



**SMB UNITED LIMITED**  
Co. Reg. No. 199506364D

**Fourth Quarter and Full Year Financial Statement for the Year Ended December 31, 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.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
Year ended December 31, 2010

	Group					
	Fourth Quarter			Full Year		
	Dec 31, 2010 \$'000	Dec 31, 2009 \$'000	Change %	Dec 31, 2010 \$'000	Dec 31, 2009 \$'000	Change %
<b>Revenue</b>	61,591	67,691	(9.0)	229,525	226,508	1.3
<b>Cost of sales</b>	<u>(44,509)</u>	<u>(48,438)</u>	(8.1)	<u>(161,898)</u>	<u>(162,132)</u>	(0.1)
<b>Gross profit</b>	17,082	19,253	(11.3)	67,627	64,376	5.1
Other operating income	322	2,066	(84.4)	2,200	3,676	(40.2)
Selling expenses	(1,045)	(886)	17.9	(3,584)	(3,151)	13.7
General and administrative expenses	(10,017)	(13,139)	(23.8)	(37,765)	(36,202)	4.3
Other operating expenses	(946)	(1,093)	(13.4)	(3,921)	(3,808)	3.0
Other gains and (losses)	111	368	(69.8)	(899)	5,336	NM
Share of losses of associates	(237)	(132)	79.5	(437)	(361)	21.1
Share of losses of joint venture	(99)	(28)	253.6	(215)	(156)	37.8
Finance cost	<u>(141)</u>	<u>(109)</u>	29.4	<u>(517)</u>	<u>(454)</u>	13.9
<b>Profit before income tax</b>	5,030	6,300	(20.2)	22,489	29,256	(23.1)
Income tax expense	<u>(986)</u>	<u>(1,083)</u>	(9.0)	<u>(4,800)</u>	<u>(5,278)</u>	(9.1)
<b>Profit for the period</b>	<u><b>4,044</b></u>	<u><b>5,217</b></u>	(22.5)	<u><b>17,689</b></u>	<u><b>23,978</b></u>	(26.2)
<b>Other comprehensive income:</b>						
Exchange differences arising on translating foreign operations	(28)	25	NM	364	1,468	(75.2)
Available-for-sale financial assets:	<u>16</u>	<u>100</u>	(84.0)	<u>(27)</u>	<u>2,269</u>	NM
<b>Other comprehensive income for the period, net of tax</b>	<u>(12)</u>	<u>125</u>	NM	<u>337</u>	<u>3,737</u>	(91.0)
<b>Total comprehensive income for the period</b>	<u><b>4,032</b></u>	<u><b>5,342</b></u>	(24.5)	<u><b>18,026</b></u>	<u><b>27,715</b></u>	(35.0)
<b>Profit attributable to:</b>						
Owners of the company	2,715	5,151	(47.3)	13,318	21,221	(37.2)
Minority interests	<u>1,329</u>	<u>66</u>	1,913.6	<u>4,371</u>	<u>2,757</u>	58.5
	<u><b>4,044</b></u>	<u><b>5,217</b></u>	(22.5)	<u><b>17,689</b></u>	<u><b>23,978</b></u>	(26.2)
<b>Total comprehensive income attributable to:</b>						
Owners of the company	2,634	5,161	(49.0)	13,632	23,372	(41.7)
Minority interests	<u>1,398</u>	<u>181</u>	672.4	<u>4,394</u>	<u>4,343</u>	1.2
	<u><b>4,032</b></u>	<u><b>5,342</b></u>	(24.5)	<u><b>18,026</b></u>	<u><b>27,715</b></u>	(35.0)

Profit for the period is arrived at after charging/(crediting) the following:

	Group			
	Fourth Quarter		Full Year	
	Dec 31,	Dec 31,	Dec 31,	Dec 31,
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Allowance for (Reversal of allowance):				
Doubtful trade receivables	85	76	(548)	476
Doubtful non-trade receivables	(222)	-	-	-
Foreseeable losses on contracts	(110)	94	(166)	836
Inventories	1,273	1,868	1,852	2,486
Amortisation of intangible assets	10	-	15	-
Amount written off :				
Receivables	131	49	153	37
Inventories	168	5	360	161
Depreciation of property, plant and equipment	890	968	3,748	3,220
Depreciation of assets on lease	32	11	75	44
Gain on disposal of property, plant and equipment	(28)	(6)	(56)	(36)
Gain on disposal of available-for-sale investments	-	(2,198)	(47)	(2,263)
Release of fair value reserve on disposal of available-for-sale investments	-	1,844	(44)	1,844
Changes in fair value of financial derivative instruments	(60)	60	(60)	60
Interest income	(52)	(59)	(203)	(185)
Loss on dilution of shareholding interest in a subsidiary	-	-	-	79
Gain on dilution of shareholding interest in an associate	-	-	-	(73)
Gain on disposal of a subsidiary	-	-	-	(277)
Gain on acquisition of shareholding interest in a subsidiary	-	-	-	(643)
Net foreign exchange (gain) loss	(22)	(68)	1,107	(4,027)
Research costs	1,036	980	3,768	3,295
Share option expense	50	50	198	198
Under (Over) provision of income tax expense in prior years	470	(38)	382	(19)

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.

**STATEMENTS OF FINANCIAL POSITION**

December 31, 2010

	<b>Group</b>		<b>Company</b>	
	<b>Dec 31,</b>	<b>Dec 31,</b>	<b>Dec 31,</b>	<b>Dec 31,</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	62,122	59,545	10,554	9,797
Trade receivables	75,454	75,812	-	-
Other receivables and prepayments	4,333	3,591	11,887	16,629
Inventories	50,211	46,707	-	-
Contract work-in-progress	2,390	2,756	-	-
<b>Total current assets</b>	<b>194,510</b>	<b>188,411</b>	<b>22,441</b>	<b>26,426</b>
<b>Non-current assets</b>				
Property, plant and equipment	38,592	36,568	509	580
Assets on lease	269	210	-	-
Subsidiaries	-	-	74,293	66,140
Associates	1,489	820	-	-
Joint ventures	463	511	-	-
Available-for-sale investments	75	587	75	57
Long term trade receivables	1,009	-	-	-
Intangible assets	6,311	5,025	-	-
Deferred tax assets	1,754	1,019	-	-
<b>Total non-current assets</b>	<b>49,962</b>	<b>44,740</b>	<b>74,877</b>	<b>66,777</b>
<b>Total assets</b>	<b>244,472</b>	<b>233,151</b>	<b>97,318</b>	<b>93,203</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank borrowings	10,530	6,926	-	-
Trade payables	32,393	34,684	-	-
Other payables	14,072	13,382	2,220	2,614
Contract work-in-progress	1,209	2,217	-	-
Current portion of finance leases	456	499	94	94
Income tax payable	4,834	4,985	165	51
<b>Total current liabilities</b>	<b>63,494</b>	<b>62,693</b>	<b>2,479</b>	<b>2,759</b>
<b>Non-current liabilities</b>				
Other payables	1,222	3,403	-	937
Finance leases	498	870	-	94
Long-term loans	5,529	4,537	-	-
Deferred tax liabilities	2,001	1,600	5	3
Financial guarantee contracts	-	-	319	366
<b>Total non-current liabilities</b>	<b>9,250</b>	<b>10,410</b>	<b>324</b>	<b>1,400</b>
<b>Capital, reserves and minority interests</b>				
Share capital	75,113	75,113	75,113	75,113
Reserves	66,862	60,381	19,402	13,931
<b>Equity attributable to owners of the company</b>	<b>141,975</b>	<b>135,494</b>	<b>94,515</b>	<b>89,044</b>
<b>Minority interests</b>	<b>29,753</b>	<b>24,554</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>171,728</b>	<b>160,048</b>	<b>94,515</b>	<b>89,044</b>
<b>Total liabilities and equity</b>	<b>244,472</b>	<b>233,151</b>	<b>97,318</b>	<b>93,203</b>

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

Amount repayable in one year or less, or on demand

December 31, 2010		December 31, 2009	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
7,003	3,983	7,185	240

Amount repayable after one year

December 31, 2010		December 31, 2009	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
1,494	4,533	2,156	3,251

Details of any collateral

Certain land and buildings, investment property and motor vehicles from the Group with a net book value of \$9,323,000 (FY2009: \$9,791,000) and cash and fixed deposits amounting to \$590,000 (FY2009: \$521,000) are pledged to financial institutions to obtain bank loans and credit facilities.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
Year ended December 31, 2010

	Group			
	Fourth Quarter		Full Year	
	Dec 31,	Dec 31,	Dec 31,	Dec 31,
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Operating activities</b>				
Profit before income tax	5,030	6,300	22,489	29,256
Adjustments for:				
Share of losses of associates	237	132	437	361
Share of losses of joint venture	99	28	215	156
Amortisation of intangible assets	10	-	15	-
Depreciation of property, plant and equipment	890	968	3,748	3,220
Depreciation of assets on lease	32	11	75	44
Dividend income	-	-	(4)	(3)
Interest expense	141	109	517	454
Allowance for (Reversal of) doubtful trade receivables	85	76	(548)	476
Reversal of doubtful non-trade receivables	(222)	-	-	-
Allowance for inventories	1,273	1,868	1,852	2,486
(Reversal of) Allowance for foreseeable losses on contracts	(110)	94	(166)	836
Gain on disposal of property, plant and equipment	(28)	(6)	(56)	(36)
Interest income	(52)	(59)	(203)	(185)
Loss on dilution of shareholding interest in a subsidiary	-	-	-	79
Gain on dilution of shareholding interest in an associate	-	-	-	(73)
Gain on disposal of subsidiary	-	-	-	(277)
Gain on acquisition of shareholding interest in a subsidiary	-	-	-	(643)
Gain on disposal of available-for-sale investments	-	(2,198)	(47)	(2,263)
Release of fair value reserve on disposal of available-for-sale investments	-	1,844	(44)	1,844
Changes in fair value of financial derivative instruments	(60)	60	(60)	60
Share option expense	50	50	198	198
Operating cash flows before movements in working capital	7,375	9,277	28,418	35,990
Trade receivables	2,239	(17,138)	841	(17,872)
Other receivables and prepayments	(7)	376	(332)	(516)
Inventories	2,798	5,285	(4,019)	(4,249)
Contract work-in-progress	(1,119)	(510)	(476)	(215)
Trade payables	(1,608)	2,805	(3,132)	6,074
Other payables	1,089	3,586	(3,044)	7,300
Cash generated from operations	10,767	3,681	18,256	26,512
Income tax paid	(281)	(76)	(5,279)	(3,289)
Interest paid	(141)	(109)	(517)	(454)
Net cash from operating activities	10,345	3,496	12,460	22,769
<b>Investing activities</b>				
Interest received	52	59	203	185
Purchase of property, plant and equipment (Note A)	(1,733)	(264)	(4,595)	(2,499)
Proceeds on disposal of property, plant and equipment	12	21	139	423
Acquisition of investment in associates	-	(105)	-	(105)
Acquisition of investment in joint venture	-	-	(250)	(50)
Acquisition of equity in a subsidiary from minority shareholders	-	-	(8)	(726)
Acquisition of business	-	-	-	(3,903)
Acquisition of subsidiary	-	-	(182)	-
Proceeds on disposal of a subsidiary	-	74	-	96
Proceeds on disposal of available-for-sale investments	-	2,721	576	2,946
Expenditure on product development	(228)	(151)	(316)	(151)
Loan to joint venture	-	(325)	-	(325)
Loan to associate	(1,145)	-	(1,145)	-
Dividends received	-	-	4	3
Net cash (used in) from investing activities	(3,042)	2,030	(5,574)	(4,106)

	Group			
	Fourth Quarter		Full Year	
	Dec 31,	Dec 31,	Dec 31,	Dec 31,
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Financing activities</b>				
Repayment of finance leases	(169)	(142)	(530)	(602)
Repayment of bank loans	(102)	(83)	(821)	(1,793)
New bank loan raised	-	400	4,314	4,046
Net (repayment) proceeds from trust receipts and banker's acceptance	(1,530)	873	(376)	554
(Increase) Decrease in cash deposits pledged to bank	(102)	(146)	(69)	818
Dividends paid to equity holders of the company	-	-	(7,196)	(4,798)
Dividends paid to minority shareholders of subsidiaries	(1)	-	(1,484)	(230)
Capital contribution from minority shareholders	23	-	23	-
Proceeds from exercise of employee share options of a subsidiary	10	-	169	182
Net cash (used in) from financing activities	<u>(1,871)</u>	<u>902</u>	<u>(5,970)</u>	<u>(1,823)</u>
Net increase in cash and cash equivalents	5,432	6,428	916	16,840
Cash and cash equivalents at beginning of the period	52,873	51,326	57,426	40,602
Effect of foreign exchange rate changes	150	(328)	113	(16)
<b>Cash and cash equivalents at end of the period</b>	<u><u>58,455</u></u>	<u><u>57,426</u></u>	<u><u>58,455</u></u>	<u><u>57,426</u></u>
Cash and cash equivalents consist of:				
Cash at bank	51,689	47,652	51,689	47,652
Fixed deposits	9,843	11,372	9,843	11,372
Bank overdrafts	<u>(3,077)</u>	<u>(1,598)</u>	<u>(3,077)</u>	<u>(1,598)</u>
	<u><u>58,455</u></u>	<u><u>57,426</u></u>	<u><u>58,455</u></u>	<u><u>57,426</u></u>

**Notes to Consolidated Statement of Cash Flows**

- A. During the financial year ended December 31, 2010, the group acquired property, plant and equipment with an aggregate cost of \$4,710,000 (FY2009 : \$3,139,000) of which \$115,000 (FY2009 : \$640,000) was acquired under finance lease agreement. Cash payments of \$4,595,000 (FY2009 : \$2,499,000) was made to purchase property, plant and equipment.

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.

**STATEMENTS OF CHANGES IN EQUITY**

**Year ended December 31, 2010**

	Share capital \$'000	Share option reserve \$'000	Other capital reserve \$'000	Investment revaluation reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Attributable to owners of the company \$'000	Minority interests \$'000	Total \$'000
<b>Group</b>									
<b>Balance at January 1, 2010</b>	75,113	532	-	(35)	(990)	60,874	135,494	24,554	160,048
Total comprehensive income for the period	-	-	-	(24)	423	10,603	11,002	2,996	13,998
Dividends	-	-	-	-	-	(7,196)	(7,196)	(1,484)	(8,680)
Recognition of share-based payments	-	87	-	-	-	-	87	61	148
Exercise of a subsidiary's employee share options	-	-	(96)	-	-	-	(96)	228	132
Equity acquired by minority shareholders	-	-	-	-	-	-	-	1,952	1,952
Equity acquired from minority shareholders	-	-	27	-	-	-	27	(8)	19
<b>Balance at September 30, 2010</b>	<b>75,113</b>	<b>619</b>	<b>(69)</b>	<b>(59)</b>	<b>(567)</b>	<b>64,281</b>	<b>139,318</b>	<b>28,299</b>	<b>167,617</b>
Total comprehensive income for the period	-	-	-	17	(102)	2,715	2,630	1,398	4,028
Recognition of share-based payments	-	29	-	-	-	-	29	21	50
Exercise of a subsidiary's employee share options	-	-	(7)	-	-	-	(7)	12	5
Equity acquired by minority shareholders	-	-	-	-	-	-	-	23	23
Equity acquired from minority shareholders	-	-	5	-	-	-	5	-	5
<b>Balance at December 31, 2010</b>	<b>75,113</b>	<b>648</b>	<b>(71)</b>	<b>(42)</b>	<b>(669)</b>	<b>66,996</b>	<b>141,975</b>	<b>29,753</b>	<b>171,728</b>
<b>Balance at January 1, 2009</b>	75,113	416	-	(1,320)	(1,856)	44,451	116,804	21,467	138,271
Total comprehensive income for the period	-	-	-	1,287	854	16,070	18,211	4,162	22,373
Dividends	-	-	-	-	-	(4,798)	(4,798)	(230)	(5,028)
Recognition of share-based payments	-	86	-	-	-	-	86	62	148
Exercise of a subsidiary's employee share options	-	-	-	-	-	-	-	261	261
Equity acquired from minority shareholders	-	-	-	-	-	-	-	(1,369)	(1,369)
<b>Balance at September 30, 2009</b>	<b>75,113</b>	<b>502</b>	<b>-</b>	<b>(33)</b>	<b>(1,002)</b>	<b>55,723</b>	<b>130,303</b>	<b>24,353</b>	<b>154,656</b>
Total comprehensive income for the period	-	-	-	(2)	12	5,151	5,161	181	5,342
Recognition of share-based payments	-	30	-	-	-	-	30	20	50
<b>Balance at December 31, 2009</b>	<b>75,113</b>	<b>532</b>	<b>-</b>	<b>(35)</b>	<b>(990)</b>	<b>60,874</b>	<b>135,494</b>	<b>24,554</b>	<b>160,048</b>

	Share capital \$'000	Investment revaluation reserve \$'000	Retained earnings \$'000	Total \$'000
<b>Company</b>				
<b>Balance at January 1, 2010</b>	75,113	(60)	13,991	89,044
Total comprehensive income for the period	-	1	965	966
Dividends	-	-	(7,196)	(7,196)
<b>Balance at September 30, 2010</b>	<u>75,113</u>	<u>(59)</u>	<u>7,760</u>	<u>82,814</u>
Total comprehensive income for the period	-	17	11,684	11,701
<b>Balance at December 31, 2010</b>	<u>75,113</u>	<u>(42)</u>	<u>19,444</u>	<u>94,515</u>
<b>Balance at January 1, 2009</b>	75,113	(85)	6,142	81,170
Total comprehensive income for the period	-	25	2,211	2,236
Dividends	-	-	(4,798)	(4,798)
<b>Balance at September 30, 2009</b>	<u>75,113</u>	<u>(60)</u>	<u>3,555</u>	<u>78,608</u>
Total comprehensive income for the period	-	-	10,436	10,436
<b>Balance at December 31, 2009</b>	<u>75,113</u>	<u>(60)</u>	<u>13,991</u>	<u>89,044</u>

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

None.

1(d)(iii) To show the 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.

The number of ordinary shares issued as at December 31, 2010 is 479,752,000 (FY 2009: 479,752,000).

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 have not been audited and have not been 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.**

Except for the adoption of new accounting standards as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computations in the financial statements for the current financial period compared with those of the audited financial statements as at December 31, 2009.

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.**

The group has applied FRS 27 (Revised) Consolidation and Separate Financial Statements and other new/revised FRS. The adoption of FRS 27 (Revised) impact the accounting treatment for transactions that result in a parent's interest in a subsidiary.

The adoption of the new/revised FRS does not have a material impact on the Group and Company.

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.**

	Group			
	Fourth Quarter		Full Year	
	Dec 31, 2010	Dec 31, 2009	Dec 31, 2010	Dec 31, 2009
Basic earnings per share based on the weighted average number of ordinary shares in issue (cents)	<u>0.57</u>	<u>1.07</u>	<u>2.78</u>	<u>4.42</u>
On a fully diluted basis (cents)	<u>0.57</u>	<u>1.07</u>	<u>2.78</u>	<u>4.42</u>

Basic earnings per share is computed based on the weighted average number of ordinary shares of 479,752,000 (FY2009: 479,752,000).

Diluted earnings per share is computed based on the weighted average number of ordinary shares of 479,752,000 (FY2009: 479,752,000).

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

	Group		Company	
	Dec 31, 2010	Dec 31, 2009	Dec 31, 2010	Dec 31, 2009
	Net asset value per ordinary share based on issued share capital at the end of the period (cents)	<u>29.6</u>	<u>28.2</u>	<u>19.7</u>

**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 cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

The Group registered a turnover of \$61.6 million in 4Q2010, representing a decrease of 9.0% from the previous corresponding financial period. While sales volume remained relatively steady despite the slow down in switchboard deliveries made in the fourth quarter, overall gross profit margins were slightly down due to volume discounts given to customers by our Power & Technology division.

Other operating income decreased by 84.4% to \$0.3 million due to the absence of a one-off compensation that we received last year for the delay of a project. Selling expenses increased by \$0.2 million mainly due to expenses incurred to support the higher sales in Oceania.

General and administrative expenses decreased by 23.8% to \$10.0 million as staff performance bonus was not required to be provided this year in line with lower profits achieved.

Share of losses of associates and joint venture increased due to lower sales volume achieved in these entities in 4Q2010.

Profit attributable to minority shareholders increased significantly due to higher profit contributions from our Power & Technology Division.

Overall, the Group managed to record profit attributable to shareholders of \$13.3 million for FY2010, of which \$2.7 million was recorded in the fourth quarter. The FY2010 results paled in comparison with the corresponding year mainly due to higher operating expenses recorded by new overseas entities in our Power and Technology Division, the absence of one-off gains including the gain from acquisition of additional shareholdings in EDMI Limited recognised in 1Q2009, jobs credit rebate which was significantly scaled down this year, as well as foreign exchange movements which were very favourable to the Group in FY2009.

Group balance sheet and cash flow statement- explanation of significant variances

Inventories increased by \$3.5 million to \$50.2 million. This was due to our Power & Technology division holding higher levels of stocks due to extension of lead times of raw materials as well as stocking up of finished goods in order to meet short deliveries to customers and consignment stocks held by the customers.

Long term trade receivables of \$1.0 million was due to retention monies held by a customer for performance retention.

Intangible assets increased mainly as result of the goodwill recorded for the acquisition of EDMI Shenzhen Co. Ltd by our listed subsidiary.

The Group's borrowings increased by \$4.2 million mainly to meet overseas investment funding requirements as well as providing working capital for a subsidiary.

Other non-current payables of \$1.2 million represents the unpaid portion of accrued staff performance bonus.

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

There were no forecast or prospect statement previously disclosed to shareholders.

**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 outlook for the Group's switchgear sales remains neutral. The BCA projected the construction demand in Singapore to be between \$22 billion and \$28 billion, with 55% of the overall construction demand attributed to public sector projects due to greater moderation in private sector projects. Pricing pressures are expected to continue in Singapore in line with the highly competitive nature of the switchgear industry. The Switchgear division continues to be on the lookout for expansion opportunities in the overseas markets in order to target further growth.

As for the Power & Technology division, the Group continues to see an increasing demand for advanced meters and metering systems in the global market. The volatile and unpredictable foreign currency fluctuations as well as geo-political upheavals produce inherent uncertainties which may impact on future results given that its operations are conducted in multiple currencies and localities.

**11. Dividend**

**(a) Current financial period reported on**

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

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (cents)	1.0 cent per ordinary share tax exempt-one tier

**(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	Final
Dividend type	Cash
Dividend amount per share (cents)	1.5 cents per ordinary share tax exempt-one tier

**(c) Date Payable**

The proposed dividends will be paid on May 25, 2011.

**(d) Book Closure Date**

Notice is hereby given that the share transfer books and register of members of the Company will be closed at 5.00 p.m., May 11, 2011 for the preparation of dividend warrants. Registrable transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, up to 5.00 p.m. on May 11, 2011 will be registered before entitlements to the said dividend are determined.

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

Not applicable

**Part II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmental 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.

**Business Segments**

	Switchgear	Power & Technology	Trading & Distribution	Building Services	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2010</b>							
<u>Revenue</u>							
External revenue	94,108	98,470	15,074	21,873	-	-	229,525
Inter-segment revenue	798	58	3,384	-	-	(4,240)	-
	<u>94,906</u>	<u>98,528</u>	<u>18,458</u>	<u>21,873</u>	<u>-</u>	<u>(4,240)</u>	<u>229,525</u>
<u>Result</u>							
Segment results	6,908	12,600	1,762	2,161	24	-	23,455
Interest expense							(517)
Interest income							203
Share of results of associates							(437)
Share of results of joint venture							(215)
Profit before income tax							22,489
Income tax expense							(4,800)
Profit after income tax							<u>17,689</u>
<u>Other information</u>							
Segment assets	102,408	91,308	18,615	16,217	11,135	-	239,683
Associates and joint venture							1,952
Unallocated corporate assets							2,837
Consolidated total assets							<u>244,472</u>
Segment liabilities	20,428	17,952	2,413	5,933	2,169	-	48,895
Unallocated corporate liabilities							23,849
Consolidated total liabilities							<u>72,744</u>
Capital expenditure (property, plant and equipment)	1,774	2,823	43	56	14	-	4,710
Depreciation and amortisation	1,797	1,652	194	109	86	-	3,838
Non-cash expenses other than depreciation and amortisation	-	198	-	-	-	-	198

**Business Segments**

	Switchgear	Power & Technology	Trading & Distribution	Building Services	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2009</b>							
<b>Revenue</b>							
External revenue	121,743	69,266	14,980	20,519	-	-	226,508
Inter-segment revenue	2,544	541	6,901	14	-	(10,000)	-
	<u>124,287</u>	<u>69,807</u>	<u>21,881</u>	<u>20,533</u>	-	<u>(10,000)</u>	<u>226,508</u>
<b>Result</b>							
Segment results	16,215	8,504	3,783	796	744	-	30,042
Interest expense							(454)
Interest income							185
Share of results of associates							(361)
Share of results of joint venture							(156)
Profit before income tax							29,256
Income tax expense							(5,278)
Profit after income tax							<u>23,978</u>
<b>Other information</b>							
Segment assets	107,515	78,042	19,204	14,831	10,622	-	230,214
Associates and joint venture							1,331
Unallocated corporate assets							1,606
Consolidated total assets							<u>233,151</u>
Segment liabilities	21,843	17,501	3,734	7,420	3,188	-	53,686
Unallocated corporate liabilities							19,417
Consolidated total liabilities							<u>73,103</u>
Capital expenditure (property, plant and equipment)	1,289	1,676	76	86	12	-	3,139
Depreciation and amortisation	1,661	1,168	216	135	84	-	3,264
Non-cash expenses other than depreciation and amortisation	-	198	-	-	-	-	198

<b>Geographical information</b>	Revenue from		Non-current	
	external customers		assets	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Singapore	80,419	116,179	32,983	29,960
Oceania	67,659	50,336	10,013	8,817
Malaysia	25,706	13,628	4,254	4,551
Asia (excluding Singapore and Malaysia)	23,859	19,232	2,712	1,412
Europe	30,687	20,709	-	-
Others	1,195	6,424	-	-
	<u>229,525</u>	<u>226,508</u>	<u>49,962</u>	<u>44,740</u>

**Information about major customers**

In 2009, revenue arising from a single customer of 10% or more of the Group's total revenue amounted to \$36,112,000. There were no single customer that contributes greater than 10% of Group revenue in 2010.

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		
	2010 \$'000	2009 \$'000	Change %
Revenue reported for first half year	107,243	96,669	10.9
Operating profit after tax before deducting minority interests reported for first half year	9,458	10,528	(10.2)
Revenue reported for second half year	122,282	129,839	(5.8)
Operating profit after tax before deducting minority interests reported for second half year	8,231	13,450	(38.8)

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

Total Annual Dividend

	Latest full year \$'000	Previous full year \$'000
Ordinary - proposed	4,798	-
Ordinary - paid	-	7,196
Total:	<u>4,798</u>	<u>7,196</u>

**BY ORDER OF THE BOARD**

Toh Kian Poh  
Company Secretary  
February 28, 2011