Powermatic Data Systems Limited

2015 ANNUAL REPORT

ANNUAL REPORT 2015

Powermatic Data Systems Limited

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr Chen Mun
Chairman/CEO

Ms Katherine Ang Bee Yan

Non-Executive Directors

Mr Yee Lat Shing, Tom
Independent Director

Prof.Lye Kin Mun
Independent Director

Mr David Tan Chao Hsiung
Independent Director

AUDIT COMMITTEE

Mr Yee Lat Shing, Tom
Chairman

Prof. Lye Kin Mun

Mr David Tan Chao Hsiung

NOMINATING COMMITTEE

Prof. Lye Kin Mun
Chairman

Mr Yee Lat Shing, Tom

Mr David Tan Chao Hsiung

REMUNERATION COMMITTEE

Mr David Tan Chao Hsiung
Chairman

Mr Yee Lat Shing, Tom

Prof. Lye Kin Mun

COMPANY SECRETARY

Ms Lynn Wan Tiew Leng

REGISTERED OFFICE

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#08-01
Singapore 368363
Tel : +65 6288 8220
Fax: +65 6280 9947

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Tel : 65 6536 5355

AUDITORS

RSM Chio Lim
8 Wilkie Road, #03-08
Wilkie Edge
Singapore 228095
Tel : +65 6533 7600
Fax: +65 6594 7811

AUDIT PARTNER-IN-CHARGE
Ms Lam Chien Ju

PRINCIPAL BANKERS

United Overseas Bank Limited
80 Raffles Place UOB Plaza 1
Singapore 048624

Chairman's Statement

The wireless connectivity unit will continue to be our business focus as there have been no let-ups in the size and growth fundamentals of the wireless connectivity market.

In FY2015, the Group achieved a profit of $2.7M, which was 34% higher than that of FY2014. It reflected good performance across the entire organization. The Group revenue however declined from $15.1M to $14.3M. This is due mainly to further decline in the Group's distribution business. The Group's wireless connectivity business suffered a small set back due to political instability in one of its main markets. It would have otherwise showed greater performance improvements. Profitability continued to improve in both the Group's core businesses and in the property division.

Group Business

The Group's performance was driven by a continued focus on the key growth area in wireless connectivity. We had further improved already close collaborations with technology partners so that we are first in line for new product releases. This together with our capable hardware and software design teams, allowed us to be early in the market with new technology products. Cost control and competitiveness continued to be our key strengths. Together with continued emphasis on product performance and quality, we were able to gain recognition as suppliers to major corporations.

Chairman's Statement
cont'd

The distribution unit had reduced its operation cost to a minimum and only focus on fulfilling existing customer requirements without further expansion. The Group's property had returned a consistent rental income.

Looking Forward

The wireless connectivity unit will continue to be our business focus as there have been no let-ups in the size and growth fundamentals of the wireless connectivity market. Over the past year, we see that besides the traditional wireless customers, new applications have expanded the market to new areas such as automotive, security, medical electronics, home automation, machine to machine communications etc. As a Qualcomm Atheros Authorised Design Centre, we were able to leverage on our capabilities in design and manufacturing to offer our services to a wide spectrum of customers who need products/solutions ready to market. We are seeing more such business coming to us and this will be a key area in business growth.

Besides general wireless applications, outdoor and long distance wireless link are our special area of expertise. This will see further growths as technology advancements have enabled reliable half Gbps wireless links over kilometres of distances at relatively low costs. We are among the leading manufacturers of such equipment.

A new challenge posed by the increasing number of mobile and Internet of Things (IoT) devices is the sheer number of wireless devices and the need to provide full and wide coverage over all corners and niches. We are devoting a large amount of our resources in such solutions and we expect such applications to be a revenue contributor in the coming financial year.

Dividends

The Group would like to continue sharing the profits with our shareholders. After evaluating the current financial position of the Group, the Board is pleased to recommend a first and final dividend of 1 cent per share, subject to shareholders' approval at the upcoming Annual General Meeting.

Acknowledgement

On behalf of the Board, I would like to extend my appreciation to our shareholders, customers, employees and business partners for their support in making FY2015 a profitable year for us.

We will continue to work closely with our customers, business partners, management and employees to achieve a better and profitable year ahead. I look forward to your continued support.

Dr Chen Mun
Chairman/CEO

Financial and Operations Review

With the ever increasing demand for greater, more efficient and affordable wireless connectivity by both business and individual users, we believe the growth potential is substantial.

FINANCIAL REVIEW

The Group ended the year with a net profit after tax of S$ 2.7 million, representing a 34% increase year-on-year. The improved performance was made possible by higher gain on foreign exchange, higher gain on revaluation of available-for-sale financial assets, reversal of provision for legal expenses and lower operating costs.

Revenue and gross profit were S$ 14.281 million and S$ 4.403 million respectively. These numbers were lower than FY2014's, due to the streamlining of revenue and costs by the Distribution segment.

As compared to FY2014, earnings per share on a fully diluted basis rose 0.37 cents to 1.54 cents while net asset per share increased by 1.54 cents to 26.94 cents.

The Group's balance sheet remained healthy with cash and cash equivalent of S$ 18.068 million and no debt as at 31 March 2015.

WIRELESS CONNECTIVITY PRODUCTS

We made in-road progress into the regions close to home in the last two financial years. The progress had helped us to extend our market reach beyond our key markets in Europe and North America. As in other financial years, wireless connectivity products remained the core business of the Group for the year under review. Revenue and net profit from this business segment accounted for 94% of the Group's turnover and 90% of the Group's net profit respectively. Despite the stiff market competition and the challenging environment it is in, the segment remains agile and profitable.

Reaping the fruits of our R&D efforts, in FY2015, we had successfully rolled out new products , enhanced existing product's features and improved our visibility in the marketplace.

Financial and Operations Review
cont'd

With the ever increasing demand for greater, more efficient and affordable wireless connectivity by both business and individual users, we believe the growth potential is substantial. We are indeed fortunate to be in this fast growing industry, passionate about our trade, take pride in our products and humbled by the endless possibilities what new technologies can bring. To succeed in this highly competitive business, we will continue to invest in R&D, strengthen our sales and marketing resources, leverage on the expertise of our collaboration partners while keeping a close watch on cost management.

DISTRIBUTION BUSINESS

The Group has started to scale down the distribution segment since the 3rd quarter of the last financial year so as to better focus on its core wireless connectivity products business. The different Modus Operandi employed during the reporting year had helped the segment to achieve cost savings and to streamline the range of products.

PROPERTY

The Group's freehold investment property at 7 & 9 Harrison Road underwent an S$ 1.6 million additions and alteration program during the reporting year. The A&A works added more car park lots, provided a linkage between the two adjoining buildings and enhanced the aesthetic of the buildings. The project is expected to be completed before the end of September 2015.

Despite the upgrading works in progress which may have caused inconvenience to the tenants during the reporting year, the Group was able to lease out the available units at prevailing market rental rates and enjoyed an average occupancy rate of 96%.

Subsidiary Companies

Powermatic Distribution Pte Ltd
135 Joo Seng Road,
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Fax : (65) 6280 9947
www.powermatic.com.sg

Compex Systems Pte Ltd
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#08-01,
Tel : (65) 6286 2086
Fax : (65) 6280 9947
www.compex.com.sg

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No 151, Jalan Kelang Lama
Batu 3 ½, 58100 Kuala Lumpur
Malaysia
Tel : (603) 7987 5300
Fax: (603) 7987 5200
www.pmdata.com.my

Compex Inc
840 Columbia Street
Suite B, Brea CA 92821, USA
Tel : (714) 482 0333
Fax : (714) 482 0330
www.cpx.com

宝华电子(苏州)有限公司
Compex (Suzhou) Co., Ltd
No. 12, ChuangTou Industrial
Square, LouFeng North,
Suzhou Industrial Park, Suzhou,
People's Republic of China
215122
Tel : (86) 512 6295 0014

苏州康培网络产品有限公司
Compex Wireless (Suzhou) Co., Ltd
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Square, LouFeng North
Suzhou Industrial Park, Suzhou,
People's Republic of China
215122
Tel : (86) 512 6295 0014

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Room 809, 8/F
Dominion Centre,
43-59 Queen's Road East
Wanchai, Hong Kong
Tel : (852) 2527 1632

Products Distributed/Manufactured by The Group

PRODUCT DISTRIBUTED

adaptec®

SATA, SCSI, SAS, RAID & Network Adapters - External Fibre Channel RAID Subsystem

AOpen®

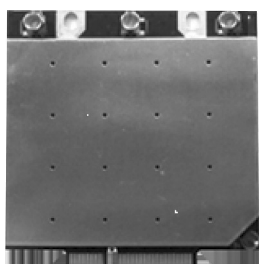
Optical Drives / Graphic Cards Small Form Factor PC & Accessories

EMULEX®

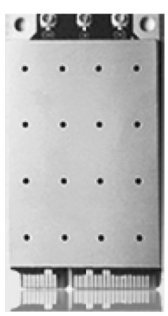
Fibre Channel Host Bus Adapters & Switches

MANUFACTURED PRODUCTS

Wireless Mini PCIe Modules

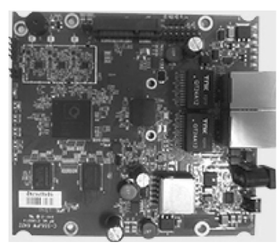


WLE900V5-23
802.11ac 5GHz miniPCIe Radio



WLE900VX
802.11ac 2.4/5GHz
miniPCIe Radio Solution

Wireless Embedded Boards



WPJ558 Board
Dual Radio Gigabit Embedded Board
Support 2 x Gigabit Ethernet Port

AcSpace

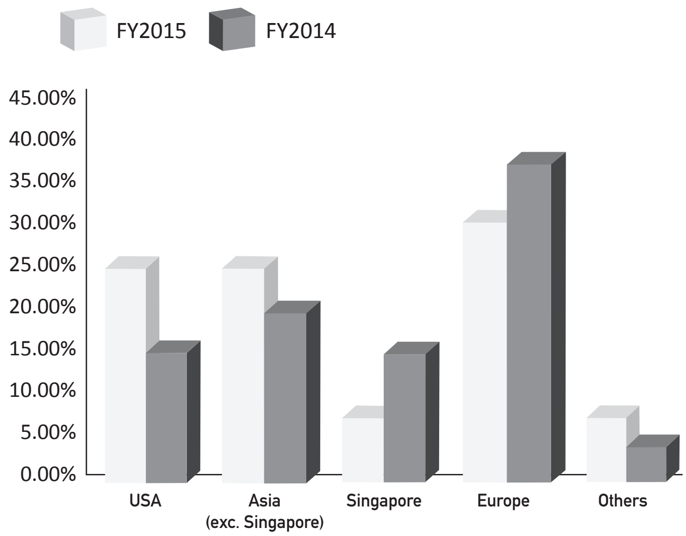
MMZ344
high-performance Outdoor Access Point with integrated PoE.
Built-I 4dBi@ 2.4Ghz & 5dBi@ 5Ghz pyramidl omni smart antenna

acJunior

MMJ344
high-performance Outdoor Access Point with integrated PoE.
Built-in 17dBi@5GHz dual-polarization antenna

Group Financial Highlights

Sales by the Geographical Region (%)



	FY2015	FY2014
USA	**24.6**	14.8
Asia (exc. Singapore)	**30.7**	27.9
Singapore	**7.2**	14.7
Europe	**30.5**	38.3
Others	**7.0**	4.3

Glance Over the 5 Years	2011	2012	2013	2014	2015
Revenue (S$million)	24.2	18.1	13.2	15.1	**14.3**
Profit, Net of Tax (S$million)	1.8	2.1	0.67	2.02	**2.7**
Net Asset Value with Investment Property stated at Carrying Cost (S$million)	43,548	45,268	44,688	44,034	**46,930**
Net Asset Value with Investment Property stated at Fair Value (S$million)	50,795	59,408	58,421	60,426	**62,325**
Staff Head Count (In Number)	87	99	90	79	**78**

Profile of Directors

CHEN MUN

Dr Chen Mun is the Chairman and Chief Executive Officer of the Group. He is also the founder of Powermatic Data Systems Limited and is responsible for spearheading the Company's Research and Development programs as well as growth strategies of the Group.

Prior to the founding of Powermatic, Dr Chen was a senior lecturer in the then University of Singapore. Dr Chen holds a bachelor's degree in engineering from the University of Singapore and received a Ph.D. in engineering from the Imperial College, University of London.

KATHERINE ANG BEE YAN

Ms Katherine Ang Bee Yan joined Compex Systems Pte Ltd, a wholly-owned subsidiary of Powermatic Data Systems Limited in 2003 as Director of Sales & Marketing and Operations. She is currently the General Manager of Compex Systems Pte Ltd. She manages both the operations in Singapore and China.

On 1 July 2011, Ms Katherine Ang is appointed as an Executive Director of Powermatic Data Systems Limited. Ms Ang has over 20 years of experience in the Sales & Marketing, Operations and Business Development. She plays an instrumental role in overseeing the Group's local and overseas projects and is responsible for the overall business development.

YEE LAT SHING, TOM

Mr Yee is an independent Director and Chairman of the Audit Committee of the Company since 1992. He is a Singapore Chartered Accountant and was a partner of Ernst & Young, an international accounting firm, from 1974 to 1989. He has more than 35 years of experience in the field of accounting and auditing and extensive experience in handling major audit assignments of public listed and private companies in various industries, including insurance, manufacturing and retailing.

He is currently a consultant. Mr Yee also sits on the boards of several listed companies namely Bonvest Holdings Limited, Cosco Corporation (S) Ltd, and Pacific Century Regional Developments Limited. He is also a fellow member of the Singapore Institute of Directors.

LYE KIN MUN

Prof Lye Kin Mun is an independent Director and Chairman of the Nominating Committee of the Company. He holds a B.Sc. with distinction from the University of Alberta, Canada, in 1974, M.Eng. from the University of Singapore in 1979 and Ph.D. from the University of Hawaii at Manoa, U.S.A. in 1984 all in electrical engineering and was a Colombo Plan Scholar from 1970-74.

He is currently Deputy Executive Director, Science and Engineering Research Council, and Chief Risk Officer, Agency for Science, Technology and Research (A*STAR). He was Executive Director of the Institute for Infocomm Research, (A*STAR), and has been Director of the Centre for Wireless Communications, National University of Singapore from 1993 to 2002.

Prof Lye has over 40 years of experience in industry as well as teaching.

Prof Lye has also served on the Boards of Singapore Polytechnic and Ngee Ann Polytechnic. He was a Director of Cellonics Inc., a startup company he co-founded. He was a consultant to several companies in the networking and wireless communications industry and sat on many national technical committees. Prof Lye was a Member of the Board on Global Science and Technology of the National Research Foundation, U.S.A. He was also a member of the Asia-Pacific Cadence Advisory Board and Advisory Committee for Next Generation Mobile Networks Project, Communications Research Lab., Japan.

Prof Lye also serve as Chairman of the Strategic Programmes Review Panel of the Science and Engineering Research Council, A*STAR, and Expert Assessor for the Australian Research Council's Discovery Projects. In 2005, he was conferred the title "Officier dans l'ordre des Palmes Academiques" by the French government. He was also awarded the Public Administration Medal (Silver) at the National Day Awards 2013 by the President of the Republic of Singapore.

DAVID TAN CHAO HSIUNG

David Tan was appointed a non-executive director on 24 March 2008. He has over 20 years of senior management experience in the banking and finance industry and had held positions in both local and foreign financial institutions. He is also a Non-Executive and Lead Independent Director of Mun Siong Engineering Limited.

David Tan holds a Master in Commerce (specialising in Finance) from the University of New South Wales and a Bachelor of Economics from Macquarie University. He is also a Fellow of the Institute of CPA (Australia).

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Corporate Governance Report

Powermatic Data Systems Limited continues to uphold high standards of corporate governance and strives to develop procedures and policies consistent with best business practice so as to enhance corporate transparency and protect interest of shareholders.

The following report outlines the Company's corporate governance processes and structures that were in place throughout the financial year with specific reference made to the principles and guidelines of the Code of Corporate Governance 2012 (the "Code"). Except where compelling reasons require otherwise, the Company believes it has complied with the Code.

Board of Directors

Currently, the members of the Board are:

Dr Chen Mun	*Chairman and Chief Executive Officer*
Ms Katherine Ang Bee Yan	*Executive Director*
Mr Yee Lat Shing, Tom	*Independent Director*
Prof Lye Kin Mun	*Independent Director*
David Tan Chao Hsiung	*Independent Director*

BOARD MATTERS
The Board's Conduct of Affairs (Principle 1)

The Board oversees the overall strategy and business direction of the Group and is collectively responsible for its success.

The primary functions of the Board include:

1. Providing entrepreneurial leadership, setting key strategic objectives and ensuring necessary financial and human resources are in place for the Company to meet those objectives;
2. Establishing a framework for the oversight of prudent and effective risk management and internal controls, including financial, operational, compliance and information technology controls;
3. Reviewing management performance;
4. Approving annual budget, major investments and divestments and funding proposals; and
5. Providing oversight in the proper conduct of the Company's business and assuming responsibility for good corporate governance to protect the Company's assets and enhancing long-term value of the Company for its shareholders.

The Board functions are either carried out by the Board or delegated to the various Committees established by the Board, namely the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"). These committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis.

The Board ensures the decisions made by the Directors are objectively in the interest of the Company.

The Board is familiar with the Group's business and governance practices. The Directors also receive updates and relevant briefings, particularly on relevant new laws, regulations and changing commercial risks, from time to time.

Corporate Governance Report
cont'd

A formal letter of appointment is provided to all new Directors. The letter indicates the amount of time commitment required and the scope of duties. The Company has adopted a policy that welcomes the Directors to request for further explanations, briefings or informal discussions on any aspect of the Company's operations or businesses from the Management. Newly appointed Directors will be considered for appropriate training and orientation programmes to familiarize them with the operations of the Company and its major business processes.

The Board conducts regular meetings, which are scheduled in advance each year. Meetings of Board and Board Committees are supplemented by circular resolutions, which are accompanied by relevant explanations and supporting documents. The Board meets at least twice a year at regular intervals. The Company's Articles of Association allows Board meetings to be conducted by way of a tele-conference or any other electronic means of communication.

The number of Board and Committee meetings held during the year and the attendance of each Board member at those meetings are as follows:

Meetings of:	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of Meetings held in FY2015	2	2	1	1
Name & Attendance of Director				
Dr Chen Mun	2	2*	1*	1*
Ms Katherine Ang Bee Yan	2	2*	1*	1*
Mr Tom Yee Lat Shing	2	2	1	1
Prof Lye Kin Mun	2	2	1	1
Mr David Tan Chao Hsiung	2	2	1	1

* by invitation

Board Composition And Guidance (Principle 2)

The Board comprises two Executive Directors and three Independent Non-Executive Directors. The Board's structure, size and composition are reviewed annually by the NC who is of the view that the current size of the Board is appropriate, taking into account the nature and scope of the Group's operations, to facilitate effective decision making.

The independence of each director is reviewed annually by the NC who has adopted the Code's definition of what constitutes an independent director in its review. In respect of the NC's review of the independence of each director for this financial year, the NC considered that, more than half of the Board is independent, including the Chairman of the NC. Mr Tom Yee and Prof Lye Kin Mun have served on the Board for more than nine years. The NC has conducted a rigorous review of their independence and contributions to the Board to determine if they still remained independent and carry out their duties objectively. In the determination of their independence, they have excused themselves respectively when it comes to the determination of their own independence. The strong independent element on the Board ensures that it is

Corporate Governance Report
cont'd

able to exercise objective and independent judgment on corporate affairs. The NC is satisfied that the Board comprises Directors who as a group provide core competencies such as accounting, finance, business and management experience, industry knowledge, and customer-based experience and knowledge. The NC and the Board are of the view that, given the commercial experience and academic qualifications of each of its members, its composition of Directors is well-balanced.

The NC conducts an annual review on the composition of the Board which comprises members from different backgrounds and whose core competencies, qualifications, skills and experiences are extensive. Having reviewed and considered the composition of the Board and its committees, the NC has determined that the current Board size and structure are adequate for the existing business operations of the Company.

The composition of the Board and its Committees is set out below:

		Committee Membership		
Director	**Nature of Board Member**	**Audit**	**Nominating**	**Remuneration**
Dr Chen Mun	Chairman & Chief Executive Officer			
Ms Katherine Ang Bee Yan	Executive			
Mr Yee Lat Shing, Tom	Independent	Chairman	Member	Member
Prof Lye Kin Mun	Independent	Member	Chairman	Member
Mr David Tan Chao Hsiung	Independent	Member	Member	Chairman

Members of the Board are constantly in touch with the Management to provide advice and guidance on strategic issues and on matters for which their expertise will be constructive to the Group.

Role Of Chairman And Chief Executive Officer (Principle 3)

Dr Chen Mun, who is both the Chairman and Chief Executive Officer ("CEO") of the Company, leads the Board. This practice has been carried on since inception and he leads the Board meetings because of his in-depth knowledge of the Group's operations as well as his excellent relationship with the customers, suppliers and other external parties that carry on business with the Group.

Dr Chen Mun is responsible for the proper workings of the Board which include the scheduling of meetings, setting of Board meeting agenda in consultation with the Company Secretary, exercising of control over quality and timeliness of information flow between the Management and the Board, managing the business of the Board and Board Committees, monitoring the translation of the Board's decision and wishes into executive actions and is assisted by the three Board Committees in ensuring compliance with the Company's guidelines on corporate governance.

Corporate Governance Report
cont'd

The Board has a strong independent group of Directors to look after shareholders' interests. Day-to-day running of business operations are delegated to key senior executives while the Chairman focuses on long term and strategic plans of the Company.

The Board is mindful of the desirability of separating the two functional positions. However, it believes that vulnerability of the dual roles, if any, is considerably lessened by the checks and balances energetically exercised by a board that comprises majority of independent directors. In practice, all major decisions made by the Executive Chairman are reviewed by the independent directors and reported to the Board.

The NC and the Board unanimously support Dr Chen Mun's role as both Chairman and CEO. The Board is of the view that the current single leadership arrangement works well; in particular it does not hinder the decision-making process of the Company unnecessarily.

Board Membership (Principle 4)
Board Performance (Principle 5)

Nominating Committee

The NC comprises three members, all of whom, including the Chairman, are Independent Directors. The composition of the NC is as follows:

Prof Lye Kin Mun (Chairman)
Mr Yee Lat Shing, Tom
Mr David Tan Chao Hsiung

The principal functions of the NC are:-

1. To review the structure, size and composition of the Board and make recommendations to the Board;
2. To identify candidates and reviews all nominations for appointment of new directors, determining whether or not such nominee has the requisite qualifications, set up a process for the selection of such appointments and recommends all appointments of directors to the board and board committees. Accordingly, in selecting potential new directors, the NC will seek to identify the competencies required to enable the Board to fulfil its responsibilities. In doing so, the NC will have to regard to the results of the annual appraisal of the Board's performance. The NC may engage consultants to undertake research on, or assess, candidates for new positions on the Board, or to engage such other independent experts as it considers necessary to carry out its duties and responsibilities;
3. To re-nominate and re-elect director for re-appointment, having regard to the directors' contribution and performance;
4. To identify gaps in the mix of skills, experience and other qualities required in an effective Board;
5. To review the independence of each Director annually;
6. To decide whether a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when the Director has multiple Board representations;
7. To review training and professional development programs for the Board.

The terms of reference of the NC have been amended to be in line with the recommendation of the Code.

The NC met once during the financial period.

Corporate Governance Report
cont'd

Key information on the Directors is set out below and on page 10 of this Annual Report.

Name of Director	Age	Directorship (a) Date first appointed (b) Date last re-elected	Due for re-election at next AGM
Chen Mun	67	(a) 1 February 1989 (b) NA	-
Katherine Ang Bee Yan	51	(a) 1 July 2011 (b) 25 July 2014	-
Yee Lat Shing, Tom	80	(a) 1 June 1992 (b) 25 July 2014	Retiring pursuant to Section 153(6)
Prof Lye Kin Mun	63	(a) 1 February 1993 (b) 26 July 2012	Retiring pursuant to Article 99
Tan Chao Hsiung, David	54	(a) 24 March 2008 (b) 25 July 2013	-

The NC determines the independence of Board members. It reviews at least annually, whether an existing or new director is considered independent bearing in mind the Code's definition. Mr. Yee and Prof Lye have served on the Board for more than nine years. The NC has conducted a rigorous review of their independence and contributions to the Board to determine if they still remained independent and carry out their duties objectively. Given their combined strength of character, wealth of business, working experience and professionalism in carrying out their duties, the NC had found Mr Yee, Prof Lye and Mr Tan suitable to continue to act as Independent Directors. In the determination of Mr Yee's, Prof Lye's and Mr Tan's independence, all of them have excused themselves respectively when it comes to the determination of their own independence. The Board has accepted the NC's recommendation that Mr Yee, Prof Lye and Mr Tan were considered independent.

In accordance with the Articles of Association of the Company, new Directors must submit themselves for re-election at the next Annual General Meeting ("AGM") of the Company and one-third of the Directors, other than the CEO, must retire by rotation at each AGM and they shall be available for re-election.

Directors over 70 years of age are required to be re-appointed every year at the AGM pursuant to Section 153 of the Companies Act, Chapter 50 before they can continue to act as Director.

The NC has recommended the nomination of Prof Lye Kin Mun retiring under Article 99 of the Articles of Association of the Company for re-election at the forthcoming AGM. The NC has also recommended the nomination of Mr Tom Yee Lat Shing who is over 70 years of age, for re-appointment at the forthcoming AGM.

Prof. Lye and Mr Yee had duly abstained from making recommendations on their own nominations.

The NC has guidelines addressing competing time commitments faced when Directors serve on multiple listed company boards or have other principal commitments. All Directors are required to declare their Board Representations. The NC has reviewed and is satisfied that the directors have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge his duties as director of the Company.

Corporate Governance Report
cont'd

Further, it sets objective performance criteria and the measurement processes to evaluate the performance of the Board once a year. A Board performance evaluation was carried out to assess and evaluate amongst other things, the Board's composition, size and expertise, timeliness of information, accountability and processes, internal control & risk management, and standards of conduct.

Following the review, the Board is of the view that the Board and its board committees operate effectively.

Access To Information (Principle 6)

Management places a high priority on providing timely and accurate information to the Board on an on-going basis, in order for the directors to discharge their duties efficiently and effectively. Board members receive quarterly management reports pertaining to the operational and financial performance of the Company and its subsidiaries. The Board will also be updated on industry trends and developments. Board members will receive all Board papers not less than five days in advance of the meeting to enable them sufficient time to fully consider and deliberate issues to be considered at the meetings.

The Board has at all times separate and independent access to the Management and Company Secretary, and are entitled at all times to request for any additional information needed to make informed decisions. Similarly, key Management staff, the Company's auditors or external consultants are invited to attend Board and Board Committee meetings to update and provide independent professional advice on specific issues, where necessary.

The Directors have also been provided with the contact numbers and email particulars of the Company's senior management and the Company Secretary to facilitate access to any required information. The role of the Company Secretary is clearly defined and includes the responsibility of ensuring that Board procedures are followed and that rules and regulations are complied with. Further, the Company Secretary also assists in coordinating the flow of information within the Board and its Committees as well as between the Management and the Board. She also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes.

The appointment and removal of the Company Secretary are subject to the Board's approval.

Should the Directors, whether as a group or individually, need independent professional advice, such advice will be sought with the Board's approval and the professional expense will be borne by the Company.

REMUNERATION MATTERS
Procedures For Developing Remuneration Policies (Principle 7)
Level And Mix Of Remuneration (Principle 8)
Disclosure On Remuneration (Principle 9)

The RC comprises three members, all of whom, including the Chairman, are Independent Directors. The composition of the RC is as follows:
Mr David Tan Chao Hsiung (Chairman)
Mr Yee Lat Shing, Tom
Prof Lye Kin Mun

Corporate Governance Report
cont'd

The responsibilities of RC are:

1. to ensure a formal and transparent procedure for developing policy on executive remuneration, and for fixing the remuneration packages of individual Directors, CEO and key management. RC's recommendations will be made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board. RC's review cover all aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options and benefits-in-kind;
2. to review remuneration of employees related to Executive Directors and controlling shareholders of the Company and the Group and that these commensurate with their respective job scopes and responsibilities;
3. to recommend the Directors' fees of Non-Executive Directors to the Board based on their level of contribution taking into account factors such as effort, time spent and responsibilities;
4. to review the service contracts and terms of employment of the Executive Directors and key management; and
5. to administer the Company's Employees' Share Option Scheme ("ESOS"). The ESOS seeks to reward and retain Directors and employees whose services are vital to the well-being and success of the Group and also to align interests of employees with that of the shareholders. Details of the ESOS are disclosed in the Directors' Report.

The terms of reference of the RC have been amended to be in line with the recommendation of the Code.

The remuneration structure of the Executive Directors and key executives consist of both fixed and variable components. The variable component is performance related and is linked to the Group's performance as well as individual's performance. Such performance-related remuneration is designed to align with the interests of shareholders.

The Executive Directors have service contracts and do not receive directors' fees. Their compensations consist of salary, bonuses, options and performance awards that are dependent on the performance of the Group. The Executive Directors' service contracts are subject to review every two or three years. The RC is of the view that the Directors' service contracts are not excessively long or with onerous removal clauses.

The Independent Directors are compensated through directors' fees. Directors' fees comprise a basic retainer fee and fees in respect of service on Board Committees. These fees are subject to shareholders' approval at the AGM. No Director is involved in deciding his fee.

The RC met at least once during the financial year. The remunerations of the Executive Directors are reviewed by the RC. The NC, together with the RC, decides on the specific remuneration package for an Executive Director upon recruitment. Thereafter, the RC reviews subsequent increments, bonuses and allowances where these payments are discretionary. No Director or member of the RC is involved in deciding his own remuneration. The RC reviews what compensation commitments the Executive Directors' service contracts would entail in the event of early termination by either the Company or Executive Directors giving to the other at least two months' prior written notice.

The RC will seek expert advice on remuneration of all directors, if necessary.

Corporate Governance Report
cont'd

DISCLOSURE OF REMUNERATION OF DIRECTORS AND KEY EXECUTIVES

A breakdown showing the level and mix of each Individual Director and key executive's remuneration in percentage terms is set out below and relates to actual payments made during the year and accordingly includes bonus paid during the year in respect of previous year's performance.

	Fee %	Salary %	Bonus %	Other Benefits %	Total %
DIRECTORS					
Below $250,000					
Chen Mun	–	88.7	11.3	–	100
Katherine Ang Bee Yan	–	92.8	7.2	–	100
Yee Lat Shing, Tom	100	–	–	–	100
Lye Kin Mun	100	–	–	–	100
David Tan Chao Hsiung	100	–	–	–	100
KEY EXECUTIVES					
Below $250,000					
Chua Geok Cheok Molly	–	89.0	11.0	–	100
[1]Yau Liong We	–	89.3	10.7	–	100
Ang Lay Hoon	–	91.9	8.1	–	100
Yaw Thiam Teng	–	91.4	8.6	–	100
Steven Chong	–	89.5	10.5	–	100
Wu Tian Yee	–	91.8	8.2	–	100

[1] Yau Liong We resigned as GM & Director of Sales & Marketing of Powermatic Distribution Pte Ltd, a subsidiary of the Company on 23.5.2014.

The Board is of the opinion that the remuneration details of individual Director and key executives (who are also not Directors) are confidential and for competitive reasons only their remuneration mix is disclosed as per the table above. The aggregate remuneration paid to the top five key executives was S$973,000 (2014: S$914,000).

REMUNERATION OF EMPLOYEE WHO IS AN IMMEDIATE FAMILY OF DIRECTOR(S)

There is no immediate family member of a director, CEO or substantial shareholders in employment with the Group and whose remuneration exceeds S$50,000 for the financial year ended 31 March 2015, except for

(i) Mr Chen Mong Chea, a non-executive advisor to CEO, who is the father of Dr Chen Mun, Chairman/CEO of the Company; and

(ii) Ms Yvonne Ang Lay Hoon, Operations Manager, who is the sister of Ms Katherine Ang Bee Yan, Executive Director of the Company.

Corporate Governance Report
cont'd

ACCOUNTABILITY AND AUDIT
Accountability (Principle 10)

In presenting the annual financial statements and half-yearly result announcements to shareholders, it is the responsibility of the Board to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects. Management provides all members of the Board with detailed management accounts of the Group's performance, cash position and prospects on a quarterly basis. The Board reviews and approves the results as well as any announcements before its release. Shareholders are provided with the half-yearly and the annual financial reports no later than 45 days and 60 days respectively from the end of the reporting periods.

In presenting the annual financial statements and half-yearly announcements to shareholders, it is the aim of the Board to provide the shareholders with detailed analysis and a balanced and understandable assessment of the company's performance, position and prospects. This responsibility is extended to regulators. Financial reports and other price-sensitive information are disseminated to shareholders through announcement via SGXNET.

The Board reviews legislative and regulatory compliance reports from the Management to ensure that the Group complies with the relevant requirements.

In line with the Listing Rules of the SGX-ST, the Board provides a negative assurance statement to the shareholders in its half-yearly financial statements announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

Risk Management and Internal Controls (Principle 11)

The Management has put in place an internal control and risk management system to safeguard shareholders' investment and company's assets.

The system of internal control provides reasonable, but not absolute assurance that the Group will not be adversely affected by any event that could be reasonably foreseen in the light of current business environment and its inherent risks.

The Group, with the help of Internal Auditors, has done up a documentation on its risk profile which summarizes the material risks faced by the Group and the countermeasures in place to manage or mitigate those risks for the review by the AC and the Board. The documentation provides an overview of the Group's key risks, how they are managed, and the various assurance mechanism in place. It allows the Group to address the on-going changes and the challenges in the business environment, reduces uncertainties and facilitates the shareholder value creation process.

On an annual basis, the internal auditors prepare the internal audit plan approved by the AC. The audit plan takes into consideration the risks identified in the risk profile document and the audits are conducted to assess the adequacy and the effectiveness of the Group's risk management and the internal control systems put in place, including financial, operational, compliance and information technology controls. Any material non-compliance or lapses in internal controls, together with recommendation for improvement are reported to the AC. The AC reviews these reports and ensures that appropriate and timely counter-measures are taken by Management as part of its continuous improvement efforts to further enhance

Corporate Governance Report
cont'd

its internal control systems and practices. A copy of the report is also issued to the relevant subsidiaries for their follow-up action. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored. In addition, major control weaknesses on financial reporting, if any, are highlighted by the external auditors in the course of the statutory audit.

The Company does not have a CFO. The Board has received assurance from the CEO and the Group Finance Manager that as at 31 March 2015:

(a) the financial records of the Group have been properly maintained and the financial statements for the year ended 31 March 2015 give a true and fair view of the Group's operations and finances; and

(b) the systems of internal controls and risk management in place were adequate and effective as at 31 March 2015, to address financial, operational, compliance and information technology controls, and risk management systems of which considered relevant and material to its operations.

Based on internal control and risk management systems established and maintained by the Group, work performed by external and internal auditors and periodic reviews (by Management, the Board and various Board Committees), the Board, with concurrence of the AC, is of the opinion that the Group's internal control and risk management systems were adequate and effective as at 31 March 2015 to address the risks relating to financial, operational, compliance and information technology controls.

Audit Committee (Principle 12)

The AC comprises three members, all of whom are independent of Management. The terms of reference of the AC were amended to be in line with the recommendation of the Code. The Board is of the view that the members of the AC have sufficient financial management expertise and experience and are qualified to discharge the AC functions. The AC is responsible for carrying out the following primary functions:

1. assisting the Board in discharging its statutory responsibilities on financial and accounting matters;
2. reviewing audit plans of the external and internal auditors and evaluating the reports issued by the external and internal auditors from their examination of the Company's internal control system;
3. reviewing the financial and operating results of the Group and the Company in compliance with accounting policies and assistance given by the Management to its auditors;
4. reviews interim and annual announcement of results of the Group and the Company before submission to the Board for approval;
5. reviewing the adequacy and effectiveness of the Company's internal control (financial, operational, compliance and information technology controls) and risk management policies and systems established by the management;
6. reviewing the financial statements of the Group and the Company before submission to the Board;
7. reviewing interested party transactions;
8. reviewing the independence of external auditors annually and consider the appointment or re-appointment of external auditors and matters relating to the resignation or removal of the auditors and approve the remuneration and terms of engagement of the external auditors;
9. nominating external auditors for re-appointment;
10. approving the the appointment of internal auditors.

The Group has complied with Rule 712 and Rule 716 of the Listing Manual of SGX-ST.

Corporate Governance Report
cont'd

The AC has full access to and co-operation of Management, has full discretion to invite any Director or executive officer to attend the meetings and has been given reasonable resources to enable it to discharge its functions. Minutes of the meetings are circulated to the Board for its information.

The Company has in place a Whistle Blowing Policy ("the Policy") for the Group, which provides a channel to employees and other parties to report in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters. The Policy was to assist the AC in managing allegations of fraud or other misconduct which may have been made, so that investigations are carried out in an appropriate and timely manner; administrative, disciplinary and civil actions that are initiated following the completion of the investigations, are appropriate and fair; and actions are taken to correct the weakness in the existing system of internal processes which allowed the perpetration of the fraud and/or misconduct and to prevent recurrence.

Apart from formal meetings, the Chairman and various members of the AC will hold informal meetings and discussions with the Management as and when necessary. Members of the AC have independent access to both external and internal auditors. The AC met with both internal and external auditors without the presence of management.

The AC has reviewed the audit and non-audit services provided by the external auditors, RSM Chio Lim LLP. The audit service fee incurred during the reporting year is as follows:

	2015	**2014**
	$'000	**$'000**
Fees on audit services paid or payable to		
- Auditors of the company	108	110
- Other auditors#	28	26
Total	136	136

Includes a member firm of RSM International

There were no non-audit services provided by the external auditors during the reporting year.

The AC is satisfied that the independence of the external auditors are not impaired and recommends to the Board, the re-appointment of Messrs RSM Chio Lim LLP as the external auditors of the Company.

Internal Audits (Principle 13)

The Group has outsourced its internal audit function to Messrs Nexia TS. The internal auditor reports directly to the chairman of the AC on audit matters. Any non-compliance and internal control weaknesses noted during the internal audit and the recommendations thereof are reported to the AC as part of the review of the Group's internal control system. The AC also reviews and approves the annual internal audit plans and resources to ensure that the internal auditor has the necessary resources to adequately perform its functions.

Shareholders' Rights and Responsibilities (Principles 14, 15 & 16)

The Company does not practise selective disclosure. In line with continuous disclosure obligations of the Company pursuant to the SGX-ST's Listing Rules, the Board's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group.

Corporate Governance Report
cont'd

Any major or material developments are first disseminated via SGXNET followed by a press release, whenever necessary.

Price sensitive information is first publicly released, either before the Group meets with any group of investors or analysts or simultaneously with such meetings. Results and annual reports are announced or issued within the mandatory period.

All shareholders of the Company will receive the Annual Report and Notice of AGM. The AGM of the Company provides a principal forum for dialogue and interaction with shareholders. At each AGM, the Board encourages shareholders to participate in the question-and-answer session. Committee Chairpersons, Members of the Board and the external auditors of the Company are present to answer questions raised at the AGM.

Shareholders have the opportunity to participate effectively in and to vote at general meetings of Shareholders. The Board noted that voting by poll will be compulsory in August 2015, the Company is taking steps to adopt poll voting in the coming year. The Company's Articles of Association provides that Shareholders of the Company are allowed to vote in person or by way of duly appointed proxies.

Material Contracts

There are no material contracts or loans of the Company or its subsidiaries involving the interests of the Executive Director, each Director or Controlling shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are at arm's length basis. All interested person transactions are subject to review by the AC to ensure compliance with the established procedures.

During the financial year ended 31 March 2015, the Company did not enter into any interested person transaction which aggregate value exceeds $100,000.

Securities Transactions

The Company has adopted its own internal compliance code to provide guidance to its Directors and officers in relation to their dealings in the Company's securities. Its Directors and officers are advised not to deal in the Company's shares during the period commencing six weeks before the announcement of the Company's half-year and full-year results and ending on the day after the public release of such results. The Company emphasizes that the law on insider trading is applicable at all times, notwithstanding the window periods for dealing in the shares.

Directors and officers are also advised against dealing in the securities when they are in possession of any unpublished material price-sensitive information of the Group and Company and on consideration of a short-term nature. The Board is satisfied with the Group's commitment in compliance with its own internal compliance code.

Directors and officers are also encouraged not to deal in the Company's securities on short-term considerations.

Directors' Report

The directors of the company are pleased to present their report together with the audited financial statements of the company and of the group for the reporting year ended 31 March 2015.

1. DIRECTORS AT DATE OF REPORT

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

Dr Chen Mun
Ang Bee Yan, Katherine
Yee Lat Shing, Tom
Lye Kin Mun
Tan Chao Hsiung, David

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

Neither at the end of the reporting year nor at any time during the reporting year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate except as mentioned below.

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the reporting year had no interests in the share capital, debentures and options of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 (the "Act") except as follows:

Name of directors and companies in which interests are held	At beginning of the reporting year	At end of the reporting year
Powermatic Data Systems Limited	Number of shares of no par value	
Dr Chen Mun	97,139,662	97,139,662
Ang Bee Yan, Katherine	13,874,000	13,874,000
	Number of option shares granted under the 2013 ESOS at an exercised price of $0.142 per share	
Ang Bee Yan, Katherine	500,000	500,000
Yee Lat Shing, Tom	200,000	200,000
Tan Chao Hsiung, David	200,000	200,000

Directors' Report
cont'd

By virtue of section 7 of the Act, Dr. Chen Mun is deemed to have an interest in the company and in all the related corporations of the company.

The directors' interests as at 21 April 2015 were the same as those at the end of the reporting year.

4. CONTRACTUAL BENEFITS OF DIRECTORS

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

5. SHARE OPTIONS

The company's employee share option scheme known as the "Powermatic Data Systems Employees' Share Option Scheme 2003" (the "2003 Scheme") expired on 28 February 2013. The options granted on 28 January 2010 under the 2003 Scheme remains exercisable up to 27 January 2015. During the reporting year, 1,620,000 options were exercised at an exercise price of $0.13 per share under the 2003 Scheme. As unexercised options lapsed after 27 January 2015, there is no outstanding option as at 31 March 2015 under the said scheme.

A new scheme known as "Powermatic Data Systems Employees' Share Option Scheme 2013" (the 2013 Scheme) was approved by shareholders at the EGM held on 25 July 2013. The 2013 Scheme is a share incentive scheme designed to acknowledge the contributions made by the employees and to give recognition to such employees by giving them the opportunity to have a personal stake in the company and to attract, motivate and retain talented staff for the company's domestic and international operations.

Under the rules of the 2013 Scheme, all directors and full-time employees of the group are eligible to participate in the Scheme except for employee or director who is also a controlling shareholder or an associate of a controlling shareholder. Employees of the company's associated companies are not eligible under the Scheme. The company has no associated companies at 31 March 2015.

The aggregate number of shares over which options may be granted shall not exceed 15% of the issued share capital of the company on the day immediately preceding the offer date of the option.

The offer price shall be equal to the average of the last dealt price for a share for the three consecutive trading days immediately preceding the offer date.

The 2013 Scheme is administered by the Remuneration Committee comprising Tan Chao Hsiung, David (Chairman) and two other independent directors of the company, Lye Kin Mun and Yee Lat Shing, Tom.

In 2014, 4,670,000 options to subscribe for shares at an exercise price of $0.142 per share were granted to the eligible participants. During the reporting year, 430,000 share options were forfeited due to cessation of employment.

Directors' Report
cont'd

5. SHARE OPTIONS (CONT'D)

The outstanding number of options at the end of the reporting year was:

Offer date	Name of scheme	Balance at 1.4.2014	Expired	Exercised	Balance at 31.3.2015	Offer price per share	Period exercisable
28.01.2010	2003	2,455,000	(835,000)	(1,620,000)	-	13.0 cents	27.07.2010 – 27.01.2015
20.02.2014	2013	400,000	-	-	400,000	14.2 cents	20.02.2015 – 20.02.2019
20.02.2014	2013	4,270,000	(430,000)	-	3,840,000	14.2 cents	20.02.2015 – 20.02.2024
		7,125,000	(1,265,000)	(1,620,000)	4,240,000		

There were no unissued shares of the company or any subsidiary under option except for those disclosed in the above paragraph.

Particulars of directors of the company who received options under the 2013 Scheme:

	Options granted during financial year 2014			Aggregate options granted since commencement of scheme to 31.3.2015	Aggregate options exercised since commencement of scheme to 31.3.2015	Aggregate options outstanding as at 31.3.2015
Name of directors	Number of options	Exercised price per share	Exercisable period			
Ang Bee Yan, Katherine	500,000	14.2 cents	20.02.2015-20.02.2024	500,000	-	500,000
Yee Lat Shing, Tom	200,000	14.2 cents	20.02.2015-20.02.2019	200,000	-	200,000
Tan Chao Hsiung, David	200,000	14.2 cents	20.02.2015-20.02.2019	200,000	-	200,000
				900,000	-	900,000

Directors' Report
cont'd

5. SHARE OPTIONS (CONT'D)

Particulars of employees of the company who received 5% or more of the total options under the 2003 Scheme and 2013 Scheme are as follows:

2013 Scheme

Name of employees	Aggregate options granted since commencement of scheme to 31.3.2015	Aggregate options exercised since commencement of scheme to 31.3.2015	Aggregate options outstanding as at 31.3.2015
Yaw Thiam Teng	500,000	-	500,000
Chang Qiang	500,000	-	500,000
Wu Tian Yee	500,000	-	500,000
Ang Lay Hoon	450,000	-	450,000
Molly Chua	450,000	-	450,000
	2,400,000	-	2,400,000

2003 Scheme

Name of employees	Aggregate options granted since commencement of scheme to 31.3.2015	Aggregate options exercised since commencement of scheme to 31.3.2015	Options expired	Aggregate options outstanding as at 31.3.2015
Yaw Thiam Teng	800,000	(150,000)	(650,000)	-
Chang Qiang	520,000	(500,000)	(20,000)	-
Yau Liong We	520,000	(520,000)	-	-
Wu Tian Yee	500,000	(500,000)	-	-
Ang Lay Hoon	450,000	(450,000)	-	-
	2,790,000	(2,120,000)	(670,000)	-

Except as disclosed above, there were no shares of the company or any corporation in the group issued by virtue of the exercise of an option to take up unissued shares of the company during the reporting year and there were no unissued shares of the company or any corporation in the group under option at the end of the reporting year.

Directors' Report
cont'd

6. AUDIT COMMITTEE

The members of the audit committee at the date of this report are as follows:

Yee Lat Shing, Tom	(Chairman of audit committee, independent and non-executive director)
Lye Kin Mun	(Independent and non-executive director)
Tan Chao Hsiung, David	(Independent and non-executive director)

The audit committee performs the functions specified by section 201B(5) of the Act. Among other functions, it performed the following:

- Reviewed with the internal auditor their audit plan, results of their internal audit procedures and their evaluation of the adequacy of the company's system of internal accounting controls;
- Reviewed with the independent external auditor their audit plan, their evaluation of the company's internal accounting controls relevant to their statutory audit and their report on the financial statements;
- Reviewed the financial statements of the group and the company and the independent auditor's report on the annual financial statements prior to their submission to the board of directors of the company for adoption;
- Reviewed the assistance given by the company's management to the independent external auditor and internal auditor;
- Reviewed the nature and extent of non-audit services provided by the independent external auditor, if any; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited), if any.

The audit committee also meets with internal and independent external auditors without the presence of management at least once a year to obtain feedback on the competency and adequacy of the finance function and to ascertain if there are any material weaknesses or control deficiencies in the financial reporting and operational systems of the group.

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provides non-audit services.

Based on the internal control and risk management systems established and maintained by the group, work performed by independent external and internal auditors and periodic reviews by management, the board of directors and various board committees, the board of directors with concurrence of the audit committee, is of the opinion that the group's internal control and risk management systems were adequate as at 31 March 2015 to address the risks relating to financial, operational, compliance and information technology controls.

Directors' Report
cont'd

6. AUDIT COMMITTEE (CONT'D)

The audit committee has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as independent external auditor at the next annual general meeting of the company.

7. INDEPENDENT AUDITOR

The independent auditor, RSM Chio Lim LLP, have expressed their willingness to accept re-appointment.

8. SUBSEQUENT DEVELOPMENTS

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 27 May 2015, which would materially affect the operating and financial performance of the group and of the company as of the date of this report.

On behalf of the directors

....	....
Dr Chen Mun	Ang Bee Yan, Katherine
Director	Director

19 June 2015

Statement by Directors

In the opinion of the directors,

(a) the accompanying consolidated statement of profit or loss and other comprehensive income, statements of financial position, statements of changes in equity, consolidated statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the group and of the company as at 31 March2015 and the results and cash flows of the group, and the changes in equity of the company and of the group for the reporting year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

On behalf of the directors

....
Dr Chen Mun
Director

....
Ang Bee Yan, Katherine
Director

19 June 2015

Independent Auditor's Report

to the Members of POWERMATIC DATA SYSTEMS LIMITED (Registration No: 198900414E)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Powermatic Data Systems Limited (the "company") and its subsidiaries (the group), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 March 2015, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of profit or loss and other comprehensive income and statements of financial position and to maintain accountability of assets.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report

to the Members of POWERMATIC DATA SYSTEMS LIMITED (Registration No: 198900414E)

cont'd

OPINION

In our opinion, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the group and of the company as at 31 March 2015 and of the results, changes in equity and cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiaries incorporated in Singapore of which we are the independent auditors have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

19 June 2015

Partner in charge of audit: Lam Chien Ju
Effective from reporting year ended 31 March 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year Ended 31 March 2015

	Notes	Group 2015 $'000	Group 2014 $'000
Revenue	5	**14,281**	15,149
Cost of sales		**(9,878)**	(10,366)
Gross profit		**4,403**	4,783
Other items of income			
Property income	6	**1,422**	1,419
Property expenses	7	**(688)**	(653)
Profit from property		**734**	766
Dividend income		**270**	187
Interest income		**287**	284
Other gains	8	**1,076**	600
Other items of expense			
Marketing and distribution costs		**(1,189)**	(1,574)
Administrative expenses		**(2,442)**	(2,499)
Other operating expenses		**(17)**	(12)
Finance costs		-	(2)
Other losses	8	-	(125)
Profit before tax from continuing operations		**3,122**	2,408
Income tax expense	10	**(422)**	(389)
Profit from continuing operations, net of tax		**2,700**	2,019
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		**71**	14
Reclassification of currency translation reserve on deconsolidation of foreign subsidiary		-	(95)
Available-for-sale financial assets, net of tax		**1,793**	(972)
Other comprehensive income / (loss) for the year, net of tax:		**1,864**	(1,053)
Total comprehensive income		**4,564**	966
Profit attributable to owners of the parent, net of tax		**2,700**	2,021
Profit attributable to non-controlling interests, net of tax		-	(2)
Profit net of tax		**2,700**	2,019
Total comprehensive income attributable to owners of the parent		**4,564**	968
Total comprehensive income attributable to non-controlling interests		-	(2)
Total comprehensive income		**4,564**	966
Earnings per share			
Earnings per share currency unit		**Cents**	Cents
Basic	11	**1.55**	1.17
Diluted	11	**1.54**	1.17

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

As at 31 March 2015

	Notes	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
ASSETS					
Non-current assets					
Plant and equipment	13	**1,140**	873	**21**	25
Investment property	14	**19,605**	18,608	**19,605**	18,608
Intangible assets	15	**106**	99	**15**	16
Investments in subsidiaries	16	**-**	-	**5,398**	5,888
Other financial assets	17	**7,935**	6,142	**7,935**	6,142
Total non-current assets		**28,786**	25,722	**32,974**	30,679
Current assets					
Inventories	18	**1,217**	1,545	**-**	-
Trade and other receivables	19	**1,621**	893	**1,636**	1,564
Other financial assets	20	**691**	535	**691**	535
Other assets	21	**236**	236	**139**	149
Cash and cash equivalents	22	**18,068**	18,749	**6,882**	7,906
Total current assets		**21,833**	21,958	**9,348**	10,154
Total assets		**50,619**	47,680	**42,322**	40,833
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	23	**34,635**	34,563	**34,635**	34,563
Retained earnings		**8,584**	7,517	**2,453**	2,804
Other reserves	25	**3,711**	1,954	**4,493**	2,807
Total equity		**46,930**	44,034	**41,581**	40,174
Current liabilities					
Income tax payable		**431**	344	**39**	45
Trade and other payables	27	**1,928**	2,044	**192**	156
Other liabilities	26	**1,330**	1,258	**510**	458
Total current liabilities		**3,689**	3,646	**741**	659
Total equity and liabilities		**50,619**	47,680	**42,322**	40,833

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

Year Ended 31 March 2015

Group	Total Equity $'000	Attributable to Parent Sub-total $'000	Share Capital $'000	Treasury Shares $'000	Other Reserves $'000	Retained Earnings $'000	Non-Controlling Interest $'000
Current year:							
Opening balance at 1 April 2014	44,034	44,034	34,563	-	1,954	7,517	-
Issue of share capital (Note 23)	210	210	210	-	-	-	-
Purchase of treasury shares (Note 23)	(138)	(138)	-	(138)	-	-	-
Total comprehensive income for the year	4,564	4,564	-	-	1,864	2,700	-
Transfer of employees' share option reserve to retained earnings upon expiry of options (Note 25B)	-	-	-	-	(107)	107	-
Dividends paid (Note 12)	(1,740)	(1,740)	-	-	-	(1,740)	-
Closing balance at 31 March 2015	46,930	46,930	34,773	(138)	3,711	8,584	-
Previous year:							
Opening balance at 1 April 2013	44,688	44,686	34,556	-	2,901	7,229	2
Issue of share capital (Note 23)	7	7	7	-	-	-	-
Share-based payments (Note 24)	106	106	-	-	106	-	-
Total comprehensive income for the year	966	968	-	-	(1,053)	2,021	(2)
Dividends paid (Note 12)	(1,733)	(1,733)	-	-	-	(1,733)	-
Closing balance at 31 March 2014	44,034	44,034	34,563	-	1,954	7,517	-

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

Year Ended 31 March 2015

cont'd

Company	Total Equity $'000	Share Capital $'000	Treasury Shares $'000	Other Reserves $'000	Retained Earnings $'000
Current year:					
Opening balance at 1 April 2014	40,174	34,563	-	2,807	2,804
Issue of share capital (Note 23)	210	210	-	-	-
Purchase of treasury shares (Note 23)	(138)	-	(138)	-	-
Total comprehensive income for the year	3,075	-	-	1,793	1,282
Transfer of employees' share option reserve to retained earnings upon expiry of options (Note 25B)	-	-	-	(107)	107
Dividends paid (Note 12)	(1,740)	-	-	-	(1,740)
Closing balance at 31 March 2015	41,581	34,773	(138)	4,493	2,453
Previous year:					
Opening balance at 1 April 2013	40,844	34,556	-	3,673	2,615
Issue of share capital (Note 23)	7	7	-	-	-
Share-based payments (Note 24)	106	-	-	106	-
Total comprehensive income for the year	950	-	-	(972)	1,922
Dividends paid (Note 12)	(1,733)	-	-	-	(1,733)
Closing balance at 31 March 2014	40,174	34,563	-	2,807	2,804

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

Year Ended 31 March 2015

	2015 $'000	2014 $'000
Cash flows from operating activities		
Profit before tax	**3,122**	2,408
Depreciation of plant and equipment	**264**	233
Depreciation of investment property	**193**	193
Amortisation of intangible assets	**58**	69
Gain on disposal of plant and equipment	**-**	(26)
Gain on deconsolidation of foreign subsidiary	**-**	(111)
Share-based payments	**-**	106
Dividend income	**(270)**	(187)
Interest income	**(287)**	(284)
Unrealised exchange loss / (gain)	**71**	(82)
Operating cash flows before changes in working capital	**3,151**	2,319
Inventories	**328**	(336)
Trade and other receivables	**(728)**	785
Other financial assets	**(156)**	(21)
Other assets	**-**	153
Trade and other payables	**(116)**	482
Other liabilities	**72**	(249)
Net cash flows from operations	**2,551**	3,133
Income taxes paid	**(335)**	(72)
Net cash flows from operating activities	**2,216**	3,061
Cash flows from investing activities		
Purchase of intangible assets	**(65)**	(85)
Purchase of plant and equipment	**(440)**	(388)
Improvements to investment property	**(1,190)**	(134)
Proceeds from disposal of plant and equipment	**-**	40
Decrease / (Increase) of cash restricted in use over 3 months	**3,558**	(3,974)
Interest income received	**287**	285
Dividend income received	**270**	187
Net cash flows from / (used in) investing activities	**2,420**	(4,069)
Cash flows from financing activities		
Issue of shares	**210**	7
Purchase of treasury shares	**(138)**	-
Dividends paid to equity owners	**(1,740)**	(1,733)
Net cash flows used in financing activities	**(1,668)**	(1,726)
Net increase / (decrease) in cash and cash equivalents	**2,968**	(2,734)
Effect of exchange rate changes on the balance of cash held in foreign currencies	**(91)**	(22)
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	**9,273**	12,029
Cash and cash equivalents, consolidated statement of cash flows, ending balance (Note 22A)	**12,150**	9,273

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

31 March 2015

1. GENERAL

Powermatic Data Systems Limited (the "company") is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the company (referred to as "parent") and its subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement of directors.

The company is an investment holding company. It is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the subsidiaries are disclosed in Note 16 below.

The registered office and principal place of business of the company is located at 135 Joo Seng Road, #08-01, Singapore 368363.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where a FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs may not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be made if the information is immaterial. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee. Control exists when the group has the power to govern the financial and operating policies so as to gain benefits from its activities.

Notes to the Financial Statements

31 March 2015

cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of presentation (cont'd)

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost and is subsequently accounted as available-for-sale financial assets in accordance with FRS 39.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income is not presented.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Revenue recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of related sales taxes and rebates. Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from rendering of services that are not significant transactions is recognised as the services are provided or when the significant acts have been completed. Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term. Interest is recognised using the effective interest method. Dividend from equity instruments is recognised as income when the entity's right to receive dividend is established.

Notes to the Financial Statements

31 March 2015

cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Share-based compensation

For the equity-settled share-based compensation transactions, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed on a straight-line basis over the vesting period is measured by reference to the fair value of the options granted ignoring the effect of non-market conditions such as profitability and sales growth targets. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. The fair value is measured using a relevant option pricing model. The expected lives used in the model are adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. At each end of the reporting year, a revision is made of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Notes to the Financial Statements

31 March 2015

cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income tax (cont'd)

A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Leases

Whether an arrangement is, or contains, a lease, it is based on the substance of the arrangement at the inception date, that is, whether (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases.

Notes to the Financial Statements

31 March 2015

cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (cont'd)

For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct cost 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.

Plant and equipment

Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold improvements	–	Over the lease term of 5 years or the remaining period of the lease
Motor vehicles	–	20%
Furniture, fittings and equipment	–	10% to 33%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Notes to the Financial Statements

31 March 2015

cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investment property

Investment property is property (land or a building or part of a building or both) owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the cost model is used to measure the investment property using the treatment for property, plant and equipment, that is, at cost less any accumulated depreciation and any accumulated impairment losses. Freehold building is depreciated on a straight-line basis over 38 years and freehold land is not depreciated. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value. For disclosure purposes, the fair values are measured periodically on a systematic basis at least once yearly by external independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Certification fees	–	3 years
Club membership	–	22 years

Inventories

Inventories are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

Notes to the Financial Statements

31 March 2015

cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsidiaries (cont'd)

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Business combinations

Business combinations are accounted for by applying the acquisition method. There were no acquisitions during the reporting year.

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant Note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the 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 the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Notes to the Financial Statements

31 March 2015

cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: Assets are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading assets) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to assets at fair value through profit or loss are recognised directly in profit or loss.

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

Notes to the Financial Statements

31 March 2015

cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

3. Held-to-maturity financial assets: These are non-derivative financial assets with fixed or determinable payments and fixed maturity that the entity has the positive intention and ability to hold to maturity. Financial assets that upon initial recognition are designated as at fair value through profit or loss or available-for-sale and those that meet the definition of loans and receivables are not classified in this category. These assets are carried at amortised costs using the effective interest method minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process. Impairment losses recognised in profit or loss are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss. Non-current investments in bonds and debt securities are usually classified in this category.

4. Available-for-sale financial assets: These are non-derivative financial assets that are designated as available-for-sale on initial recognition or are not classified in one of the previous categories. These assets are carried at fair value. Changes in fair value of available-for-sale financial assets (other than those relating to foreign exchange translation differences on monetary investments) are recognised in other comprehensive income and accumulated in a separate component of equity under the heading revaluation reserves. Such reserves are reclassified to profit or loss when realised through disposal. When there is objective evidence that the asset is impaired, the cumulative loss is reclassified from equity to profit or loss as a reclassification adjustment. A significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment. If, in a subsequent period, the fair value of an equity instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss, it is reversed against revaluation reserves and is not subsequently reversed through profit or loss. However for debt instruments classified as available-for-sale impairment losses recognised in profit or loss are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss. For non-equity instruments classified as available-for-sale the reversal of impairment is recognised in profit or loss. The weighted average method is used when determining the cost basis of publicly listed equities being disposed of. The financial assets are classified as non-current assets unless management intends to dispose of the investments within 12 months of the end of the reporting year. Usually non-current investments in equity shares and debt securities are classified in this category but it does not include subsidiaries, joint ventures, or associates. Unquoted investments are stated at cost less allowance for impairment in value where there are no market prices, and management is unable to establish fair value by using valuation techniques except that where management can establish fair value by using valuation techniques the relevant unquoted investments are stated at fair value. For unquoted equity instruments impairment losses are not reversed.

Notes to the Financial Statements

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows of the group the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Financial liabilities

Initial recognition and measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount determined in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Classification of equity and liabilities

A financial instrument is classified as a liability or as equity in accordance with the substance of the contractual arrangement on initial recognition. Equity instruments are contracts that give a residual interest in the net assets of the reporting entity. Where the financial instrument does not give rise to a contractual obligation on the part of the issuer to make payment in cash or kind under conditions that are potentially unfavourable, it is classified as an equity instrument. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

Treasury shares

Where the entity reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

Fair value measurement

Fair value is taken to be 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 (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. 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. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

Notes to the Financial Statements

31 March 2015

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fair value measurement (cont'd)

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Allowance for doubtful trade accounts:
An allowance is made for doubtful trade accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. Management generally analyses trade receivables and analyses historical bad debts, customer concentrations, customer creditworthiness, and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful trade receivables. To the extent that it is feasible, impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next reporting year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note on trade and other receivables.

Notes to the Financial Statements

31 March 2015

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Critical judgements, assumptions and estimation uncertainties (cont'd)

Net realisable value of inventories:
A review is made on inventory for excess inventory and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. The review requires management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting year is disclosed in the Note on inventories.

Useful lives of plant and equipment:
The estimates for the useful lives and related depreciation charges for plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the class of assets at the end of the reporting year affected by the assumption is $1,140,000 (2014: $873,000).

Income tax amounts:
The entity recognises tax liabilities and assets based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition, management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgmental and not susceptible to precise determination. The income tax amounts are disclosed in the Note on income tax.

Measurement of impairment of subsidiary:
Where an investee is in net equity deficit and or has suffered losses a test is made whether the investment in the investee has suffered any impairment. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected. The carrying amount of the class of assets at the end of the reporting year affected by the assumption is nil (2014: $490,000).

Notes to the Financial Statements

31 March 2015

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3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity). (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The ultimate controlling party is Dr Chen Mun, a director and significant shareholder.

3A. Related companies:

There are transactions and arrangements between the reporting entity and members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees no interest or charge is imposed unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3B. Key management compensation:

	Group	
	2015	**2014**
	$'000	**$'000**
Salaries and other short-term employee benefits	973	956

The above amount is included under employee benefits expense. Included in the above amount are the following items:

	Group	
	2015	**2014**
	$'000	**$'000**
Remuneration of directors of the company	436	409
Fees to directors of the company	42	42

Notes to the Financial Statements

31 March 2015

cont'd

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3B. Key management compensation: (cont'd)

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly. The above amounts for key management compensation are for all the key management personnel of the company and of a subsidiary.

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the reporting entity.

For management purposes the reporting entity is organised into three major operating segments: wireless connectivity products, distribution and property. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows:

Wireless connectivity products segment comprises manufacturing, sales, marketing and distribution of wireless connectivity products.

Distribution segment comprises sales, marketing, assembly and distribution of computer and computer parts and peripherals.

Property segment comprises managing the investment properties.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment's operating results is the gross profit.

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

Notes to the Financial Statements

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4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4B. Primary analysis by business segment

Group: Continuing operations 2015	Wireless Connectivity Products $'000	Distribution $'000	Property $'000	Others (corporate holding) $'000	Total $'000
Revenue by segment	13,399	882	-	-	14,281
Cost of sales	(9,080)	(798)	-	-	(9,878)
Gross profit	4,319	84	-	-	4,403
Other Items of Income					
Property income	-	-	1,422	-	1,422
Property expense	-	-	(688)	-	(688)
Profit from property	-	-	734	-	734
Interest income	173	-	-	114	287
Dividend income	-	-	-	270	270
Other gains	794	15	-	267	1,076
Other Items of Expenses					
Marketing and distribution cost	(1,147)	(42)	-	-	(1,189)
Administration expenses	(1,316)	(111)	-	(1,015)	(2,442)
Other operating expenses	(17)	-	-	-	(17)
Profit / (loss) before income tax	2,806	(54)	734	(364)	3,122
Income tax expense	(384)	-	(38)	-	(422)
Profit / (loss) from continuing operations, net of tax	2,422	(54)	696	(364)	2,700
Segment assets	14,741	484	19,710	15,684	50,619
Segment liabilities	(2,967)	(135)	(421)	(166)	(3,689)
Other segment information:					
Recovery of bad debt	-	1	-	-	1
Capital expenditure	(493)	-	(1,190)	(12)	(1,695)
Depreciation of plant and equipment	(249)	-	-	(15)	(264)
Depreciation of investment property	-	-	(193)	-	(193)
Amortisation of intangible assets	(57)	-	-	(1)	(58)
Service income	429	1	-	-	430

Notes to the Financial Statements

31 March 2015

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4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4B. Primary analysis by business segment (cont'd)

Group: Continuing operations 2014	Wireless Connectivity Products $'000	Distribution $'000	Property $'000	Others (corporate holding) $'000	Total $'000
Revenue by segment	12,837	2,312	-	-	15,149
Cost of sales	(8,629)	(1,737)	-	-	(10,366)
Gross profit	4,208	575	-	-	4,783
Other Items of Income					
Property income	-	-	1,419	-	1,419
Property expense	-	-	(653)	-	(653)
Profit from property	-	-	766	-	766
Interest income	166	-	-	118	284
Dividend income	-	-	-	187	187
Other gains	227	12	-	361	600
Other Items of Expenses					
Marketing and distribution cost	(1,229)	(345)	-	-	(1,574)
Administration expenses	(1,330)	(271)	-	(898)	(2,499)
Other operating expenses	(12)	-	-	-	(12)
Finance cost	-	(2)	-	-	(2)
Other losses	(94)	(11)	-	(20)	(125)
Profit / (loss) before income tax	1,936	(42)	766	(252)	2,408
Income tax expense	(262)	(82)	-	(45)	(389)
Profit / (loss) from continuing operations, net of tax	1,674	(124)	766	(297)	2,019
Segment assets	13,730	522	18,713	14,715	47,680
Segment liabilities	(3,008)	(101)	(440)	(97)	(3,646)
Other segment information:					
Recovery of bad debt	-	7	-	-	7
Bad debts written off trade receivables	-	(10)	-	-	(10)
Capital expenditure	(458)	(15)	(134)	-	(607)
Depreciation of plant and equipment	(219)	(2)	-	(12)	(233)
Depreciation of investment property	-	-	(193)	-	(193)
Amortisation of intangible assets	(68)	-	-	(1)	(69)
Service income	47	16	-	-	63

Notes to the Financial Statements

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4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4C. Geographical information

The following table provides an analysis of the revenue by geographical location or customers, irrespective of the origin of the goods/services:

	Group	
	2015 $'000	2014 $'000
Revenue:		
Singapore	1,030	2,223
Europe	4,352	5,803
Asia (except Singapore)	4,378	4,222
United States of America	3,517	2,238
Others	1,004	663
	14,281	15,149

The property income is from properties in Singapore.

The following is an analysis of the carrying amount of segment assets, and additions to plant and equipment, intangible assets and investment property analysed by the geographical area in which the assets are located:

	Group	
	2015 $'000	2014 $'000
Segment Assets:		
Singapore	44,049	40,465
United States of America	17	17
Asia (except Singapore)	6,553	7,198
	50,619	47,680
Capital Expenditure:		
Singapore	1,298	266
Asia (except Singapore)	397	341
	1,695	607

4D. Information about major customers

Revenue from one major customer amount to $2,250,000 (2014: $2,457,000) arising from sales by the wireless connectivity products segment.

Notes to the Financial Statements

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5. REVENUE

	Group 2015 $'000	Group 2014 $'000
Sale of goods	13,851	15,086
Service and sundry income	430	63
	14,281	15,149

6. PROPERTY INCOME

	Group 2015 $'000	Group 2014 $'000
Rental and services income from:		
- Investment property	1,422	1,419

7. PROPERTY EXPENSES

	Group 2015 $'000	Group 2014 $'000
Building maintenance expense	382	374
Depreciation expense	193	193
Utilities and other expenses	113	86
	688	653

8. OTHER GAINS AND (OTHER LOSSES)

	Group 2015 $'000	Group 2014 $'000
Bad debts written off trade receivables	-	(10)
Foreign exchange adjustment gains	722	111
Fair value gain on other financial assets	156	20
Gain on deconsolidation of subsidiaries	-	111
Government grant income from SME grant	6	9
Gain on disposal of plant and equipment	-	26
Productivity and innovation credit bonus and innovation and capability voucher	11	36
Provision for legal fees – reversal / (loss)	95	(95)
Recovery of bad debt	1	7
Sundry income	85	63
Write back of building reinstatement provision	-	197
Net	1,076	475
Presented in profit or loss as:		
Other gains	1,076	600
Other losses	-	(125)
Net	1,076	475

Notes to the Financial Statements

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9. EMPLOYEE BENEFITS EXPENSE

	Group	
	2015 $'000	2014 $'000
Employee benefits expense including directors:		
Salaries, bonuses and other short-term benefits	2,363	2,639
Contributions to defined contribution plan	282	271
Share-based payment – equity settled	-	106
Total employee benefits expense	2,645	3,016

10. INCOME TAX

10A. Components of tax expense recognised in profit or loss include:

	Group	
	2015 $'000	2014 $'000
Current tax expense:		
Current tax expense	422	322
Subtotal	422	322
Deferred tax expense:		
Deferred tax expense	-	67
Subtotal	-	67
Total income tax expense	422	389

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2014: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2015 $'000	2014 $'000
Profit before tax	3,122	2,408
Income tax expense at the above rate	531	409
Effect of different tax rates in different countries	25	15
Not (taxable) / deductible items for tax purposes	(135)	34
Tax exemptions	(26)	(102)
Corporate tax rebate	(30)	(47)
Unrecognised deferred tax assets	97	57
Other items	(40)	23
Total income tax expense	422	389

There are no income tax consequences of dividends to owners of the company.

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31 March 2015

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10. INCOME TAX (CON'T)

10B. Deferred tax expense recognised in profit or loss includes:

	Group	
	2015 $'000	2014 $'000
Tax loss carryforwards	(97)	10
Unrecognised deferred tax assets	97	57
Total deferred tax expense recognised in profit or loss	-	67

10C. Unrecognised deferred tax assets:

	Group			
	2015		2014	
	Gross amount $'000	Tax effect $'000	Gross amount $'000	Tax effect $'000
Unused tax losses available	6,837	1,162	6,266	1,065

No deferred tax asset for the tax losses (including deductible temporary differences, unused tax losses and unused tax credits) has been recognised in respect of the above balance as the future profit streams are not probable against which the deductible temporary difference can be utilised. For Singapore companies, the realisation of the future income tax benefits from these tax loss carryforwards is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

Temporary differences arising in connection with interests in subsidiaries are insignificant.

11. EARNINGS PER SHARE

The following table illustrates the numerators and denominators used to calculate basic and diluted amount per share of no par value:

	Group	
	2015 $'000	2014 $'000
A. Numerators: earnings attributable to equity:		
Continuing operations: attributable to equity holders	2,700	2,021
B. Total basic earnings	2,700	2,021
C. Diluted earnings	2,700	2,021
D. Denominators: weighted average number of equity shares		
Basic	173,929	173,339
E. Diluted	174,663	173,354

The weighted average number of equity shares refers to shares in circulation during the reporting period. It is after the neutralisation of the treasury shares.

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11. EARNING PER SHARE (CON'T)

The dilutive effect derives from transactions such as: share options (Note 24).

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. The diluted amount per share is based on the weighted average number of ordinary shares and dilutive ordinary share equivalents outstanding during each reporting year. The ordinary share equivalents included in these calculations are: (1) the average number of ordinary shares assumed to be outstanding during the reporting year and (2) shares of ordinary share issuable upon assumed exercise of share options which (if any) would have a dilutive effect.

12. DIVIDENDS ON EQUITY SHARES

	Group and Company	
	2015	2014
	$'000	$'000
Final tax exempt (1-tier) dividend paid of 1 cent (2014: 1 cent) per share	1,740	1,733

In respect of the current year, the directors propose that a final dividend of 1 cent per share with a total of $1,742,000 be paid to shareholders after the annual general meeting. There are no income tax consequences. This dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these financial statements. The proposed dividend is payable in respect of all ordinary shares in issue at the end of the reporting year including any new qualifying shares issued but excluding treasury shares, up to the date the dividend becomes payable. There are no income tax consequences of the dividends to shareholders.

Notes to the Financial Statements

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13. PLANT AND EQUIPMENT

	Leasehold improvements	Motor vehicles	Furniture, fittings and equipment	Total
Group:	$'000	$'000	$'000	$'000
Cost:				
At 1 April 2013	500	85	3,420	4,005
Foreign exchange adjustments	-	-	272	272
Additions	-	-	388	388
Disposals	-	(42)	(16)	(58)
Write off	(500)	-	(116)	(616)
At 31 March 2014	-	43	3,948	3,991
Foreign exchange adjustments	-	-	123	123
Additions	-	-	440	440
Write off	-	-	(503)	(503)
At 31 March 2015	-	43	4,008	4,051
Accumulated depreciation:				
At 1 April 2013	500	85	2,711	3,296
Foreign exchange adjustments	-	-	249	249
Depreciation for the year	-	-	233	233
Disposals	-	(42)	(2)	(44)
Write off	(500)	-	(116)	(616)
At 31 March 2014	-	43	3,075	3,118
Foreign exchange adjustments	-	-	32	32
Depreciation for the year	-	-	264	264
Write off	-	-	(503)	(503)
At 31 March 2015	-	43	2,868	2,911
Carrying value:				
At 1 April 2013	-	-	709	709
At 31 March 2014	-	-	873	873
At 31 March 2015	-	-	1,140	1,140

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13. PLANT AND EQUIPMENT (CONT'D)

Company:	Leasehold improvements $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Total $'000
Cost:				
At 1 April 2013	500	85	664	1,249
Disposals	-	(42)	-	(42)
Write off	(500)	-	(99)	(599)
At 31 March 2014	-	43	565	608
Additions	-	-	11	11
Write off	-	-	(499)	(499)
At 31 March 2015	-	43	77	120
Accumulated depreciation:				
At 1 April 2013	500	85	627	1,212
Depreciation for the year	-	-	12	12
Disposals	-	(42)	-	(42)
Write off	(500)	-	(99)	(599)
At 31 March 2014	-	43	540	583
Depreciation for the year	-	-	15	15
Write off	-	-	(499)	(499)
At 31 March 2015	-	43	56	99
Carrying value:				
At 1 April 2013	-	-	37	37
At 31 March 2014	-	-	25	25
At 31 March 2015	-	-	21	21

Allocation of the depreciation expense:

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Cost of sales	196	175	-	-
Administrative expenses	68	58	15	12
Total	264	233	15	12

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14. INVESTMENT PROPERTY

Group and Company:	Freehold land $'000	Freehold building $'000	Building improvement $'000	Total $'000
Cost:				
At 1 April 2013	12,000	7,343	-	19,343
Addition	-	-	134	134
At 31 March 2014	12,000	7,343	134	19,477
Addition	-	-	1,190	1,190
As at 31 March 2015	12,000	7,343	1,324	20,667
Accumulated depreciation:				
At 1 April 2013	-	676	-	676
Depreciation for the year	-	193	-	193
At 31 March 2014	-	869	-	869
Depreciation for the year	-	193	-	193
At 31 March 2015	-	1,062	-	1,062
Net book value:				
At 1 April 2013	12,000	6,667	-	18,667
At 31 March 2014	12,000	6,474	134	18,608
At 31 March 2015	12,000	6,281	1,324	19,605

	Group and Company 2015 $'000	Group and Company 2014 $'000
Fair values for disclosure purposes only:		
Fair value at end of the year	35,000	35,000
Rental and service income from investment property	1,422	1,419
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period	(688)	(653)

The depreciation expense is charged under property expenses.

The investment property is two-adjoining six-storey semi-detached industrial buildings located at Nos. 7 and 9 Harrison Road, Singapore 369650/1. It is leased out under operating leases. Also see Note 30 on operating lease income commitments. The management has entered into contractual obligations for the enhancement of the investment property.

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14. INVESTMENT PROPERTY (CONT'D)

The fair value of investment property was measured in March 2015 based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The fair value was based on a valuation made by Knight Frank Pte Ltd, a firm of independent professional valuers on a systematic basis at least once yearly. The firm holds a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued. There has been no change to the valuation technique during the year. Management determined that the highest and best use of the asset is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

For fair value measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows:

Assets:	Nos. 7 and 9 Harrison Road, Singapore 369650/1
Fair Value $'000 and Fair value hierarchy - Level	$35,000 (2014: $35,000). Level 3 (2014: Level 3).
Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent transaction prices for similar properties.
Significant observable inputs and range (weighted average)	Price per square foot: $1,187 (2014: $1,187).
Relationship of unobservable inputs to fair value:	NA.
Sensitivity on management's estimate – 10% variation from estimate	Impact – lower by $3,500,000; higher by $3,500,000.

There were no transfers between Levels 2 and 3 during the year.

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15. INTANGIBLE ASSETS

Group:	Club membership $'000	Certification fees $'000	Total $'000
Cost:			
At 1 April 2013	60	401	461
Additions	-	85	85
Write off	-	(85)	(85)
At 31 March 2014	60	401	461
Additions	-	65	65
Write off	-	(126)	(126)
At 31 March 2015	60	340	400
Accumulated amortisation:			
At 1 April 2013	43	335	378
Amortisation for the year	1	68	69
Write off	-	(85)	(85)
At 31 March 2014	44	318	362
Amortisation for the year	1	57	58
Write off	-	(126)	(126)
At 31 March 2015	45	249	294
Carrying value:			
At 1 April 2013	17	66	83
At 31 March 2014	16	83	99
At 31 March 2015	15	91	106

Certification fees are for registration of new products in various countries.

Company:	Club membership $'000
Cost:	
At 1 April 2013, 31 March 2014 and 31 March 2015	60
Accumulated amortisation:	
At 1 April 2013	43
Amortisation for the year	1
At 31 March 2014	44
Amortisation for the year	1
At 31 March 2015	45
Carrying value:	
At 1 April 2013	17
At 31 March 2014	16
At 31 March 2015	15

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16. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015	2014
	$'000	$'000
Total cost comprising:		
Unquoted equity shares at cost	22,555	22,555
Allowance for impairment	(17,157)	(16,667)
Total at cost	5,398	5,888
Net book value of subsidiaries	10,706	9,838
Movement during the year. At cost:		
Balance at beginning of the year	22,555	22,876
Liquidation of subsidiary	-	(321)
Cost at end of the year	22,555	22,555
Movements in allowance for impairment:		
Balance at beginning of the year	16,667	16,988
Impairment loss charge to profit or loss included in other losses	490	-
Liquidation of subsidiary	-	(321)
Balance at end of the year	17,157	16,667
Analysis of amounts denominated in non-functional currency:		
United States $	12,155	12,155
Chinese RMB	3,829	3,829
Others	2	2

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16. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The subsidiaries held by the company and its subsidiaries are listed below:

Name of subsidiaries, country of incorporation, Place of operations and principal activities (and independent auditor)	Cost in books of group		Effective percentage of equity held by group	
	2015	2014	2015	2014
	$'000	$'000	%	%
Compex Systems Pte Ltd (a) Singapore Trader of own made wireless connectivity products / solutions	1,569	1,569	100	100
Powermatic Distribution Pte Ltd (a) Singapore Distributor of computers and related peripherals	5,000	5,000	100	100
Compex (Suzhou) Co., Ltd (b) People's Republic of China Manufacturer of wireless connectivity products	3,714	3,714	100	100
Compex Wireless (Suzhou) Co., Ltd (c) People's Republic of China Trader of own made wireless connectivity products / solutions	115	115	100	100
Powermatic Data Systems (HK) Ltd (d) Hong Kong Dormant (East Asia Sentinel Limited, Hongkong)	2	2	99.9	99.9
Compex Inc (e) United States of America Trader of wireless connectivity products / solutions	12,155	12,155	100	100
PM Data Sdn Bhd (d) Malaysia Dormant (SC Lim, Ng & Co., Malaysia)	- (f)	- (f)	100	100

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16. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Audited by RSM Chio Lim LLP.

(b) Audited by SBA Stone Forest Shanghai Certified Public Accountants (Partnership), an affiliate firm of RSM Chio Lim LLP.

(c) Not audited as this subsidiary is not material to the group.

(d) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. Their names are indicated above.

(e) Not required to be audited under the law of its country of incorporation and it is not material.

(f) Less than $1,000.

As is required by Rule 716 of the Listing Manual of The Singapore Exchange Securities Trading Limited, the audit committee and the board of directors of the company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the group.

17. OTHER FINANCIAL ASSETS, NON-CURRENT

	Group and Company	
	2015	2014
	$'000	$'000
Balance is made up of:		
Investments available-for-sale at FVTOCI (Note 17A)	5,905	4,112
Held-to-Maturity investments at amortised cost (Note 17B)	2,030	2,030
Balance at end of the year	7,935	6,142

17A. Investments available-for-sale at FVTOCI

	Group and Company	
	2015	2014
	$'000	$'000
Quoted equity shares in corporations		
- Technology, Thailand	4,931	3,107
Unquoted investment funds		
- Global equities	969	1,000
Unquoted equity shares in corporation		
- Technology, United States	5	5
	5,905	4,112
Movements during the year:		
Fair value at beginning of the year	4,112	5,084
Increase / (decrease) in fair value through other comprehensive income	1,793	(972)
Fair value at end of the year	5,905	4,112

The fair values of unquoted investment funds were based on the broker's quote.

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17. OTHER FINANCIAL ASSETS, NON-CURRENT (CONT'D)

17B. Held-to-Maturity investments at amortised cost

	Group and Company	
	2015	**2014**
	$'000	**$'000**
Unquoted bonds		
- Property, Singapore	1,030	1,030
Unquoted structured notes		
- Financial Institution, United Kingdom	1,000	1,000
	2,030	2,030
Fair value	2,062	2,067

The fair values of unquoted bonds and structured notes were based on broker's quote (Level 2).

18. INVENTORIES

	Group	
	2015	**2014**
	$'000	**$'000**
Finished goods and goods for resale	482	373
Work-in-progress	155	231
Raw material, consumables and supplies	580	941
	1,217	1,545
Inventories are stated after allowance. Movements in allowance:		
Balance at beginning of the year	395	427
Charge / (reversed) to profit or loss included in cost of sales	32	(42)
Used	6	10
Balance at end of the year	433	395
The write-down of inventories charged / (reversed) to profit or loss included in cost of sales	32	(42)
Changes in inventories of finished goods and work-in-progress	(33)	246
The amount of inventories included in cost of sales	8,395	9,088

There are no inventories pledged as security for liabilities.

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19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables:				
Outside parties	1,637	845	80	17
Less allowance for impairment	(354)	(342)	-	-
Net trade receivables - Subtotal	1,283	503	80	17
Other receivables:				
Subsidiaries (Note 3)	-	-	5,700	5,629
Less allowance for impairment	-	-	(4,153)	(4,095)
Outside parties	338	390	9	13
Net other receivables - Subtotal	338	390	1,556	1,547
Total trade and other receivables	1,621	893	1,636	1,564
Movements in above allowances:				
Balance at beginning of the year	342	350	4,095	4,059
Reversed for trade receivables to profit or loss included in other gains	(1)	(7)	58	36
Foreign currency adjustments	13	(1)	-	-
Balance at end of the year	354	342	4,153	4,095

20. OTHER FINANCIAL ASSETS, CURRENT

	Group and Company	
	2015	**2014**
	$'000	**$'000**
Financial assets held for trading at fair value through profit or loss:		
- Quoted equity shares in corporations		
- Logistics, Singapore	392	272
- Property, Singapore	19	16
	411	288
- Unquoted bonds and structured notes		
- Telecommunication, Hong Kong	280	247
	691	535
Movements during the year:		
Balance at beginning of the year	535	515
Fair value gain included in profit or loss under other gains	156	20
Balance at end of the year	691	535

Notes to the Financial Statements

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21. OTHER ASSETS

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Prepayments	130	129	34	44
Deposits to secure services	106	107	105	105
	236	236	139	149

22. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Fixed deposits	6,478	4,991	1,550	4,200
Fixed deposits (maturity of over 3 months)	5,918	9,476	4,548	2,330
Cash and bank balances	5,672	4,282	784	1,376
Cash at end of the year	18,068	18,749	6,882	7,906
Interest earning balances	12,701	14,836	6,291	6,742

The rates of interest for the cash on interest earning balances ranged between 0.01% and 4.2% (2014: 0.01% and 3.08%) per year.

22A. Cash and cash equivalents in the consolidated statement of cash flows:

	2015 $'000	2014 $'000
Amount as shown above	18,068	18,749
Less: Fixed deposits (maturity of over 3 months)	(5,918)	(9,476)
Cash and cash equivalents for consolidated statement of cash flows purposes at end of the year	12,150	9,273

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23. SHARE CAPITAL

Group and Company	Number of shares issued '000	Share capital $'000	Treasury shares $'000	Total $'000
Ordinary shares of no par value:				
Balance at beginning of the year 1 April 2013	173,289	34,556	-	34,556
Exercise of share options (Note 24)	50	7	-	7
Balance at end of the year 31 March 2014	173,339	34,563	-	34,563
Treasury shares purchased	(750)	-	(138)	(138)
Exercise of share options (Note 24)	1,620	210	-	210
Balance at end of the year 31 March 2015	174,209	34,773	(138)	34,635

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

Treasury shares relate to ordinary shares of the company that are held by the company. For the reporting year 31 March 2015, pursuant to the share buyback mandate approved by shareholders, the company purchased 750,000 of its ordinary shares by way of on-market purchases at shares prices between $0.17 and $0.185 per share. The total amount paid to purchase the shares was $138,000 and this is presented as a component within equity attributable to equity holders of the company.

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

There are insignificant external borrowings. The debt-to-adjusted capital ratio does not provide a meaningful indicator of the risk of borrowings.

In order to maintain its listing on the Singapore Stock Exchange it has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

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24. SHARE-BASED PAYMENTS

24A. Share options – the scheme:

The company has an employee share option scheme known as the "Powermatic Data Systems Employees' Share Option Scheme 2013" (the "2013 Scheme"). The 2013 Scheme replaced the previous scheme (the "2003 Scheme") expired on 28 February 2013. Under the 2003 Scheme, a total of 1,620,000 options were exercised during the financial year and as at 31 March 2015, there was no remaining exercisable options.

The 2013 Scheme is a share incentive scheme designed to acknowledge the contributions made by the employees and to give recognition to such employees by giving them the opportunity to have a personal stake in the company and to attract, motivate and retain talented staff for the company's domestic and international operations.

Under the rules of the 2013 Scheme, all directors and full-time employees of the group are eligible to participate in the Scheme except for employee or director who is also a controlling shareholder or an associate of a controlling shareholder. Employees of the company's associated companies are not eligible under the Scheme. The company has no associated companies as at 31 March 2015.

The aggregate number of shares over which options may be granted shall not exceed 15% of the issued share capital (excluding treasury shares) of the company on the day immediately preceding the offer date of the option.

Both the 2003 Scheme and the 2013 Scheme are administered by the Remuneration Committee comprising Tan Chao Hsiung, David (Chairman) and two other independent directors of the company, Lye Kin Mun and Yee Lat Shing, Tom.

On 20 February 2014, the company granted 4,670,000 share options with an exercised price of 14.2 cents per share under the 2013 Scheme. 900,000 options were granted to directors and 3,770,000 options were granted to the employees of the group. Of the 4,670,000 options granted, 400,000 shall be exercisable from the 1st anniversary to the 5th anniversary of the offering date and 4,270,000 shall be exercisable from the 1st anniversary to the 10th anniversary of the offering date.

24B. ACTIVITIES UNDER THE SHARE OPTIONS SCHEME:

The outstanding number of options at the end of the reporting year was:

Grant date	Name of scheme	Balance at 1.04.2014	Expired	Exercised	Balance at 31.03.2015	Offer price per share	Period exercisable
28.01.2010	2003	2,455,000	(835,000)	(1,620,000)	-	13.0 cents	27.01.2015
20.02.2014	2013	400,000	-	-	400,000	14.2 cents	20.02.2019
20.02.2014	2013	4,270,000	(430,000)	-	3,840,000	14.2 cents	20.02.2024
Total		7,125,000	(1,265,000)	(1,620,000)	4,240,000		

There were no unissued shares of the company or any subsidiary under option except for those disclosed in the above paragraph.

These expensed amounts are also included in employee benefits expense (Note 9).

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24. SHARE-BASED PAYMENTS (CONT'D)

24B. ACTIVITIES UNDER THE SHARE OPTIONS SCHEME: (CONT'D)

The estimate of the grant date fair value of each option issued is based on the Black-Scholes option pricing model (Level 3). In order to approximate the expectations that would be reflected in a current market or negotiated exchange price for these options, the calculations take into consideration factors like behavioural considerations and non-transferability of the options granted.

Inputs to the model included:

	2015	2014
Grant date share price and exercise price		As shown above
Historical and expected volatility	-	37.0%
Dividend yield	-	7.0%
Risk-free interest rate	-	1.5%

Expected volatility was determined taking into consideration the company's volatility over a one-year period prior to each award date. Dividends used are those last known at the date the plan was approved.

25. OTHER RESERVES

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Available-for-sale financial assets reserve (Note 25A)	4,387	2,594	4,387	2,594
Share option reserve (Note 25B)	106	213	106	213
Reserve on consolidation (Note 25C)	88	88	-	-
Foreign currency translation reserve (Note 25D)	(870)	(941)	-	-
	3,711	1,954	4,493	2,807

All reserves classified on the face of the statement of financial position as retained earnings represents past accumulated earnings and are distributable as cash dividends. The other reserves are not available for cash dividends unless realised.

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25. OTHER RESERVES (CONT'D)

25A. Available-for-sale financial assets reserve

	Group and Company	
	2015	2014
	$'000	$'000
At beginning of the year	2,594	3,566
Gains / (losses) on remeasuring available-for-sale financial assets	1,793	(972)
At end of the year	4,387	2,594

The available-for-sale financial assets reserve arises from the annual remeasurement of the available-for-sale financial assets. It is not distributable until it is released to profit or loss on the disposal of the investments.

25B. Share option reserve

	Group and Company	
	2015	2014
	$'000	$'000
At beginning of the year	213	107
Expense recognised in profit or loss	-	106
Expiry of share options – transferred to retained earnings	(107)	-
At end of the year	106	213

25C. Reserve on consolidation

	Group	
	2015	2014
	$'000	$'000
At beginning and end of the year	88	88

25D. Foreign currency translation reserve

	Group	
	2015	2014
	$'000	$'000
At beginning of the year	(941)	(860)
Exchange differences on translating foreign operations	71	14
Reclassification adjustment on deconsolidation of foreign subsidiary	-	(95)
At end of the year	(870)	(941)

The currency translation reserve accumulates all foreign exchange differences.

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26. OTHER LIABILITIES

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Current:				
Advance rental received	90	18	90	18
Deposits received	994	873	270	290
Provision for warranty costs	96	108	-	-
Provision for Cooperative Advertising and Promotion ("CAPP") fund	-	109	-	-
Provision for reinstatement cost	150	150	150	150
	1,330	1,258	510	458

Movements in above provisions:

	Group	
	2015	2014
	$'000	$'000
Provision for warranty costs:		
At beginning of the year	108	78
Charged to profit or loss included in cost of sales	5	42
Used	(17)	(12)
At end of the year	96	108
Provision for CAPP fund:		
At beginning of the year	109	109
Reversed to profit or loss included in marketing and distribution costs	(109)	-
At the end of year	-	109
Provision for reinstatement cost:		
At beginning of the year	150	500
Reversed to profit or loss included in other gains	-	(197)
Used	-	(153)
At end of the year	150	150

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Trade payables:				
Outside parties and accrued liabilities	1,770	1,968	192	156
Other payables:				
Outside parties	158	76	-	-
Total trade and other payables	1,928	2,044	192	156

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28. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

28A. Classification of financial assets and liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS 39 categories:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Financial assets				
Cash and cash equivalents	18,068	18,749	6,882	7,906
Loans and receivables	1,621	893	1,636	1,564
Financial assets at fair value through profit or loss	691	535	691	535
Available-for-sale financial assets	5,905	4,112	5,905	4,112
Held-to-maturity investments	2,030	2,030	2,030	2,030
	28,315	26,319	17,144	16,147
Financial liabilities				
Trade and other payables measured at amortised cost	1,928	2,044	192	156

Further quantitative disclosures are included throughout these financial statements.

28B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

(i) Minimise interest rate, currency, credit and market risk for all kinds of transactions.
(ii) Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
(iii) All financial risk management activities are carried out and monitored by senior management staff.
(iv) All financial risk management activities are carried out following market practices.

There have been no changes to the exposure to risk, the objectives, policies and processes for managing the risk and the methods used to measure the risk.

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28. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

28C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

Fair value measurements recognised in the statement of financial position

The fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The levels are: Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2: 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); and Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The quantitative disclosures for the fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements are disclosed below:

	Group and Company			
	Level 1	Level 2	Level 3	Total
At 31 March 2015:	$'000	$'000	$'000	$'000
Financial assets at fair value through profit or loss:				
Quoted equity shares in corporations	411	-	-	411
Unquoted bonds and structured notes	-	280	-	280
Available-for-sale financial assets:				
Quoted equity shares in corporations	4,931	-	-	4,931
Unquoted equity shares in corporation	-	5	-	5
Unquoted investment funds	-	969	-	969
Total	5,342	1,254	-	6,596
At 31 March 2014:				
Financial assets at fair value through profit or loss:				
Quoted equity shares in corporations	288	-	-	288
Unquoted bonds and structured notes	-	247	-	247
Available-for-sale financial assets:				
Quoted equity shares in corporations	3,107	-	-	3,107
Unquoted equity shares in corporation	-	5	-	5
Unquoted investment funds	-	1,000	-	1,000
Total	3,395	1,252	-	4,647

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy.

Notes to the Financial Statements

31 March 2015

cont'd

28. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

28C. Fair values of financial instruments (cont'd)

Reconciliation for fair value measurements and analysis of effect of changing inputs on fair value measurements in Level 3 of the fair value hierarchy are not disclosed as the carrying amount of the related financial assets is not material.

28D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents, receivables and certain other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is significant concentration of credit risk on receivables, as the exposure is spread over a small number of counter-parties and debtors.

Note 22 dicloses the maturity of the cash and cash equivalents balances.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is from 30-90 days (2014: 30-90 days). But some customers take a longer period to settle the amounts.

(a) Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

	Group	
	2015	**2014**
	$'000	**$'000**
Trade receivables:		
Over 180 days	-	5

(b) Ageing analysis as at the end of the reporting year of trade receivable amounts that are impaired:

	Group	
	2015	**2014**
	$'000	**$'000**
Trade receivables:		
Over 90 days	354	342

The allowance which is disclosed in the note on trade receivables is based on individual accounts totalling $354,000 (2014: $342,000) that are determined to be impaired at the end of reporting year. These are not secured.

Notes to the Financial Statements

31 March 2015

cont'd

28. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

28D. Credit risk on financial assets (cont'd)

Other receivables are normally with no fixed terms and therefore there is no maturity.

Available-for-sale instruments represent equity shares and investment funds and therefore there is no fixed maturity.

Concentration of trade receivables customers as at the end of reporting year:

	Group	
	2015	2014
	$'000	$'000
Top 1 customer	528	109
Top 2 customers	759	212
Top 3 customers	868	280

28E. Liquidity risk – financial liabilities maturity analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Less than 1 year			
	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Non-derivative financial liabilities:				
Trade and other payables	1,928	2,044	192	156

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

For financial guarantee contracts the maximum earliest period in which the guarantee amount can be claimed by the other party is used. At the end of the reporting year no claims on the financial guarantees are expected to be payable. The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

	Less than 1 year	
	Group and Company	
	$'000	$'000
Performance guarantee in respect of:		
- Foreign employment contracts	-	5
- Utility deposits	57	57
Total	57	62

Notes to the Financial Statements

31 March 2015

cont'd

28. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

28E. Liquidity risk – financial liabilities maturity analysis (cont'd)

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 90 days (2014: 90 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no futher analysis is deemed necessary. In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows.

28F. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed interest rates and floating interest rates and it mainly concerns financial liabilities. The interest from financial assets including cash balances is not significant.

28G. Foreign currency risks

Analysis of amounts denominated in non-functional currency:

		Group	
	Thai Baht	United States Dollars	Total
2015:	$'000	$'000	$'000
Financial assets:			
Cash	-	3,658	3,658
Loans and receivables	-	1,221	1,221
Financial assets at fair value through equity	4,931	-	4,931
	4,931	4,879	9,810
Financial liabilities:			
Trade and other payables	-	(300)	(300)
Net financial assets at end of the year	4,931	4,579	9,510
2014			
Financial assets:			
Cash	-	1,644	1,644
Loans and receivables	-	650	650
Financial assets at fair value through equity	3,107	-	3,107
	3,107	2,294	5,401
Financial liabilities:			
Trade and other payables	-	(209)	(209)
Net financial assets at end of the year	3,107	2,085	5,192

There is exposure to foreign currency risk as part of its normal business.

Notes to the Financial Statements

31 March 2015

cont'd

28. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

28G. Foreign currency risks (cont'd)

Sensitivity analysis:

	Group	
	2015	2014
	$'000	$'000
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the US$ with all other variables held constant would have an adverse effect on pre-tax profit of	(416)	(190)
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the Thai Baht with all other variables held constant would have an adverse effect on pre-tax profit of	(448)	(282)

The above table shows sensitivity to the hypothetical percentage variations in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at the end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

28H. Equity price risk

There are investments in equity shares or similar instruments. As a result, such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the investment securities. The fair values of these assets are disclosed in Notes 17 and 20.

Sensitivity analysis:

A hypothetical 10% decrease in the fair value of these assets would result in a fair value loss of $534,000 (2014: $340,000).

Notes to the Financial Statements

31 March 2015

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29. OPERATING LEASE PAYMENT COMMITMENTS – AS LESSEE

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Not later than one year	493	542	387	397
Later than one year and not later than five years	-	483	-	386
Rental expense for the year	517	548	397	384

Operating lease payments are for rentals payable for factory and office premises.

30. OPERATING LEASE INCOME COMMITMENTS – AS LESSOR

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	Group and Company	
	2015	2014
	$'000	$'000
Not later than one year	1,136	1,111
Later than one year and not later than five years	669	520
Rental income for the year	1,422	1,419

The lease rental income terms are negotiated for an average term of two years at an agreed monthly rental.

31. CAPITAL COMMITMENTS

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group and Company	
	2015	2014
	$'000	$'000
Contractual obligations for additions and alterations to investment property	203	1,541

Notes to the Financial Statements

31 March 2015

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32. EVENTS AFTER THE END OF THE REPORTING YEAR

The company will be seeking shareholders' approval at the Annual General Meeting on 24 July 2015 to consolidate every five (5) existing ordinary shares into one (1) consolidated share in the capital of the company held by shareholders of the company in order to comply with the minimum trading price requirement of S$0.20 per share for shares of issuers listed on the Mainboard of Singapore Exchange Securities Trading Limited.

33. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require material modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 27	Consolidated and Separate Financial Statements (Amendments to)
FRS 27	Separate Financial Statements (Revised)
FRS 28	Investments in Associates and Joint Ventures (Revised) (*)
FRS 36	Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (relating to goodwill) (*)
FRS 39	Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting (*)
FRS 110	Consolidated Financial Statements
FRS 110	Amendments to FRS 110, FRS 111 and FRS 112
FRS 111	Joint Arrangements (*)
FRS 112	Disclosure of Interests in Other Entities (*)
INT FRS 121	Levies (*)

(*) Not relevant to the entity.

Notes to the Financial Statements

31 March 2015

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34. FUTURE CHANGES IN FINANCIAL REPORTING STANDARDS

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 19	Amendments To FRS 19: Defined Benefit Plans: Employee Contributions	1 Jul 2014
Various	Improvements to FRSs (Issued in January 2014). Relating to FRS 102 Share-based Payment FRS 103 Business Combinations (*) FRS 108 Operating Segments FRS 113 Fair Value Measurement FRS 16 Property, Plant and Equipment FRS 24 Related Party Disclosures FRS 38 Intangible Assets	1 Jul 2014
Various	Improvements to FRSs (Issued in February 2014). Relating to FRS 103 Business Combinations (*) FRS 113 Fair Value Measurement FRS 40 Investment Property	1 Jul 2014
FRS 1	Amendments to FRS 1: Disclosure Initiative	1 Jan 2016
FRS 16 & 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
FRS 16 & 41	Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants (*)	1 Jan 2016
FRS 27	Amendments to FRS 27: Equity Method in Separate Financial Statements (*)	1 Jan 2016
FRS 110 & 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (*)	1 Jan 2016
FRS 110, 112 & 28	Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception	1 Jan 2016
FRS 111	Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations (*)	1 Jan 2016
FRS 114	Regulatory Deferral Accounts (*)	1 Jan 2016
Various	Improvements to FRSs (November 2014)	1 Jan 2016
FRS 115	Revenue from Contracts with Customers	1 Jan 2017
FRS 109	Financial Instruments	1 Jan 2018

(*) Not relevant to the entity.

STATISTICS OF SHAREHOLDINGS AS AT 11 JUNE 2015

DISTRIBUTION OF SHAREHOLDINGS

Issued and fully paid-up capital	S$ 34,609,091
Number of ordinary shares in issue	174,959,000
Class of Shares	Ordinary Shares
No of ordinary shares (excluding treasury shares)	174,063,100
Voting Rights	One vote per share

As at 11 June 2015, the total number of treasury shares held is 895,900. The treasury shares as a percentage of the total number of issued shares excluding treasury shares is 0.51%.

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	7	0.25	173	0.00
100 – 1,000	306	10.86	224,228	0.13
1,001 – 10,000	1,890	67.07	9,600,400	5.52
10,001 – 1,000,000	604	21.40	28,781,065	16.53
1,000,001 AND ABOVE	12	0.42	135,457,234	77.82
TOTAL :	**2,819**	**100.00**	**174,063,100**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1.	CHEN MUN	97,139,662	55.81
2.	ANG BEE YAN	13,874,000	7.97
3.	DBS NOMINEES (PRIVATE) LIMITED	5,755,200	3.31
4.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	5,155,200	2.96
5.	LIM POH KENG (LIN BAOQING)	3,098,700	1.78
6.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,089,000	1.20
7.	ANG HAO YAO (HONG HAOYAO)	1,764,900	1.01
8.	HO SOON TECK	1,646,000	0.95
9.	SIEW CHEE MENG	1,330,000	0.76
10.	RAFFLES NOMINEES (PTE) LIMITED	1,233,572	0.71
11.	TAY HUA HUI OR YEO BOON KIAH	1,206,000	0.69
12.	LEONG HONG KAH	1,165,000	0.67
13.	TAN KIAN CHUAN (CHEN JIANZHUAN)	825,000	0.47
14.	OCBC SECURITIES PRIVATE LIMITED	626,739	0.36
15.	LUO FENG	621,000	0.36
16.	TIONG WEE LEE	600,000	0.34
17.	CHIN KHAN HEE @ CHIN KIAN HEE	520,000	0.30
18.	CHANG QIANG	500,000	0.29
19.	SOPHIA ANG BEE LENG	500,000	0.29
20.	HUANG PING K'NAR	461,000	0.26
	TOTAL :	140,110,973	80.49

Substantial Shareholders
(as recorded in the Register of Substantial Shareholders)

Name of Shareholders	Direct Interest	%	Deemed Interest	%
Dr Chen Mun	97,139,662	55.81	0	0
Ang Bee Yan	13,874,000	7.97	0	0

Percentage of Shareholdings in Public Hands
36.22% of the Company's shares are in the hands of the public. Accordingly, the Company has complied with Rule 723 of the listing manual of the SGX-ST.

POWERMATIC DATA SYSTEMS LIMITED

(Company Registration Number: 198900414E)
(Incorporated in Singapore with limited liability)

NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Sixth Annual General Meeting of Powermatic Data Systems Limited (the "Company") will be held at 135 Joo Seng Road, #08-01, Singapore 368363 at 11.00 a.m. on Friday, 24 July 2015 for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Company for the year ended 31 March 2015 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a first and final one-tier tax exempt dividend of Singapore 1 cent per ordinary share for the financial year ended 31 March 2015. (2014: First and Final one-tier tax exempt dividend of Singapore 1 cent per ordinary share). **(Resolution 2)**

3. To re-elect Prof. Lye Kin Mun, a Director of the Company retiring pursuant to Article 99 of the Articles of Association of the Company. **(Resolution 3)**

   Prof. Lye Kin Mun will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees and will be considered independent.

4. To re-appoint Mr Yee Lat Shing, Tom, who is retiring under Section 153(6) of the Companies Act, Cap. 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company. **(Resolution 4)**

   Mr Yee will, upon re-appointment as a Director of the Company, remain as Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees and will be considered independent.

5. To approve the payment of Directors' fees of S$42,000 for the year ended 31 March 2015. (2014: S$42,000). **(Resolution 5)**

6. To re-appoint Messrs RSM Chio Lim LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**

7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. **Authority to issue shares**

   That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares shall be based on the total number of issued shares in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (i)]

(Resolution 7)

9. Renewal of the Share Buy-Back Mandate

THAT:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued Shares each fully paid up not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchase(s) (***On-Market Purchases***) transacted through the Singapore Exchange Securities Trading Limited (***SGX-ST***) or on another stock exchange on which the Shares are listed; and/or

(ii) off-market purchase(s) (***Off-Market Purchases***) effected pursuant to an equal access scheme (as defined in Section 76C of the Companies Act) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual of the SGX-ST; and

otherwise in accordance with all laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (***Share Buy-Back Mandate***);

(b) Unless varied or revoked by the members of the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;

(ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by ordinary resolution of the Company in general meeting;

(c) In this Resolution:

Maximum Limit means that number of issued Shares representing not more than 10 per cent of the issued ordinary shares of the Company as at the date of the passing of this Resolution (excluding any treasury shares which may be held by the Company from time to time); and

Maximum Price means that the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share in the event of any Share Buy-Back shall be determined by the Directors of the Company, but in any event, shall not exceed the maximum price, which:

(i) in the case of an On-Market Purchase, shall mean the price per Share based on not more than 5% above the average of the closing market prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day of the On-Market Purchase and deemed to be adjusted for any corporate action occurring after such 5-market day period; and

(ii) in the case of an Off-Market Purchase, shall mean the price per Share based on not more than 20% above the average of the closing market prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day on which the Company makes an announcement of an offer under an equal access scheme; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient, incidental, necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

[See Explanatory Note (ii)]

(Resolution 8)

10. Proposed Share Consolidation

All capitalised terms used in this Ordinary Resolution 9 shall have the meanings ascribed to them in the circular to shareholders of the Company dated 8 July 2015.

That pursuant to the Articles of Association of the Company, approval be and is hereby given:

(a) for the proposed consolidation of every five (5) Existing Shares held by Shareholders as at the Books Closure Date into one (1) Consolidated Share in the manner set out in the circular to shareholders of the Company dated 8 July 2015;

(b) any fraction of a Consolidated Share which may arise from the Proposed Share Consolidation pursuant to paragraph (a) above shall be disregarded, and all fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company;

(c) the Directors be and are hereby authorised to fix the Books Closure Date and the Effective Trading Date in their absolute discretion; and

(d) the Directors and each of them be and is hereby authorised to take any and all steps and to do and/or procure to be done any and all acts and things (including without limitation, to approve, sign and execute all such documents which they in their absolute discretion consider to be necessary, and to exercise such discretion as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient in order to implement, finalise and give full effect to this Ordinary Resolution and the Proposed Share Consolidation and/or the matters contemplated herein.

[See Explanatory Note (iii)]

(Resolution 9)

By Order of the Board

Wan Tiew Leng
Secretary

Singapore, 8 July 2015

Explanatory Notes:

(i) The Ordinary Resolution 7 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares will be calculated based on the total number of issued shares in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(ii) The Ordinary Resolution 8 proposed in item 9 above is to approve the renewal of the share buy-back mandate. Detailed information relating to this resolution is set out in the circular to Shareholders accompanying this notice relating to the Renewal of the Share Buy-Back Mandate dated 8 July 2015.

(iii) The Ordinary Resolution 9 proposed in item 10 above is to approve the Proposed Share Consolidation. Detailed information relating to this resolution is set out in the circular to Shareholders accompanying this notice relating to the Proposed Share Consolidation dated 8 July 2015.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint not more than two proxies to attend and vote in his/her/its stead. A proxy need not be a Member of the Company.

2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 135 Joo Seng Road, #08-01, Singapore 368363, not less than forty-eight (48) hours before the time appointed for holding the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

POWERMATIC DATA SYSTEMS LIMITED
Company Registration No. 198900414E
(Incorporated In The Republic of Singapore)

IMPORTANT:

1. For investors who have used their CPF monies to buy **POWERMATIC DATA SYSTEMS LIMITED's** shares, this Annual Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting of the Company as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ...

of ....

being a member/members of Powermatic Data Systems Limited (the "Company"), hereby appoint:

Name		**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name		**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Twenty-Sixth Annual General Meeting (the "Meeting") of the Company to be held on **Friday, 24 July 2015 at 11.00 a.m.** and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	**Resolutions relating to:**	**For**	**Against**
1	Directors' Report and Audited Financial Statements for the year ended 31 March 2015		
2	Payment of proposed first & final one-tier tax exempt dividend		
3	Re-election of Prof. Lye Kin Mun as a Director		
4	Re-appointment of Mr Yee Lat Shing, Tom as a Director		
5	Approval of Directors' fees amounting to S$42,000		
6	Re-appointment of Messrs RSM Chio Lim LLP as Auditors		
7	Authority to issue shares		
8	Renewal of the Share Buy-Back Mandate		
9	Proposed Share Consolidation		

Dated this .... day of 2015

(a) CDP Register	
(b) Register of Members	

....

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy shall be specified in this instrument appointing the proxies. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this instrument appointing the proxies as invalid.

4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 135 Joo Seng Road, #08-01, Singapore 368363 not less than forty-eight hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Powermatic Data Systems Limited

135 Joo Seng Road, #08-01
Singapore 368363
Tel: +65 6288 8220
Fax: +65 6280 9947
Co. Reg.No.: 198900414E

www.powermatic.com.sg