



Full Year Financial Statement And Dividend Announcement for the Period Ended 31 December 2010

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		
		31/12/2010 S\$'000	31/12/2009 S\$'000	
Sales		746,231	556,525	34%
Cost of sales		(676,831)	(507,927)	33%
Gross profit		69,400	48,598	43%
Other operating income	1	7,773	4,979	56%
Expenses:				
Distribution	2	(28,568)	(22,917)	25%
Administrative	3	(6,961)	(5,851)	19%
Finance	4	(2,207)	(1,278)	73%
Other	5	(17,374)	(14,578)	19%
Total expenses		(55,110)	(44,624)	23%
		22,063	8,953	146%
Share of results of associated companies (after income tax)		375	178	111%
Profit before income tax	6	22,438	9,131	146%
Income tax expense	7	(4,949)	(1,286)	285%
Profit after income tax		17,489	7,845	123%
Attributable to:				
Equity holders of the Company		16,171	7,480	116%
Non-controlling interests		1,318	365	261%
		17,489	7,845	123%

Notes to Income Statement

1. Other operating income

Other operating income increased by about S\$2.8 million or 56%.

The increase is mainly contributed by:

- (i) Advertising income earned by the Group's 65% owned Singapore subsidiary, Serial Multivision Pte Ltd amounting to about S\$0.7 million (FY2009: Nil);
- (ii) Higher fair value gain on the Group's investment properties in Singapore and Taiwan amounting to about S\$2.3 million (FY2009: S\$0.6 million);
- (iii) Higher office rental income earned in FY2010 amounting to about S\$0.7 million (FY2009: S\$0.5 million);
- (iv) Gain on write-back of trade payables amounting to about S\$1.0 million (FY2009: Nil);
- (v) Gain on dilution of interests in an associated company amounting to about S\$0.3 million (FY2009: S\$0.03 million)

The Group recorded lower write-back of allowances for inventories amounting to about S\$0.2 million (FY2009: S\$0.9 million) and fair value losses on quoted equity investments (recorded as financial assets, at fair value through profit or loss) of about S\$0.3 million as compared to fair value gain of about S\$0.2 million in FY2009, which negated the impact of the increase in "other operating income".

Included in "other operating income" is sales commission and service income amounting to about S\$1.8 million (FY2009: S\$1.7 million), mainly earned by the Group's Korean subsidiaries.

2. Distribution expenses

Distribution expenses increased by about S\$5.7 million or 25%.

The higher distribution expenses are mainly due to increase in staff salaries, bonuses and incentives, and related costs of about S\$4.0 million.

The increase in sales related costs (freight and handling charges and custom declaration costs) of about S\$1.1 million also contributed to the increase in distribution expenses.

3. Administrative expenses

Administrative expenses increased by about S\$1.1 million or 19%.

The increase is mainly due to higher bank charges as a result of higher utilisation of trade facilities in line with higher sales for the Group in FY2010.

Staff related costs (insurance costs and staff welfare) also contributed to the increase in administrative expenses due to increase in staff strength and higher staff insurance and related costs.

4. Finance costs

Finance expenses increased by about S\$0.9 million or 73% mainly due to higher utilisation of trade facilities in line with higher sales for the Group in FY2010.

5. Other operating expenses

Other operating expenses increased by about S\$2.8 million or 19%.

Other operating expenses comprised mainly:

- (i) Staff salaries, bonuses and incentives, and related costs of about S\$6.7 million (FY2009: S\$4.8 million);
- (ii) Impairment losses provided on goodwill arising from acquisition of subsidiaries of about S\$2.0 million (FY2009: S\$1.2 million);
- (iii) Amortisation charges for distribution rights of about S\$1.3 million (FY2009: S\$0.8 million); and
- (iv) Currency translation reserve of S\$1.2 million (FY2009: S\$0.2 million) realised to income statement upon repayment of long term loans by subsidiaries;
- (v) Fair value losses on quoted equity investments (recorded as financial assets, at fair value through profit or loss) of about S\$0.3 million (FY2009: Fair value gain of S\$0.2 million).

The Group recorded lower allowances for impairment losses on trade receivables of about S\$2.0 million (FY2009: S\$2.4 million), lower currency translation loss (net) of about S\$0.8 million (FY2009: S\$1.7 million) and lower impairment losses on financial assets, available-for-sale of about S\$0.2 million (FY2009: S\$0.6 million), which negated the impact of the increase in “other operating expenses”.

Notes :

6. Profit before income tax

	The Group		%
	31/12/2010	31/12/2009	
	S\$'000	S\$'000	
Profit from operations is arrived at after charging/(crediting) :-			
a. Depreciation and amortisation	2,400	1,569	53
b. Impairment losses on goodwill arising from acquisition of subsidiaries	2,025	1,246	63
c. Loss/ (gain) on disposal of property, plant and equipment	29	(2)	-1,550
d. Property, plant and equipment written off	10	1	900
e. Impairment losses on trade receivables	1,964	2,440	-20
f. Reversal of impairment on trade receivables	-	(515)	NM
g. Impairment losses on non-trade receivables	-	69	NM
h. Reversal of impairment on non-trade receivables	(15)	(122)	-88
i. Write-back of trade payables	(1,008)	-	NM
j. Write-back of allowances for inventories	(223)	(889)	-75
k. Write-off of inventories	64	44	45
l. Gain on dilution of interests in an associated company	(289)	(33)	776
m. Loss on closure of subsidiaries (net)	-	361	NM
n. Impairment losses on financial assets, available-for-sale	213	635	-66
o. Currency translation loss (net)	772	1,733	-55
p. Currency translation reserve realised to income statement	1,165	178	554
q. Loss on derivative financial instruments	130	94	38
r. Fair value loss/ (gain) on derivative financial instruments	593	(20)	-3,065
s. Fair value gain on investment properties (net)	(2,304)	(566)	307
t. Gain on sale of financial assets, at fair value through profit or loss	(35)	(50)	-30
u. Fair value losses/ (gain) on financial assets, at fair value through profit or loss	276	(248)	-211
v. Interest income	(77)	(66)	17
	31/12/2010	31/12/2009	
	S\$'000	S\$'000	%
7. Income tax expense			
Under/ (over) provision in preceding financial years			
- Current income tax	12	(6)	-300
- Deferred income tax	-	(29)	NM

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

	The Group		
	31/12/2010	31/12/2009	
	S\$'000	S\$'000	
Profit after income tax for the financial year	17,489	7,845	123%
Other comprehensive (loss)/ income for the financial year:			
Currency translation differences	(3,988)	1,028	-488%
Total comprehensive income for the financial year	13,501	8,873	52%
Total comprehensive income attributable to:			
Equity holders of the Company	12,415	8,510	46%
Non-controlling interests	1,086	363	199%
Total comprehensive income for the financial year	13,501	8,873	52%

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	
	31/12/2010 S\$'000	31/12/2009 S\$'000	31/12/2010 S\$'000	31/12/2009 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	31,328	20,749	6,681	349
Trade and other receivables ¹	98,482	68,253	10,066	8,058
Inventories ²	91,675	70,144	-	-
Financial assets, at fair value through profit or loss	1,043	995	-	-
Other current assets	1,212	857	89	108
	223,740	160,998	16,836	8,515
Non-current assets				
Loans and receivables ³	-	-	40,450	70,387
Financial assets, available-for-sale	879	592	-	-
Investments in associated companies ⁴	7,506	5,764	6,516	5,427
Investments in subsidiaries ⁵	-	-	45,624	28,705
Property, plant and equipment ⁶	15,037	6,013	617	249
Investment properties ⁷	19,536	12,611	2,300	2,000
Intangible assets	10,047	12,758	135	86
Other assets	1,070	1,068	-	-
Deferred income tax assets	494	698	-	-
	54,569	39,504	95,642	106,854
Total Assets	278,309	200,502	112,478	115,369
LIABILITIES				
Current liabilities				
Trade and other payables ⁸	83,122	59,152	4,761	2,684
Current income tax liabilities ⁹	3,766	839	378	378
Borrowings ¹⁰	68,477	44,272	3,460	11,200
	155,365	104,263	8,599	14,262
Non-current liabilities				
Borrowings ¹⁰	11,199	2,121	185	-
Provision for severance benefits	138	262	-	-
Deferred income tax liabilities	696	318	113	62
	12,033	2,701	298	62
Total Liabilities	167,398	106,964	8,897	14,324
Net Assets	110,911	93,538	103,581	101,045

EQUITY

Capital and reserves attributable to the Company's equity holders

Share capital ¹¹	96,533	87,803	96,533	87,803
Capital reserve	308	308	308	308
Share option reserve	121	121	121	121
Currency translation reserve ¹²	(9,767)	(6,011)	-	-
Retained earnings	21,050	9,744	6,619	12,813
	108,245	91,965	103,581	101,045
Non-controlling interests	2,666	1,573	-	-
Total Equity	110,911	93,538	103,581	101,045

Notes to the Balance Sheet

1. Trade and other receivables increased by about S\$30.2 million when compared to 31 December 2009. The increase is due to higher sales recorded by the Group. The Group's Hong Kong, China and Korean subsidiaries contributed mainly to the increase, in line with their increase in sales due to strong business growth with existing suppliers and customers and contribution from new customers.
2. Inventories increased by about S\$21.5 million when compared to 31 December 2009. The increase is mainly due to higher amounts of inventories held by the Group's Hong Kong and Korean subsidiaries as at 31 December 2010 when compared to 31 December 2009 due mainly to higher monthly sales volume in FY2010 as compared to FY2009 and higher sales volume forecasted for first quarter of FY2011.
3. Loans and receivables decreased by about S\$29.9 million when compared to 31 December 2009. The decrease is mainly due to repayment of loans of about S\$13.4 million by certain subsidiaries to the Company and the capitalisation of S\$16.5 million of loans owing by the Company's three wholly-owned Singapore subsidiaries during the financial year.
4. Investments in associated companies increased by about S\$1.7 million when compared to 31 December 2009. The increase is mainly due to subscription of 2.7 million placement shares of Bull Will Co., Ltd ("Bull Will") at NT\$9.23 (S\$0.40) per share in June 2010 and dilution gain of S\$0.3 million arising from new share issue and the exercise of share options by employees of Bull Will. The Group's interest in Bull Will was 34.8% at 31 December 2010 (31 December 2009: 34.5%).
5. Investments in subsidiaries increased by about S\$16.9 million when compared to 31 December 2009. The increase is mainly due to capitalisation of S\$16.5 million of loans owing by the Company's three wholly-owned Singapore subsidiaries during the financial year.
6. Property, plant and equipment increased by about S\$9.0 million when compared to 31 December 2009. The increase is mainly due to acquisition of two Taiwan office units by the Group's wholly-owned Taiwan subsidiary, Serial Investment (Taiwan) Inc., amounting to S\$9.2 million, of which S\$4.6 million was classified as "property, plant and equipment" and the acquisition of a LED advertising display media wall at Grand Park Orchard, Singapore amounting to S\$4.1 million by the Group's 65% owned Singapore subsidiary, Serial Multivision Pte Ltd.
7. Investment properties increased by about S\$6.9 million when compared to 31 December 2009. The increase is mainly due to the acquisition of the two Taiwan office units by the Group's wholly-owned Taiwan subsidiary, Serial Investment (Taiwan) Inc., amounting to S\$4.6 million as detailed in (6) above. Fair value gain on Singapore and Taiwan investment properties amounted to about S\$1.7 million (FY2009: S\$0.2 million) and S\$0.6 million (FY2009: S\$0.4 million) respectively in FY2010.
8. Trade and other payables increased by about S\$24.0 million when compared to 31 December 2009. The increase is mainly due to higher purchases and higher inventories held mainly by the Group's Hong Kong and Korean subsidiaries as detailed in (2) above.

9. Current income tax liabilities increased by about S\$2.9 million when compared to 31 December 2009. The increase is mainly due to higher taxable profits registered by majority of the Group's subsidiaries in FY2010.
10. Borrowings increased by about S\$33.3 million when compared to 31 December 2009. The increase is mainly due to higher bank borrowings by the Group's Hong Kong, Singapore and Korean subsidiaries to finance increased volume of businesses in FY2010. In addition, bank borrowing of about S\$7.2 million (31 December 2009: Nil) was taken up by the Group's wholly-owned Taiwan subsidiary, Serial Investment (Taiwan) Inc., to part finance the acquisition of two Taiwan office units, and bank borrowing of S\$3.1 million (31 December 2009: Nil) was taken by a 65% owned Singapore subsidiary, Serial Multivision Pte Ltd, to part finance the acquisition of a LED advertising display media wall at Grand Park Orchard, Singapore.
11. Movement in share capital of the Group and the Company is disclosed in note 1(d)(i) "Statement of changes in equity".
12. Currency translation loss increased by about S\$3.8 million when compared to 31 December 2009. The increase is mainly due to the depreciation of the Group's investments in Hong Kong and Korean subsidiaries arising from the strengthening of Singapore dollar against Hong Kong dollar and the Korean Won respectively.

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 2010		As at 31 December 2009	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
S\$'000	S\$'000	S\$'000	S\$'000
4,894	63,583	6,697	37,575

Amount repayable after one year

As at 31 December 2010		As at 31 December 2009	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
S\$'000	S\$'000	S\$'000	S\$'000
11,199	-	2,121	-

Details of any collateral

- a) A S\$10.0 million three years term loan taken with a bank by the Company amounting to S\$3.4 million (31 December 2009: S\$6.6 million) is secured by the following:
 - (i) a first legal mortgage of the following properties of a wholly-owned subsidiary, Serial Investment Pte Ltd ('Mortgaged Properties')
 - (a) the leasehold land and building at 8 Ubi View, Serial System Building, Singapore; and
 - (b) three freehold factory units at 76, Playfair Road, LHK2 Building, Singapore.
 - (ii) an assignment of all rights and benefits relating to the Mortgaged Properties;
 - (iii) an assignment of all rights, title interest and benefits in tenancy agreements, relating to the Mortgaged Properties;
 - (iv) an assignment of all rights and benefits under the insurance policies taken in relation to the Mortgaged Properties; and
 - (v) joint and several guarantees of certain subsidiaries of the Group.

- b) Bank borrowing of S\$9.3 million (31 December 2009: S\$2.2 million) taken by a wholly-owned Taiwan subsidiary, Serial Investment (Taiwan) Inc., to part finance the acquisition of three investment properties (31 December 2009: two investment properties) in Taiwan are secured by the following:
 - (i) a first legal mortgage of the three investment properties; and
 - (ii) a continuing corporate guarantee provided on two investment properties, amounting to about S\$2.3 million by the Company.

- c) Bank borrowing of S\$3.1 million (31 December 2009: Nil) taken by a 65% owned Singapore subsidiary, Serial Multivision Pte Ltd ("SMV"), to finance the acquisition of a LED advertising display media wall at Grand Park Orchard, Singapore is secured by the following:
 - (i) a debenture over all present and future assets of SMV, including a fixed charge on the LED advertising display media wall;
 - (ii) a deed of subordination in respect of all present and future indebtedness of SMV; and
 - (iii) a continuing corporate guarantee amounting to S\$4.48 million by the Company.

- d) Finance lease liabilities of S\$0.2 million (31 December 2009: Nil) were secured on the Company's motor vehicle acquired under finance lease agreements.

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

	31/12/2010	31/12/2009
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	22,438	9,131
Adjustments for:		
Amortisation of computer software license costs	95	78
Amortisation of distribution rights	1,297	780
Depreciation of property, plant and equipment	1,008	711
Property, plant and equipment written off	10	1
Loss/(gain) on disposal of property, plant and equipment	29	(2)
Fair value gain on investment properties (net)	(2,304)	(566)
Impairment losses on financial assets, available-for-sale	213	635
Impairment losses on goodwill arising from acquisition of subsidiaries	2,025	1,246
Gain on dilution of interests in an associated company	(289)	(33)
Loss on closure of subsidiaries (net)	-	361
Fair value loss/(gain) on derivative financial instruments	593	(20)
Gain on sale of financial assets, at fair value through profit or loss	(35)	(50)
Fair value losses/(gain) on financial assets, at fair value through profit or loss	276	(248)
Provision for severance benefits	517	521
Interest income	(77)	(66)
Interest expense	2,207	1,278
Share of results of associated companies	(375)	(178)
Operating cash flow before working capital changes	27,628	13,579
Trade and other receivables	(36,607)	(10,818)
Inventories	(22,959)	(28,941)
Other current assets	(524)	144
Other non-current assets	(181)	116
Trade and other payables	25,450	24,799
Cash used in operations	(7,193)	(1,121)
Income tax paid	(1,149)	(2,089)
Net cash used in operating activities	(8,342)	(3,210)

Cash flows from investing activities		
Payments for intangible assets (computer software license)	(158)	(221)
Payments for intangible assets (distribution rights)	(518)	(5,017)
Payments for property, plant and equipment	(9,119)	(534)
Payment for acquisition of an investment property	(4,621)	(243)
Proceeds from disposal of property, plant and equipment	128	116
Proceeds from sale of financial assets, at fair value through profit or loss	367	255
Payments for acquisition of additional interests in a subsidiary from non-controlling interest holders	(65)	(47)
Payment for acquisition of a subsidiary, net of cash acquired	-	(63)
Payment to a non-controlling interest holder of a subsidiary	-	(243)
Payments for acquisition of additional interests in an associated company	(1,089)	(1,871)
Payments for financial assets, available-for-sale	(500)	(1,031)
Payments for financial assets, at fair value through profit or loss	(656)	(866)
Additional investment in a subsidiary by a non-controlling interest holder	70	-
Dividends paid to non-controlling interest holders	(2)	(263)
Interest received	54	66
Net cash used in investing activities	(16,109)	(9,962)
Cash flows from financing activities		
Proceeds from issue of ordinary shares, net of share issue expenses	8,730	6,324
Dividends paid	(4,865)	(2,450)
Proceeds from bank borrowings	270,150	103,038
Repayment of bank borrowings	(235,214)	(77,201)
Repayment of Transferable Loan Facility	-	(9,950)
Repayment of lease liabilities	(61)	(26)
Interest paid	(2,144)	(1,214)
Net cash provided by financing activities	36,596	18,521
Net increase in cash and cash equivalents held	12,145	5,349
Effect of currency translation on cash and cash equivalents	(1,566)	60
Cash and cash equivalents at the beginning of the financial year	20,749	15,340
Cash and cash equivalents at the end of the financial year	31,328	20,749

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	Non-controlling interests S\$'000	Total equity S\$'000
Balance at 1 January 2010	87,803	308	121	(6,011)	9,744	91,965	1,573	93,538
Total comprehensive income for the financial year	-	-	-	(3,756)	16,171	12,415	1,086	13,501
One-tier tax-exempt final cash dividend for year 2009	-	-	-	-	(2,764)	(2,764)	-	(2,764)
One-tier tax-exempt interim cash dividend for year 2010	-	-	-	-	(2,101)	(2,101)	-	(2,101)
Exercise of Warrant W101220	8,730	-	-	-	-	8,730	-	8,730
Acquisition of additional interests in a subsidiary	-	-	-	-	-	-	(61)	(61)
Additional investment in a subsidiary by a non-controlling interest holder	-	-	-	-	-	-	70	70
Dividends paid to non-controlling interest holders	-	-	-	-	-	-	(2)	(2)
Balance at 31 December 2010	96,533	308	121	(9,767)	21,050	108,245	2,666	110,911

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	Non-controlling interests S\$'000	Total equity S\$'000
Balance at 1 January 2009	79,096	2,691	121	(7,043)	4,714	79,579	1,406	80,985
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
Share 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 non-controlling interest holders	-	-	-	-	-	-	(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	(6,011)	9,744	91,965	1,573	93,538

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 2010	87,803	308	121	12,813	101,045
Total comprehensive income for the financial year	-	-	-	(1,329)	(1,329)
One-tier tax-exempt final cash dividend for year 2009	-	-	-	(2,764)	(2,764)
One-tier tax-exempt interim cash dividend for year 2010	-	-	-	(2,101)	(2,101)
Exercise of Warrant W101220	8,730	-	-	-	8,730
Balance at 31 December 2010	96,533	308	121	6,619	103,581
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

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 2009, 97,003,031 ordinary shares were issued pursuant to the exercise of 97,003,031 Warrant W101220 at an exercise price of S\$0.09 per ordinary share. On 20 December 2010, 3,563,806 Warrant W101220 expired and ceased to be valid for any purpose.

As at 31 December 2010, there were 2,646,000 (31 December 2009: 3,941,000) outstanding share options under the Serial System Executives Share Option Scheme.

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.

	<u>31/12/2010</u>	<u>31/12/2009</u>
Total number of issued shares	821,115,914	724,112,883
Total number of treasury shares	-	-
Total number of issued shares excluding treasury shares	<u>821,115,914</u>	<u>724,112,883</u>

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 2009 except for the adoption of the new or revised Financial Reporting Standards ("FRS") applicable for the financial period beginning 1 January 2010.

During the current financial year, the Group has adopted the following new and revised FRSs which took effect from financial year beginning 1 January 2010.

-FRS 103 Business Combinations (2009)

- FRS 27 Consolidated and Separate Financial Statements (2009)

These changes have been adopted prospectively and do not result in any material impact on the financial position or financial performance of the Group for the financial year ended 31 December 2010.

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	
	31/12/2010	31/12/2009
Based on the weighted average number of ordinary shares in issue; and	2.18 cents	1.11 cents
On a fully diluted basis	2.18 cents	1.11 cents

Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of shares in issue during the financial year of 743,035,447 (FY2009: 672,861,738).

Earnings per ordinary share on a fully diluted basis is computed based on the weighted average number of shares during the financial year of 743,080,917 after adjusting assumed conversion of all potential dilutive ordinary shares. There were no potential dilutive shares for FY2009.

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.

	The Group		The Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Net assets backing per ordinary share based on the existing issued share capital as at the end of the period reported on	13.51 cents	12.92 cents	12.61 cents	13.95 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\$746.2 million in FY2010, an increase of about 34% when compared with the figure for FY2009. The turnover increase was attributed to stronger demand for electronic products in all the Asian markets where the Group operates, supported by a recovering semiconductor industry and an improved global economic and financial environment.

Turnover in South and South East Asia posted an increase of 59% when compared to FY2009. All countries in South and South East Asia enjoyed growth as export of electronic products by the Group customers recovered strongly. Amongst them, Thailand and Singapore which relied heavily on export to the United States of America and Europe recorded the highest increase in turnover when compared to FY2009 as these markets improved in FY2010. India, which the Group commenced operations in December 2006, registered turnover of S\$11.8 million in FY2010, an increase of 49% when compared to FY2009. The Group which regards India as one of its key market for future growth now operates 8 sales offices there.

North Asia (comprising Greater China, South Korea and Taiwan) continued its good performance in FY2010, growing by 31% when compared to FY2009. The increase was mainly due to continued strong domestic demand of the China market and contribution by new customers/ product lines and higher sales to existing customers of the South Korea and Taiwan subsidiaries. In percentage term, Greater China, South Korea and Taiwan grew by 39%, 10% and 71% respectively when compared to FY2009.

Turnover from North Asia accounted for 87% of the Group's total sales for FY2010 (FY2009: 89%) with Greater China covering 59% (2009: 57%). The Group now operates 24 sales offices in key cities of China.

Group's Profit After Income Tax

For FY2010, the Group posted a net profit after tax ("NPAT") of about S\$16.2 million, an increase of 116% as compared to a NPAT of about S\$7.5 million for FY2009.

The semiconductors/components distribution business registered a net profit of S\$13.9 million as compared to a net profit of S\$7.1 million in FY2009. The strong result is mainly attributable to higher gross profit earned from higher sales and higher gross profit margin when compared to FY2009. Gross profit margin improved from 8.7% in FY2009 to 9.3% in FY2010 due to more efforts channeled to the sales of higher margin products as the electronic industry remains highly competitive. Total expenses as a percentage of turnover declined from 8.0% in FY2009 to 7.4% in FY2010 as the Group continued to focus on cost efficiency and reap the benefit of economies of scale.

The Group's other businesses recorded a profit of S\$1.6 million as compared to a profit of S\$0.3 million in FY2009. The higher profit is mainly due to fair value gain on investment properties of about S\$2.3 million as compared to S\$0.6 million in FY2009. The Group's 65% owned subsidiary, Serial Multivision Pte Ltd ("SMV") which commenced commercial operation of its LED advertising media wall in September 2010 in Grand Park Orchard, Singapore, earned advertising income of S\$0.7 million for the period from September 2010 to December 2010. SMV incurred a small loss of S\$0.1 million due to interest costs and depreciation expenses.

The Group's share of profit in its associated companies was about S\$0.4 million as compared to S\$0.2 million in FY2009. The profit was contributed by the Group's 34.8% interests in Bull Will Co., Ltd ("Bull Will") due mainly to higher sales and gross profit earned as Bull Will sold more product ranges to its existing customers. The Group made a dilution gain of S\$0.3 million in FY2010 arising from new shares issue and the exercise of share options by employees of Bull Will during FY2010.

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 performed well in FY2010 achieving both record revenue and profitability on the back of a recovery in the semiconductor industry and improvement in the financial and economic environment. Most Asian countries which the Group has presence, posted strong growth in revenue and profitability in FY2010.

While the Group is cautiously optimistic of a good performance in FY2011, it expects the business environment to remain uncertain and challenging. High unemployment and inflation rates, currency volatilities, real estate bubbles, social unrests, Eurozone debt crisis are some of the key concerns affecting the global economies. Any negative impacts arising from these issues will affect the performance of the Group's businesses.

The Group will continue its expansion strategies by working closely with customers and suppliers as a value-added partner to expand new/existing product lines, product ranges and customer bases in the Asian market. The Group will also make acquisitions as and when opportunities arise to capitalize on its competitive strengths and extensive distribution networks. While the Group expands, it will remain vigilant on cost, inventory, credit and cash management, in response to a volatile 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)	0.28 cent per ordinary share	0.67 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)	0.13 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

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	Group S\$'000
2010			
The Group			
Sales			
External	746,215	16	746,231
Segment results - operating profit	21,512	2,392	23,904
Unallocated gain			289
Finance income			77
Finance costs	(1,770)	(437)	(2,207)
Share of profit of an associated company (after income tax)	375	-	375
Profit before income tax			22,438
Income tax expense			(4,949)
Profit after income tax			17,489
Segment assets	234,063	36,246	270,309
Investments in associated companies	7,506	-	7,506
Deferred income tax assets			494
Consolidated total assets			278,309
Segment liabilities	81,564	1,696	83,260
Borrowings	63,828	15,848	79,676
Income tax liabilities			4,462
Consolidated total liabilities			167,398
Capital expenditure on property, plant and equipment	1,525	8,712	10,237
Capital expenditure on investment properties	-	4,621	4,621
Capital expenditure on intangible assets (computer software license costs)	158	-	158
Capital expenditure on intangible assets (distribution rights)	518	-	518
Additional investment in an associated company	1,089	-	1,089
Additions to goodwill arising for acquisition of additional interests in a subsidiary	4	-	4
Depreciation of property, plant and equipment	567	441	1,008
Amortisation of computer software license costs	95	-	95
Amortisation of distribution rights	1,297	-	1,297
Fair value gain on investment properties	-	2,304	2,304
Impairment losses on goodwill arising from acquisition of subsidiaries	1,957	68	2,025
Impairment loss on financial asset, available-for-sale	-	213	213
Impairment losses on trade receivables	1,964	-	1,964

Primary reporting - business segments [cont'd]

	Semiconductors/ Components Distribution S\$'000	Other Businesses S\$'000	Group S\$'000
2009			
The Group			
Sales			
External	556,497	28	556,525
Segment results - operating profit	10,101	31	10,132
Unallocated gain			33
Finance income			66
Finance costs	(805)	(473)	(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	173,564	20,476	194,040
Investments in associated companies	5,764	-	5,764
Deferred income tax assets			698
Consolidated total assets			200,502
Segment liabilities	57,211	2,203	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 investment properties	-	567	567
Capital expenditure on intangible assets (computer software license costs)	146	75	221
Capital expenditure on intangible assets (distribution rights)	5,017	-	5,017
Additional investment in an associated company	1,871	-	1,871
Additions to goodwill arising for acquisition of interest in subsidiaries	30	68	98
Depreciation of property, plant and equipment	394	317	711
Amortisation of computer software license 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
Impairment losses on financial assets, available-for-sale	635	-	635
Impairment losses on trade and other receivables	2,509	-	2,509

	Turnover		*Non-current assets	
	2010	2009	2010	2009
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	21,453	11,301	20,288	14,421
Greater China	458,389	330,975	4,779	6,061
South Korea	168,391	153,127	6,031	6,790
Taiwan	25,550	16,297	14,554	5,151
Taiwan - Associated company	-	-	7,506	5,764
Thailand	33,154	18,542	6	4
Malaysia	14,660	11,217	4	7
Others (include India, Philippines and Vietnam)	24,634	15,066	28	16
	746,231	556,525	53,196	38,214

*Non-current assets exclude financial assets, available-for-sale and deferred income tax assets

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		% Change
	S\$'000		
	31/12/2010	31/12/2009	
Sales reported for first half year	370,992	229,068	62
Operating profit reported for first half year	6,488	1,185	448
Sales reported for second half year	375,239	327,457	15
Operating profit reported for second half year	9,683	6,295	54

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	7,603	3,705
Preference	-	-
Total:	7,603	3,705

BY ORDER OF THE BOARD

Derek Goh Bak Heng
Executive Chairman/ Group CEO
18/02/2011