



Full Year Financial Statement And Dividend Announcement for the Period Ended 31 December 2009

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF- YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	The Group		
		31/12/2009	31/12/2008	
		S\$'000	S\$'000	
Sales		556,525	510,560	9%
Cost of sales		(507,927)	(463,897)	9%
Gross profit		48,598	46,663	4%
Other operating income	1	4,979	5,331	-7%
Expenses:				
Distribution		(22,917)	(22,031)	4%
Administrative	2	(5,851)	(6,185)	-5%
Finance	3	(1,278)	(2,170)	-41%
Other	4	(14,578)	(13,104)	11%
Total expenses		(44,624)	(43,490)	3%
		8,953	8,504	5%
Share of results of associated companies (after income tax)		178	(483)	137%
Profit before income tax	5	9,131	8,021	14%
Income tax expense	6	(1,286)	(1,386)	-7%
Profit after income tax		7,845	6,635	18%
Attributable to:				
Equity holders of the Company		7,480	6,028	24%
Minority interests		365	607	-40%
		7,845	6,635	18%

Notes to Income Statement

1. Other operating income

Other operating income decreased by about S\$0.4 million or 7%.

There was a reduction in commission and service income from about S\$3.1 million in financial year ended 31 December 2008 ('FY2008') to about S\$1.8 million in financial year ended 31 December 2009 ('FY2009'). This was mainly due to lower sales commission and service income earned by the Group's Korean subsidiaries due to weak demand for their customers' electronic products.

Fair value gain on investment properties and financial assets, at fair value through profit and loss amounted to about S\$0.6 million (FY2008: S\$0.1 million) and S\$0.2 million (FY2008: Fair value loss of S\$0.1 million) respectively.

Included in FY2009 "Other Operating Income" was a recovery of bad debt amounting to about S\$0.6 million (FY2008: Nil) and write-back of inventory and inventory provision of about S\$0.9 million (FY2008: S\$1.3 million).

2. Administrative expenses

Administrative expenses decreased by about S\$0.3 million or 5%.

The decrease was mainly due to conscientious efforts by management to reduce certain staff related costs and administrative expenses.

3. Finance costs

Finance costs decreased by about S\$0.9 million or 41%.

The decrease is mainly to lower cost of borrowings in FY2009 when compared with FY2008 and better management of trade facilities to save interest costs.

4. Other operating expenses

Other operating expenses increased by about S\$1.5 million or 11%.

There was an increase in allowance for trade receivables from about S\$0.4 million in FY2008 to about S\$2.4 million in FY2009. The allowance was mainly made for certain customers who had delayed or were slow in making payment to the Group.

The increase in 'Other Operating Expenses' was also attributed to an amortisation charge of S\$0.8 million (FY2008: Nil) for product distribution rights acquired during the financial year and impairment charges of S\$0.6 million (FY2008: Nil) for certain financial assets, available-for-sale in FY2009.

Lower currency and hedging loss of about S\$2.0 million (FY2008: S\$3.8 million) negated the impact of the increase in "Other Operating Expenses".

Included in FY2009 "Other Operating Expenses" was salary and related costs amounting to about S\$4.8 million (FY2008: S\$4.9).

Notes :

5. Profit before income tax

	The Group		%
	31/12/2009	31/12/2008	
	S\$'000	S\$'000	
Profit from operations is arrived at after charging/(crediting) :-			
a.Depreciation and amortisation	1,569	904	74
b.Impairment losses on goodwill arising from acquisition of subsidiaries	1,246	1,270	-2
c.(Gain)/ loss on disposal of property, plant and equipment	(2)	18	111
d.Property, plant and equipment written off	1	6	-83
e.Development expenditure written off (net)	-	65	-100
f.Impairment losses on trade receivables	2,440	352	593
g.Impairment losses on non-trade receivables	69	33	109
h.Write-back of inventory provision	(63)	(1,260)	-95
i.Write-back of inventories	(827)	-	NM
j.Write-off of inventories	43	43	-
k.Gain on dilution of interests in an associated company	(33)	(164)	-80
l. Gain on disposal of partial interests in a subsidiary	-	(10)	-100
m.Loss on closure of subsidiaries (net)	361	-	NM
n.Impairment losses on financial assets, available-for-sale	635	1	63,400
o.Currency translation loss (net)	1,911	2,793	-32
p.Hedging loss	74	976	-92
q.Fair value gain on investment properties (net)	(566)	(128)	342
r.(Gain)/ loss on sale of financial assets, at fair value through profit or loss	(50)	266	119
s.Fair value (gain)/ losses on financial assets, at fair value through profit or loss	(248)	128	294
t.Interest income	(66)	(156)	-58

	31/12/2009	31/12/2008	%
	S\$'000	S\$'000	
6. Income tax expense			
Under/ (over) provision in preceding financial years			
- Current income tax	(6)	(92)	-93
- Deferred income tax	(29)	1	3,000

NM – Not meaningful

(a)(ii) A statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year

With effect from 1 January 2009, FRS 1 Presentation of Financial Statements requires an entity to present all non-owner changes in the equity in a Statement of Comprehensive Income. Non-owner changes will include income and expenses recognised directly in equity. This is a change of presentation and does not affect the recognition or measurement of the entity's transactions. Previously, such non-owner changes are included in the Statement of Changes in Equity.

	The Group		
	31/12/2009	31/12/2008	
	S\$'000	S\$'000	
Profit after income tax for the financial year	7,845	6,635	18%
Other comprehensive income/ (loss) for the financial year:			
Currency translation differences	1,028	(2,300)	145%
Total comprehensive income for the financial year	8,873	4,335	105%
Total comprehensive income attributable to:			
Equity holders of the Company	8,510	3,824	123%
Minority interests	363	511	-29%
Total comprehensive income for the financial year	8,873	4,335	105%

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	20,749	15,440	349	242
Trade and other receivables ¹	68,254	57,018	8,057	9,663
Inventories ²	70,144	40,685	-	-
Financial assets, at fair value through profit or loss	995	87	-	-
Other current assets	857	956	108	30
	160,999	114,186	8,514	9,935
Non-current assets				
Loans and receivables	-	-	70,387	69,885
Financial assets, available-for-sale	592	217	-	-
Investments in associated companies ³	5,764	3,712	5,427	3,559
Investments in subsidiaries	-	-	28,705	28,486
Property, plant and equipment	6,013	6,171	249	412
Investment properties	12,611	11,478	2,000	1,940
Intangible assets ⁴	12,758	9,797	86	65
Other assets	1,068	1,104	-	-
Deferred income tax assets	698	555	-	-
	39,504	33,034	106,854	104,347
Total Assets	200,503	147,220	115,368	114,282
LIABILITIES				
Current liabilities				
Trade and other payables ⁵	59,152	33,693	2,683	2,335
Current income tax liabilities	839	1,687	378	378
Borrowings ⁶	39,453	28,368	7,800	15,273
	99,444	63,748	10,861	17,986
Non-current liabilities				
Borrowings ⁶	6,940	2,004	3,400	-
Provision for severance benefits	262	386	-	-
Deferred income tax liabilities	318	96	62	52
	7,520	2,486	3,462	52
Total Liabilities	106,964	66,234	14,323	18,038
Net Assets	93,539	80,986	101,045	96,244

EQUITY

Capital and reserves attributable to the Company's equity holders

Share capital ⁷	87,803	79,096	87,803	79,096
Capital reserve ⁷	308	2,691	308	2,691
Share option reserve	121	121	121	121
Currency translation reserve ⁸	(6,010)	(7,042)	-	-
Retained earnings	9,744	4,714	12,813	14,336
	91,966	79,580	101,045	96,244
Minority interests	1,573	1,406	-	-
Total Equity	93,539	80,986	101,045	96,244

Notes to the Balance Sheet

1. Trade and other receivables increased by about S\$11.2 million when compared to 31 December 2008. The increase is mainly due to higher sales recorded in the fourth quarter of FY2009 by the Group's Hong Kong and Korean subsidiaries. The increase in customer base as a result of the acquisition of the distribution rights for certain electronic components manufactured by supplier, Texas Instruments in China and Taiwan in May 2009 ("Acquisition of Distribution Rights") also contributed to the increase in trade receivables.
2. Inventories increased by about S\$29.5 million when compared to 31 December 2008. The increase is mainly due to higher inventories held by the Group's subsidiaries as at 31 December 2009 when compared to 31 December 2008 due to higher sales volume anticipated in first quarter of FY2010 from existing customers and increase in customer base arising from the "Acquisition of Distribution Rights" as detailed in (1) above.
3. Investment in associated companies increased by about S\$2.1 million when compared to 31 December 2008. The increase is mainly due to subscription of about 6.5 million of placement shares of Bull Will Co., Ltd ("Bull Will"), a company listed on the Over-The-Counter Securities Exchange in Taiwan at NT\$6.50 per share. The Group's interest in Bull Will was 34.5% at 31 December 2009 (31 December 2008: 33.3%).
4. Intangible assets increased by about S\$3.0 million when compared to 31 December 2008. The increase is due to the purchase consideration of about S\$5.0 million paid for the "Acquisition of Distribution Rights" as detailed in (1) above. The Group's impairment losses on goodwill arising from acquisition of subsidiaries and amortisation of Distribution Rights in FY2009 were S\$1.2 million and S\$0.8 million respectively.
5. Trade and other payables increased by about S\$25.5 million when compared to 31 December 2008. The increase is mainly attributable to the higher inventories purchased in the fourth quarter of FY2009 due to higher sales volume anticipated in first quarter of FY2010 as detailed in (2) above.
6. Borrowings increased by about S\$16.0 million when compared to 31 December 2008. The increase is mainly due to higher trade facilities utilized by the Group's Hong Kong and Korean subsidiaries to finance increased volume of businesses in the second half of FY2009. Included in borrowings is a S\$10.0 million three years term loan taken by the Company to refinance the Transferable Loan Facility of S\$9.9 million due on 30 January 2009. The outstanding amount of this term loan was S\$6.6 million as at 31 December 2009.
7. Movement in share capital and capital reserve of the Group and Company is disclosed in note 1(d)(i) "Statement of changes in equity".
8. The Group's currency translation loss decreased by about S\$1.0 million when compared to 31 December 2008. The decrease is mainly due to the appreciation of the Group's investments in Korean subsidiaries arising from the strengthening of the Korean Won against Singapore dollar.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 December 2009		As at 31 December 2008	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
S\$'000	S\$'000	S\$'000	S\$'000
3,297	36,156	663	27,705

Amount repayable after one year

As at 31 December 2009		As at 31 December 2008	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
S\$'000	S\$'000	S\$'000	S\$'000
5,521	1,419	2,004	-

Details of any collateral

- a) On 30 January 2009, the Company repaid in full on due date, the Transferable Loan Facility amounting to S\$9.9 million via refinancing of a S\$10.0 million three years term loan taken with a bank. The term loan amounting to S\$6.6 million as at 31 December 2009 is secured by the following:
- a first legal mortgage of the following properties of a wholly owned subsidiary ('Mortgaged Properties')
 - the leasehold land and building at 8 Ubi View, Serial System Building, Singapore; and
 - three freehold factory units at 76, Playfair Road, LHK2 Building, Singapore.
 - an assignment of all rights and benefits relating to the Mortgaged Properties;
 - an assignment of all rights, title interest and benefits in tenancy agreements, relating to the Mortgaged Properties;
 - an assignment of all rights and benefits under the insurance policies taken in relation to the Mortgaged Properties; and
 - joint and several guarantees of certain subsidiaries of the Group.
- b) Bank borrowings of S\$2.2 million (31 December 2008: S\$2.1 million) taken by a Taiwan subsidiary to part finance the acquisition of two investment properties in Taiwan are secured by the following:
- a first legal mortgage of the investment properties; and
 - a continuing corporate guarantee amounting to about S\$2.2 million by the Company.
- c) On 16 January 2009, bank borrowing amounting to S\$0.6 million (31 December 2008: S\$0.6 million), taken by a subsidiary to finance the purchase and construction of the leasehold land and building at 8 Ubi View, Serial System Building, Singapore, was fully repaid.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	31/12/2009	31/12/2008
	S\$'000	S\$'000
Cash flows from operating activities		
Net profit	7,845	6,635
Adjustments for:		
Income tax expense	1,286	1,386
Amortisation of development expenditure	-	(8)
Amortisation of computer software license and development costs	78	53
Amortisation of distribution rights	780	-
Depreciation of property, plant and equipment	711	859
Development expenditure written off	-	65
Property, plant and equipment written off	1	6
(Gain)/loss on disposal of property, plant and equipment	(2)	18
Fair value gain on investment properties (net)	(566)	(128)
Impairment losses on financial assets, available-for-sale	635	1
Impairment losses on goodwill arising from acquisition of subsidiaries	1,246	1,270
Gain on dilution of interests in an associated company	(33)	(164)
Loss on closure of subsidiaries (net)	361	-
Gain on disposal of partial interests in a subsidiary	-	(10)
Hedging (gain)/loss (unrealised)	(20)	343
(Gain)/loss on sale of financial assets, at fair value through profit or loss	(50)	266
Fair value (gain)/losses on financial assets, at fair value through profit or loss	(248)	128
Provision for severance benefits	521	428
Interest income	(66)	(156)
Interest expense	1,278	2,170
Share of results of associated companies	(178)	483
Operating cash flow before working capital changes	13,579	13,645
Change in operating assets and liabilities, net of effects from acquisition and closure of subsidiaries		
Trade and other receivables	(10,821)	8,817
Inventories	(29,459)	25,087
Other current assets	144	(1)
Other non-current assets	116	297
Trade and other payables	24,799	(29,608)
Cash (used in)/ from operations	(1,642)	18,237
Income tax paid	(2,089)	(534)
Net cash (used in)/provided by operating activities	(3,731)	17,703

	31/12/2009	31/12/2008
	S\$'000	S\$'000
Cash flows from investing activities		
Payments for intangible assets (computer software license costs)	(221)	-
Payments for intangible assets (distribution rights)	(5,017)	-
Payments for property, plant and equipment	(534)	(321)
Payment for acquisition of investment properties	(243)	(2,997)
Proceeds from disposal of property, plant and equipment	116	84
Proceeds from sale of financial assets, at fair value through profit or loss	255	203
Proceeds from disposal of partial interests in a subsidiary	-	119
Payments for acquisition of additional interests in a subsidiary from minority shareholders	(47)	(507)
Payment for acquisition of a subsidiary, net of cash acquired	(63)	-
Payment to a minority shareholder of a subsidiary	(243)	-
Payments for acquisition of additional interests in an associated company	(1,871)	-
Payments for financial assets, available-for-sale	(1,031)	-
Payments for financial assets, at fair value through profit or loss	(866)	(145)
Dividends paid to minority shareholders	(263)	-
Interest received	66	167
Net cash used in investing activities	(9,962)	(3,397)
Cash flows from financing activities		
Proceeds from issue of ordinary shares, net of share issue expense	6,323	-
Dividends paid	(2,450)	(3,198)
Proceeds from bank borrowings	103,038	75,098
Repayment of bank borrowings	(77,201)	(78,367)
Repayment of Transferable Loan Facility	(9,950)	(4,300)
Repayment of lease liabilities	(24)	(49)
Interest paid	(1,214)	(1,623)
Net cash provided by/(used in) financing activities	18,522	(12,439)
Effect of currency rate changes on consolidation	580	(1,915)
Net increase/(decrease) in cash and cash equivalents held	5,409	(48)
Cash and cash equivalents at the beginning of the financial year	15,340	15,388
Cash and cash equivalents at the end of the financial year	20,749	15,340

For the purpose of presenting the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following:

	31/12/2009	31/12/2008
	S\$'000	S\$'000
Cash and cash equivalents per consolidated balance sheet	20,749	15,440
Less: Bank overdrafts included in current bank borrowings	-	(100)
Cash and cash equivalents per consolidated cash flow statement	20,749	15,340

1(d)(i)A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity

	Share capital S\$'000	Capital reserve S\$'000	Share option reserve S\$'000	Currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Minority interests S\$'000	Total equity S\$'000
Balance at 1 January 2009	79,096	2,691	121	(7,042)	4,714	79,580	1,406	80,986
Total comprehensive income for the financial year	-	-	-	1,030	7,480	8,510	363	8,873
One-tier tax-exempt final cash dividend for year 2008	-	-	-	-	(1,509)	(1,509)	-	(1,509)
One-tier tax-exempt interim cash dividend for year 2009	-	-	-	-	(941)	(941)	-	(941)
Rights issue of new shares	6,638	-	-	-	-	6,638	-	6,638
Shares issue expenses	(315)	-	-	-	-	(315)	-	(315)
Exercise of Warrant W090206	1	-	-	-	-	1	-	1
Transfer on expiry of Warrant W090206	2,383	(2,383)	-	-	-	-	-	-
Dividends paid to minority shareholders	-	-	-	-	-	-	(263)	(263)
Closure of subsidiaries	-	-	-	-	-	-	(18)	(18)
Acquisition of additional interests in a subsidiary	-	-	-	2	-	2	(19)	(17)
Incorporation of a subsidiary	-	-	-	-	-	-	105	105
Acquisition of a subsidiary	-	-	-	-	-	-	(1)	(1)
Balance at 31 December 2009	87,803	308	121	(6,010)	9,744	91,966	1,573	93,539

Consolidated Statement of Changes in Equity [cont'd]

	Share capital S\$'000	Capital reserve S\$'000	Share option reserve S\$'000	Currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Minority interests S\$'000	Total equity S\$'000
Balance at 1 January 2008	79,096	2,691	121	(4,838)	1,884	78,954	1,083	80,037
Total comprehensive income/ (loss) for the financial year	-	-	-	(2,204)	6,028	3,824	511	4,335
Disposal of partial interests in a subsidiary	-	-	-	-	-	-	52	52
One-tier tax-exempt final cash dividend for year 2007	-	-	-	-	(1,207)	(1,207)	-	(1,207)
One-tier tax-exempt interim cash dividend for year 2008	-	-	-	-	(1,991)	(1,991)	-	(1,991)
Acquisition of additional interests in a subsidiary	-	-	-	-	-	-	(240)	(240)
Balance at 31 December 2008	79,096	2,691	121	(7,042)	4,714	79,580	1,406	80,986

Statement of Changes in Equity - Company

	Share capital S\$'000	Capital reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance at 1 January 2009	79,096	2,691	121	14,336	96,244
Total comprehensive income for the financial year	-	-	-	927	927
One-tier tax-exempt final cash dividend for year 2008	-	-	-	(1,509)	(1,509)
One-tier tax-exempt interim cash dividend for year 2009	-	-	-	(941)	(941)
Rights issue of new shares	6,638	-	-	-	6,638
Shares issue expenses	(315)	-	-	-	(315)
Exercise of Warrant W090206	1	-	-	-	1
Transfer on expiry of Warrant W090206	2,383	(2,383)	-	-	-
Balance at 31 December 2009	87,803	308	121	12,813	101,045
Balance at 1 January 2008	79,096	2,691	121	17,950	99,858
Total comprehensive loss for the financial year	-	-	-	(416)	(416)
One-tier tax-exempt final cash dividend for year 2007	-	-	-	(1,207)	(1,207)
One-tier tax-exempt interim cash dividend for year 2008	-	-	-	(1,991)	(1,991)
Balance at 31 December 2008	79,096	2,691	121	14,336	96,244

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Since the end of the previous financial year ended 31 December 2008, the following ordinary shares were issued by the Company:-

- | | |
|--|-----------------------------|
| 1. Exercise of Warrant W090206
(see note(a) below) | 10,580 ordinary shares |
| 2. Renounceable non-underwritten rights issue
(see note(b) below) | 120,685,480 ordinary shares |
- (a) The remaining unexercised 85,523,745 Warrant W090206 lapsed on the expiry date on 6 February 2009.
- (b) On 5 June 2009, pursuant to a renounceable non-underwritten rights issue approved by shareholders of the Company in an extraordinary general meeting on 22 April 2009, the Company issued 120,685,480 ordinary shares for cash at an issue price of S\$0.055 per rights share on the basis of one new ordinary share for every five existing ordinary shares held as at the books closure date on 8 May 2009.

As at 31 December 2009, there were 3,941,000 (31 December 2008: 8,261,400) outstanding share options under the Serial System Executives Share Option Scheme and 100,566,837 (31 December 2008: 100,566,837) Warrant W101220.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31/12/2009	31/12/2008
Total number of issued shares	724,112,883	603,416,823
Total number of treasury shares	-	-
Total number of issued shares excluding treasury shares	724,112,883	603,416,823

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures in the Full Year Financial Statement have not been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial year as in the most recently audited financial statements for the financial year ended 31 December 2008 except for the adoption of the new or revised Financial Reporting Standards ("FRS") applicable for the financial period beginning 1 January 2009.

Among the new or revised FRS is Revised, FRS 1 *Presentation of Financial Statements*, which requires an entity to present, in a statement of changes in equity, all owners changes in equity. All non-owner changes in equity (i.e. comprehensive income) are presented in a statement of comprehensive income.

As this relates to a change of presentation of financial statements, it does not have any impact on the results and financial position of the Group and Company.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to paragraph 4 above.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group	
	31/12/2009	31/12/2008
Based on the weighted average number of ordinary shares in issue; and	1.11 cents	1.00 cent
On a fully diluted basis*	1.11 cents	1.00 cent

**There were no potential dilutive shares for FY2009 and FY2008*

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

Net assets backing per ordinary share based on the existing issued share capital as at the end of the period reported on

The Group		The Company	
31/12/2009	31/12/2008	31/12/2009	31/12/2008
12.92 cents	13.42 cents	13.95 cents	15.95 cents

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Group's Turnover

The Group recorded a turnover of S\$556.5 million in FY2009, a commendable increase of about 9% when compared with the figure for FY2008. The turnover increase was attributed to stronger demand for electronic products in the second half of FY2009 in majority of the Asian markets where the Group operates. Turnover for second half of FY2009 was S\$327.5 million registering increase of 30% and 43% respectively when compared to S\$252.1 million for second half of FY2008 and S\$229.1 million for first half of FY2009.

Turnover in South and South East Asia posted a decline of 21% when compared to FY2008. Lower sales were experienced by Singapore, Thailand and Malaysia which relied heavily on export to United States of America and Europe where demand for electronic products were most affected by the financial and economic crisis. Turnover improved in the second half of 2009 by 27% to S\$34.4 million when compared to S\$27.0 million in the first half of FY2009 providing encouraging signs that these markets whilst weak, are stabilizing and recovering.

North Asia (comprising Greater China, South Korea and Taiwan) bucked the trend to post an overall 14% increase in turnover when compared to FY2008. The increase was mainly due to continued strong domestic demand of the China market and contribution by new customers and higher sales to certain existing customers of the Korean subsidiaries. The Taiwan subsidiary however posted a decline in sales of 29% to S\$20.0 million when compared to FY2008 due to loss of orders from a major customer whose business has been adversely affected by the financial and economic crisis. Sales from North Asia were significantly higher in the second half of FY2009, growing by 35% and 45% respectively when compared to the second half of FY2008 and first half of FY2009.

Turnover from North Asia accounted for 89% of the Group's total sales for FY2009 (FY2008: 85%) with Greater China covering 57%. The Group now operates 23 sales offices in key cities of China.

Group's Profit After Income Tax

For FY2009, the Group posted a net profit of about S\$7.5 million, an increase of 24% as compared to a net profit of about S\$6.0 million for FY2008.

The semiconductors / components distribution business registered a net profit of S\$7.1 million as compared to a net profit of S\$6.6 million in FY2008. The improved performance in FY2009 is mainly attributable to higher gross profit dollar from higher sales achieved. Average gross profit margin however declined to 8.7% from 9.1% in FY2008 reflecting the highly competitive nature of the electronic industry coupled with the negative effects of the financial and economic crisis. The declining gross profit margin was however negated by the Group's continued focus on cost efficiency with total expenses as a percentage of turnover declining from 8.5% in FY2008 to 8.0% in FY2009.

The Group's semiconductors / components distribution business performed well in the second half of FY2009 registering a net profit of S\$5.8 million, buoyed by strong sales achieved. This was an increase of 66% and 346% when compared to net profit of S\$3.5 million and S\$1.3 million for the second half of FY2008 and first half of FY2009 respectively.

The Group's share of profit in its associated companies was about S\$0.2 million as compared to a share of loss of S\$0.5 million in FY2008. The profit was contributed by the Group's 34.5% interests in Bull Will Co., Ltd, a company listed on the Over-The-Counter Securities Exchange in Taiwan due mainly to higher sales and gross profit achieved.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast, or prospect statement has been previously issued in respect of the current reporting period.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group has performed well in FY2009 amidst the financial and economic crisis. There are encouraging indicators that the worst of the recession is over and the global economy has turned around with major economies showing early signs of recovery.

While the Group is more confident of the business outlook in FY2010 than FY2009, it expects the markets it operates to remain challenging. Negative impacts of a continued fragile consumer demand in the United States of America and Europe, outcome of the Euro debt crisis and early withdrawal of stimulus packages and tightening of monetary policies by governments of major economies of the world will weigh on the performance of the Group's semiconductors / components distribution business.

The Group will continue to work closely with its suppliers and customers to expand into the North Asian market, especially in emerging economies like China and India. Efforts will be focused on efficient and effective management of costs, inventories, customers' credit risk and cash flows in response to a volatile operating environment.

11. Dividend

a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim	Final (Proposed)
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	0.13 cent per ordinary share	0.38 cent per ordinary share
Optional:- Dividend Rate (in %)		
Par value of shares	Not applicable	Not applicable
Tax Rate	One-Tier Tax-exempt	One-Tier Tax-exempt

b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	0.33 cent per ordinary share	0.25 cent per ordinary share
Optional:- Dividend Rate (in %)		
Par value of shares	Not applicable	Not applicable
Tax Rate	One-Tier Tax-exempt	One-Tier Tax-exempt

c) Date payable

Date of proposed final dividend payment will be announced at a later date.

d) Books closure date

Notice of books closure date will be announced at a later date.

12. If no dividend has been declared/recommended, a statement to that effect.

The proposed final dividend as stated in 11(a) above is subject to shareholders' approval at the forthcoming Annual General Meeting.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Primary reporting - business segments

	Semiconductors/ Components Distribution S\$'000	Other Businesses S\$'000	Eliminations S\$'000	Group S\$'000
Year ended 31 December 2009				
The Group				
Sales				
External	556,497	28	-	556,525
Segment results - operating profit/ (loss)	10,592	68	(528)	10,132
Unallocated gain				33
Finance income				66
Finance costs	(806)	(472)	-	(1,278)
Share of profit of an associated company (after income tax)	178	-	-	178
Profit before income tax				9,131
Income tax expense				(1,286)
Profit after income tax				7,845
Segment assets	173,652	104,090	(83,701)	194,041
Investments in associated companies	5,764	-	-	5,764
Deferred income tax assets				698
Consolidated total assets				200,503
Segment liabilities	123,005	2,213	(65,804)	59,414
Borrowings	32,974	13,419	-	46,393
Income tax liabilities				1,157
Consolidated total liabilities				106,964
Capital expenditure on property, plant and equipment	478	56	-	534
Capital expenditure on intangible assets (computer software license costs)	146	75	-	221
Capital expenditure on intangible assets (distribution rights)	5,017	-	-	5,017
Depreciation of property, plant and equipment	394	317	-	711
Amortisation of computer software license and development costs	24	54	-	78
Amortisation of distribution rights	780	-	-	780
Fair value gain on investment properties (net)	-	(566)	-	(566)
Impairment losses on goodwill arising from acquisition of subsidiaries	1,246	-	-	1,246
Write-back of inventory provision	(63)	-	-	(63)
Write-back of inventories	(827)	-	-	(827)
Net impairment losses on trade and other receivables	2,509	-	-	2,509

Primary reporting - business segments- continued

	Semiconductors/ Components Distribution S\$'000	Other Businesses S\$'000	Eliminations S\$'000	Group S\$'000
Year ended 31 December 2008				
The Group				
Sales				
External	510,560	-	-	510,560
Segment results - operating profit/(loss)	11,422	(907)	(161)	10,354
Unallocated gain				164
Finance income				156
Finance costs	(1,373)	(797)	-	(2,170)
Share of loss of associated companies (after income tax)	(483)	-	-	(483)
Profit before income tax				8,021
Income tax expense				(1,386)
Profit after income tax				6,635
Segment assets	125,208	104,344	(86,599)	142,953
Investments in associated companies	3,712	-	-	3,712
Deferred income tax assets				555
Consolidated total assets				147,220
Segment liabilities	101,115	1,845	(68,881)	34,079
Borrowings	12,457	17,915	-	30,372
Income tax liabilities				1,783
Consolidated total liabilities				66,234
Capital expenditure on property, plant and equipment	299	22	-	321
Depreciation of property, plant and equipment	422	437	-	859
Net amortisation of computer software license and development costs	-	53	-	53
Write-back of development expenditure	(8)	-	-	(8)
Fair value gain on investment properties (net)	-	(128)	-	(128)
Impairment losses on goodwill arising from acquisition of subsidiaries	1,270	-	-	1,270
Write-back of inventory provision	(1,260)	-	-	(1,260)
Net impairment losses on trade and other receivables	385	-	-	385

Secondary reporting - geographical segments

	Sales		The Group Total Assets		Capital Expenditure	
	2009	2008	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	18,130	19,588	55,530	45,585	278	46
Greater China	333,208	294,763	91,661	62,501	3,703	103
South Korea	154,596	123,630	38,201	29,761	180	139
Taiwan	16,606	25,802	20,059	17,098	1,597	7
Taiwan - Associated company	-	-	5,764	3,712	-	-
Thailand	18,542	21,657	32	15	3	-
Malaysia	11,217	18,819	38	25	1	15
Others	15,067	15,573	294	50	10	11
	567,366	519,832	211,579	158,747	5,772	321
Eliminations	(10,841)	(9,272)	(11,076)	(11,527)	-	-
	556,525	510,560	200,503	147,220	5,772	321

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

15. A breakdown of sales.

	Group		
	S\$'000		%
	31/12/2009	31/12/2008	Change
Sales reported for first half year	229,068	258,504	-11
Operating profit reported for first half year	1,185	3,138	-62
Sales reported for second half year	327,457	252,056	30
Operating profit reported for second half year	6,295	2,890	118

16. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	3,693	3,500
Preference	-	-
Total:	3,693	3,500

BY ORDER OF THE BOARD

Derek Goh Bak Heng
Executive Chairman/ Group CEO
19/02/2010