INTRACO Limited

MOULDING OUR FUTURE

INTRACO Limited Annual Report 2010

Contents

Corporate Information

Company Secretaries
Mr Chew Kok Liang
Mr Wee Jee Kin

Auditors
KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Audit Partner – Ms Karen Lee
(appointed in 2010)

Share Registrar
KCK CorpServe Pte. Ltd.
333 North Bridge Road
#08-00 KH Kea Building
Singapore 188721

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INTRACO Limited
348 Jalan Boon Lay
Singapore 619529
Tel : 65 6586 6777
Fax : 65 6316 3128
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Bankers
Development Bank of Singapore Limited
United Overseas Bank Limited

Chairman's Statement

BEING AGILE AND RESPONSIVE TO CHALLENGES

OVERVIEW

Boosted by a strong recovery which started in late 2009, Singapore's GDP in the first half of 2010 grew by a record 18.1% in line with economies around the world. However, towards the second half of the year, this rebound was affected by global events such as the Eurozone debt woes and Thailand's political turmoil. This has led to countries around the world, including the United States of America, to introduce more initiatives to spur economic activities. These events have also affected the stellar economic growth in Singapore, and GDP for the full year of 2010 rose by 14.5%.

In spite of this, growth was not uniform across all industries as certain sectors, such as the semiconductor industry, were affected more significantly than others. Being one of the key business segments of the Intraco Group ("the Group"), the challenging semiconductor industry has inevitably affected our overall performance.

BEING NIMBLE AND RESPONSIVE TO CHANGES

Having more than 40 years of experience, we are mindful of the fast changing business environment and the need to be agile and responsive to challenges. We understand the importance of identifying and delving into other business segments that will become potential avenues of sustainable growth and profitability for the Group. We are also in the process of reviewing our business model to be more competitive and relevant in the industry.

In line with our restructuring process, the Group has forayed into plastics, minerals and metals trading which have produced positive results. Plastics trading, in particular, registered strong revenue growth of 43% in the financial year ("FY") 2010 as compared to FY 2009. Overall, this business segment accounted for 65% of the Group's total revenue, and has contributed substantially to the Group's bottom line.

HAVING MORE THAN 40 YEARS OF EXPERIENCE, WE ARE MINDFUL OF THE FAST CHANGING BUSINESS ENVIRONMENT AND THE NEED TO BE AGILE AND RESPONSIVE TO CHALLENGES. WE UNDERSTAND THE IMPORTANCE OF IDENTIFYING AND DELVING INTO OTHER BUSINESS SEGMENTS THAT WILL BECOME POTENTIAL AVENUES OF SUSTAINABLE GROWTH AND PROFITABILITY FOR THE GROUP. WE ARE ALSO IN THE PROCESS OF REVIEWING OUR BUSINESS MODEL TO BE MORE COMPETITIVE AND RELEVANT IN THE INDUSTRY.

Over the past years, the Group has developed its leasing, management, operation and maintenance of telecommunication infrastructure business in partnership with local telecommunication operators in the Singapore North East MRT Line (NEL). We will continue to use our strength and growing operational experience to explore more opportunities in this sector.

Additionally, to streamline operations and realign our business, the Group had disposed off its equity stake in Intelorg Pte Ltd and Abecha Pte Ltd for a sum of S$1.28 million. This will allow the Group to focus its revenue to grow other segments with better potential.

GROUP PERFORMANCE

In FY2010, the Group's turnover fell 2.9% to S$191.0 million as compared to S$196.7 million in the previous year. This is primarily attributable to stiffer competition in the semiconductor industry and a more stringent selection of projects undertaken by the Group.

Net profit attributable to shareholders of the Group declined to S$378,000 in FY2010, as compared to S$3.1 million in FY2009. The comparatively higher net profit attributable to shareholders of the Group in FY2009 reflected a one-time write-back of over provision of prior years' tax.

Despite this, we are well-positioned in our new business segments. This, together with our continued efforts to revamp the Group's business model, gives us confidence that the Group's performance in the foreseeable future will remain resilient, barring any unforeseen circumstances.

PROPOSED DIVIDEND

To reward our faithful shareholders, the Directors have recommended a first and final tax-exempt (one-tier) dividend of 0.3 cent per ordinary share, to be approved by shareholders at the upcoming Annual General Meeting.

A CAUTIOUS OUTLOOK

While overall economic conditions continue to be positive, political instability in the Middle East, high oil prices and inflation are likely to be the challenges that the Group will face. Therefore, we remain cautious on the business outlook for the coming year.

ACKNOWLEDGEMENTS AND APPRECIATION

Finally, on behalf of the Board of Directors, I would like to express my gratitude to the Group's management team and staff for their many invaluable contributions and dedication towards the Group. I would also like to take this opportunity to express my appreciation to all shareholders, business associates, partners and customers for the unwavering support that they have given to the Group over the years. Last but not least, I would like to extend my appreciation to the Board of Directors for their guidance and leadership through the years.

Board of Directors


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1. **DR ALLAN YAP**
   EXECUTIVE CHAIRMAN
2. **DR TAN NG CHEE**
   DEPUTY CHAIRMAN/
   NON-EXECUTIVE DIRECTOR/
   LEAD INDEPENDENT DIRECTOR
3. **MR FOO DER RONG**
   EXECUTIVE DIRECTOR
4. **DR TAN BOON WAN**
   NON-EXECUTIVE DIRECTOR/
   INDEPENDENT DIRECTOR
5. **MR HOON TAI MENG**
   NON-EXECUTIVE DIRECTOR

Audit Committee
Dr Tan Boon Wan (Chairman)
Dr Tan Ng Chee
Mr Hoon Tai Meng

Nominating Committee
Dr Tan Ng Chee (Chairman)
Dr Tan Boon Wan
Mr Hoon Tai Meng

Remuneration Committee
Dr Tan Ng Chee (Chairman)
Dr Tan Boon Wan
Mr Hoon Tai Meng

DR ALLAN YAP
EXECUTIVE CHAIRMAN

Dr Allan Yap was appointed as Executive Chairman of Intraco Limited on 3 December 2003. His portfolio includes 28 years of experience in finance, investment and banking. Dr Yap is the Executive Chairman of PSC Corporation Ltd and Tat Seng Packaging Group Ltd. He is the Executive Director of Rosedale Hotel Holdings Limited (formerly known as Wing On Travel (Holdings) Limited) and the Chairman of Hanny Holdings Limited, both of which are Hong Kong-listed companies. He is the Chairman of China Enterprises Limited, the shares of which are traded on the OTC Securities Market in the United States of America. Dr Yap is the Chairman and Chief Executive Officer of Burcon NutraScience Corporation, a Canada-listed company. He received an Honorary Degree of Doctor of Laws from the University of Victoria, Canada.

DR TAN NG CHEE
DEPUTY CHAIRMAN/NON-EXECUTIVE DIRECTOR/ LEAD INDEPENDENT DIRECTOR

Dr Tan Ng Chee joined the board in December 2002 and is a member of the Audit Committee and Chairman of the Remuneration and Nominating Committees. He studied law in England and obtained a doctorate in law at the University of Oxford. Dr Tan had previously worked at JP Morgan's offices in New York, London, Kuala Lumpur, Singapore and Hong Kong where he was the Vice President and Regional Manager of Morgan's trust and investment business in Asia. Dr Tan returned to Singapore in 1989 and became the Executive Vice President of Singapore's Overseas Union Bank and was responsible for the bank's treasury division and all its businesses and investments overseas. Concurrently, he was also appointed Chief Executive of International Bank of Singapore Ltd and Chairman of OUB Bullion & Futures Ltd. Currently he serves as an independent director on the boards of Hotung Investment Holdings Ltd, LGT Bank in Liechtenstein (Singapore) Ltd, ACRU China + Absolute Return Fund Ltd and Prudential Assurance Company Singapore (Pte) Ltd. (where he is the Chairman of the Audit Committee). Dr Tan is also an Adjunct Professor of Law at the National University of Singapore Law School at which he teaches a course in Comparative Corporate Governance to final year LLB and LLM law students, and is an examiner to Ph.D students in Company Law and Corporate Governance. Dr Tan also teaches a similar course to postgraduate LLM students at the East China University of Politics and Law (formerly St John's University) in Shanghai, China.

MR FOO DER RONG
EXECUTIVE DIRECTOR

Mr Foo Der Rong has served as an Executive Director on the Board since 3 December 2003. He has been holding the position of Managing Director and Chief Executive Officer of PSC Corporation Ltd for the past 8 years and is presently the Executive Director of Tat Seng Packaging Group Ltd. Both of these Companies are listed on the Mainboard of the Singapore Stock Exchange. Mr Foo graduated with a Bachelor of Commerce degree from Nanyang University. He has a wealth of experience and knowledge in business development, corporate restructuring, investment strategies and operations management in FMCG, services and manufacturing. Mr Foo is also active in community service and is the Vice Chairman of Teck Ghee Community Club.

DR TAN BOON WAN
NON-EXECUTIVE DIRECTOR/INDEPENDENT DIRECTOR

Dr Tan Boon Wan sits on the Boards of several energy-related companies including Concord Energy Pte Ltd and Concord Refinery Pte Ltd. Presently, he is the Non-Executive Chairman of Provenance Capital Pte Ltd. Dr Tan is a former Elected Member of the Singapore Parliament for the Ang Mo Kio GRC from 1997 to 2006, during which he served on the Government Parliamentary Committees for Education; Finance and Trade & Industry; and Information, Communication and the Arts. Dr Tan was awarded the Public Service Medal (PBM) in 1993 for his contributions to the community.

MR HOON TAI MENG
NON-EXECUTIVE DIRECTOR

Mr Hoon Tai Meng has more than 14 years of legal practice experience, and is a Partner in KhattarWong. He holds a Bachelor of Commerce Degree in Accountancy from Nanyang University and a LLB (Honours) from the University of London. Mr Hoon is a fellow member of the Institute of Certified Public Accountants (Singapore), the Chartered Institute of Management Accountants (UK) and the Association of Chartered Certified Accountants (UK). His other directorships in public listed companies include Chinese Global Investors Group Ltd (formerly known as Auswin Holdings Limited), Chip Eng Seng Corporation Ltd, Dynamic Colours Limited, Sin Ghee Huat Corporation Limited, Thai Village Holdings Limited, Time Watch Investments Ltd and Yangtze China Investment Limited. Mr Hoon has around 20 years of experience in financial planning and management, audit, tax and corporate secretarial function.

Group Senior Management

Mr Tan Puay Chuan, Mr Ronald Lim, Ms Connie Chang

MR RONALD LIM
CHIEF OPERATING OFFICER

Mr Lim brings with him more than 32 years of experience in both senior and general management positions with MNCs and local corporations in plastic manufacturing and packaging industries. He currently serves as the President of the Singapore Plastic Industry Association. He also holds the appointment of Permanent Secretary-General at ASEAN Federation of Plastic Industries and is a founding member of Asia Plastics Forum.

MS CONNIE CHANG
FINANCIAL CONTROLLER
HEAD OF FINANCE DIVISION

Ms Chang has more than 25 years of experience in senior and general management positions in finance with MNCs and local corporations in food related and trading industries. She is a fellow member of the Association of Chartered Certified Accountants (UK).

MR TAN PUAY CHUAN
CHIEF EXECUTIVE OFFICER
INTRACO TECHNOLOGY PTE LTD

Mr Tan has more than 29 years of senior and general management experience with the Intraco Group. He holds a Bachelor of Engineering degree in Electrical Engineering from the National University of Singapore.

Business Review

BEING A LEADING INTEGRATED SOLUTIONS TRADING COMPANY, THE INTRACO GROUP (THE "GROUP") HAS ESTABLISHED A GLOBAL MARKET NETWORK THROUGH VARIOUS STRATEGIC GLOBAL PARTNERSHIPS. THIS HAS ALLOWED THE GROUP TO EXTEND OUR REACH TO A DIVERSE VARIETY OF BUSINESSES.

TRADING AND OTHERS

The Group's Plastics division continued its good performance in the financial year ("FY") 2010, supported by strong demand and higher plastics resin prices. Coupled with our ability to source for an expansive avenue of supply while enlarging our end-user customer base, the Group saw revenue of this division rise by 43% against that in FY2009.

In view of China's rapid industrialisation, we also shifted our focus to developing more supply sources for strategic minerals, such as iron ore and coal, to meet growing demand. With the Group's long business history and presence in China, our marketing arms in Shanghai and Beijing are well equipped to develop long-term and reliable suppliers and customers.

Since 2003, the Group's Wireless Telecommunication division has been leasing telecommunication infrastructure in the North East MRT Line ("NEL") for commercial telecommunication services to the three local Mobile Telecommunication Operators ("MTO"). We also provide professional services for the management, operation and maintenance of the NEL telecommunication infrastructure. The Group is proud to announce that the overall operational performance of our NEL telecommunications infrastructure exceeded the expected Quality-of-Service Standards imposed by the Infocomm Development Authority of Singapore ("IDA"). This is a testament to the Group's exceptional service standards and we will continue to maintain our high standards in this area to achieve higher profitability.

Overall, the Trading & others segment recorded an increase in revenue of 31.3% to S$124.3 million in FY2010 from S$94.7 million in FY2009.

PROJECTS

With the focus on LED related projects in recent years, the Group's Lightings division saw an increase in gross profit margin despite a decline in overall sales as compared to FY2009. We will continue to monitor and review this division's business model, so as to be in line with the Group's business directions. In FY2010, the Projects segment recorded a revenue of S$13.6 million as compared to S$30.2 million in last year.

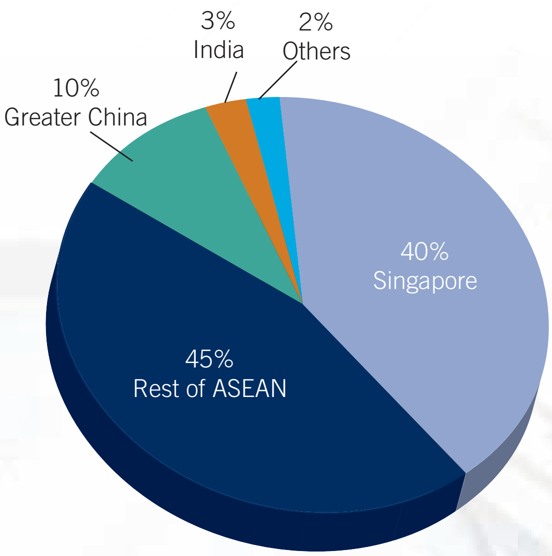
SEMICONDUCTOR

During the year, the Group's Semiconductors segment continued its strategy to strengthen the distribution channel network for Advanced Micro Devices (AMD) processors, as well as IT products and accessories in the South-East Asia region, particularly in Indonesia. As part of our business model review and diversification strategy, we terminated some of the uncompetitive semiconductor agency lines and increased our investments and focus in the provision of design solutions to the hospitality and healthcare industries. Revenue for the Semiconductor segment dipped to S$53.1 million in FY2010 as compared to S$71.8 million in last year.

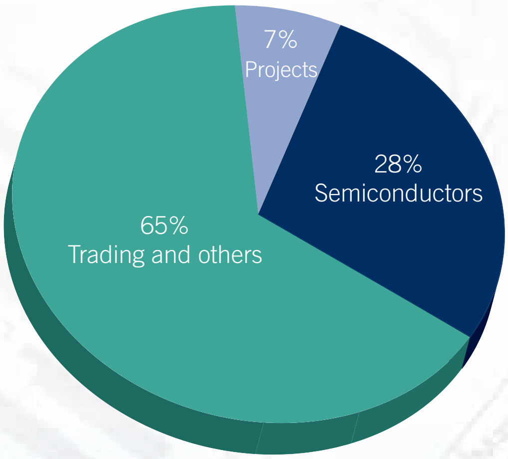
Nevertheless, in view of the evolving business environment needs, we will continue to review our business model to stay competitive, and create new sustainable avenues of growth and greater profitability for the Group.

Financial Highlights

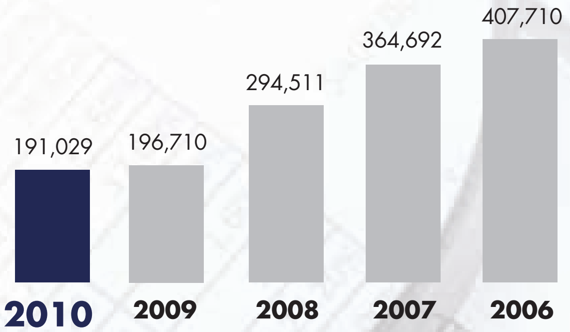
REVENUE BY GEOGRAPHICAL SEGMENTS



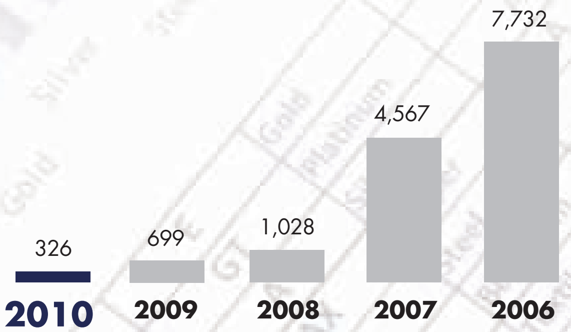
REVENUE BY OPERATING SEGMENTS



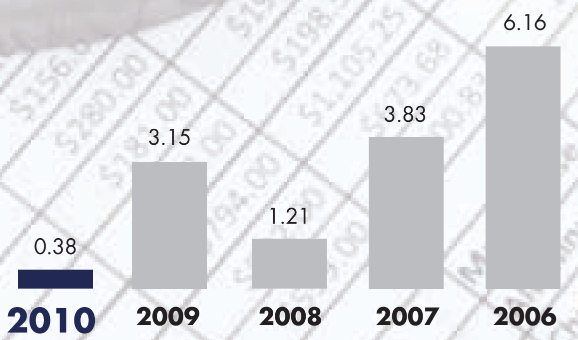
Revenue ($'000)



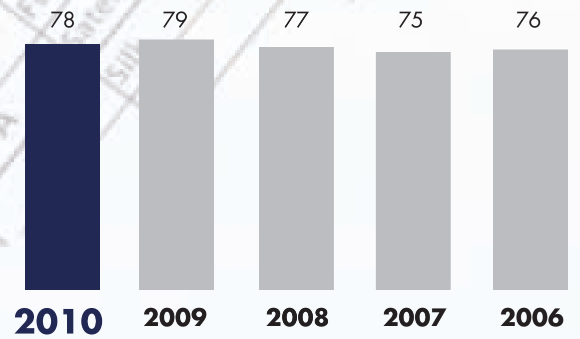
Profit before income tax ($'000)



Earnings per share (cents)



Net asset value per share (cents)



Corporate Governance Report and Statutory Accounts

CORPORATE GOVERNANCE REPORT

INTRACO Limited (the "Company") is committed to ensuring and maintaining a high standard of corporate governance as it understands that good corporate governance establishes and maintains a legal and ethical environment, which strives to preserve and enhance the interests of all stakeholders.

This report describes the corporate governance framework and practices of the Company with specific reference made to each of the principles and guidelines set out in the Code of Corporate Governance 2005 (the "Code").

(A) BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: ***Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the Company. The Board works with Management to achieve this, and Management remains accountable to the Board.***

Intraco Limited is led by an effective Board working closely with Management for the success of the Company. The current Board consists of the following members:

Dr Allan Yap (Executive Chairman)
Dr Tan Ng Chee (Deputy Chairman) (Non-Executive, Lead Independent Director)
Mr Foo Der Rong (Executive Director)
Dr Tan Boon Wan (Non-Executive, Independent Director)
Mr Hoon Tai Meng (Non-Executive Director)

Key information on the Board of Directors is set out on page 11.

Role of the Board of Directors (the "Board")

The Board assumes responsibility for stewardship of the Company and its subsidiaries (the "Group") and is primarily responsible for the protection and enhancement of long-term value and returns for the shareholders. It supervises the management of the business and affairs of the Group; provides corporate direction; monitors managerial performance; and reviews financial results of the Group. In addition, the Board is directly responsible for decision-making in respect of the following matters:

a. appointment of Directors and Senior Management;
b. announcements including approval and release of financial results and annual reports;
c. business strategy including significant acquisition and disposal of subsidiaries or assets and liabilities;
d. operating budgets, significant investments and capital expenditures; and
e. corporate policies in keeping with good corporate governance and business practices.

The Board has adopted a set of internal controls which, among other matters, set out tiered approval limits for capital expenditure, investments and divestments, bank borrowings, bank mandates and commercial transactions. These arrangements have been made to facilitate management and operational efficacy.

To assist in the execution of its responsibilities, the Board has established a number of Board Committees and delegated decisions on certain Board matters to these Committees which are the Executive Committee ("EC"), Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). Each of these Board Committees functions within clearly defined terms of references.

CORPORATE GOVERNANCE REPORT

KEY INFORMATION ON BOARD OF DIRECTORS

Name of Director	Directorship: (a) Date First Appointed (b) Date Last Elected	Board appointments whether executive or non-executive and whether considered to be independent on the Board of Intraco Limited	Board Committee as Chairman or Member	Present Directorships in other listed companies and other major appointments	Past Directorships in other listed companies and other major appointments over the preceding three years	Due for Re-election at next AGM
Dr Allan Yap Doctorate in Law, University of Victoria, Canada	(a) 03.12.2003 (b) 22.04.2009	Executive and Non-Independent	Executive Chairman – Board Member – Executive Committee	1. PSC Corporation Ltd 2. Hanny Holdings Limited 3. China Enterprises Limited 4. Rosedale Hotel Holdings Limited (formerly known as Wing On Travel (Holdings) Limited) 5. Burcon NutraScience Corporation 6. Tat Seng Packaging Group Ltd 7. See Corporation Limited	1. Neo Telemedia Limited (formerly known as Big Media Group Limited) 2. China Strategic Holdings Limited 3. MRI Holdings Limited (In members' voluntary liquidation)	NA
Dr Tan Ng Chee Doctorate in Law, University of Oxford	(a) 10.12.2002 (b) 22.04.2009	Non-Executive and Independent	Deputy Chairman – Board Chairman – Nominating and Remuneration Committees Member – Audit Committee	1. ACRU China + Absolute Return Fund Ltd 2. Hotung Investment Holdings Ltd 3. LGT Bank in Liechtenstein (Singapore) Ltd 4. Prudential Assurance Company Singapore (Pte) Ltd	Nil	Retirement pursuant to Article 115
Mr Foo Der Rong Bachelor of Commerce, Nanyang University	(a) 03.12.2003 (b) 21.04.2010	Executive and Non-Independent	Member – Executive Committee	1. PSC Corporation Ltd 2. Tat Seng Packaging Group Ltd	1. Sino Techfibre Ltd 2. China Farm Equipment Limited	NA
Dr Tan Boon Wan Doctorate in Physics and Master in Management, Imperial College, University of London	(a) 05.10.2004 (b) 21.04.2010	Non-Executive and Independent	Chairman – Audit Committee Member – Nominating and Remuneration Committees	1. Concord Energy Pte Ltd 2. Concord Energy (Lampung) Pte Ltd 3. Concord Energy Oil Terminal Pte Ltd 4. Concord Refinery Pte Ltd 5. Provenance Capital Pte Ltd 6. Rich Energy (Lampung) Pte Ltd	1. Abecha Pte Ltd 2. Concord Energy (Indonesia) Pte Ltd 3. Rich Energy (Indonesia) Pte Ltd	NA
Mr Hoon Tai Meng Bachelor of Commerce, Nanyang University and Bachelor of Laws (Honours), University of London	(a) 21.12.2004 (b) 23.04.2008	Non-Executive and Non-Independent	Member – Audit, Nominating and Remuneration Committees	1. Chinese Global Investors Group Ltd (formerly known as Auswin Holdings Limited) 2. Chip Eng Seng Corporation Ltd 3. Dynamic Colours Limited 4. Sin Ghee Huat Corporation Limited 5. Thai Village Holdings Ltd 6. Time Watch Investments Ltd 7. Yangtze China Investment Limited	1. Abecha Pte Ltd 2. Equation Corp Ltd 3. Federal International (2000) Ltd	Retirement pursuant to Article 115

CORPORATE GOVERNANCE REPORT

Executive Committee

The EC comprises Dr Allan Yap and Mr Foo Der Rong.

The EC develops and recommends to the Board the overall strategy for the Group, establishes investment policies and manages the Group's assets and liabilities in line with the Board's policies and directives. It also reviews and endorses, before Board approval, annual operating and capital expenditure budgets and significant investments. The EC actively conducts its businesses through tele-conferences and its members meet regularly.

Board Meetings and Meetings of Board Committees

The Board and Board Committees meet regularly and whenever necessary for the discharge of its duties. Dates of the Board meetings are set by the Directors in advance.

All draft agendas for meetings are reviewed by the Chairman of the Board and the Chairman of the respective Board Committees. Papers and/or other information are forwarded to the Directors before each meeting to allow time for review. In the event that any further information or clarification is required, members of the Management team are invited to attend the meetings to present such information and/or render such clarification at the relevant time.

The Company's Articles of Association provide that the Directors may conduct meetings by means of telephone or video conference or other methods of simultaneous communication. The number of meetings held by the Board and Board Committees and attendance thereat during the past financial year are as follows:

DIRECTORS	**BOARD**		**NC**		**RC**		**AC**	
	No. of meetings	**Attended**	**No. of meetings**	**Attended**	**No. of meetings**	**Attended**	**No. of Meetings**	**Attended**
Dr Allan Yap	4	2	1	NA	1	NA	4	NA
Dr Tan Ng Chee	4	4	1	1	1	1	4	4
Mr Foo Der Rong	4	4	1	NA	1	NA	4	NA
Dr Tan Boon Wan	4	4	1	1	1	1	4	4
Mr Hoon Tai Meng	4	4	1	1	1	1	4	4

Training

Formal letters are sent to newly-appointed Directors upon their appointment explaining their duties and obligations as a director under the Companies Act (Cap. 50) of Singapore (the "Companies Act") and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). All newly-appointed Directors are orientated through an induction program which seeks to familiarize them with the Company's business and governance practices and are also given materials containing such information. The Group's policies and procedures are also extended to the Directors to enable them to gain a clear understanding on the levels of authority in relation to transactions. In addition, Directors are provided with contact numbers and email addresses of key managers to facilitate efficient and direct access.

CORPORATE GOVERNANCE REPORT

The Board is kept informed on any relevant key changes to legislation and the listing rules of the SGX-ST as well as on corporate governance issues in order to adapt to the changing commercial risks relating to the business and operations of the Group. Directors and Management are encouraged to attend courses to keep abreast and updated of changes in the law and governance measures that may affect the Group.

Board Composition and Guidance

Principle 2: ***There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.***

The Board has a strong and independent element with more than one-third of it comprising non-executive, independent Directors, who are able to exercise objective judgement on corporate affairs independently from the Management.

The size and composition of the Board are reviewed from time to time by the NC to ensure that the size of the Board is conducive to effective discussions and decision-making and that the Board has the appropriate mix of expertise and experience as well as an appropriate balance of independent Directors. The Board considers its current board size of five (5) Directors (two (2) of whom are independent Directors) to be appropriate for effective decision-making, taking into account the scope and nature of the Company's operations.

The current Board comprises persons with diverse expertise and experience in accounting, banking, business and management, finance, risk management and law and who as a group provide core competencies necessary to meet the Company's requirements. The Directors' objective judgement on corporate affairs and collective experience and knowledge are invaluable to the Group and allows for the useful exchange of ideas and views.

Independence of directors

The NC reviews the independence of each Director based on the Code's definition of what constitutes an Independent Director. The NC is of the view that the two (2) independent Directors (who represent more than one-third of the Board) are independent and no individual or small group of individuals dominates the Board's decision-making process.

Chairman and Chief Executive Officer

Principle 3: ***There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.***

The positions of the Executive Chairman and Executive Director are separate. Dr Allan Yap is the Executive Chairman whereas Mr Foo Der Rong is the Executive Director of the Group.

CORPORATE GOVERNANCE REPORT

The Executive Chairman leads the Board, and ensures the effectiveness on all aspects of its role. He ensures that the Directors receive accurate, timely and clear information while at the same time, setting the agenda for Board meetings.

The Executive Director is responsible for the day-to-day operations of the Group and plays a key role in running the Group's business and operations.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment of new directors to the Board.

The NC comprises the following members:
Dr Tan Ng Chee (Chairman of the NC)
Dr Tan Boon Wan
Mr Hoon Tai Meng

Members of the Committee comprise persons of stature, integrity and accountability, who would be able to exercise independent judgment in the performance of their duties. The primary functions of the NC are as follows:

- to identify candidates and review all nominations for the appointment or re-appointment of members of the Board, the CEO of the Group, and to determine the selection criteria;
- to ensure that all Board appointees undergo an appropriate induction programme;
- to regularly review the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- to identify gaps in the mix of skills, experience and other qualities required in an effective Board and to nominate or recommend suitable candidates to fill these gaps;
- to decide whether a Director is able to and has been adequately carrying out his duties as Director of the Company, particularly where the Director has multiple board representations;
- to review the independence of each Independent Director annually;
- to decide how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval; and
- to assess the effectiveness of the Board as a whole.

In its search and nomination process for new directors, the NC has, at its disposal, search companies, personal contacts and recommendations, to cast its net as wide as possible for the right candidates.

All Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years. Under the Company's Articles of Association, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation.

For the year under review, the NC held one (1) meeting but had otherwise actively resolved matters by way of circular resolutions.

CORPORATE GOVERNANCE REPORT

Board Performance

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

The NC reviews the criteria for evaluating the Board's performance and recommends to the Board a set of objective performance criteria focusing on enhancing long-term shareholders' value. Based on the recommendations of the NC, the Board has established a set of criteria for evaluating the effectiveness of the Board as a whole and for assessing the contribution by each individual Director to the effectiveness of the Board.

The performance criteria for the Board evaluation includes an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board processes, Board performance in relation to discharging its principal responsibilities, communication with the Management and standards of conduct of the Directors.

In the course of the year, the NC has conducted the assessment herein described and evaluated the results of the assessment which were collated and presented to the Board for its evaluation, with a view to enhance the effectiveness of the Board.

Access to Information

Principle 6: In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

To assist the Board in fulfilling its responsibilities, Management provides the Board with reports containing complete, adequate and timely information prior to the Board meetings, and on an on-going basis. Information provided includes background or explanatory material relating to matters to be brought before the Board and matters under review by the Board, copies of disclosure documents, budgets, forecasts and internal financial statements. Any material variance between the projections and actual results in respect of budgets, is also disclosed and explained. All Directors have unrestricted access to the Company's records and information. They also have separate and independent access to Management, including the Company Secretary at all times. The Company Secretary had attended all the Board meetings for the year under review.

The Company has in place the procedure to enable the Directors, whether as a group or individually, to obtain independent professional advice as and when necessary in furtherance of their duties at the Company's expense. The appointment of such professional advisor is subject to approval by the Board.

CORPORATE GOVERNANCE REPORT

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: ***There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.***

The RC comprises the following members:
Dr Tan Ng Chee (Chairman of the RC)
Dr Tan Boon Wan
Mr Hoon Tai Meng

The members of the RC have many years of corporate experience and are knowledgeable in the field of executive compensation. In addition, the RC has access to expert professional advice on remuneration matters as and when necessary. There is a formal and transparent process for developing executive remuneration and for fixing the packages of individual Directors. No Director is involved in determining his own remuneration.

The RC reviews all aspects of remuneration and compensation packages including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind and submits for the endorsement of the Board its recommendations for the framework of remuneration and the specific remuneration packages for each Executive Director. It also administers the Company's Employee Share Option Scheme (the "ESOS").

Level and Mix of Remuneration

Principle 8: ***The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.***

In setting remuneration packages, the RC takes into consideration the prevailing economic situation, the pay and employment conditions within the industry and in comparable companies. As part of its review, the RC ensures that the performance-related elements of remuneration form a significant part of the total remuneration package of Executive Directors and that each package is designed to align the Director's interests with those of shareholders and link rewards to corporate and individual performance. The Executive Directors do not receive basic Directors' fees or additional fees for appointment onto a Board committee as they have service contracts with the Company. These service contracts are for a fixed appointment period, are not excessively long, and all contracts do not contain onerous removal clauses. The renewals of these service contracts are subject to the approval of the Board with the prior review and endorsement by the RC.

CORPORATE GOVERNANCE REPORT

The RC also reviews all matters concerning the remuneration of Non-Executive Directors to ensure that the remuneration commensurates with the contribution and responsibilities of the Directors. None of the Non-Executive Directors are on service contracts or have consultancy arrangements with the Company. All are paid basic Directors' fees and additional fees for holding appointment as the chairman or a member of a particular Board Committee. The remuneration of the Non-Executive Directors is set at a competitive rate appropriate to the level of contributions and taking into account attendance and time spent as well as respective responsibilities.

The Company submits the quantum of Directors' fees for each year to the shareholders for approval annually.

Disclosure on Remuneration

Principle 9: ***Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.***

Summary compensation table of the Directors receiving remuneration from the Group for the financial year ended 31 December 2010.

Remuneration Band	Salary	Bonus	Director's Fees	*Allowances and Other benefits	Total
S$500,000 and above					
Dr Allan Yap	**80.35%**	**13.39%**	**5.02%**	**1.24%**	**100%**
S$250,000 to S$499,999					
Mr Foo Der Rong	**71.54%**	**17.88%**	**8.94%**	**1.64%**	**100%**
Below S$250,000					
Dr Tan Ng Chee	**–**	**–**	**100%**	**–**	**100%**
Dr Tan Boon Wan	**–**	**–**	**100%**	**–**	**100%**
Mr Hoon Tai Meng	**–**	**–**	**100%**	**–**	**100%**

* including employer's contributions to the Central Provident Fund

Disclosure of the top five executives' remuneration (who are not directors) in bands of S$250,000 (based on gross remuneration received and inclusive of employer's contributions to the Central Provident Fund) is set out below. The top executives include the COO, FC, CEO of a subsidiary and two (2) business heads of a subsidiary.

Remuneration Band	Number of Executives
S$250,000 to S$499,999	2
Below S$250,000	3

CORPORATE GOVERNANCE REPORT

As at 31 December 2010, there is an employee of the Group who is an immediate family member of the Executive Chairman.

The Company adopts a remuneration policy for staff comprising a fixed component and a variable component. The fixed component is in the form of a base salary and allowances. The variable component is in the form of a variable bonus that is linked to the performance of the Company and each individual.

Long-term incentive scheme

The employees of the Group are eligible to participate in the ESOS which was set up in 2000 (or the Intraco Limited Share Option Scheme 2000) under the rules thereof. Additional information thereon is available in the Directors' Report.

(C) ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board endeavours to ensure that the annual audited financial statements and half-yearly announcements of the Group's results present a balanced and understandable assessment of the Group's position and prospects. The Board embraces openness and transparency in the conduct of the Company's affairs, whilst preserving the commercial interests of the Company. Financial and other price sensitive information are disseminated to shareholders through announcements via SGXNET.

Audit Committee

Principle 11: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

The AC comprises all Non-Executive Directors, namely, Dr Tan Boon Wan (the Chairman), Dr Tan Ng Chee and Mr Hoon Tai Meng. It, inter alia, oversees the quality and integrity of the accounting, auditing, internal controls and financial practices of the Group.

All members of the AC have many years of experience in senior management positions in both financial and industrial sectors. The Board is of the view that the AC members, having accounting and related financial management expertise or experience, are appropriately qualified to discharge their responsibilities.

During the past financial year, the AC held four (4) meetings with Management and the auditors of the Company to discuss and review the following matters:

- the audit plans of the internal and external auditors of the Company, and their reports arising from the audit;
- the adequacy of the assistance and cooperation given by the Management to the internal and external auditors;

CORPORATE GOVERNANCE REPORT

- the financial statements of the Company and the consolidated financial statements of the Group;
- the interim and annual announcement of the results of the Group before submission to the Board for approval;
- the adequacy and effectiveness of material internal controls, including financial, operational and compliance controls;
- legal and regulatory matters that may have a material impact on the financial statements, compliance policies and programmes and any reports received from regulators;
- the cost-effectiveness, independence and objectivity of the external auditors;
- the approval of compensation to the external auditors;
- the nature and extent of non-audit services provided by the external auditors;
- any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact to our Group's operating results or financial position and our Management's response;
- the recommendation to the Board for the appointment or re-appointment of the external auditors of the Company;
- the report actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate; and
- interested person transactions to ensure that the current procedures for monitoring of interested person transactions have been complied with.

In performing its functions, the AC:

- met more than once with the external and internal auditors (who have unrestricted access to the AC), without the presence of Management and reviewed the overall scope of the external audit and the assistance given by the Management to the auditors;
- has explicit authority to investigate any matter relating to the Group's accounting, auditing, internal controls and financial practices brought to its attention with full access to records, resources, and personnel to enable it to discharge its function properly;
- has full access to and cooperation of the Management and unfettered discretion to invite any Director or officer to attend its meetings.

The AC also performs other functions specified in the Companies Act and the listing rules of the SGX-ST and in accordance with its written terms of reference (which have been updated to incorporate the provisions of the Code and latest changes in the law and best practices).

The AC has undertaken a review of all the non-audit services provided by the external auditors during the year under review and is satisfied that such services would not, in the AC's opinion, affect the independence of the external auditors.

The Audit Committee Guidance Committee issued the Guidebook for AC in Singapore in October 2008. The Guidebook has been distributed to all members of the AC and the Board. Where appropriate, the AC will adopt relevant best practices set out in the Guidebook, which will be used as a reference to assist the Committee in performing its functions.

The AC also reviews arrangements by which staff of the Company may, in confidence raise concerns about possible improprieties in financial reporting or other matters. Pursuant to this, the Group has set in place a whistle-blowing Policy to ensure independent investigations of such matters and for appropriate follow-up action.

CORPORATE GOVERNANCE REPORT

Internal Controls

Principle 12: ***The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.***

Internal Controls

The Board ensures that Management maintains a sound system of internal controls and effective risk management policies to safeguard the shareholders' investment and the Company's assets and in this regard, is assisted by the AC which conducts the reviews of the effectiveness of the Company's material internal controls and risk assessment at least annually to ensure the adequacy thereof.

This review is conducted by the Company's internal auditors which presented their findings to the AC. Material non-compliance and internal control weaknesses noted during their audit and the auditors' recommendations were reported to the AC.

The Board believes that, in the absence of any evidence to the contrary, the system of internal control maintained by Management and that was in place throughout the financial year and up to the date of this report, provides reasonable, but not absolute assurance against material financial mis-statements or loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risks. The Board notes that no system of internal control could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Risk Management Policies and Processes

The main risks arising from the Group's financial operations are liquidity risk, foreign currency risk, credit risk and interest rate risk. Details on the foregoing are more particularly set out in the Notes to the Financial Statements. These risks are constantly monitored by Management, the EC and the Board as a whole.

Internal Audit

Principle 13: ***The company should establish an internal audit function that is independent of the activities it audits.***

The internal audit unit is independent of the activities it audits and it reports directly to the Chairman of the AC. The reports by the internal auditors are reviewed by the AC on a quarterly basis and their activities are also reviewed by the AC annually so as to ensure the adequacy of the internal audit function.

The Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors ("Standards") are used as a reference and guide by the Company's internal auditors.

CORPORATE GOVERNANCE REPORT

Interested Person Transactions

Procedures have been put in place to ensure that all transactions entered into with interested persons are dealt with on an arm's length basis. All such transactions are subject to a review by the Company's internal auditors to ensure that the procedures adopted are complied with.

(D) COMMUNICATION WITH SHAREHOLDERS

Communication with Shareholders

Principle 14: ***Companies should engage in regular, effective and fair communication with shareholders.***

Principle 15: ***Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.***

The Company believes that a high standard of disclosure is key to raising the level of corporate governance. Accordingly, financial results and other material information on the Company are published through SGXNET and the corporate website of the Company.

The Company does not practise selective disclosure. Price-sensitive information is publicly released and results and annual reports are announced or issued within the mandatory period and are available on the Company's website. All shareholders of the Company receive the annual report and notice of Annual General Meeting as well as any circular and notice of Extraordinary General Meeting and these notices are also advertised in the newspapers.

The Company welcomes the views of the shareholders on matters concerning the Company and encourages shareholders' participation at Annual General Meetings. Shareholders are given opportunities and ample time to communicate their views on matters relating to the Group with the Chairmen of the AC, NC and RC, and the external auditors of the Company in attendance.

(E) DEALINGS IN SECURITIES

The Group has issued a guideline on share dealings to all Directors and employees of the Group which sets out the code of conduct on transactions in the Company's shares by these persons, the implications of insider trading and general guidance on the prohibition against such dealings.

In line with Listing Rule 1207(18) issued by the SGX-ST, the Company issues a notification to all officers of the Company informing them that they should not deal in the securities of the Company one (1) month prior to the release of its half year and full year results.

The Board confirms that for the financial year ended 31 December 2010, the Company has complied with Listing Rule 1207(18).

CORPORATE GOVERNANCE REPORT

(F) MATERIAL CONTRACTS

Except for the service agreements with the Executive Directors, there were no material contracts of the Company or its subsidiaries involving the interests of any director or controlling shareholder subsisting at the end of the financial year ended 31 December 2010.

On behalf of the Board of Directors,

ALLAN YAP	**FOO DER RONG**
Executive Chairman	Executive Director

Directors' Report

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2010.

Directors

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

Dr Allan Yap
Dr Tan Ng Chee
Mr Foo Der Rong
Dr Tan Boon Wan
Mr Hoon Tai Meng

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Dr Allan Yap		
Intraco Technology Pte Ltd		
– Employee Share Option Scheme[1]		
– options to subscribe for ordinary shares at S$0.50 per share	150,000	150,000
Mr Foo Der Rong		
Intraco Technology Pte Ltd		
– Employee Share Option Scheme[1]		
– options to subscribe for ordinary shares at S$0.50 per share	50,000	50,000

By virtue of Section 7 of the Act, Dr Allan Yap and Mr Foo Der Rong are deemed to have interests in Intraco Technology Pte Ltd, a wholly-owned subsidiary of the Company at the beginning and at the end of the financial year.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2011.

[1] The Employee Share Option Scheme is exercisable pursuant to the provisions of the rules of the scheme, an extract of which have been duly set out in the Company's circular to shareholders dated 3 April 2006.

Directors' Report

Except as disclosed under the "Share Options" section of this report, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 28 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit 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.

Share options

The Intraco Limited Share Option Scheme 2000 (the Scheme) of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 10 November 2000. The Scheme is administered by the Company's Remuneration Committee, comprising three directors, Dr Tan Ng Chee (Chairman), Dr Tan Boon Wan and Mr Hoon Tai Meng.

Information regarding the Scheme is set out below:

- The maximum number of shares issued or to be issued for options under the Scheme is 15% of the issued share capital of the Company.
- Options may be granted at the average of the closing price of the Company's shares on the Singapore Exchange Securities Trading Limited (SGX-ST) for the 3 consecutive trading days immediately preceding the date of grant (Market Price) or at a price of up to 20% discount of the Market Price.
- Under the Scheme, a non-discounted option vests 1 year after the date of the grant and a discounted option vests 2 years after the date of grant.
- Unless they are cancelled or lapsed prior to the expiry date, options granted will expire 120 months after the date of grant.

At the end of the financial year, details of the options granted under the Scheme on the unissued ordinary shares of the Company, are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1/1/2010	Options cancelled	Options outstanding at 31/12/2010	Number of option holders at 31/12/2010	Exercise period
30/3/2001	$0.50	196,000	(75,000)	121,000	6	30/3/2002 – 29/3/2011
8/10/2002	$0.50	473,000	(93,000)	380,000	12	8/10/2003 – 7/10/2012
		669,000	(168,000)	501,000	18	

Directors' Report

At the end of the financial year, options granted under the Intraco Technology Employee Share Option Scheme on the unissued shares of the subsidiary, are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1/1/2010	Options cancelled	Options outstanding at 31/12/2010	Number of option holders at 31/12/2010	Note
5/5/2006	$0.50	995,000	(65,000)	930,000	9	Exercisable pursuant to the provisions of the rules of the scheme, an extract of which have been duly set out in the Company's circular to shareholders dated 3 April 2006.

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

Since the commencement of the Scheme, no options have been granted to the controlling shareholders of the Company or their associates and no participant under the Scheme has been granted 5% or more of the total options available under the Scheme.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

Audit Committee

The members of the Audit Committee during the year and at the date of this report are:

- Dr Tan Boon Wan (Chairman), Non-Executive, Independent Director
- Dr Tan Ng Chee, Non-Executive, Lead Independent Director
- Mr Hoon Tai Meng, Non-Executive Director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

Directors' Report

The Audit Committee has held four meetings since the last directors' report. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

The auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Dr Allan Yap
Executive Chairman

Mr Foo Der Rong
Executive Director

Singapore
4 March 2011

Statement by Directors

In our opinion:

(a) the financial statements set out on pages 30 to 93 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 December 2010 and the results, changes in equity and cash flows of the Group and of the changes in equity of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; 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 has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Dr Allan Yap
Executive Chairman

Mr Foo Der Rong
Executive Director

Singapore
4 March 2011

Independent Auditors' Report

MEMBERS OF THE COMPANY
INTRACO LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Intraco Limited (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2010, the income statement and statement of 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 year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 30 to 93.

Management's responsibility for the financial statements

Management is responsible for the preparation of 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' 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 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 the 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.

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 to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Independent Auditors' Report

MEMBERS OF THE COMPANY
INTRACO LIMITED

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 auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
4 March 2011

Statements of Financial Position

AS AT 31 DECEMBER 2010

		Group		Company	
		2010	2009	2010	2009
	Note	$'000	$'000	$'000	$'000
Assets					
Property, plant and equipment	4	**4,093**	9,056	**300**	347
Intangible assets	5	**110**	140	**–**	–
Subsidiaries	6	**–**	–	**25,843**	30,318
Amount due from a subsidiary	6	**–**	–	**3,631**	3,631
Associates	7	**12,771**	14,016	**10,106**	10,993
Other investments	8	**940**	3,071	**940**	3,064
Trade and other receivables	11	**735**	–	**735**	–
Non-current assets		**18,649**	26,283	**41,555**	48,353
Inventories	9	**5,577**	11,821	**303**	565
Trade and other receivables	11	**44,297**	33,171	**13,594**	13,445
Loan to an associate	7	**–**	400	**–**	400
Other investments	8	**2,461**	20	**2,424**	–
Cash and cash equivalents	12	**34,698**	35,768	**25,703**	22,426
Current assets		**87,033**	81,180	**42,024**	36,836
Total assets		**105,682**	107,463	**83,579**	85,189
Equity					
Share capital		**81,874**	81,874	**81,874**	81,874
Other reserves		**(1,172)**	2,561	**(1,634)**	(1,223)
Accumulated losses		**(4,163)**	(6,074)	**(3,800)**	(5,831)
Total equity	13	**76,539**	78,361	**76,440**	74,820
Liabilities					
Loans and borrowings	15	**2**	10	**–**	–
Non-current liabilities		**2**	10	**–**	–
Trade and other payables	17	**24,321**	23,380	**7,139**	10,369
Loans and borrowings	15	**4,781**	5,641	**–**	–
Current tax payable		**39**	71	**–**	–
Current liabilities		**29,141**	29,092	**7,139**	10,369
Total liabilities		**29,143**	29,102	**7,139**	10,369
Total equity and liabilities		**105,682**	107,463	**83,579**	85,189

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

Consolidated Income Statement

YEAR ENDED 31 DECEMBER 2010

	Note	2010 $'000	2009 $'000
			Restated*
Revenue	18	**191,029**	196,710
Cost of sales		**(182,197)**	(181,109)
Gross profit		**8,832**	15,601
Other income		**1,642**	5,358
Distribution expenses		**(3,500)**	(3,823)
Administrative expenses		**(7,476)**	(8,305)
Other expenses		**(1,093)**	(9,410)
Results from operating activities		**(1,595)**	(579)
Finance income		**1,073**	1,140
Finance costs		**(158)**	(163)
Net finance income	20	**915**	977
Share of profit of associates (net of tax)		**1,006**	301
Profit before income tax		**326**	699
Income tax credit	21	**52**	1,992
Profit for the year	19	**378**	2,691
Profit attributable to:			
Owners of the Company		**378**	3,105
Non-controlling interests		**–**	(414)
Profit for the year		**378**	2,691
Earnings per share:			
Basic and diluted earnings per share (cents)	22	**0.38**	3.15

* See note 31

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

Consolidated Statement of Comprehensive Income

YEAR ENDED 31 DECEMBER 2010

	2010 $'000	2009 $'000
Profit for the year	**378**	2,691
Other comprehensive income		
Net change in fair value of available-for-sale financial assets	**94**	188
Foreign currency translation differences – foreign operations	**(1,307)**	(698)
Share of an associate's non distributable reserve	**–**	12
Share-based expenses of a subsidiary	**–**	16
Other comprehensive income for the year, net of income tax	**(1,213)**	(482)
Total comprehensive income for the year	**(835)**	2,209
Total comprehensive income attributable to:		
Owners of the Company	**(835)**	2,668
Non-controlling interests	**–**	(459)
Total comprehensive income for the year	**(835)**	2,209

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

Consolidated Statements of Changes in Equity

YEAR ENDED 31 DECEMBER 2010

Group	Share capital $'000	Share option reserve $'000	Capital reserve $'000	Currency translation reserve $'000	Fair value reserve $'000	Accumulated losses $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
As at 1 January 2009	81,874	178	3,364	(621)	–	(9,102)	75,693	3,138	78,831
Total comprehensive income for the year									
Profit for the year	–	–	–	–	–	3,105	3,105	(414)	2,691
Other comprehensive income									
Net change in fair value of available-for-sale financial assets	–	–	–	–	188	–	188	–	188
Foreign currency translation differences – foreign operations	–	–	–	(627)	–	–	(627)	(71)	(698)
Share of an associate's non distributable reserve	–	–	12	–	–	–	12	–	12
Share-based expenses of a subsidiary	–	(10)	–	–	–	–	(10)	26	16
Total other comprehensive income	–	(10)	12	(627)	188	–	(437)	(45)	(482)
Total comprehensive income for the year	–	(10)	12	(627)	188	3,105	2,668	(459)	2,209
Transactions with owners of the Company, recognised directly in equity									
Changes in ownership interests in subsidiary									
Acquisition of non-controlling interests without a change in control	–	–	–	–	–	–	–	(2,679)	(2,679)
Total transactions with owners of the Company	–	–	–	–	–	–	–	(2,679)	(2,679)
Share of an associate's capital reserve transferred from accumulated profit	–	–	77	–	–	(77)	–	–	–
Transfer between reserves	–	–	77	–	–	(77)	–	–	–
As at 31 December 2009	81,874	168	3,453	(1,248)	188	(6,074)	78,361	–	78,361

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

Consolidated Statements of Changes in Equity

YEAR ENDED 31 DECEMBER 2010

Group	Share capital $'000	Share option reserve $'000	Capital reserve $'000	Currency translation reserve $'000	Fair value reserve $'000	Accumulated losses $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
As at 1 January 2010	**81,874**	**168**	**3,453**	**(1,248)**	**188**	**(6,074)**	**78,361**	**-**	**78,361**
Total comprehensive income for the year									
Profit for the year	**-**	**-**	**-**	**-**	**-**	**378**	**378**	**-**	**378**
Other comprehensive income									
Net change in fair value of available-for-sale financial assets	**-**	**-**	**-**	**-**	**94**	**-**	**94**	**-**	**94**
Foreign currency translation differences – foreign operations	**-**	**-**	**-**	**(1,307)**	**-**	**-**	**(1,307)**	**-**	**(1,307)**
Total other comprehensive income	**-**	**-**	**-**	**(1,307)**	**94**	**-**	**(1,213)**	**-**	**(1,213)**
Total comprehensive income for the year	**-**	**-**	**-**	**(1,307)**	**94**	**378**	**(835)**	**-**	**(835)**
Transactions with owners of the Company, recognised directly in equity									
Distributions to owners									
Dividends to owners of the Company (Note 13)	**-**	**-**	**-**	**-**	**-**	**(987)**	**(987)**	**-**	**(987)**
Total distributions to owners of the Company	**-**	**-**	**-**	**-**	**-**	**(987)**	**(987)**	**-**	**(987)**
Transfer of reserves due to deconsolidation of a subsidiary	**-**	**-**	**(2,574)**	**-**	**-**	**2,574**	**-**	**-**	**-**
Share of an associate's capital reserve transferred from accumulated profit	**-**	**-**	**54**	**-**	**-**	**(54)**	**-**	**-**	**-**
Transfer between reserves	**-**	**-**	**(2,520)**	**-**	**-**	**2,520**	**-**	**-**	**-**
As at 31 December 2010	**81,874**	**168**	**933**	**(2,555)**	**282**	**(4,163)**	**76,539**	**-**	**76,539**

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

Statement of Changes in Equity

YEAR ENDED 31 DECEMBER 2010

Company	Share capital $'000	Fair value reserve $'000	Accumulated losses $'000	Total $'000
As at 1 January 2009	81,874	7,631	(7,002)	82,503
Total comprehensive income for the year				
Profit for the year	–	–	1,171	1,171
Other comprehensive income				
Net change in fair value of available-for-sale financial assets	–	(8,854)	–	(8,854)
Total other comprehensive income	–	(8,854)	–	(8,854)
Total comprehensive income for the year	–	(8,854)	1,171	(7,683)
As at 31 December 2009	81,874	(1,223)	(5,831)	74,820
As at 1 January 2010	**81,874**	**(1,223)**	**(5,831)**	**74,820**
Total comprehensive income for the year				
Profit for the year	**–**	**–**	**3,004**	**3,004**
Other comprehensive income				
Net change in fair value of available-for-sale financial assets	**–**	**(1,664)**	**–**	**(1,664)**
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	**–**	**1,267**	**–**	**1,267**
Total other comprehensive income	**–**	**(397)**	**–**	**(397)**
Total comprehensive income for the year	**–**	**(397)**	**3,004**	**2,607**
Transactions with owners of the Company, recognised directly in equity				
Distributions to owners of the Company				
Dividends to owners of the Company (Note 13)	**–**	**–**	**(987)**	**(987)**
Total distributions to owners of the Company	**–**	**–**	**(987)**	**(987)**
Transfer between reserves	**–**	**(14)**	**14**	**–**
As at 31 December 2010	**81,874**	**(1,634)**	**(3,800)**	**76,440**

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

Consolidated Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2010

	2010 $'000	2009 $'000
Cash flows from operating activities		
Profit for the year	**378**	2,691
Adjustments for:		
Depreciation of property, plant and equipment	**5,091**	4,442
Amortisation of intangible assets	**137**	144
Impairment loss on intangible assets	**–**	243
Gain on sale of property, plant and equipment	**(2)**	(16)
Property, plant and equipment written off	**–**	3
Gain on sale of other investments	**(502)**	–
Loss from sale of an associate	**41**	–
Allowance (reversed)/made for doubtful debts	**(156)**	5,376
(Write-back)/write-down of inventory to its net realisable value	**(251)**	2,947
Reversal of impairment losses on property, plant and equipment	**–**	(1,056)
Share-based expense of a subsidiary	**–**	16
Change in fair valuation of financial assets held for trading	**(13)**	–
Negative goodwill arising from acquisition of an associate and the remaining interests of a subsidiary	**–**	(2,689)
Impairment of investment in an associate	**–**	383
Share of profit of associates, net of income tax	**(1,006)**	(301)
Net finance income	**(915)**	(977)
Income tax credit	**(52)**	(1,992)
	2,750	9,214
Change in inventories	**6,495**	14,941
Change in trade and other receivables	**(10,361)**	4,584
Change in trade and other payables	**1,003**	(11,856)
Change in restricted bank deposits	**(2,900)**	–
Cash (used in)/generated from operating activities	**(3,013)**	16,883
Interest received	**103**	274
Interest paid	**(159)**	(164)
Income tax refunded	**20**	2,914
Net cash (used in)/from operating activities	**(3,049)**	19,907
Cash flows from investing activities		
Dividends received	**56**	390
Distribution from other investments	**508**	143
Investment in an associate	**–**	(10,106)
Repayment of loan by an associate	**50**	–
Payment for intangible assets	**(118)**	(102)
Purchase of property, plant and equipment	**(281)**	(815)
Proceeds from sale of other investments	**502**	–
Proceeds from sale of associate	**97**	–
Dividends from an associate	**471**	–
Proceeds from disposal of property, plant and equipment	**132**	27
Acquisition of non-controlling interests	**–**	(1,256)
Net cash from/(used in) investing activities	**1,417**	(11,719)

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

Consolidated Statement of Cash Flows (Cont'd)

YEAR ENDED 31 DECEMBER 2010

	2010 $'000	2009 $'000
Cash flows from financing activities		
Proceeds from borrowings	**4,773**	653
Repayment of borrowings	**(5,633)**	(5,375)
Repayment of finance lease liabilities	**(8)**	(8)
Dividend paid	**(987)**	–
Deposits pledged	**2,900**	(2,900)
Net cash from/(used in) financing activities	**1,045**	(7,630)
Net (decrease)/increase in cash and cash equivalents	**(587)**	558
Cash and cash equivalents at 1 January	**32,868**	32,538
Effects of exchange rate fluctuations on cash held	**(483)**	(228)
Cash and cash equivalents at 31 December	**31,798**	32,868
Comprising:		
Cash at bank and in hand	**13,954**	15,324
Fixed deposits with banks	**20,744**	20,444
	34,698	35,768
Deposits pledged	**–**	(2,900)
Restricted bank deposits	**(2,900)**	–
	31,798	32,868

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

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 4 March 2011.

1 DOMICILE AND ACTIVITIES

Intraco Limited (the Company) is incorporated in the Republic of Singapore and has its registered office at 348 Jalan Boon Lay, Singapore 619529.

The financial statements of the Company as at and for the year ended 31 December 2010 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates.

The principal activities of the Company are trading in building materials, conventional lighting products, provision of total security solutions, commercial building solutions and energy-savings solutions. The principal activities of the subsidiaries are set out in note 29 to the financial statements.

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities which are measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Notes to the Financial Statements

2 BASIS OF PREPARATION (CONT'D)

(d) Use of estimates and judgements (cont'd)

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 13 – impairment of available-for-sale equity securities.
- Note 25 – valuation of financial instruments.

(e) Changes in accounting policies

(i) Accounting for business combinations

From 1 January 2010, the Group has applied FRS 103 *Business Combinations* (2009) in accounting for business combinations. Business combinations are now accounted for using the acquisition method as at the acquisition date (see note 3(a)(i)).

Previously, business combinations were accounted for under the purchase method. The cost of an acquisition was measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary is recognised as goodwill and is assessed for impairment annually. The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition was credited to profit or loss in the period of the acquisition. For business acquisitions that were achieved in stages, any existing equity interests in the acquiree were not remeasured to their fair value. Contingent consideration was recognised as an adjustment to the cost of acquisition only when it was probable and can be measured reliably.

The change in accounting policy has been applied prospectively to new business combinations occurring on or after 1 January 2010 and has no material impact on earnings per share.

(ii) Accounting for acquisitions of non-controlling interests

From 1 January 2010, the Group has applied FRS 27 *Consolidated and Separate Financial Statements* (2009) in accounting for acquisitions of non-controlling interests. See note 3(a)(v) for the new accounting policy.

Previously, goodwill was recognised on the acquisition of non-controlling interests in a subsidiary, which represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of the transaction.

The change in accounting policy has been applied prospectively and has no impact on earnings per share.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2(e), which addresses changes in accounting policies.

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(iii) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iv) Investments in associates (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investments includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(v) Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Accounting for subsidiaries and associates

The subsidiaries held by the Company are classified as available-for-sale and are stated in the Company's statement of financial position at fair value with any resultant gain or loss recognised in other comprehensive income and presented in the fair value reserve in equity. Impairment losses on its subsidiaries are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. When the subsidiaries are disposed, the gain or loss accumulated in equity is reclassified to profit or loss.

Investments in associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, which are recognised in other comprehensive income.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign currency (cont'd)

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the closing rate. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income, and are presented in the translation reserve in equity.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

The gains or losses on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative years are as follows:

Leasehold properties	50 years
Leasehold improvements	3 to 50 years
Plant, machinery, tools and equipment	2 to 10 years
Furniture, fittings and equipment	3 to 10 years
Motor vehicles	3 to 6 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, and adjusted if appropriate.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Intangible assets

(i) Goodwill

Goodwill represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful live are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated based on the cost of the asset, less its residual value. Other intangible assets are amortised in profit or loss on a straight-line basis over the estimated useful life of 3 years, from the date that they are available for use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Financial assets designated at fair value through profit or loss comprise equity securities that otherwise would have been classified as available for sale.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial instruments (cont'd)

(i) Non-derivative financial assets (cont'd)

Held-to-maturity financial assets

If the Group has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale. It would also prevent the Group from classifying investment securities as held-to-maturity for the current and the following two financial years.

Held-to-maturity financial assets comprise unquoted securities.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, loan to associate and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and fixed deposits with original maturities of three months or less.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see Note 3(h)(i)) and foreign currency differences on available-for-sale monetary items (see Note 3(b)(i)), are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial instruments (cont'd)

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities categories.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings and trade and other payables.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial instruments (cont'd)

(iv) Financial guarantees

Financial guarantee contracts are classified as loans and borrowings unless the Group or the Company has previously asserted explicitly that it regards such contracts as insurance contracts and accounted for them as such. Election is made contract by contract, and each election is irrevocable.

Financial guarantees classified as loans and borrowings

Such financial guarantees are recognised initially at fair value and are classified as loans and borrowings. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantees is transferred to profit or loss.

Financial guarantees classified as insurance contracts

Such financial guarantees are accounted for as insurance contracts. A provision is recognised based on the Group or the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date.

The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

(f) Inventories

(i) Trading

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventories, conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Inventories (cont'd)

(ii) Construction work-in-progress

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date (see note 3(k)(ii)) less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work-in-progress is presented as part of inventories in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billing. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as deferred income/ revenue in the statement of financial position.

(g) Leases

(i) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

(ii) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payment made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables and held-to-maturity investment securities

The Group considers evidence of impairment for loans and receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant loans and receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and receivables and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment (cont'd)

(ii) Non-financial assets (cont'd)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

(i) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(k) Revenue

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the of sales agreement. For sales of trading products, transfer usually occurs when the product is received at the customer's warehouse; however, for some international shipments, transfer occurs upon loading of the goods onto the relevant carrier at the port of the seller.

(ii) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Revenue (cont'd)

(ii) Construction contracts (cont'd)

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

(iii) Rental income

Rental income receivable under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(iv) Provision of services

Revenue arising from rendering of services is recognised when the relevant services are rendered.

(l) Government grants

Jobs Credit Scheme

Cash grants received from the government in relation to the Job Credit Scheme are recognised as income upon receipt.

(m) Finance income and finance costs

Finance income comprises interest income on funds invested, dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities normally is the ex-dividend date.

Finance costs comprise interest expense on borrowings and losses on disposal of available-for-sale financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors of the Company are considered as key management personnel of the Group.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's COO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the COO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

(q) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(r) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2010, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

Notes to the Financial Statements

4 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold properties $'000	Leasehold improvements $'000	Plant, machinery, tools and equipment $'000	Furniture, fittings and equipment $'000	Motor vehicles $'000	Total $'000
Cost						
At 1 January 2009	320	603	41,148	1,699	131	43,901
Additions	–	4	689	72	50	815
Disposals	–	–	(10)	(9)	(40)	(59)
Written off	–	–	–	(15)	–	(15)
Translation differences on consolidation	–	(2)	(5)	(9)	(2)	(18)
At 31 December 2009	320	605	41,822	1,738	139	44,624
Additions	–	19	207	55	–	281
Disposals	–	–	(131)	(18)	–	(149)
Written off	–	–	–	(31)	–	(31)
Translation differences on consolidation	–	(7)	(30)	(31)	(5)	(73)
At 31 December 2010	320	617	41,868	1,713	134	44,652
Accumulated depreciation and impairment losses						
At 1 January 2009	75	577	30,092	1,432	79	32,255
Depreciation for the year	7	20	4,213	175	27	4,442
Disposals	–	–	(1)	(7)	(40)	(48)
Written off	–	–	–	(12)	–	(12)
Reversal of impairment loss	–	–	(1,056)	–	–	(1,056)
Translation differences on consolidation	–	(2)	(3)	(7)	(1)	(13)
At 31 December 2009	82	595	33,245	1,581	65	35,568
Depreciation for the year	7	15	4,946	101	22	5,091
Disposals	–	–	(4)	(15)	–	(19)
Written off	–	–	–	(31)	–	(31)
Translation differences on consolidation	–	(6)	(16)	(24)	(4)	(50)
At 31 December 2010	89	604	38,171	1,612	83	40,559
Carrying amounts						
At 1 January 2009	245	26	11,056	267	52	11,646
At 31 December 2009	238	10	8,577	157	74	9,056
At 31 December 2010	231	13	3,697	101	51	4,093

At the reporting date, the net book value of motor vehicles acquired under finance lease arrangements amounts to $Nil (2009: $3,000) for the Group.

Notes to the Financial Statements

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Leasehold properties $'000	Leasehold improvements $'000	Furniture, fittings and equipment $'000	Motor vehicles $'000	Total $'000
Cost					
At 1 January 2009	320	511	1,142	40	2,013
Addition	–	4	14	50	68
Disposals	–	–	–	(40)	(40)
Written off	–	–	(15)	–	(15)
At 31 December 2009	320	515	1,141	50	2,026
Addition	–	13	10	–	23
Disposals	–	–	(11)	–	(11)
Written off	–	–	(10)	–	(10)
At 31 December 2010	320	528	1,130	50	2,028
Accumulated depreciation					
At 1 January 2009	76	503	967	40	1,586
Depreciation charge for the year	6	10	122	7	145
Disposals	–	–	–	(40)	(40)
Written off	–	–	(12)	–	(12)
At 31 December 2009	82	513	1,077	7	1,679
Depreciation charge for the year	6	7	47	10	70
Disposals	–	–	(11)	–	(11)
Written off	–	–	(10)	–	(10)
At 31 December 2010	88	520	1,103	17	1,728
Carrying amounts					
At 1 January 2009	244	8	175	–	427
At 31 December 2009	238	2	64	43	347
At 31 December 2010	232	8	27	33	300

Notes to the Financial Statements

5 INTANGIBLE ASSETS

	Group	
	2010	**2009**
	$'000	**$'000**
Development cost		
At 1 January	**501**	878
Additions	**118**	102
Written off	**–**	(457)
Translation differences on consolidation	**(40)**	(22)
At 31 December	**579**	501
Accumulated amortisation		
At 1 January	**361**	222
Amortisation for the year	**137**	144
Translation differences on consolidation	**(29)**	(5)
At 31 December	**469**	361
Carrying amounts		
At 1 January	**140**	656
At 31 December	**110**	140

6 SUBSIDIARIES

	Company	
	2010	**2009**
	$'000	**$'000**
Investments in subsidiaries at fair value	**25,843**	30,318
Loan to a subsidiary	**–**	5,266
Impairment losses (net of write-back)	**–**	(5,266)
	25,843	30,318
Non-current assets		
Amount due from a subsidiary (non-trade)	**3,631**	3,631

Loan to a subsidiary

In 2009, the loan to a subsidiary was unsecured and was interest bearing at prime rate+0.5% per annum. The settlement of the loan was neither planned nor likely to occur in the foreseeable future. As the loan was, in substance, a part of the Company's net investment in the subsidiary, it was stated at cost less accumulated impairment losses. The loan was repaid in 2010.

Notes to the Financial Statements

6 SUBSIDIARIES (CONT'D)

Non-trade amounts due from a subsidiary

An amount of $3,631,000 (2009: $3,631,000) which is unsecured and bears interest of SIBOR+0.5% (2009: SIBOR+0.5%) per annum is due from a subsidiary and is classified as non-current as the amount is not expected to be repaid within the next financial year.

Details of subsidiaries are set out in note 29.

The Group reviews its investments in subsidiaries for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable in accordance with Note 3(h). The recoverable amounts of the investments were determined based on the carrying amounts of the net assets of the subsidiaries as at 31 December 2010. During the year, the Company made an impairment loss of $2,506,000 (2009: $Nil) on the investments in subsidiaries.

7 ASSOCIATES

	Group		**Company**	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Investment in associates	**12,771**	14,399	**10,106**	11,606
Impairment loss	**–**	(383)	**–**	(613)
	12,771	14,016	**10,106**	10,993
Loan to an associate	**–**	400	**–**	400

In 2009, the loan to an associate was unsecured, interest bearing at 0.31% per annum and repayable on demand.

Notes to the Financial Statements

7 ASSOCIATES (CONT'D)

The financial information of the associates is as follows:

	2010 $'000	2009 $'000
Assets and liabilities		
Non-current assets	**15,075**	13,986
Current assets	**63,170**	73,923
Total assets	**78,245**	87,909
Non-current liabilities	**940**	925
Current liabilities	**34,642**	40,984
Total liabilities	**35,582**	41,909
Results		
Revenue	**149,932**	156,893
Profit for the year	**3,513**	3,124

Details of significant associates are set out in Note 30.

The Group's investments in associates include investment in a listed associate with a carrying amount of $11,961,000 (2009: $12,398,000). Based on its closing price at the reporting date, the fair value of the Group's investment is $6,908,000 (2009: $5,338,000).

8 OTHER INVESTMENTS

	Group		Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Non-current assets				
Available-for-sale quoted equity securities	**940**	853	**940**	846
Held-to-maturity unquoted debt securities	**–**	2,218	**–**	2,218
	940	3,071	**940**	3,064
Current assets				
Held-to-maturity unquoted debt securities	**2,424**	–	**2,424**	–
Quoted equity securities held-for-trading	**37**	20	**–**	–
	2,461	20	**2,424**	–

Held-to-maturity unquoted debt securities have stated interest rates of 2% (2009: 2%) and mature in June 2011.

The Group's exposure to credit, currency and interest rate risks related to other investments is disclosed in note 24.

Notes to the Financial Statements

9 INVENTORIES

		Group		Company	
		2010	2009	2010	2009
	Note	$'000	$'000	$'000	$'000
Trading goods					
– at cost		**3,322**	1,764	**80**	155
– at net realisable value		**2,032**	9,647	**–**	–
Construction work-in-progress	10	**223**	410	**223**	410
		5,577	11,821	**303**	565

In 2010, the write-down of inventories to net realisable value amounted to $13,000 (2009: $2,947,000). The write-back of inventories, as a result of higher selling prices in 2010 amounted to $263,000 (2009: $Nil). The write-down and reversal amounts are included in other expenses.

10 CONSTRUCTION WORK-IN-PROGRESS

	Group and Company	
	2010	2009
	$'000	$'000
Cost incurred and attributable profit	**42,543**	71,647
Progress billings	**(42,320)**	(71,237)
	223	410

Notes to the Financial Statements

11 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	**49,321**	37,350	**6,228**	7,696
Impairment losses	**(8,610)**	(9,038)	**(2,245)**	(2,301)
Net receivables	**40,711**	28,312	**3,983**	5,395
Staff loans	**–**	4	**–**	–
Deposits	**153**	169	**49**	61
Amount due from an associate (trade)	**–**	1,118	**–**	–
Amounts due from subsidiaries (non-trade)	**–**	–	**9,199**	7,702
Other receivables	**1,142**	283	**1,062**	46
Advances to suppliers	**2,583**	3,079	**28**	222
Loans and receivables	**44,589**	32,965	**14,321**	13,426
Prepayments	**443**	206	**8**	19
	45,032	33,171	**14,329**	13,445
Non-current	**735**	–	**735**	–
Current	**44,297**	33,171	**13,594**	13,445
	45,032	33,171	**14,329**	13,445

At 31 December 2010, trade receivables for the Group and Company include retentions of $230,000 (2009: $43,000) relating to construction work-in-progress.

The non-trade amounts due from subsidiaries are unsecured and repayable on demand. Of the balance, an amount of $2,400,000 (2009: $2,400,000) is unsecured and bears interest at SGD 3-month fixed deposit rate for both 2009 and 2010 and the remaining balances are interest-free. There is no allowance for doubtful debts arising from the outstanding balances.

At 31 December 2010, other receivables for the Group and Company include $1,030,000 (2009: $Nil) due from an external party arising from the sale of an associate. It bears an interest of 1.38% per annum and is repayable in monthly instalments till June 2014.

The Group's primary exposure to credit risk arises through its trade receivables. Concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers. These customers are regionally dispersed. The Group's historical experience in the collections of trade receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's and the Company's trade receivables.

Notes to the Financial Statements

11 TRADE AND OTHER RECEIVABLES (CONT'D)

The maximum exposure to credit risk for trade receivables at the reporting date (by operating segments) is:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Projects	**3,983**	5,395	**3,983**	5,395
Semiconductors	**11,328**	9,276	**–**	–
Trading and others	**25,400**	13,641	**–**	–
	40,711	28,312	**3,983**	5,395

The Group's most significant customer, a trading customer, accounts for $7,183,000 (2009: $6,236,000) of the trade receivables carrying amount at 31 December 2010.

Impairment losses

The ageing of trade receivables at the reporting date was:

	Gross 2010 $'000	Impairment losses 2010 $'000	Gross 2009 $'000	Impairment losses 2009 $'000
Group				
Not past due	**14,996**	**(23)**	9,388	–
Past due 0 – 30 days	**12,522**	**–**	5,161	–
Past due 31 – 120 days	**2,605**	**–**	1,678	–
More than 120 days	**19,198**	**(8,587)**	21,123	(9,038)
	49,321	**(8,610)**	37,350	(9,038)
Company				
Not past due	**801**	**(23)**	1,402	–
Past due 0 – 30 days	**118**	**–**	539	–
Past due 31 – 120 days	**94**	**–**	493	–
More than 120 days	**5,215**	**(2,222)**	5,262	(2,301)
	6,228	**(2,245)**	7,696	(2,301)

Notes to the Financial Statements

11 TRADE AND OTHER RECEIVABLES (CONT'D)

The change in impairment loss in respect of trade receivables during the year is as follows:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	**9,038**	3,403	**2,301**	2,254
Allowance (reversed)/made for doubtful debts	**(93)**	6,091	**(56)**	69
Written off	**–**	(459)	**–**	(22)
Translation	**(335)**	3	**–**	–
At 31 December	**8,610**	9,038	**2,245**	2,301

12 CASH AND CASH EQUIVALENTS

	Group		Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank and in hand	**13,954**	15,324	**4,959**	1,982
Fixed deposits with banks	**20,744**	20,444	**20,744**	20,444
Cash and cash equivalents	**34,698**	35,768	**25,703**	22,426
Deposits pledged	**–**	(2,900)	**–**	(2,900)
Restricted bank deposits	**(2,900)**	–	**(2,900)**	–
Cash and cash equivalents in the statement of cash flows	**31,798**	32,868	**22,803**	19,526

The weighted average effective interest rates per annum relating to cash and cash equivalents at the reporting date for the Group and Company are 0.28% (2009: 0.22%) and 0.28% (2009: 0.22%) respectively. Interest rates reprice at intervals of one or three months.

13 CAPITAL AND RESERVES

	Group and Company	
	2010	**2009**
	Number of shares	**Number of shares**
Fully paid ordinary shares, with no par value:		
At 1 January and 31 December	**98,635,879**	98,635,879

The Group has issued share options under the Intraco Limited Share Option Scheme 2000 (see note 14).

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Notes to the Financial Statements

13 CAPITAL AND RESERVES (CONT'D)

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity excluding minority interest.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. During the year, the Group achieved a return on shareholders' equity of 0.49% (2009: 3.96%). In comparison, the weighted average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 3.15% (2009: 2.58%).

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Other reserves

	Group		Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Share option reserve	**168**	168	**–**	–
Capital reserve	**933**	3,453	**–**	–
Currency translation reserve	**(2,555)**	(1,248)	**–**	–
Fair value reserve	**282**	188	**(1,634)**	(1,223)
	(1,172)	2,561	**(1,634)**	(1,223)

The share option reserve comprises the cumulative value of employee services received for the issue of share options.

Capital reserve comprises mainly negative goodwill that has previously been taken to reserve.

The currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations and subsidiaries whose functional currencies are different from the functional currency of the Company.

The fair value reserve includes the cumulative net change in the fair value of available-for-sale investments, excluding impairment losses, until the investment is derecognised or impaired.

The Group and the Company determine that available-for-sale equity securities are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Group and the Company evaluates among other factors, the duration and extent to which the fair value of the security is less than its cost. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flow.

Notes to the Financial Statements

13 CAPITAL AND RESERVES (CONT'D)

Dividends

The following exempt (one-tier) dividends were declared and paid by the Group and Company:

	Group and Company 2010 $'000	Group and Company 2009 $'000
1.0 cent (2009: Nil cent) per qualifying ordinary share in respect of financial year ended 31 December	**987**	–

After the respective reporting dates, the following exempt (one-tier) dividends were proposed by the directors. These dividends have not been provided for.

	Group and Company 2010 $'000	Group and Company 2009 $'000
0.3 cents (2009: 1.0 cent) per qualifying ordinary share in respect of financial year ended 31 December	**296**	987

14 EMPLOYEE SHARE OPTIONS

The Intraco Limited Share Option Scheme 2000 (the Scheme) of the Company was approved and adopted by its members at an Extraordinary General Meeting on 10 November 2000. The Scheme is administered by the Company's Remuneration Committee, comprising three directors, Dr Tan Ng Chee (Chairman), Dr Tan Boon Wan and Mr Hoon Tai Meng.

Information regarding the Scheme are set out below:

- The maximum number of shares issued or to be issued for options under the Scheme is 15% of the issued share capital of the Company.
- Options may be granted at the average of the closing price of the Company's shares on the Singapore Exchange Securities Trading Limited (SGX-ST) for the 3 consecutive trading days immediately preceding the date of grant (Market Price) or at a price of up to 20% discount of the Market Price.
- Under the Scheme, a non-discounted option vests 1 year after the date of the grant and a discounted option vests 2 years after the date of grant.
- Unless they are cancelled or lapsed prior to the expiry date, options granted will expire 120 months after the date of grant.

Notes to the Financial Statements

14 EMPLOYEE SHARE OPTIONS (CONT'D)

At the end of the financial year, details of the options granted under the Scheme on the unissued ordinary shares of the Company, are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1/1/2010	Options cancelled	Options outstanding at 31/12/2010	Number of option holders at 31/12/2010	Exercise period
30/3/2001	$0.50	196,000	(75,000)	121,000	6	30/3/2002 – 29/3/2011
8/10/2002	$0.50	473,000	(93,000)	380,000	12	8/10/2003 – 7/10/2012
		669,000	(168,000)	501,000	18	

No options were exercised in 2010.

15 LOANS AND BORROWINGS

	Group 2010 $'000	Group 2009 $'000	Company 2010 $'000	Company 2009 $'000
Non-current liability				
Finance lease liability	**2**	10	**–**	–
	2	10	**–**	–
Current liabilities				
Unsecured bank loans	**1,295**	2,464	**–**	–
Finance lease liability	**8**	8	**–**	–
Trust receipts	**1,732**	2,816	**–**	–
Secured invoice financing (see Note 27(b))	**1,746**	353	**–**	–
	4,781	5,641	**–**	–
Total loans and borrowings	**4,783**	5,651	**–**	–

Notes to the Financial Statements

15 LOANS AND BORROWINGS (CONT'D)

Finance lease liabilities

At 31 December 2010, the Group has obligations under finance leases that are payable as follows:

	2010			2009		
Group	**Principal $'000**	**Interest $'000**	**Payments $'000**	**Principal $'000**	**Interest $'000**	**Payments $'000**
Payable within 1 year	**8**	**2**	**10**	8	2	10
Payable after 1 year but within 5 years	**2**	**–**	**2**	10	2	12
	10	**2**	**12**	18	4	22

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

			2010		2009	
Group	**Nominal interest rate**	**Year of maturity**	**Face value $'000**	**Carrying amount $'000**	**Face value $'000**	**Carrying amount $'000**
USD fixed rate loans	2.26%	2011	**1,295**	**1,295**	2,464	2,464
USD trust receipts	1.27% – 2.42%	2011	**1,732**	**1,732**	2,816	2,816
RMB invoice financing	4.86% –5.35%	2011	**1,746**	**1,746**	353	353
Finance lease liabilities	3.45%	2012	**10**	**10**	18	18
			4,783	**4,783**	5,651	5,651

16 INTRA-GROUP FINANCIAL GUARANTEE

Intra-group financial guarantee comprises a guarantee granted by the Company to a bank in respect of banking facilities amounting to $19,783,000 (2009: $24,001,000) granted to wholly-owned subsidiaries of which $2,900,000 expires on 31 May 2011 and the remaining amount is valid until the renewal of the banking facilities. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the guarantee.

Notes to the Financial Statements

17 TRADE AND OTHER PAYABLES

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Trade payables	**15,513**	13,012	**1,690**	3,173
Advances from customers	**6,075**	6,796	**10**	2
Accrued expenses	**1,500**	1,935	**597**	887
Interest payable	**66**	5	**–**	–
Other payables	**1,167**	1,632	**234**	222
Amount due to subsidiaries (non-trade)	**–**	–	**4,608**	6,085
	24,321	23,380	**7,139**	10,369

The Group and the Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 24.

The amount due to subsidiaries is unsecured, interest free and repayable on demand.

18 REVENUE

	Group	
	2010	2009
	$'000	$'000
Trading sales	**174,729**	173,708
Revenue from construction contracts	**8,339**	10,773
Rental income	**6,534**	10,904
Service income	**1,427**	1,325
	191,029	196,710

Notes to the Financial Statements

19 PROFIT FOR THE YEAR

The following items have been included in arriving at profit for the year:

	Group	
	2010	**2009**
	$'000	**$'000**
Allowance (reversed)/made for doubtful debts	**(156)**	5,376
(Write-back)/write-down of inventory to its net realisable value	**(251)**	2,947
Foreign exchange loss	**1,500**	713
Reversal of impairment of losses on property, plant and equipment	**–**	(1,056)
Impairment loss on intangible assets	**–**	243
Impairment of investment in an associate	**–**	383
Change in fair valuation of financial assets held for trading	**(13)**	–
Gain on sale of other investments	**(502)**	–
Loss from sale of an associate	**41**	–
Gain on sale of property, plant and equipment	**(2)**	(16)
Non-audit fees paid to/(write-back) other auditors	**14**	(31)
Operating lease expenses	**716**	718
Government grants – Job Credit Scheme	**(59)**	(300)
Staff costs	**7,648**	8,041
Contributions to defined contribution plans, included in staff costs	**479**	555
Negative goodwill arising from acquisition of an associate and the remaining interests of a subsidiary	**–**	(2,689)
Depreciation of property, plant and equipment	**5,091**	4,442
Amortisation of intangible assets	**137**	144

20 FINANCE INCOME AND FINANCE COSTS

	Group	
	2010	**2009**
	$'000	**$'000**
Recognised in profit or loss		
Interest income		
– bank deposits	**502**	460
– loans and overdue debts	**7**	147
Dividend income from available-for-sale financial assets	**56**	390
Capital distribution from available-for-sale financial assets	**508**	143
Finance income	**1,073**	1,140
Interest expense		
– finance lease liabilities	**(2)**	(2)
– unsecured bank loans	**(156)**	(161)
Finance costs	**(158)**	(163)
Net finance income recognised in profit or loss	**915**	977

Notes to the Financial Statements

21 INCOME TAX CREDIT

	Group 2010 $'000	Group 2009 $'000
Current tax		
Current year	**–**	60
Adjustment for prior years	**(52)**	(2,052)
	(52)	(1,992)
Reconciliation of effective tax rate		
Profit for the year	**378**	2,691
Total income tax credit	**(52)**	(1,992)
Profit excluding income tax	**326**	699
Income tax using Singapore tax rate of 17%	**55**	119
Effect of tax rate in foreign jurisdictions	**(31)**	(21)
Tax-exempt income	**(461)**	(825)
Non-deductible expense	**441**	148
Utilisation of previously unrecognised temporary differences	**(269)**	(305)
Current year losses for which no deferred tax assets was recognised	**249**	32
Over provided in prior years	**(52)**	(2,052)
Others	**16**	912
	(52)	(1,992)

The following temporary differences have not been recognised:

	Group 2010 $'000	Group 2009 $'000	Company 2010 $'000	Company 2009 $'000
Deductible temporary differences	**6,428**	8,014	**–**	–
Tax losses	**8,201**	6,739	**1,013**	–
	14,629	14,753	**1,013**	–

The tax losses are subject to agreement by the tax authorities. Tax losses do not expire under current tax legislation. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

Notes to the Financial Statements

22 EARNINGS PER SHARE

	Group 2010 $'000	Group 2009 $'000
Basic and diluted earnings per share is based on:		
Net profit attributable to ordinary shareholders	**378**	3,105

	2010 Number of shares	2009 Number of shares
Issued ordinary shares at beginning and end of the year	**98,635,879**	98,635,879

The options disclosed in note 14 are potential ordinary shares but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the periods presented.

23 SEGMENT REPORTING

Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's COO (the chief operating decision maker) reviews internal management reports on a monthly basis.

The following summary describes the operations in each of the Group's reportable segments:

- *Projects* — Trading in building materials, conventional lighting products, provision of energy-savings solutions, provision of security solutions and provision of commercial building solutions.
- *Semiconductors* — Marketing and distribution of computer components and semiconductors, provision of wireless and embedded design and solutions and provision of hospitality solutions and services.
- *Trading and others* — Trading in industrial materials which include metals and minerals, plastics, petrochemicals and rubbers, energy commodities which include coal and bio fuels, trading and processing of agricultural and food products and others include investment holding.

The accounting policies of the reportable segments are the same as described in note 3(p).

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's COO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Notes to the Financial Statements

23 SEGMENT REPORTING (CONT'D)

Geographical segments

The Group's business is managed in five principal geographical areas, namely, Singapore, rest of ASEAN, Greater China (Hong Kong, Taiwan and China), India and others.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Operating segments ($'000)

2010	**Projects**	**Semi-conductors**	**Trading and others**	**Consolidated**
External revenue	**13,636**	**53,060**	**124,333**	**191,029**
Interest revenue	**–**	**2**	**2**	**4**
Interest expense	**–**	**(32)**	**(126)**	**(158)**
Depreciation and amortisation	**–**	**(235)**	**(4,923)**	**(5,158)**
Reportable segment profit/ (loss) before income tax	**684**	**(1,856)**	**1,433**	**261**
Reportable segment assets	**4,287**	**19,859**	**35,040**	**59,186**
Capital expenditure	**–**	**199**	**177**	**376**
Reportable segment liabilities	**1,691**	**10,729**	**14,906**	**27,326**
2009				
External revenue	30,199	71,817	94,694	196,710
Interest revenue	29	3	121	153
Interest expense	–	(37)	(126)	(163)
Depreciation and amortisation	–	(278)	(4,162)	(4,440)
Reportable segment profit/ (loss) before income tax	1,264	(2,038)	36	(738)
Reportable segment assets	5,973	17,247	39,104	62,324
Capital expenditure	–	333	516	849
Reportable segment liabilities	3,175	7,350	16,453	26,978

Notes to the Financial Statements

23 SEGMENT REPORTING (CONT'D)

Operating segments (cont'd)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2010 $'000	2009 $'000
Revenue		
Total revenue for reporting segments	**191,029**	196,710
Consolidated revenue	**191,029**	196,710
Profit or loss		
Total profit or loss for reportable segments	**261**	(738)
Unallocated amounts:		
– Other corporate income or expenses	**(941)**	1,136
Share of profit of associates, net of tax	**1,006**	301
Consolidated profit before income tax	**326**	699
Assets		
Total assets for reportable segments	**59,186**	62,324
Other unallocated amounts	**33,725**	31,123
	92,911	93,447
Investments in associates	**12,771**	14,016
Consolidated total assets	**105,682**	107,463
Liabilities		
Total liabilities for reportable segments	**27,326**	26,978
Other unallocated amounts	**1,817**	2,124
Consolidated total liabilities	**29,143**	29,102

Other material items

	Reportable segment totals $'000	Adjustments $'000	Consolidated totals $'000
2010			
Interest revenue	**4**	**505**	**509**
Capital expenditure	**376**	**23**	**399**
Depreciation and amortisation	**(5,158)**	**(70)**	**(5,228)**
2009			
Interest revenue	153	454	607
Capital expenditure	849	68	917
Depreciation and amortisation	(4,440)	(146)	(4,586)

Notes to the Financial Statements

23 SEGMENT REPORTING (CONT'D)

Geographical information ($'000)

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Revenue	2010 $'000	2009 $'000
Singapore	**77,319**	95,159
Rest of ASEAN	**84,651**	81,569
Greater China	**19,501**	9,434
India	**5,876**	8,809
Others	**3,682**	1,739
Consolidated revenue	**191,029**	196,710

Non-current asset*	2010 $'000	2009 $'000
Singapore	**3,837**	8,625
Rest of ASEAN	**84**	250
Greater China	**280**	317
India	**2**	4
Consolidated non-current asset	**4,203**	9,196

* Non-current assets presented consist of property, plant and equipment and intangible assets.

Major customer

There is no major customer which accounts for 10% or more of the Group's revenue.

24 FINANCIAL RISK MANAGEMENT

Overview

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Notes to the Financial Statements

24 FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The allowance account in respect of loan and receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point, the amounts are considered irrecoverable and are written off against the financial asset directly. At 31 December 2010, the Group and the Company does not have any collective impairment on its loans and receivables.

Cash and fixed deposits are placed with banks and financial institutions which are regulated. Investments and transactions involving derivative financial instruments are allowed only with counterparties who have sound credit ratings.

The maximum credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.

Notes to the Financial Statements

24 FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk (cont'd)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amounts $'000	Contractual cash flows $'000	Within 1 year $'000	Within 2-5 years $'000
Group				
31 December 2010				
Unsecured bank loans	**1,295**	**(1,301)**	**(1,301)**	**–**
Finance lease liabilities	**10**	**(12)**	**(10)**	**(2)**
Trust receipts	**1,732**	**(1,738)**	**(1,738)**	**–**
Invoice financing	**1,746**	**(1,769)**	**(1,769)**	**–**
Trade and other payables*	**18,180**	**(18,180)**	**(18,180)**	**–**
Recognised financial liabilities	**22,963**	**(23,000)**	**(22,998)**	**(2)**
Intra-group financial guarantee	**–**	**(9,473)**	**(9,473)**	**–**
	22,963	**(32,473)**	**(32,471)**	**(2)**
31 December 2009				
Unsecured bank loans	2,464	(2,467)	(2,467)	–
Finance lease liabilities	18	(22)	(10)	(12)
Trust receipts	2,816	(2,823)	(2,823)	–
Invoice financing	353	(358)	(358)	–
Trade and other payables*	16,579	(16,579)	(16,579)	–
Recognised financial liabilities	22,230	(22,249)	(22,237)	(12)
Intra-group financial guarantee	–	(11,616)	(11,616)	–
	22,230	(33,865)	(33,853)	(12)
Company				
31 December 2010				
Trade and other payables*	**7,129**	**(7,129)**	**–**	**–**
31 December 2009				
Trade and other payables*	10,367	(10,367)	–	–

* Exclude advance payments by customers and interest payable.

It is not expected that the cash flow included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Notes to the Financial Statements

24 FINANCIAL RISK MANAGEMENT (CONT'D)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Sensitivity analysis – equity price risk

Most of the Group's equity investments are listed on Singapore Stock Exchange. For such investments classified as available-for-sale, a 2% increase in the STI at the reporting date would have increased equity by $18,800 after tax (2009: an increase of $17,060); an equal change in the opposite direction would have decreased equity by $18,800 after tax (2009: a decrease of $17,060). For such investments classified at fair value through profit or loss, the impact on profit or loss is insignificant.

Interest rate risk

The Group's exposure to changes in interest relates primarily to the Group's interest-earning financial assets and interest-bearing financial liabilities. Interest rate is managed by the Group on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

The Group adopts a policy of constantly monitoring movements in interest rates. Presently it does not use derivative financial instruments to hedge its interest rate risk.

Profile

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group Carrying amount		Company Carrying amount	
	2010 $'000	**2009 $'000**	**2010 $'000**	**2009 $'000**
Fixed rate instruments				
Financial assets	**24,198**	22,662	**24,198**	22,662
Financial liabilities	**(4,783)**	(5,651)	**–**	–
	19,415	17,011	**24,198**	22,662
Variable rate instruments				
Financial assets	**–**	400	**6,031**	11,697

Notes to the Financial Statements

24 FINANCIAL RISK MANAGEMENT (CONT'D)

Interest rate risk (cont'd)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the reporting date would have increased (decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2009.

	Group		**Company**	
	100 bp increase $'000	**100 bp decrease $'000**	**100 bp increase $'000**	**100 bp decrease $'000**
31 December 2010				
Variable rate instruments	**–**	**–**	**60**	**(44)**
31 December 2009				
Variable rate instruments	4	*	117	(98)

* less than $1,000

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily the US dollar, Euro, British pound, Hong Kong dollar and Taiwan dollar.

There is no formal hedging policy with respect to foreign exchange exposure. Exposure to currency risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level. Where necessary, the Group uses foreign exchange forward contracts to hedge its foreign currency risk.

Notes to the Financial Statements

24 FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign currency risk (cont'd)

The Group's and Company's exposures to foreign currency risk were as follows based on notional amounts:

	Singapore dollar $'000	US dollar $'000	Euro $'000	British pound $'000	Hong Kong dollar $'000	Taiwan dollar $'000
Group						
31 December 2010						
Trade receivables	**424**	**6,609**	**–**	**–**	**–**	**1,760**
Cash and cash equivalents	**725**	**2,590**	**55**	**61**	**–**	**18**
Amount due from related corporation	**1**	**4,522**	**–**	**–**	**–**	**–**
Other investment	**–**	**–**	**–**	**–**	**2,424**	**–**
Loans and borrowings	**(11)**	**(1,797)**	**–**	**–**	**–**	**–**
Trade payables	**(79)**	**(3,807)**	**(33)**	**–**	**–**	**(1,899)**
Amount due to related corporation	**(3,467)**	**(439)**	**–**	**–**	**–**	**–**
	(2,407)	**7,678**	**22**	**61**	**2,424**	**(121)**
31 December 2009						
Trade receivables	1	3,623	–	–	–	106
Cash and cash equivalents	658	6,760	54	66	–	154
Amount due from related corporation	–	4,875	–	–	–	–
Other investment	–	–	–	–	2,218	–
Loans and borrowings	(18)	(2,464)	–	–	–	–
Trade payables	(183)	(4,274)	(23)	–	–	(263)
Amount due to related corporation	(3,395)	(426)	–	–	–	–
	(2,937)	8,094	31	66	2,218	(3)

Notes to the Financial Statements

24 FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign currency risk (cont'd)

	Singapore dollar $'000	US dollar $'000	Euro $'000	British pound $'000	Hong Kong dollar $'000	Taiwan dollar $'000
Company						
31 December 2010						
Trade receivables	**–**	**25**	**–**	**–**	**–**	**–**
Cash and cash equivalents	**–**	**234**	**55**	**61**	**–**	**–**
Amount due from related corporation	**–**	**16**	**–**	**–**	**–**	**–**
Other investment	**–**	**–**	**–**	**–**	**2,424**	**–**
Trade payables	**–**	**(105)**	**(33)**	**–**	**–**	**–**
	–	**170**	**22**	**61**	**2,424**	**–**
31 December 2009						
Trade receivables	–	29	–	–	–	–
Cash and cash equivalents	–	210	54	66	–	–
Other investment	–	–	–	–	2,218	–
Trade payables	–	(99)	(23)	–	–	–
	–	140	31	66	2,218	–

Sensitivity analysis

The following table indicates the approximate change in the Group's and the Company's profit or loss in response to a 10% increase in foreign exchange rates to which the Group and the Company have significant exposure at the reporting date as compared to the functional currencies of the respective entities. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Group		Company	
	2010 Profit or loss $'000	2009 Profit or loss $'000	2010 Profit or loss $'000	2009 Profit or loss $'000
Singapore dollar[1]	**241**	294	**–**	–
US dollar	**(768)**	(809)	**(17)**	(14)
Euro	**(2)**	(3)	**(2)**	(3)
British pound	**(6)**	(7)	**(6)**	(7)
Hong Kong dollar	**(242)**	(222)	**(242)**	(222)
Taiwan dollar	**12**	*	**–**	–

* less than $1,000

(1) as compared to functional currency of US dollar

A 10% decrease in foreign exchange rates to which the Group and the Company have exposure at 31 December as compared to the functional currencies of the respective entities would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Notes to the Financial Statements

24 FINANCIAL RISK MANAGEMENT (CONT'D)

Accounting classifications and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Trading $'000	Held-to-maturity $'000	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Group								
31 December 2010								
Cash and cash equivalents	12	**-**	**-**	**34,698**	**-**	**-**	**34,698**	**34,698**
Loans and receivables	11	**-**	**-**	**44,589**	**-**	**-**	**44,589**	**44,589**
Available-for-sale quoted equity securities	8	**-**	**-**	**-**	**940**	**-**	**940**	**940**
Held-to-maturity unquoted debt securities	8	**-**	**2,424**	**-**	**-**	**-**	**2,424**	**2,424**
Quoted equity securities held-for-trading	8	**37**	**-**	**-**	**-**	**-**	**37**	**37**
		37	**2,424**	**79,287**	**940**	**-**	**82,688**	**82,688**
Unsecured bank loans	15	**-**	**-**	**-**	**-**	**(1,295)**	**(1,295)**	**(1,295)**
Finance lease liability	15	**-**	**-**	**-**	**-**	**(10)**	**(10)**	**(10)**
Trust receipts	15	**-**	**-**	**-**	**-**	**(1,732)**	**(1,732)**	**(1,732)**
Secured invoice financing	15	**-**	**-**	**-**	**-**	**(1,746)**	**(1,746)**	**(1,746)**
Trade and other payables	17	**-**	**-**	**-**	**-**	**(24,321)**	**(24,321)**	**(24,321)**
		-	**-**	**-**	**-**	**(29,104)**	**(29,104)**	**(29,104)**
31 December 2009								
Cash and cash equivalents	12	–	–	35,768	–	–	35,768	35,768
Loans and receivables	11	–	–	32,965	–	–	32,965	32,965
Available-for-sale quoted equity securities	8	–	–	–	853	–	853	853
Held-to-maturity unquoted debt securities	8	–	2,218	–	–	–	2,218	2,218
Quoted equity securities held-for-trading	8	20	–	–	–	–	20	20
		20	2,218	68,733	853	–	71,824	71,824
Unsecured bank loans	15	–	–	–	–	(2,464)	(2,464)	(2,464)
Finance lease liability	15	–	–	–	–	(18)	(18)	(18)
Trust receipts	15	–	–	–	–	(2,816)	(2,816)	(2,816)
Secured invoice financing	15	–	–	–	–	(353)	(353)	(353)
Trade and other payables	17	–	–	–	–	(23,380)	(23,380)	(23,380)
		–	–	–	–	(29,031)	(29,031)	(29,031)

Notes to the Financial Statements

24 FINANCIAL RISK MANAGEMENT (CONT'D)

Accounting classifications and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

	Note	Held-to-maturity $'000	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Company							
31 December 2010							
Cash and cash equivalents	12	**-**	**25,703**	**-**	**-**	**25,703**	**25,703**
Loans and receivables	11	**-**	**14,321**	**-**	**-**	**14,321**	**14,321**
Available-for-sale quoted equity securities	8	**-**	**-**	**940**	**-**	**940**	**940**
Held-to-maturity unquoted debt securities	8	**2,424**	**-**	**-**	**-**	**2,424**	**2,424**
		2,424	**40,024**	**940**	**-**	**43,388**	**43,388**
Trade and other payables	17	**-**	**-**	**-**	**(7,139)**	**(7,139)**	**(7,139)**
31 December 2009							
Cash and cash equivalents	12	–	22,426	–	–	22,426	22,426
Loans and receivables	11	–	13,426	–	–	13,426	13,426
Available-for-sale quoted equity securities	8	–	–	846	–	846	846
Held-to-maturity unquoted debt securities	8	2,218	–	–	–	2,218	2,218
		2,218	35,852	846	–	38,916	38,916
Trade and other payables	17	–	–	–	(10,369)	(10,369)	(10,369)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

Notes to the Financial Statements

24 FINANCIAL RISK MANAGEMENT (CONT'D)

Accounting classifications and fair values (cont'd)

Fair value hierarchy (cont'd)

	Level 1 $'000
Group	
31 December 2010	
Available-for-sale quoted equity securities	**940**
Quoted equity securities held for trading	**37**
	977
31 December 2009	
Available-for-sale quoted equity securities	853
Quoted equity securities held for trading	20
	873
Company	
31 December 2010	
Available-for-sale quoted equity securities	**940**
31 December 2009	
Available-for-sale quoted equity securities	846

During the financial year ended 31 December 2010, there have been no transfers between Level 1 and Level 2.

Notes to the Financial Statements

25 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is determined by reference to their quoted bid prices at the reporting date without any deduction for transaction costs. If a quoted market price is not available, the fair value is estimated using valuation techniques, which includes recent arm's length prices, pricing models or discounted cash flow analysis.

In respect of the investment in subsidiaries, which are accounted for as financial assets available-for-sale.

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease arrangements.

(iii) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Notes to the Financial Statements

26 COMMITMENTS

The Group leases a number of warehouse and office facilities under operating leases. The leases typically run for initial period of three to five years, with an option to renew the lease after that date. Lease payments are usually increased annually to reflect market rentals.

At 31 December 2010, the Group and the Company have commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Within 1 year	**578**	643	**200**	254
After 1 year but within 5 years	**380**	190	**16**	169
	958	833	**216**	423

27 CONTINGENT LIABILITIES

Company

(a) As at 31 December 2010, the Company has issued unsecured guarantees to banks in respect of credit facilities granted to its subsidiaries of $16,883,000 (2009: $21,101,000), of which the amount utilised was $7,727,000 (2009: $11,263,000).

There are no terms or conditions attached to these guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Company's future cash flows.

(b) As at 31 December 2010, the Company has issued secured guarantees to banks in respects of credit facilities to its subsidiaries of $2,900,000 (2009: $2,900,000), of which the amount utilised was $1,746,000 (2009: $353,000).

Notes to the Financial Statements

28 RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel compensation

Compensation payable to key management personnel comprises:

	Group	
	2010	**2009**
	$'000	**$'000**
Short-term employee benefits		
Directors' fee payable*	**378**	331
Directors' remuneration	**860**	860
Key management staff	**822**	822
	2,060	2,013
Post-employment benefits		
Directors	**13**	14
Key management staff	**35**	37
	48	51

* Include Directors' fee of a subsidiary $90,000 (2009: $125,000)

Other related party transactions

Other than disclosed elsewhere in the financial statements, transactions with related parties are as follows:

	2010	**2009**
	$'000	**$'000**
Operating lease expenses paid/payable to a substantial shareholder	**206**	195
Reimbursement of utilities to a substantial shareholder	**59**	70
Legal services expense paid/payable to a substantial shareholder	**52**	–

As at 31 December 2010, investment in securities in companies that have a common director with the Company amounted to $2,424,000 (2009: $2,218,000). The related interest income recognised during the year amounted to $51,000 (2009: $72,000).

Notes to the Financial Statements

29 SUBSIDIARIES

Name of company	Principal activities	Country of incorporation/ business	Effective equity held by the Group 2010 %	2009 %	Cost of investment 2010 $'000	2009 $'000	Note
Held by Intraco Limited:							
IntraWave Pte Ltd	Provision of radio coverage system management, operation and mobile service and to supply communications equipment to other service providers.	Singapore	**100**	100	**7,221**	7,221	i
Metraco Pte Ltd*	Designers, project managers, interior renovation contractors, manufacturer and supplier of system furniture, office furniture and all types of interior and architectural finishes.	Singapore	**100**	100	**-**	3,046	i
Intraco Technology Pte Ltd	Marketing and distribution of computer components and semiconductors, provision of wireless and embedded design and solutions, and provision of hospitality solutions and services.	Singapore	**100**	100	**1,766**	1,766	i
Intraco Trading Pte Ltd	Trading, marketing and distribution and acting as commission agents for industrial materials, energy commodities and agricultural products.	Singapore	**100**	100	**12,000**	12,000	i
Intraco Foods Pte Ltd	Trading and processing of agricultural and food products which include frozen seafood and fertilisers.	Singapore	**100**	100	**10,000**	10,000	i
Intraco International Pte Ltd	Investment holding company.	Singapore	**100**	100	**1**	1	i

Notes to the Financial Statements

29 SUBSIDIARIES (CONT'D)

Name of company	Principal activities	Country of incorporation/ business	Effective equity held by the Group 2010 %	2009 %	Cost of investment 2010 $'000	2009 $'000	Note
Held by Intraco International Pte Ltd:							
Intraco International (Shanghai) Co., Ltd	Import, export and wholesale of industrial materials which include metals, plastics, petrochemicals and rubbers and commission agency business.	China	**100**	100	**2,127**	1,071	iii
Held by Intraco Technology Pte Ltd:							
PT Intraco Technology Indonesia	Marketing and distribution of computer components and semiconductors and hospitality solutions	Indonesia	**99**	–	**141**	–	v
Dormant							
Held by Intraco Limited:							
Sintraco Sdn. Bhd.		Malaysia	**100**	100	**1,110**	1,110	ii
Singapore Resources (Pte) Ltd		Singapore	**100**	100	**1,210**	1,210	i
Semicon Components Pte Ltd		Singapore	**100**	100	**1,000**	1,000	i
Intraco Securities Pte Ltd		Singapore	**100**	100	**1,000**	1,000	i
Held by Intraco Trading Pte Ltd:							
Orion Construction (Pte) Ltd		Singapore	**100**	100	**50**	50	i
Dormant							
Held by Intraco Securities Pte Ltd:							
Sinco Holdings Ltd		British Virgin Islands	**100**	100	**-**	–	v
Sinco Investments Ltd		British Virgin Islands	**100**	100	**-**	–	v
Held by Orion Construction Pte Ltd:							
Datacliff International Ltd		British Virgin Islands	**100**	100	**-**	–	v
Held by Sintraco Sdn. Bhd.:							
Damastra Sdn. Bhd.		Malaysia	**100**	100	**22**	22	ii
Under liquidation							
Held by Intraco Limited:							
IntraPage Pte Ltd		Singapore	**-**	–	**-**	–	iv
Held by IntraPage Pte Ltd:							
Hi-Den Pte Ltd		Singapore	**-**	–	**-**	–	iv

Notes to the Financial Statements

29 SUBSIDIARIES (CONT'D)

Notes

i Audited by KPMG LLP, Singapore.
ii Audited by Ernst & Young, Malaysia.
iii Audited by Zhong Hui CPA Ltd, People's Republic of China.
iv No audit was performed for 2010 as company is under liquidation.
v Not required to be audited by law of country of incorporation.
* In the process of being strike off.

KPMG LLP Singapore is the auditor of all significant Singapore incorporated subsidiaries. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

30 ASSOCIATES

Name of company	Principal activities	Country of incorporation/ business	Effective equity Held by the Group 2010 %	Effective equity Held by the Group 2009 %	Cost of investment 2010 $'000	Cost of investment 2009 $'000	Note
Held by Intraco Limited:							
Abecha Pte Ltd	Provision of sourcing and demand aggregation services, e-services, infrastructure and development of web-enabled applications, e-portal development, operating procurement and sourcing hub.	Singapore	**-**	40	**-**	1,500	i
Dynamic Colours Limited	Trading in colour pigments manufacture and sale of compounded resins and polyethylene packaging materials and provisions of compounding services.	Singapore	**29.9**	29.9	**10,106**	10,106	i
Held by Intraco International (Shanghai) Co., Ltd:							
CKI-Intraco Minerals Co., Ltd	Cargo and technology import and export and investment by own assets and management.	China	**30**	30	**596**	596	ii

Notes to the Financial Statements

30 ASSOCIATES (CONT'D)

Note

i Audited by KPMG LLP, Singapore.

ii Audited by QingDao Hai De Certified Public Accountants Co., Ltd

KPMG LLP Singapore is the auditor of all significant Singapore incorporated associates. For this purpose, an associated company is considered significant as defined under the Singapore Exchange Limited Listing Manual if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profits.

31 COMPARATIVE INFORMATION

The following expenses were reclassified from "Administrative expenses" to "Other expenses" to be consistent with current year presentation.

	$'000
Write-down of inventory to its net realisable value	2,947
Allowance for doubtful debts	5,376
Foreign exchange losses	713
Write-back of other expenses	(9)
	9,027

Supplementary Information

(SGX-ST LISTING MANUAL DISCLOSURE REQUIREMENTS)

1 DIRECTORS' REMUNERATION

Company's directors receiving remuneration from the Group

	2010	2009
$500,000 and above	**1**	1
$250,000 to $499,999	**1**	1
Below $250,000	**3**	3
	5	5

2 PROPERTIES HELD BY THE GROUP

Description of properties held by the Group is as follows:

Location	Description	Tenure
22B3, No. 19 Duli Street, Yuanda Mansion, Dalian 116001	Representation office used by a subsidiary for its operations	50-year lease from 30 Mar 1997 to 29 Mar 2047
17A2, No. 19 Duli Street, Yuanda Mansion, Dalian 116001	Residential apartment	50-year lease from 30 Mar 1997 to 29 Mar 2047

3 INTERESTED PERSON TRANSACTIONS

Interested person	Aggregate value of all transactions (excluding transactions conducted under a shareholders' mandate pursuant to Rule 920) 2010 $'000	Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual 2010 $'000
PSC Corporation Ltd – Rental of office premises	**–**	**206**

4 MATERIAL CONTRACTS

Except as disclosed in Note 28 to the financial statements, there are no other material contracts entered into between the Company and its subsidiaries involving the interests of the chief executive officer or each director of the Company during the financial year.

Shareholding Analyses

AS AT 11 MARCH 2011

CLASS OF SHARES AND DIVIDEND

The number of shareholders was 4,266.

There is only 1 class of ordinary shares with 1 vote for each ordinary share. The Company does not have any treasury shares.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 999	399	9.35	142,546	0.15
1,000 – 10,000	3,120	73.14	11,223,671	11.38
10,001 – 1,000,000	741	17.37	36,104,212	36.60
1,000,001 and above	6	0.14	51,165,450	51.87
Total	**4,266**	**100.00**	**98,635,879**	**100.00**

LIST OF 20 LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	PSC CORPORATION LTD	29,486,148	29.89
2	DBS VICKERS SECS (S) PTE LTD	14,211,573	14.41
3	DBS NOMINEES PTE LTD	2,623,501	2.66
4	UNITED OVERSEAS BANK NOMINEES	2,208,353	2.24
5	MORPH INVESTMENTS LTD	1,464,000	1.48
6	LEE RUBBER COMPANY PTE LTD	1,171,875	1.19
7	DB NOMINEES (S) PTE LTD	996,000	1.01
8	OCBC NOMINEES SINGAPORE	977,250	0.99
9	BOON SUAN AIK	920,000	0.93
10	OCBC SECURITIES PRIVATE LTD	849,250	0.86
11	KHONG KIN PANG	816,000	0.83
12	CITIBANK NOMS S'PORE PTE LTD	606,354	0.61
13	GOH CHOON WEI OR GOH SOON POH	560,000	0.57
14	NG POH CHENG	426,000	0.43
15	HL BANK NOMINEES (S) PTE LTD	422,000	0.43
16	KEA CHEE TONG @ KE CHI YET @ KIA CHEE YET	355,000	0.36
17	BNP PARIBAS SECS SVCS SPORE	350,000	0.35
18	LAI WENG KAY	338,000	0.34
19	SIM WEE LIM	338,000	0.34
20	YONG KEE SAM	337,000	0.34
	TOTAL	**59,456,304**	**60.28**

Shareholding Analyses

AS AT 11 MARCH 2011

SHAREHOLDERS DISTRIBUTION BY LOCATION

LOCATION OF SHAREHOLDERS	NO OF SHAREHOLDERS	%	NUMBER OF SHARES	%
SINGAPORE	4,111	96.37	95,835,367	97.16
MALAYSIA	110	2.58	884,718	0.90
HONG KONG	8	0.19	74,952	0.08
US	7	0.16	13,676	0.01
UK	2	0.05	14,000	0.01
EUROPE	1	0.02	3,750	0.00
AUSTRALIA/NEW ZEALAND	16	0.38	143,957	0.15
OTHERS	11	0.26	1,665,459	1.69
TOTAL	**4,266**	**100.00**	**98,635,879**	**100.00**

	Direct Interest		Deemed Interest		Total Interest	
Name of Substantial Shareholder	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
PSC Corporation Ltd	29,486,148	29.9	0	0	29,486,148	29.9
Violet Profit Holdings Limited(1)	0	0	29,486,148	29.9	29,486,148	29.9
Ku Yun-Sen(2)	0	0	29,486,148	29.9	29,486,148	29.9
Goi Seng Hui(3)	0	0	29,486,148	29.9	29,486,148	29.9
Super Group Ltd(3)	0	0	29,486,148	29.9	29,486,148	29.9

Notes:

(1) Violet Profit Holdings Limited is deemed to have an interest through PSC.

(2) Ku Yun-Sen is deemed to have an interest through Violet Profit Holdings Limited, which is deemed to have an interest through PSC.

(3) Goi Seng Hui and Super Group Ltd is deemed to have an interest through PSC.

STATEMENT PURSUANT TO RULE 1207(9) (E) OF THE LISTING MANUAL

Based on the information available to the Company as at 11 March 2011, approximately 70.1% of the issued shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

Notice of Annual General Meeting

INTRACO Limited
(Registration No. 196800526Z)
(Incorporated in Singapore with limited liability)

NOTICE IS HEREBY GIVEN that the Forty-Second Annual General Meeting of INTRACO Limited will be held at The Function Room, 348 Jalan Boon Lay, Singapore 619529 on Monday, 25 April 2011 at 10 a.m., for the following purposes:

AS ROUTINE BUSINESS:

1. To receive and adopt the Directors' Report and Audited Accounts of the Company for the year ended 31 December 2010 and the Auditors' Report thereon. **(Resolution 1)**

2. To declare a First and Final tax exempt (one-tier) dividend of 0.3 cent per ordinary share for the financial year ended 31 December 2010. **(Resolution 2)**

3. To approve the payment of Directors' fees of S$288,000 for the year ended 31 December 2010. (2009: S$206,000) **(Resolution 3)**

4. To re-elect Dr Tan Ng Chee, who retires by rotation pursuant to Article 115 of the Articles of Association of the Company.
[See Explanatory Note (i) below] **(Resolution 4)**

5. To re-elect Mr Hoon Tai Meng, who retires by rotation pursuant to Article 115 of the Articles of Association of the Company.
[See Explanatory Note (ii) below] **(Resolution 5)**

6. To re-appoint Messrs KPMG LLP as the Company's auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

7. To transact any other routine business that 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 modifications:

8. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited**

   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 ("SGX-ST"), 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

Notice of Annual General Meeting

(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 Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the "***Share Issue Mandate***")

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) and Instruments to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury 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 SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury 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 the Instruments or any convertible securities;

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

(c) any subsequent consolidation or subdivision of shares;

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) 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 or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments. **(Resolution 7)**

Notice of Annual General Meeting

9. Authority to issue shares under the Intraco Limited Share Option Scheme 2000

That the Directors of the Company be and are hereby authorised, pursuant to Section 161 of the Companies Act, Chapter 50, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Intraco Limited Share Option Scheme 2000 (the "Scheme") provided always that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares) of the Company from time to time and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the Annual General Meeting of the Company is required by law to be held, whichever is earlier. **(Resolution 8)**

10. Renewal of Shareholders' Mandate for Interested Person Transactions

That for the purposes of Chapter 9 of the Listing Manual ("Chapter 9") of the SGX-ST:

a. approval be and is hereby given for the Company, its subsidiaries and associated companies that are considered to be 'entities at risk' under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Annual Report for the financial year 2010 (the "Appendix") with any party who is of the class of interested persons described in the Appendix, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions (the "Mandate");

b. the approval given in paragraph a. above shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

c. the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Mandate and/or this Resolution. **(Resolution 9)**

By Order of the Board

Chew Kok Liang
Wee Jee Kin
Joint Company Secretaries

Singapore, 8 April 2011

Notice of Annual General Meeting

NOTES:

1. Save as provided in the Articles of Association, a member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. The instrument appointing a proxy must be lodged at the registered office of the Company at 348 Jalan Boon Lay, Singapore 619529 not less than forty-eight (48) hours before the time fixed for the Annual General Meeting.

EXPLANATORY NOTE:

(i) Dr Tan Ng Chee will, upon re-election as Director of the Company, remain as Chairman of the Nominating and Remuneration Committee, and a member of the Audit Committee and will be considered as independent.

(ii) Mr Hoon Tai Meng will, upon re-election as a Director of the Company, remain as member of the Audit Committee, Nominating and Remuneration Committees and will be considered as non-independent.

EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED:

Resolution 7, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date 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 (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis to existing shareholders of the Company.

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

Resolution 8 is to authorise the Directors pursuant to Section 161 of the Companies Act, Cap. 50, to allot and issue shares under the Scheme. The size of the Scheme is limited to fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares) of the Company for the time being.

Resolution 9 is to empower the Directors of the Company to continue to enter into interested person transactions, on the Group's normal commercial terms and in accordance with the guidelines and procedures of the Company for interested person transactions as described in the Appendix to Shareholders dated 8 April 2011. This authority will continue in force until the next Annual General Meeting.

Notice of Annual General Meeting

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 4 May 2011 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, KCK CorpServe Pte. Ltd., at 333 North Bridge Road, #08-00 KH Kea Building, Singapore 188721 up to 5.00 pm on 3 May 2011 will be registered to determine shareholders' entitlements to the said dividends. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 3 May 2011 will be entitled to proposed dividend.

The proposed dividend, if approved by the members at the Forty-Second Annual General Meeting to be held on 25 April 2011, will be paid on 18 May 2011.

By Order of the Board

Chew Kok Liang
Wee Jee Kin
Joint Company Secretaries

Singapore, 8 April 2011

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INTRACO Limited

(Registration No. 196800526Z)
(Incorporated in Singapore with limited liability)

PROXY FORM – ANNUAL GENERAL MEETING

IMPORTANT:

1. For Investors who have used their CPF monies to buy INTRACO Limited's shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominee and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by such 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 Meeting 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.

I/We, ____ (Name)
of ____ (Address)
being a member/members of INTRACO Limited ("Company"), hereby appoint the **Chairman of the Meeting** or failing him,

Name	Address	NRIC or Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC or Passport No.	Proportion of Shareholdings (%)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company, to be held at The Function Room, 348 Jalan Boon Lay, Singapore 619529 on 25 April 2011 at 10 a.m., and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolution as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

NO.	RESOLUTIONS RELATING TO	FOR	AGAINST
	Routine Business		
1.	Adoption of Reports and Audited Accounts for the year ended 31 December 2010		
2.	Approval of First and Final Dividend		
3.	Approval of Directors' Fees		
4.	Re-election of Dr Tan Ng Chee as a Director		
5.	Re-election of Mr Hoon Tai Meng as a Director		
6.	Re-appointment of KPMG LLP as Auditors of the Company		
	Special Business		
7.	Authority for Directors to issue shares and to make or grant instruments pursuant to Section 161 of the Companies Act, Cap. 50 and the listing rules of the Singapore Exchange Securities Trading Limited		
8.	Authority for Directors to offer and grant options, and to allot and issue shares pursuant to Intraco Limited Share Option Scheme 2000		
9.	To approve the renewal of the Shareholders' Mandate for Interested Person Transactions		

Dated this ____________ day of __________________ 2011

Total Number of Shares held

____
Signature(s) of shareholder(s)
or Common Seal of Corporate Shareholder

IMPORTANT:
PLEASE READ NOTES OVERLEAF.

NOTES

1. Please insert the total number of shares you hold. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, 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 such shares entered against your name in the Depository Register and registered in your name in the Register of Members. If you do not insert any number, we shall deem that the instrument appointing a proxy or proxies relates to all the shares which you hold.
2. If any other proxy other than the Chairman of the Meeting is to be appointed, please delete the words 'the Chairman of the Meeting', and insert the name and address of the proxy desired in the box provided. If the box is left blank or incomplete, the Chairman of the Meeting shall be deemed to be appointed as your proxy.
3. Save as provided in the Articles of Association, 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 on his behalf. Such proxy need not be a member of the Company.
4. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 348 Jalan Boon Lay, Singapore 619529, not less than 48 hours before the time fixed for the holding of the Annual General 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 a director or an officer or attorney duly authorised. Where an instrument appointing proxy or proxies is signed on behalf of the appointor by an attorney, the letter of power of attorney or duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to Article 97 of the Articles of Association of the Company; failing which the instrument may be treated as invalid.
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 Annual General Meeting, in accordance with Section 179 of the Companies Act, Cap. 50.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, 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 a member whose shares are 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 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Affix Stamp Here

Company Secretary
INTRACO Limited
348 Jalan Boon Lay
Singapore 619529

Corporate Directory

SINGAPORE

Executive Committee

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Executive Chairman
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Mr Foo Der Rong
Executive Director
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Chief Operating Officer

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