
	S$'000	S$'000
2013 final tax-exempt (1-tier) dividend of 1.0 Singapore cents ("S cents") per share	**1,099**	–
2012 final tax-exempt (1-tier) dividend of 1.5 S cents per share	**–**	1,648
2013 interim tax-exempt (1-tier) dividend of 1.0 S cents per share	**–**	1,099
	1,099	2,747

b) Proposed dividends at 31 March are as follows:

Final tax-exempt (1-tier) dividend of 1.0 S cents (2013 : 1.0 S cents) per share	**1,648**	1,099

The proposed dividends are subject to approval by the shareholders in the annual general meeting and hence not presented as liabilities as at year end.

11 EARNINGS (LOSS) PER SHARE

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

a) Earnings

	The Group	
	2014	2013
	S$'000	S$'000
Loss attributable to equity holders of the Company	**(51,957)**	(16,182)

b) Number of shares

	The Group	
	2014	2013
Weighted average number of ordinary shares used in calculating basic earnings per share	**120,927,519**	117,562,150 [1]
Effect of dilutive potential ordinary shares: Share options	**–** [2]	– [3]
	120,927,519	117,562,150

[1] Restated for the effects of the rights issue completed in March 2014

[2] No dilutive effects as the share options have lapsed/expired

[3] No dilutive effects as the share options were out-of-money

12 INVESTMENT PROPERTY

	The Group	
	2014	2013
	S$'000	S$'000
At 1 April	**1,123**	1,135
Currency realignment	**18**	(12)
Fair value gain	**460**	–
At 31 March	**1,601**	1,123

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. Fair values were determined having regard to the existing use of the property, recent market transactions for similar properties in the same location as the property being valued.

The property rental income earned by the Group from its investment property which is leased out under operating leases, amounted to S$178,000 (2013 : S$183,000). Direct operating expenses arising from the investment property in the year amounted to S$38,800 (2013 : S$28,000).

Particulars of the investment property are as follows:

Description	Tenure	Fair value S$'000	Valuation Technique	Unobservable inputs	Range of unobservable inputs
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	1,601	Depreciated replacement cost method	Building construction cost	RMB1,000 to RMB1,500/ square metre

The investment property categorised under Level 3 of the fair value hierarchy are generally sensitive to the unobservable input tabled above. A significant movement of input would result in significant change to the fair value of the investment property.

13 PROPERTY, PLANT AND EQUIPMENT

	Note	Freehold land and buildings S$'000	Leasehold land, buildings and leasehold improvements S$'000	Machinery, moulds and equipment S$'000	Assets under construction S$'000	Furniture, fixtures, equipment and motor vehicles S$'000	Total S$'000
The Group							
Cost/Valuation:							
At 1 April 2012		27,603	122,477	389,868	22,196	48,962	611,106
Currency realignment		(564)	773	(2,981)	61	(454)	(3,165)
Transfer		–	11,268	7,916	(19,034)	(150)	–
Additions		4,012	244	3,237	7,930	5,490	20,913
Disposals and write-offs		–	(1,955)	(11,910)	(29)	(3,572)	(17,466)
At 31 March 2013		31,051	132,807	386,130	11,124	50,276	611,388
Currency realignment		(361)	1,523	1,945	157	744	4,008
Transfer		–	5,098	6,515	(11,971)	358	–
Additions		772	1,109	12,731	10,521	1,173	26,306
Disposals and write-offs		–	–	(13,405)	(1)	(4,298)	(17,704)
Assets reclassified as held for sale	35	–	(2,475)	–	–	–	(2,475)
At 31 March 2014		31,462	138,062	393,916	9,830	48,253	621,523
Represented by:							
At 31 March 2014							
Cost		24,785	138,062	393,916	9,830	48,253	614,846
Valuation		6,677	–	–	–	–	6,677
Total		31,462	138,062	393,916	9,830	48,253	621,523
At 31 March 2013							
Cost		24,106	132,807	386,130	11,124	50,276	604,443
Valuation		6,945	–	–	–	–	6,945
Total		31,051	132,807	386,130	11,124	50,276	611,388
Accumulated depreciation:							
At 1 April 2012		7,273	29,400	281,179	–	32,867	350,719
Currency realignment		(155)	233	(1,995)	–	(245)	(2,162)
Depreciation		513	5,117	13,906	–	6,284	25,820
Disposals and write-offs		–	(1,366)	(9,141)	–	(3,161)	(13,668)
At 31 March 2013		7,631	33,384	283,949	–	35,745	360,709
Currency realignment		(36)	423	1,400	–	524	2,311
Depreciation		483	4,758	12,731	–	3,653	21,625
Disposals and write-offs		–	–	(12,489)	–	(3,900)	(16,389)
Asset reclassified as held for sale	35	–	(628)	–	–	–	(628)
At 31 March 2014		8,078	37,937	285,591	–	36,022	367,628
Impairment loss:							
At 1 April 2012		–	4,959	13,976	–	–	18,935
Currency realignment		–	494	(203)	–	2	293
Charge for the year		–	4	3,845	–	1,028	4,877
Disposal		–	–	(1,969)	–	–	(1,969)
At 31 March 2013		–	5,457	15,649	–	1,030	22,136
Currency realignment		–	(210)	127	–	15	(68)
Charge for the year		–	–	16,581	–	206	16,787
Disposal		–	–	(200)	–	–	(200)
At 31 March 2014		–	5,247	32,157	–	1,251	38,655
Carrying amount:							
At 31 March 2014		23,384	94,878	76,168	9,830	10,980	215,240
At 31 March 2013		23,420	93,966	86,532	11,124	13,501	228,543

13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold Improvement 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 2012	–	690	4,509	5,199
Currency realignment	–	–	(37)	(37)
Transfer	370	–	(370)	–
Additions	–	15	865	880
Disposals and write-offs	(17)	(614)	(820)	(1,451)
At 31 March 2013	353	91	4,147	4,591
Currency realignment	5	–	55	60
Additions	–	9	103	112
Disposals and write-offs	–	(11)	(82)	(93)
At 31 March 2014	358	89	4,223	4,670
Accumulated depreciation:				
At 1 April 2012	–	552	2,070	2,622
Currency realignment	1	–	(12)	(11)
Depreciation	307	41	1,213	1,561
Disposals and write-offs	(17)	(552)	(796)	(1,365)
At 31 March 2013	291	41	2,475	2,807
Currency realignment	3	–	38	41
Depreciation	64	14	1,019	1,097
Disposals and write-offs	–	(7)	(40)	(47)
At 31 March 2014	358	48	3,492	3,898
Carrying amount:				
At 31 March 2014	–	41	731	772
At 31 March 2013	62	50	1,672	1,784

The carrying amount of property, plant and equipment includes an amount of S$611,000 (2013 : S$854,000) for the Group and S$101,000 (2013 : S$113,000) for the Company in respect of certain equipment and motor vehicles held under finance leases (Note 24).

The freehold land and buildings of the Group amounting to S$6,677,000 (2013 : S$6,945,000) 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. In accordance with FRS 16 *Property, plant and equipment*, where a one-off revaluation had been performed between 1 January 1984 and 31 December 1996 (both dates inclusive), the Group need not revalue these properties with sufficient regularities. The resulting revaluation surpluses have been credited to the property revaluation reserve and the balance as at year end amounted to S$892,000 (2013 : S$892,000) for the Group in respect of the above assets.

If the cost method had been used, the carrying amount of freehold land and building of the Group would have been S$22,641,000 (2013 : S$22,654,000).

During the year, the Group carried out a review of the recoverable amount on some of the property, plant and equipment. Due to the Group's effort to reduce capacity by consolidating the rechargeable Lithium battery plants, an impairment loss of S$16,787,000 (2013: S$4,877,000) was recorded mainly due to reducing the carrying value of property, plant and equipment of Gold Peak Industries (Taiwan) Limited (Note 5b). The recoverable amount of the relevant assets has been determined on the basis of their value in use. The discount rate used in measuring value in use is 12% (2013: 8%).

14 INTEREST IN SUBSIDIARIES

	The Company	
	2014	2013
	S$'000	S$'000
Unquoted equity shares, at cost	**212,620**	208,533
Less: Impairment loss	**(115,356)**	(80,476)
	97,264	128,057
Amounts due from subsidiaries (non-trade)	**232,975**	234,514
Financial guarantee contracts to subsidiaries	**2,115**	2,168
Total interest in subsidiaries	**332,354**	364,739

The amounts due from subsidiaries are interest free and form part of the Company's net investment in the subsidiaries. An amount of S$3,523,000 (2013: S$5,063,000), included in the amounts due from subsidiaries, is interest bearing at interest rate of 5% per annum. These amounts are unsecured and there are no contractual obligations to repay the Company given that the eventual return of the capital contribution is at the discretion and ability of the subsidiaries.

During the year, the Company carried out a review of the recoverable amount of its investments in subsidiaries. Arising from the review, an impairment loss of S$34,880,000 (2013: S$1,300,000) was recognised mainly attributable to the reduction in the carrying value of Gold Peak Industries (Taiwan) Limited as a result of its uncertain future cash flow due to the Group's effort to reduce capacity by consolidating the rechargeable Lithium battery plants (Note 5b).

Details of the subsidiaries are set out in Note 30 to the financial statements.

15 INTEREST IN ASSOCIATES

	The Group		The Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Cost of investment	**62,202**	61,239	**16,382**	16,382
Loan to associate	**13,516**	13,516	**7,349**	7,349
Financial guarantee contracts to associates	**–**	–	**–**	16
Share of post-acquisition reserves, net of dividends received	**(4,162)**	3,457	**–**	–
	71,556	78,212	**23,731**	23,747
Accumulated impairment loss	**(19,490)**	(17,802)	**(7,349)**	(5,265)
Total	**52,066**	60,410	**16,382**	18,482

During the year, the Group reviewed the recoverable amount of the Group's investment in and amounts due from associate. Arising from the review, an impairment loss of S$1,688,000 mainly due to the wind down of Vectrix Group (Note 5b) was recognised in the statement of profit or loss.

During the financial year ended 31 March 2013, an impairment loss of S$10,000,000 was recognised as a result of the management's review on the recoverability of the amount due from Vectrix Group, determined based on an estimation of the value in use. The value in use calculation requires the Group to estimate the present value of future cash flows based on key assumptions regarding discount rates and growth rates. Cash flow forecast was derived from financial budgets approved by management and extrapolated for the following four years based on an average growth rate of approximately 23%. Growth rates were estimated based on industry growth forecasts. The rate used to discount the forecast cash flow ranged from 26% to 36%, estimated using pre-tax rates that reflect current market assessments of the risks specific to Vectrix Group.

Details of the associates are set out in Note 31 to the financial statements.

16 AVAILABLE-FOR-SALE INVESTMENTS

	The Group	
	2014	2013
	S$'000	S$'000
Equity shares:		
Quoted, at fair value	**2,844**	1,812
Unquoted, at cost	**1,878**	1,852
Total available-for-sale investments	**4,722**	3,664

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.

The fair value of quoted securities was based on the quoted closing market prices on the last market day of the financial year.

The investment in unquoted equity shares represents investment in companies where the recoverability of investment is uncertain and dependent on the outcome of its activities. Certain investments in unquoted shares are carried at cost as the management is of the opinion that their fair values cannot be measured reliably.

17 INTANGIBLE ASSETS

	The Group			
	Product development expenditure	Technical knowhow	Customer relationship	Total
	S$'000	S$'000	S$'000	S$'000
Cost:				
At 1 April 2012	36,713	8,373	1,628	46,714
Currency realignment	(426)	(38)	(20)	(484)
Write off	(15,523)	(166)	–	(15,689)
At 31 March 2013	20,764	8,169	1,608	30,541
Currency realignment	292	99	23	414
At 31 March 2014	21,056	8,268	1,631	30,955
Accumulated amortisation:				
At 1 April 2012	36,713	8,373	1,221	46,307
Currency realignment	(426)	(38)	(14)	(478)
Write off	(15,523)	(166)	–	(15,689)
Amortisation for the year *	–	–	321	321
At 31 March 2013	20,764	8,169	1,528	30,461
Currency realignment	292	99	23	414
Amortisation for the year *	–	–	80	80
At 31 March 2014	21,056	8,268	1,631	30,955
Total intangible assets:				
At 31 March 2014	–	–	–	–
At 31 March 2013	–	–	80	80

* Included in administrative expenses in consolidated statement of profit or loss.

18 GOODWILL ON CONSOLIDATION

	The Group	
	2014	2013
	S$'000	S$'000
Cost:		
At 1 April	**16,773**	16,944
Currency realignment	**224**	(171)
At 31 March	**16,997**	16,773
Impairment:		
Charged for the year	**3,512**	–
At 31 March	**3,512**	–
Carrying amount:		
At 31 March	**13,485**	16,773

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 allocated to the cash-generating units ("CGUs") that are expected to benefit from that business combination are as follows:

	The Group Carrying amount	
	2014	2013
	S$'000	S$'000
Zhongyin (Ningbo) Battery Co. Ltd	**5,920**	5,838
Gold Peak Industries (Taiwan) Limited (Note 5b)	**–**	3,474
GP Batteries (U.K.) Limited	**1,093**	1,078
Eastern Europe marketing and distribution network	**5,312**	5,239
GP Batteries (China) Limited	**1,153**	1,137
Others	**7**	7
	13,485	16,773

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 year and extrapolates cash flows for the following four years based on average growth rates of approximately 3% to 16% (2013: 3% to 10%).

The rates used to discount the cash flow forecasts ranges from approximately 13% to 17% (2013 : 11% to 13%).

19 STOCKS

	The Group	
	2014	2013
	S$'000	S$'000
Raw materials		
At cost	**17,477**	22,148
At net realisable value	**422**	10
Work in progress		
At cost	**29,693**	27,017
Finished goods		
At cost	**45,900**	49,231
At net realisable value	**1,904**	1,769
	95,396	100,175

The cost of inventories recognised as an expense includes S$4,935,000 (2013 : S$91,000) in respect of write-downs of inventory to net realisable value, and has been reduced by S$60,000 (2013 : S$62,000) in respect of the reversal of such write-downs. Previous write-downs have been reversed as a result of increased sales price in certain markets.

20 DEBTORS

		The Group		The Company	
	Note	2014	2013	2014	2013
		S$'000	S$'000	S$'000	S$'000
Trade					
Outside parties		**102,206**	111,100	**–**	–
Amounts due from:					
Associates	31	**15,627**	13,056	**16**	16
Subsidiaries	30	**–**	–	**45,125**	41,748
Related parties	32	**4**	–	**–**	–
		117,837	124,156	**45,141**	41,764
Less:					
Allowance for doubtful debts					
Outside parties		**(11,097)**	(11,540)	**–**	–
Associates		**(3,588)**	–	**–**	–
		103,152	112,616	**45,141**	41,764
Non-trade					
Outside parties		**14,849**	26,841	**307**	178
Amounts due from:					
Associates	31	**35,012**	29,120	**5,985**	5,099
Subsidiaries	30	**–**	–	**100,584**	54,680
Related parties	32	**36**	40	**1**	2
		49,897	56,001	**106,877**	59,959
Less:					
Allowance for doubtful debts					
Associates		**(30,479)**	(7,968)	**(5,919)**	(3,910)
Subsidiaries		**–**	–	**(28,516)**	(18,753)
		19,418	48,033	**72,442**	37,296
Total		**122,570**	160,649	**117,583**	79,060

20 DEBTORS (cont'd)

The amounts due from subsidiaries, associates and related parties are unsecured and repayable on demand. The average credit period on sale of goods ranges from 60 to 90 days (2013 : 60 to 90 days). Allowances made in respect of estimated irrecoverable amounts are determined by reference to past default experience.

The Group and the Company closely monitor the credit quality of its debtors (both trade and non-trade) and consider the debtors that are neither past due nor impaired to be of a good credit quality. Based on the payment pattern of the Group and the Company, debtors that are past due but not impaired are generally collectible. Included in the Group's trade debtors are debtors with a carrying amount of S$41,886,000 (2013 : S$42,631,000) which are past due at the reporting date for which the Group has not made any allowance given that there has not been a significant change in credit quality and the amounts are still considered recoverable. The average past due of these receivables are 2 months (2013 : 2 months). Included in allowance for doubtful debts were specific allowance against trade debtors and non-trade debtors of S$4,334,000 and S$30,479,000 respectively (2013 : S$2,374,000 and S$7,968,000 respectively). Such balances were individually assessed either because they were significantly past due and the debtor did not respond to repayment demands, or there were circumstances that indicate a debtor may not be able to honour its obligations when the debt is due. The remaining allowance for doubtful debts arose from collective assessment.

Movements in the allowance for doubtful debts (trade):

	The Group	
	2014	**2013**
	S$'000	**S$'000**
Balance at 1 April	**11,540**	10,549
Currency realignment	**404**	6
Charge for the year	**4,750**	1,017
Amount written off for the year	**(2,009)**	(32)
Balance at 31 March	**14,685**	11,540

Movements in the allowance for doubtful debts (non-trade):

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Balance at 1 April	**7,968**	5,107	**22,663**	15,864
Currency realignment	**217**	(51)	**–**	–
Allowance utilised	**–**	–	**–**	(11)
Allowance write back	**–**	–	**(7,219)**	–
Charge for the year*	**22,294**	2,912	**18,991**	6,810
Balance at 31 March	**30,479**	7,968	**34,435**	22,663

* Inclusive of charge for the year of S$21,883,000 (2013: S$Nil) for the Group and S$1,939,000 (2013: S$Nil) for the Company in respect of the wind down of Vectrix Group

21 DERIVATIVE FINANCIAL INSTRUMENTS

	The Group			
	2014		2013	
	Assets S$'000	Liabilities S$'000	Assets S$'000	Liabilities S$'000
Commodity forward contracts	**–**	**–**	–	(10)
Forward foreign exchange contracts	**–**	**(679)**	265	–
	–	**(679)**	265	(10)

The Group's derivative financial instruments are due within 1 year.

Commodity forward contracts

The Group uses commodity forward contracts to manage the risk arising from price fluctuation of its raw material.

As at 31 March 2013, major terms of these contracts were as follows:

Currency	Commodity	Quantity (in metric tonnes)	Maturity	Commodity forward price
USD	Nickel	30	June 2013	USD17,000/metric tonne
USD	Nickel	30	July 2013	USD17,000/metric tonne

The Group did not adopt hedge accounting in respect of these commodity contracts. The fair values of these commodity contracts were estimated at a loss of S$10,000. The fair values were determined by reference to the forward price of related metals quoted from London Metal Exchange as at 31 March 2013.

Forward foreign exchange contracts

The Group utilises currency derivatives to hedge significant future transactions and cash flows. The Group is a 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.

The notional amount of major outstanding forward foreign exchange contracts which the Group are committed to are as follows:

	The Group	
	2014 S$'000	2013 S$'000
Sell United States dollars buy Renminbi		
at average rate of 6.10 (expiring April 2014 to March 2015)	**32,143**	–
at average rate of 6.26 (expired April 2013 to February 2014)	**–**	43,905

The fair value of currency derivatives is estimated at a loss of S$679,000 (2013 : gain of S$265,000). The fair values are measured based on estimated valuation derived from market quotations.

22 DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Deposits	**1,680**	1,696	**165**	189
Prepayments	**6,472**	7,866	**415**	667
	8,152	9,562	**580**	856

Presented in the statements of financial position as:

	The Group		The Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Non-current assets	**156**	445	**16**	16
Current assets	**7,996**	9,117	**564**	840
	8,152	9,562	**580**	856

The fair value of the Group's and Company's deposits approximates their carrying amount.

23 CREDITORS AND ACCRUED CHARGES

		The Group		The Company	
	Note	2014	2013	2014	2013
		S$'000	S$'000	S$'000	S$'000
Trade					
Outside parties		**101,399**	98,195	**7,496**	–
Amounts due to:					
Associates	31	**18,698**	14,400	**–**	–
Related parties	32	**19**	256	**–**	–
Interest payable		**241**	223	**–**	202
Accrued charges		**17,784**	17,430	**–**	1,996
Accrued compensation expense	5b	**5,243**	–	**–**	–
Non-trade					
Amounts due to:					
Subsidiaries	30	**–**	–	**113,381**	56,314
Associates	31	**2,666**	227	**–**	–
Related parties	32	**264**	477	**155**	148
Total		**146,314**	131,208	**121,032**	58,660

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

The average credit period on purchases of goods ranges from 60 to 90 days (2013 : 60 to 90 days).

24 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	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
The Group				
Within 1 year	**445**	411	**291**	375
Within 2 to 5 years	**115**	501	**108**	423
	560	912	**399**	798
Less: Future finance charges	**(161)**	(114)		
Present value of lease obligations	**399**	798		
Less: Amounts due within 1 year	**(291)**	(375)		
Amounts due within 2 to 5 years	**108**	423		
The Company				
Within 1 year	**65**	105	**64**	100
Within 2 to 5 years	**–**	64	**–**	63
	65	169	**64**	163
Less: Future finance charges	**(1)**	(6)		
Present value of lease obligations	**64**	163		
Less: Amounts due within 1 year	**(64)**	(100)		
Amounts due within 2 to 5 years	**–**	63		

It is the Group's and Company's policy to lease certain of its equipment and motor vehicles 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 and Company 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.

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

25 BANK LOANS AND OVERDRAFTS

	The Group		The Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Unsecured:				
Bank loans	**138,543**	171,471	**79,194**	109,761
Bank overdrafts	**–**	908	**–**	–
Import and export loans	**13,373**	17,763	**–**	–
	151,916	190,142	**79,194**	109,761
Carrying amount:				
Repayable within 12 months and contain a repayment on demand clause	**148,739**	155,947	**78,396**	78,869
Not repayable within 12 months but contain a repayment on demand clause	**1,074**	2,957	**756**	2,237
Under current liabilities	**149,813**	158,904	**79,152**	81,106
Repayable after 12 months under non-current liabilities	**2,103**	31,238	**42**	28,655
	151,916	190,142	**79,194**	109,761

The effective interest rates for the above are set out in Note 3 to the financial statements. Bank loans of the Company amounting to S$31,656,000 (2013 : S$57,123,000) are secured by corporate guarantees granted by certain subsidiaries. Bank loans are arranged at floating rates and their carrying amount approximates their fair values.

26 DEFERRED TAX

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

	Accelerated tax depreciation	Revaluation of investment property	Tax losses	Others	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Deferred tax liabilities					
At 1 April 2012	2,671	58	–	804	3,533
Currency realignment	(136)	–	–	68	(68)
Charge to profit or loss	406	–	–	141	547
At 31 March 2013	2,941	58	–	1,013	4,012
Currency realignment	(104)	1	–	18	(85)
Charge (Credit) to profit or loss	(67)	46	–	(97)	(118)
At 31 March 2014	2,770	105	–	934	3,809
Deferred tax assets					
At 1 April 2012	(731)	–	(758)	(2,296)	(3,785)
Currency realignment	(53)	–	38	53	38
Credit to profit or loss	–	–	(646)	(242)	(888)
At 31 March 2013	(784)	–	(1,366)	(2,485)	(4,635)
Currency realignment	28	–	(25)	(55)	(52)
Charge (Credit) to profit or loss	–	–	817	(1,843)	(1,026)
At 31 March 2014	(756)	–	(574)	(4,383)	(5,713)

26 DEFERRED TAX (cont'd)

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

	The Group	
	2014	**2013**
	S$'000	**S$'000**
Unutilised tax losses	**187,174**	125,504
Difference in accounting and tax depreciation	**(11)**	(14)
Others	**(1)**	(1)
	187,162	125,489

The use and expiry of these temporary differences are subject to the agreement of the relevant tax authorities and compliance with certain provisions of the tax legislation. Included in unutilised tax losses are losses of S$405,000 that will expire in 2015.

27 SHARE CAPITAL

	The Group and the Company			
	2014	**2013**	**2014**	**2013**
	Number of ordinary shares		**S$'000**	**S$'000**
Issued and paid-up:				
At 1 April	**109,871,168**	109,871,168	**231,257**	231,257
Issue of shares pursuant to rights issue	**54,935,584**	–	**26,143**	–
At 31 March	**164,806,752**	109,871,168	**257,400**	231,257

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

During the year, the Company issued 54,935,584 new ordinary shares at S$0.486 each in connection with a rights issue exercise. Share issue expenses incurred for the rights issue amounting to S$556,000 were set off against share capital.

The Company's share option scheme expired in 2009 and all the options granted under this scheme have since been exercised or have expired. The estimated fair values of the options S$1,133,000 have been transferred to retained earnings on expiry of the options.

28 COMMITMENTS

As at the end of each reporting period, 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	
	2014	2013	**2014**	2013
	S$'000	S$'000	**S$'000**	S$'000
Within 1 year	**1,162**	3,520	**4**	654
After 1 year and within 5 years	**5,300**	5,599	**–**	–
After 5 years	**1,452**	4,504	**–**	–
	7,914	13,623	**4**	654

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 for an average term of 3 to 50 years and rentals are fixed for an average term of 1 to 5 years.

The Group as lessor:

The Group rents out its properties in the United States of America, the People's Republic of China and Singapore under operating leases. All of the properties held have committed tenants as disclosed below:

	The Group	
	2014	2013
	S$'000	S$'000
Within 1 year	**316**	619
After 1 year and within 5 years	**924**	402
After 5 years	**162**	–
	1,402	1,021

b) Capital expenditure commitments

	The Group	
	2014	2013
	S$'000	S$'000
Capital expenditure contracted but not provided for	**900**	947
Capital expenditure authorised but not contracted for	**4,112**	6,815
	5,012	7,762

c) Trust fund

In 2005, the Company established a "GP Batteries Industrial Safety Trust Fund" of HK$10 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 a certain level. As a result, this balance had not been provided for in the financial statements. Management is of the view that there is no likelihood that the balance needs to be provided for.

d) As at 31 March 2014, the Company has undertaken to provide financial support to some of its subsidiaries.

29 CONTINGENT LIABILITIES - UNSECURED

	The Group		The Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Guarantees given in respect of banking and other facilities granted to:				
Subsidiaries (Notes 14 and 30)	–	–	**211,520**	216,757
Associates (Notes 15 and 31)	–	1,604	–	1,604
Others	**8**	51	–	43
	8	1,655	**211,520**	218,404

The maximum amount that the Company could be forced to settle under the financial guarantee contract if the full guaranteed amount is claimed by the counter-party to the guarantee is S$211,520,000 (2013: S$218,404,000). The earliest period that the guarantee could be called is within one year (2013: one year) from the end of the reporting period. The Company considers that it is more likely than not that no amount will be payable under the arrangement.

30 SUBSIDIARIES

Information about the composition of the Group at the end of the reporting period is as follows:

Principal Activities	Place of incorporation and operation	Number of wholly-owned subsidiaries 2014	Number of wholly-owned subsidiaries 2013
Investment holding	Hong Kong	**7**	7
Investment holding	Others	**4**	4
Manufacturing of batteries	Hong Kong	**2**	2
Manufacturing of batteries	Malaysia	**1**	1
Manufacturing of batteries	People's Republic of China	**9**	9
Marketing and trading in batteries	Hong Kong	**3**	3
Marketing and trading in batteries	Malaysia	**1**	1
Marketing and trading in batteries	People's Republic of China	**1**	1
Marketing and trading in batteries	Others	**8**	9
Others		**8**	9
		44	46

Principal Activities	Place of incorporation and operation	Number of non-wholly-owned subsidiaries 2014	Number of non-wholly-owned subsidiaries 2013
Investment holding	Singapore	**1**	1
Manufacturing of batteries	People's Republic of China	**3**	3
Manufacturing of batteries	Taiwan	**1**	1
Marketing and trading in batteries	People's Republic of China	**2**	2
Marketing and trading in batteries	Others	**2**	2
		9	9

30 SUBSIDIARIES (cont'd)

Details of the principal subsidiary companies at 31 March 2014 are as follows:

Name of subsidiaries	Country of incorporation	Proportion of ownership interest/ voting power held by the Group 2014 %	2013 %	Principal activities
Bolder Technologies Pte Ltd (ii)	Singapore	**80**	80	Investment holding
Champion World Limited (i) & (iii)	British Virgin Islands	**100**	100	Investment holding
Dongguan Chao Ba Batteries Co Ltd (i) & (v)	People's Republic of China	**100**	100	Manufacturing of batteries
Douza Investments Ltd (i) & (iii)	British Virgin Islands	**100**	100	Investment holding
EVB Technology (HK) Limited (i) & (iv)	Hong Kong	**100**	100	Manufacturing of batteries
Gold Peak Industries (North America) Inc (vi)	United States of America	**100**	100	Marketing and trading in batteries
Gold Peak Industries (Taiwan) Limited (iv)	Taiwan	**80**	80	Manufacturing of batteries
GP Batteries (China) Limited (i) & (v)	People's Republic of China	**100**	100	Manufacturing of batteries
GP Batteries Europe B.V. (i) & (iv)	Netherlands	**100**	100 [Note 34]	Marketing and trading in batteries
GP Batteries (Malaysia) Sdn Bhd (iv)	Malaysia	**100**	100	Manufacturing of batteries
GP Batteries (Shenzhen) Co., Ltd (i) & (v)	People's Republic of China	**100**	100	Manufacturing of batteries
GP Batteries (U.K.) Limited (i) & (vi)	United Kingdom	**100**	100	Marketing and trading in batteries
GP Battery Marketing (H.K.) Limited (i) & (iv)	Hong Kong	**100**	100	Marketing and trading in batteries
GP Battery Marketing Inc (i) & (vi)	Canada	**100**	100	Marketing and trading in batteries
GP Battery Marketing (Korea) Limited (i) & (vi)	South Korea	**90**	90	Marketing and trading in batteries
GP Battery Marketing (Latin America) Inc. (i) & (vi)	United States of America	**100**	100	Marketing and trading in batteries
GP Battery Marketing (Malaysia) Sdn Bhd (iv)	Malaysia	**100**	100 [Note 34]	Marketing and trading in batteries

30 SUBSIDIARIES (cont'd)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest/ voting power held by the Group 2014 %	2013 %	Principal activities
GP Battery Marketing (Middle East) Limited (FZC) (i) & (iii)	United Arab Emirates	**60**	60	Marketing and trading in batteries
GP Battery Marketing (Singapore) Pte Ltd (ii)	Singapore	**100**	100	Marketing and trading in batteries
GP Battery (Poland) Sp. z.o.o. (i) & (vi)	Poland	**100**	100	Marketing and trading in batteries
GP Battery Technology (HK) Limited (iv)	Hong Kong	**100**	100	Investment holding
GPI International Limited (iv)	Hong Kong	**100**	100	Marketing and trading in batteries
GP Online Business Ltd (i) & (iv)	Hong Kong	**100**	100	Marketing and trading in batteries
Huizhou Chao Ba Batteries Co Ltd (i) & (iii)	People's Republic of China	**90**	90	Marketing and trading in batteries
Huizhou Modern Battery Limited (i) & (iii)	People's Republic of China	**100**	100	Manufacturing of batteries
Ningbo Fubang Battery Co Ltd (vii)	People's Republic of China	**72**	75	Manufacturing of batteries
Ningbo GP Energy Co., Ltd (vii)	People's Republic of China	**90**	90	Manufacturing of batteries
North America Land Holdings Inc (i) & (vi)	United States of America	**100**	100	Property investment
Shanghai Bi Ba Batteries Co Ltd (i) & (v)	People's Republic of China	**100**	100	Manufacturing of batteries
Sylva Industries (China) Limited (i) & (iv)	Hong Kong	**100**	100	Investment holding
Sylva Industries Limited (iv)	Hong Kong	**100**	100	Manufacturing of batteries
Whitehill Electrochemical Company Limited (i) & (iv)	Hong Kong	**100**	100	Investment holding and provision of logistic support
Zhongyin (Ningbo) Battery Co. Ltd (v)	People's Republic of China	**70 [Note 34]**	75	Manufacturing of batteries

(i) Held by subsidiaries of the Company

(ii) Audited by Deloitte & Touche LLP, Singapore

(iii) Reviewed by Deloitte & Touche LLP, Singapore for consolidation purposes

(iv) Audited by overseas practices of Deloitte Touche Tohmatsu Limited

(v) Audited/reviewed by overseas practices of Deloitte Touche Tohmatsu Limited for consolidation purposes

(vi) Audited/reviewed by other accounting firms as these subsidiaries are not significant

(vii) Audited by Zhejiang Dewei Certified Public Accountants Company for consolidation purposes

30 SUBSIDIARIES (cont'd)

Details of non-wholly owned subsidiaries that have material non-controlling interests:

Name of subsidiaries	Country of incorporation and place of business	Proportion of ownership interest/ voting power held by the non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2014	2013	2014	2013	2014	2013
		%	%	S$'000	S$'000	S$'000	S$'000
Zhongyin (Ningbo) Battery Co. Ltd	People's Republic of China	**30**	25	**6,823**	5,600	**45,342**	36,102
Ningbo Fubang Battery Co Ltd	People's Republic of China	**28**	25	**1,299**	1,245	**6,634**	4,750
Individually immaterial subsidiaries with non-controlling interests				**(4,122)**	2,264	**9,826**	12,600
				4,000	9,109	**61,802**	53,452

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below:

	Zhongyin (Ningbo) Battery Co. Ltd		Ningbo Fubang Battery Co Ltd	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Current assets	**113,375**	94,728	**28,536**	22,561
Non-current assets	**126,808**	121,819	**11,644**	12,665
Current liabilities	**(89,044)**	(72,139)	**(12,369)**	(12,742)
Equity attributable to owners of the Company	**105,798**	108,306	**21,177**	17,734
Non-controlling interests	**45,342**	36,102	**6,634**	4,750
Revenue	**340,133**	332,638	**45,857**	51,188
Expenses	**(49,336)**	(41,814)	**(3,248)**	(4,717)
Profit attributable to:				
Owners of the Company	**18,392**	16,799	**3,655**	3,736
Non-controlling interests	**6,823**	5,600	**1,299**	1,245
Profit for the year	**25,215**	22,399	**4,954**	4,981
Total comprehensive income attributable to:				
Owners of the Company	**20,174**	18,096	**3,940**	4,043
Non-controlling interests	**7,331**	5,779	**1,386**	1,281
Total comprehensive income for the year	**27,505**	23,875	**5,326**	5,324
Dividends paid to non-controlling interests	**5,009**	1,873	**–**	–

31 ASSOCIATES

Details of the principal associate companies at 31 March 2014 are as follows:

Name of associates	Country of incorporation	Proportion of ownership interest/ voting power held by the Group 2014 %	2013 %	Principal activities
AZ Limited (i) & (iv)	Russia	**40**	40	Marketing and trading in batteries
Changzhou Lithium Batteries Ltd (i) & (iii)	People's Republic of China	**40**	40	Manufacturing of batteries
GP Battery Marketing (Germany) GmbH (i) & (iii)	Germany	**50**	50	Marketing and trading in batteries
GP Battery Marketing (Thailand) Co Ltd (i) & (iii)	Thailand	**49**	49	Marketing and trading in batteries
Hanoi Battery Joint Stock Company (iv)	Vietnam	**30**	30	Manufacturing of batteries
STL Technology Co., Ltd (i) & (iii)	Taiwan	**34.46**	34.46	Manufacturing of battery packs and products
STL Technology (SIP) Co., Ltd (ii) & (v)	People's Republic of China	**34.46**	34.46	Manufacturing of battery packs and products
T.G. Battery Co (China) Ltd (ii) & (v)	People's Republic of China	**42.5**	42.5	Manufacturing of batteries
T.G. Battery Co (Hong Kong) Limited (iii)	Hong Kong	**50**	50	Investment holding and provision of logistic support
Vectrix International Limited (ii) & (iii)	Hong Kong	**45**	45	Trading of electric motorcycles

(i) Held by subsidiaries of the Company

(ii) Held by associates of the Company

(iii) Audited/reviewed by overseas practices of Deloitte Touche Tohmatsu Limited

(iv) Audited/reviewed by other accounting firms as these associates are not significant

(v) The results of the associates which are included in the audited consolidated financial statements of their respective holding companies are not separately audited as it is not significant

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

	The Group 2014 S$'000	2013 S$'000
Total assets	**249,344**	264,835
Total liabilities	**(132,427)**	(140,017)
Net assets	**116,917**	124,818
Group's share of associates' net assets	**52,066**	58,790
Revenue	**364,388**	399,859
Loss for the year	**(14,635)**	(34,884)

31 ASSOCIATES (cont'd)

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

	T.G. Battery Co (Hong Kong) Limited & its subsidiary	
	2014	2013
	S$'000	S$'000
Current assets	**42,764**	42,320
Non-current assets	**6,586**	7,401
Current liabilities	**(15,994)**	(18,441)
Revenue	**116,186**	111,441
Profit for the year	**2,818**	1,445
Total comprehensive income for the year	**2,818**	1,445
Dividends received from the associate during the year	**643**	803

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

	T.G. Battery Co (Hong Kong) Limited & its subsidiary	
	2014	2013
	S$'000	S$'000
Net assets of the associate	**33,356**	31,280
Proportion of the Group's ownership	**50%**	50%
Share of net assets of the associate	**16,678**	15,640
Others	**1,623**	1,890
Carrying amount of the Group's interest	**18,301**	17,530

	2014	2013
	S$'000	S$'000
Aggregate information of associates that are not individually material:		
The Group's share of		
Loss for the year	**(7,943)**	(12,892)
Other comprehensive income	**1,621**	(748)
Total comprehensive income	**(6,322)**	(13,640)
Aggregate carrying amount of the Group's interests in these associates	**33,765**	41,260
Unrecognised share of losses of an associate:		
Share of unrecognised profit (loss) for the year	**719**	(1,626)
Cumulative share of loss	**(4,018)**	(4,737)

32 RELATED PARTY TRANSACTIONS

During the year, GP Industries Limited became the Company's immediate holding company. Gold Peak Industries (Holdings) Limited became the Company's ultimate holding company. Related companies in these financial statements refer to members of the ultimate and immediate holding companies' group of companies. The amounts due from or to related parties are unsecured, non-interest bearing and repayable on demand unless otherwise indicated. The Group has transactions with related parties as follows:

	The Group	
	2014	**2013**
	S$'000	**S$'000**
Related companies		
Sales	**(5)**	(17)
Other services received	**(108)**	(131)
Purchases	**287**	1,341
Rental and other services paid	**1,625**	1,653
Associates		
Sales	**(36,812)**	(36,551)
Purchases	**81,565**	83,122
Technical fee income	**–**	(3,760)

The remuneration of key management personnel are as follows:

	The Group	
	2014	**2013**
	S$'000	**S$'000**
Short-term benefits	**2,450**	2,623

33 SEGMENT INFORMATION

Reportable operating segment information

The Group operates in only one main operating segment which focuses on the development, manufacturing, distribution and trading in batteries and battery related products. This operating segment has been identified on the basis of internal management reports that are regularly reviewed by the Executive Directors of the Group who are the chief operating decision makers. The Executive Directors of the Group review the overall results of the Group as a whole to make decisions about resource allocation. Accordingly, no further analysis of this single reporting segment has been prepared. The accounting policies of this reportable segment are the same as the Group's accounting policies described in Note 2.

33 SEGMENT INFORMATION (cont'd)

Geographical information

The Group's revenue and information about its non-current assets by geographical locations are detailed below:

	Revenue from external customers		Non-current assets	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Asia				
PRC (including Hong Kong)	**317,438**	331,493	**214,372**	220,729
Other parts of Asia	**82,077**	95,408	**43,996**	58,309
	399,515	426,901	**258,368**	279,038
North and South America	**122,847**	111,077	**7,222**	7,650
Europe and others	**173,045**	183,093	**21,680**	24,350
	695,407	721,071	**287,270**	311,038

The Group's activities are primarily based in the People's Republic of China (including Hong Kong) and other Asian countries. Revenue is based on the country in which the customer is located. Non-current assets are shown by the geographical areas in which these assets are located. Deferred tax assets are excluded for the purpose of the above presentation.

Other information

	The Group	
	2014	2013
	%	%
Revenue by products		
Rechargeable	**21.5**	23.2
Primary cylindrical	**57.4**	54.9
Primary specialty	**19.3**	17.8
Others	**1.8**	4.1
	100.0	100.0

There are no customers contributing more than 10 percent of the revenue of the Group.

34 ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES

During the financial year ended 31 March 2014, the Group diluted 5% interest in Zhongyin (Ningbo) Battery Co. Ltd for a consideration of S$9,709,000.

During the financial year ended 31 March 2013:

(i) the Group acquired remaining 20% interest in GP Batteries Europe B.V. for a consideration of approximately S$224,000, resulting in the entity becoming a 100% owned subsidiary of the Group.

(ii) the Group acquired remaining 30% interest in GP Battery Marketing (Malaysia) Sdn Bhd for a consideration of S$528,000, resulting in the entity becoming a 100% owned subsidiary of the Group.

As the above changes in the Group's interest in the subsidiaries do not result in a change of control, the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid is recognised in equity and attributed to the owners of the Company.

35 ASSET HELD FOR SALE

		The Group	
	Note	2014	2013
		S$'000	S$'000
Reclassified from property, plant and equipment	13	**1,847**	–

During the financial year ended 31 March 2014, the Group entered into a Sales and Purchase Agreement to dispose of the property at 97 Pioneer Road Singapore 639579 for a consideration of S$11,180,000. The disposal is expected to complete in the first half of the next financial year.

36 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

Apart from those involving estimations (see below), management is of the view that there are no critical judgements 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 end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(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.

The carrying amount of the goodwill at the end of each reporting period is disclosed in Note 18 to the financial statements.

(b) *Impairment of property, plant and equipment*

Determining whether the property, plant and equipment are impaired requires an estimation of the recoverable amount of the property, plant and equipment. In determining the recoverable amount, management will calculate the value in use by estimating the future cash flows and an appropriate discount rate in order to calculate the present value of future cash flows as well as obtaining market value of the property, plant and equipment.

The impairment and carrying amount of property, plant and equipment at the end of each reporting period are disclosed in Note 13 to the financial statements.

36 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF UNCERTAINTY (cont'd)

(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 or valuation of property, plant and equipment over the estimated useful lives, using the straight-line method or reducing balance method.

The carrying amount of property, plant and equipment at the end of each reporting period is disclosed in Note 13 to the financial statements.

(d) *Allowances for bad and doubtful debts*

The Group 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.

The allowances and carrying amount of doubtful receivables at the end of each reporting period are disclosed in Notes 15 and 20 to the financial statements.

(e) *Impairment of investments in subsidiaries and associates*

Determining whether investments in subsidiaries and associates are impaired requires an estimation of the recoverable amount assessed to be the higher of fair value less cost to sell and value in use. Management has evaluated the recoverability of these investments based on such estimates and the Company has recognised an impairment loss of S$34,880,000 (2013 : S$1,300,000) on the investments in subsidiaries and S$456,000 (2013 : S$Nil) on the interests in associates in the consolidated statement of profit or loss. The carrying value of the investments in subsidiaries and associates are set out in Notes 14 and 15 to the financial statements.

(f) *Allowance for stock*

The carrying amount of stocks is progressively reduced based on the age and type of stocks. These estimates of realisable values are made by management after taking into account historical and forecast selling prices. The carrying amount of stocks of the Group is set out in Note 19 to the financial statements.

37 MAJOR NON-CASH TRANSACTIONS

During the financial year ended 31 March 2013, a compensation income of US$8 million (S$10.5 million) was mainly from a customer as consideration for terminating the Minimum Purchase Requirement under the Manufacturing Agreement with the Group's subsidiary in Taiwan. The consideration was satisfied via transfer of stocks and equipments from the customer for the Group's subsidiary.

38 COMPARATIVE FIGURES

Certain reclassifications have been made to the prior's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been amended in the consolidated statement of profit or loss and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation. The items were reclassified as follows:

	The Group	
	31 Mar 2013 as reclassified	31 Mar 2013 as previously stated
	S$'000	S$'000
Consolidated statement of profit or loss		
Share of results of associates	(9,558)	(12,169)
Income tax	(11,124)	(8,513)