OVERCOMING CHALLENGES
LEVERAGING OPPORTUNITIES

Excelpoint™

EXCELPOINT TECHNOLOGY LTD
ANNUAL REPORT 2009

CORPORATE PROFILE

Established in 1987, Excelpoint Technology Ltd is a total solutions provider of quality electronics components, engineering designs and supply chain services to original equipment manufacturers ("OEM"), original design manufacturers ("ODM") and electronics manufacturing services providers ("EMS") in the electronics industry.

Excelpoint has been working closely with its principals and customers to identify new trends and technologies, and to create and test new technical features that will complement their customers' products. The Group has three research and development ("R&D") centres supported by a team of dedicated R&D professionals to create innovative solutions that will help customers go to market quickly and efficiently. The total solutions and reference designs created by Excelpoint are found in a number of products and applications such as industrial instrumentation, wireless communications and consumer electronics equipment.

Headquartered in Singapore, Excelpoint has facilities and offices in over 20 cities across the Asia Pacific region including Malaysia, Thailand, Vietnam, China, India, Korea, the Philippines and Australia. Listed on the Main-Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Group employs close to 500 staff.

For more information about Excelpoint, please visit: www.excelpoint.com

CONTENTS

OUR REGIONAL PRESENCE

SINGAPORE
- Headquarters

MALAYSIA
- Kuala Lumpur
- Penang

THAILAND
- Bangkok

VIETNAM
- Ho Chi Minh City

CHINA
- Beijing
- Chengdu
- Hong Kong
- Nanjing
- Qingdao
- Shanghai
- Shenzhen
- Xiamen
- Xian
- Zhu Hai

INDIA
- Bangalore
- Hyderabad
- Mumbai
- New Delhi
- Pune

KOREA
- Seoul

PHILIPPINES
- Manila

AUSTRALIA
- Sydney

AWARDS & ACCOLADES IN 2009

2008 Outstanding Performing Distributor

(based on Scorecard KPI) from NXP Semiconductors

Best Signal Chain Selling of the Year – China 2009

from Analog Devices, Inc.

Outstanding Design-in / Design wins Award 2008

from NXP Semiconductors

2009 Best Supplier Award

from GoerTek Inc.

Best Distributor Award
from TCL Communication Technology Holdings Limited

Singapore 1000 Company 2009
by DP Information Group

One of the
Top 25 Global Distributors
by Electronic Engineering Times

Special Contribution Award
from Longcheer Holdings Limited

2009 Distributors Survey Awards - Most Preferred Overseas Franchised Distributors
by Electronics Supply & Manufacturing – China

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS

For the financial year ended 31 December 2009 ("FY2009"), the Group achieved revenue of US$356.9 million and gross profit of US$26.8 million, compared with revenue of US$436.5 million and gross profit of US$31.3 million in the previous financial year. Our gross profit margins improved to 7.5% (FY2008 gross profit margins: 7.2%) because of our strategic focus on higher-margin businesses as well and the change in our products and services mix.

During the year, the Group continues to streamline costs by implementing a hiring freeze, discontinuing non-core business operations, reducing salaries for the management team and trimming overhead expenses. As a result, our total operating expenses were reduced to US$28.4 million in FY2009 compared with US$33.4 million in FY2008. However, due to weak market conditions, we ended the year with a loss before tax of US$1.1 million in FY2009 compared to a loss before tax of US$0.9 million in FY2008.

On the Group's balance sheet, our ongoing focus on costs rationalisation and inventory management reduced our inventory balance to US$36.1 million in FY2009 from US$46.3 million in FY2008. Improved working capital management resulted in lower bank borrowings, which decreased to US$20.0 million in FY2009 from US$27.7 million in FY2008. Improved cash flow management gave rise to a cash position of US$19.6 million in FY2009 compared with US$13.6 million in FY2008.

Albert Phuay Yong Hen
Chairman and Group CEO

SEIZING OPPORTUNITIES AND LEVERAGING ON CORE COMPETENCIES FOR GROWTH

A key focus of the Group in FY2009 was to tap business opportunities in new segments and enter new markets by leveraging on our core competencies in Design-in, R&D and Demand Creation solutions. Correspondingly, we identified the Bluetooth market in the PRC as a growth segment. This is driven largely by growth in the telecommunications industry and rapid adoption of Bluetooth devices. Actively pursuing customers in this particular market segment, our Design-In services for Bluetooth solutions performed relatively well in the PRC and was one of the major revenue contributors for our Hong Kong Business Unit.

This year also saw us focusing our resources on developing our core competencies in higher value-added services such as R&D and Demand Creation. Working closely with our customers, our R&D specialists successfully assisted in improving customer product performance and achieving product differentiation while shortening the time to market. Similarly, through Demand Creation business, we supported and provided value-add to our principals by creating new applications through which we were able to open new market segments.

OUTLOOK & GROWTH STRATEGIES

While the recessionary conditions appear to have bottomed out, global economic recovery remains subdued. In the last quarter of FY2009, the electronics industry experienced an upturn in market demand as dwindling inventory stockpiles were replenished and consumers were generally more optimistic compared to the previous year. As such, we will ensure that we keep abreast of emerging trends, explore and tap into relevant business opportunities as and when they arise.

Going forward, the Group will continue to tap on growth opportunities in the PRC market. In the year 2009, the Chinese government issued third generation ("3G") mobile phone technology licences to three state-owned telecom operators which will drive the growth of TD-SCDMA and 3G base stations as well as increased demand for mobile phones from consumers.

The continued focus on R&D-related innovation by the Singapore government to spur growth, the encouragement of public-private R&D joint projects and the test bedding of innovation in Singapore before commercialisation will also present opportunities upon which the Group can leverage.

In addition, the Group will actively engage prospective customers, seek new markets, pursue higher value business opportunities and explore joint ventures and strategic alliances that are complementary and have the ability to bring added value to our businesses. To this end, the Group has ventured into the provision of Digital Out-of-Home ("DOOH") media market with the incorporation of a wholly-owned subsidiary PlanetSpark Pte. Ltd. ("PlanetSpark") in September 2009.

Our approach towards operational and financial management remains unchanged and we will continue to streamline our product mix for improved margins, manage our costs and inventories and undertake prudent credit control and cash conservation.

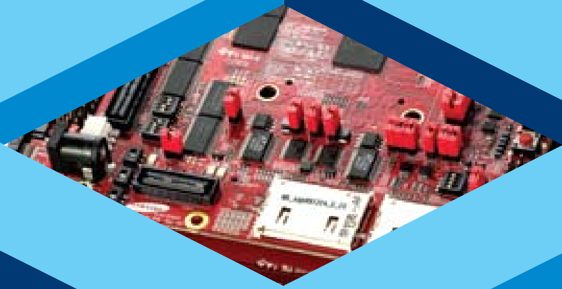
With these strategies in place, we remain optimistic about the Group's longer term prospects as the electronic industry embarks on a new phase of its growth and new IT solutions find their way into the global market.

OUR APPRECIATION TO ALL

On behalf of the Board, we thank all our shareholders, staff, customers and business partners for their continual support and loyalty which enabled us to pull through this difficult year.

Albert Phuay Yong Hen
Chairman and Group CEO

OPERATIONS REVIEW



SEGMENTAL PERFORMANCE

In tandem with the economic slowdown in FY2009, both our Hong Kong Business Unit (comprising Hong Kong and the PRC) and Singapore Business Unit (comprising Singapore, Malaysia, Thailand, Vietnam, Philippines, India, Korea and Australia) were impacted. Revenue for the Hong Kong Business Unit declined to US$228.8 million in FY2009 from US$243.8 million in FY2008 while revenue for the Singapore Business Unit declined to US$128.1 million in FY2009 from US$192.7 million in FY2008.

Our Hong Kong Business Unit continues to be the major revenue contributor, accounting for about 64.1% of the Group's total revenue while our Singapore Business Unit contributed about 35.9% of the Group's total revenue in FY2009. The recent award of third generation ("3G") mobile phone technology licences by the Chinese government to three state-owned telecom operators has led to increasing consumer demand for mobile phones. This in turn has helped to drive our Bluetooth solutions for mobile phones. Outside of the PRC, we have also made headway in India for telecom shelters which are installed at the base of mobile towers by telecom companies. This is a new market segment which has promising potential as India remains the world's fastest-growing mobile market and analysts have predicted that the Indian government's target of 500 million mobile phone users will be met before the year 2012.

NEW BUSINESSES & MARKETS

With the move towards digital media broadcasting, the Group sees strong growth potential in Digital Out-of-Home ("DOOH") solutions which will grow with increasing demand from Asia in tandem with the growth in the digital media sector. In September 2009, we incorporated a wholly-owned subsidiary PlanetSpark Pte. Ltd. ("PlanetSpark") with the aim of becoming a major player in the DOOH media space. PlanetSpark's DOOH solutions consist of an extensive digital media network of highly visible, large liquid crystal display ("LCD") screens located across Singapore. Through our network, advertisers will be able to deliver their messages efficiently and effectively to a ready pool of target consumers at high-traffic locations.

CORPORATE

By adhering to our positioning as a total solutions provider of quality electronics components, engineering designs and supply chain services to the electronics industry and always being responsive to market demands and customer needs, we have consistently rendered the highest levels of service. We were ranked "Most Preferred Overseas Franchised Distributors" by industry magazine Electronics Supply & Manufacturing, China. In addition, we were also recognised as one of the "Top 25 Global Distributors" by Electronic Engineering Times. These awards validate our commitment to providing quality and outstanding service and further enhance our credentials in the electronics industry.

NEW PRODUCTS

During the year, we also increased the breadth and depth of the products we marketed. One of our new products included SiRF which manufactures GPS chips designed for navigation products and applications. The company has since been acquired by British wireless chip firm CSR this year, which is also one of our principals. We have assembled a R&D team for the design and development of GPS products, utilised Areana Total Solutions, a product lifecycle management programme, and provided reference design services to our customers. This is in line with our pursuit of "demand creation" strategy which enables us to work with customers throughout a product's life cycle.

We also added to our product portfolio Alango Technologies' noise cancellation enhanced software which is used in consumer and automotive products such as car kits and headsets. Alango Technologies is a developer of digital signal processing technologies.

Another new product segment which promises good growth potential is light emitting diodes ("LED"). The global LED market is expected to reach US$14.3 billion by the year 2013 and we have already collaborated with some of the leading principals to market their LED products.

FINANCIAL HIGHLIGHTS

	2009	2008	2007	2006	2005
RESULTS OF OPERATIONS (US$'000)					
Total revenue	356,884	436,476	486,785	454,212	453,290
Profit/(loss) before taxation	(1,054)	(854)	2,104	3,508	1,969
Profit/(loss) after taxation attributable to equity holders	(1,763)	(1,465)	1,210	2,516	767
Earnings/(loss) per share (cents)*	(0.36)	(0.30)	0.25	0.52	0.16
Return on equity (%)	-4.3	-3.5	2.7	5.6	1.8
BALANCE SHEETS (US$'000)					
Shareholders' equity	41,316	41,805	44,169	44,553	42,824
Fixed assets	3,940	5,027	5,736	4,895	4,280
Intangibles	326	326	223	223	223
Current assets	112,968	104,662	144,278	124,673	120,351
Current liabilities	73,727	67,958	105,645	84,821	81,551
Net current assets	39,241	36,704	38,633	39,852	38,800
Non-current liabilities	3,518	252	423	417	478
Borrowings	20,077	27,875	31,655	12,497	15,202
Net assets value per share (cents)*	8.11	8.60	9.09	9.17	8.81

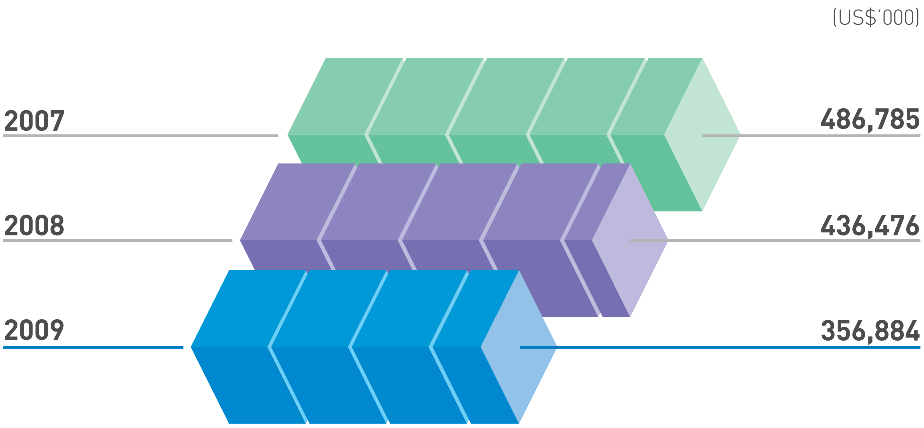
* Earnings per share excluding treasury shares for FY2009 computed based on weighted average number of ordinary shares of 489,302,063 (FY2005 to FY2008: 486,022,200).

Net assets value per share excluding treasury shares for FY2009 computed based on the number of ordinary shares of 509,502,200 (FY2005 to FY2008: 486,022,200).

FINANCIAL REVIEW

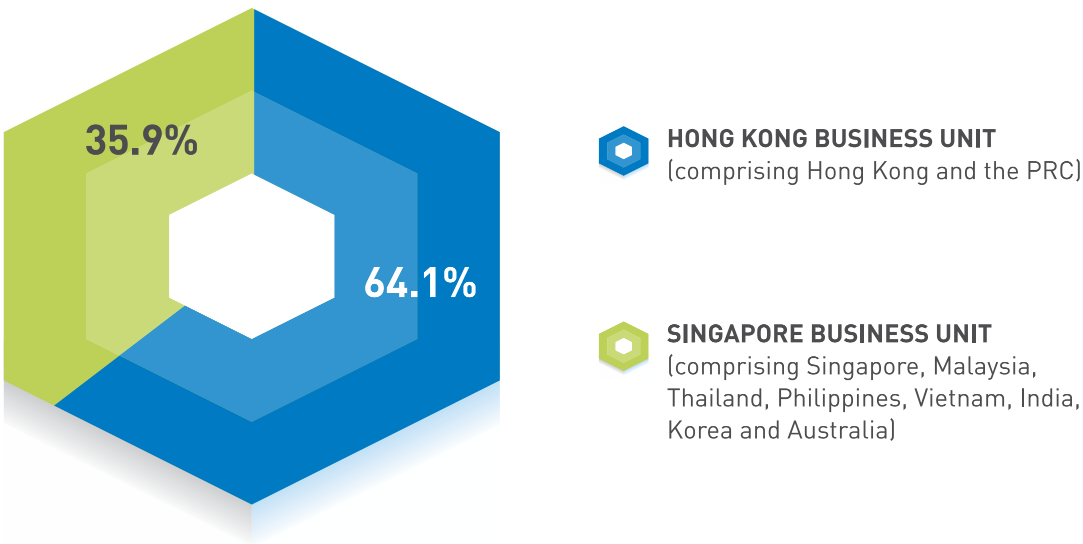
REVENUE

The Group's revenue declined 18.2% to US$356.9 million in FY2009 compared with US$436.5 million in FY2008. This was due to weak market conditions that impacted business and consumer confidence and spending in the markets which the Group operates in.



REVENUE BY BUSINESS SEGMENTS

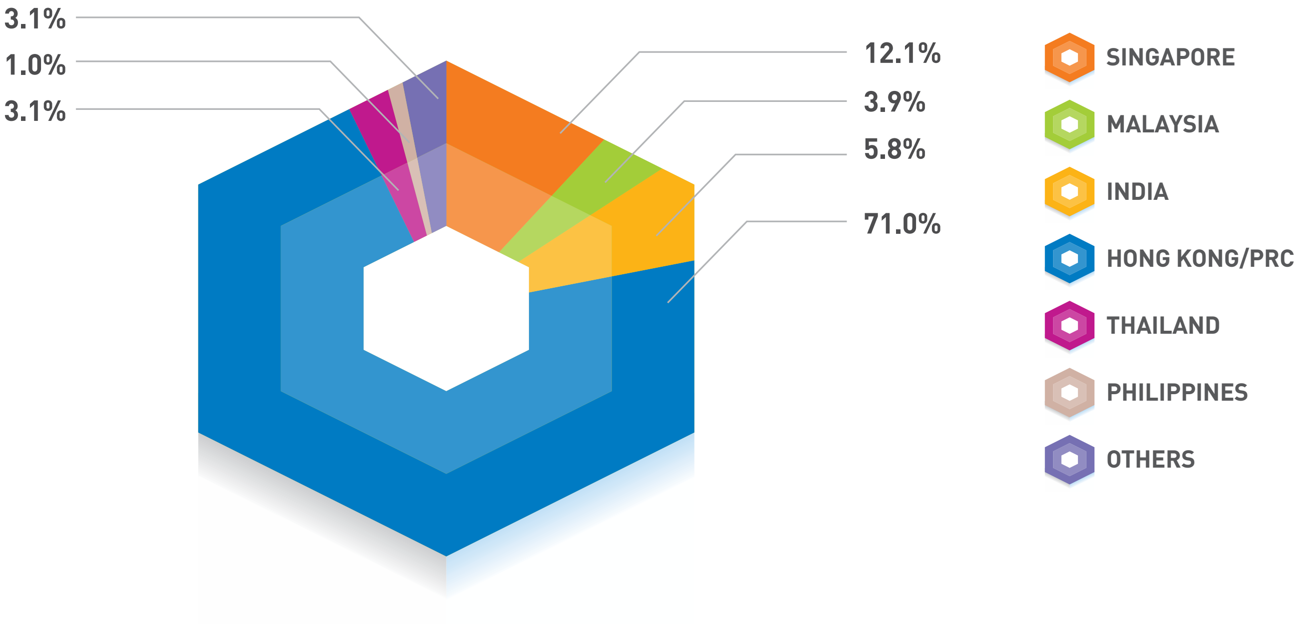
For revenue contribution by business segments, Hong Kong Business Unit turned in revenue of US$228.8 million while Singapore Business Unit generated revenue of US$128.1 million.



FINANCIAL REVIEW

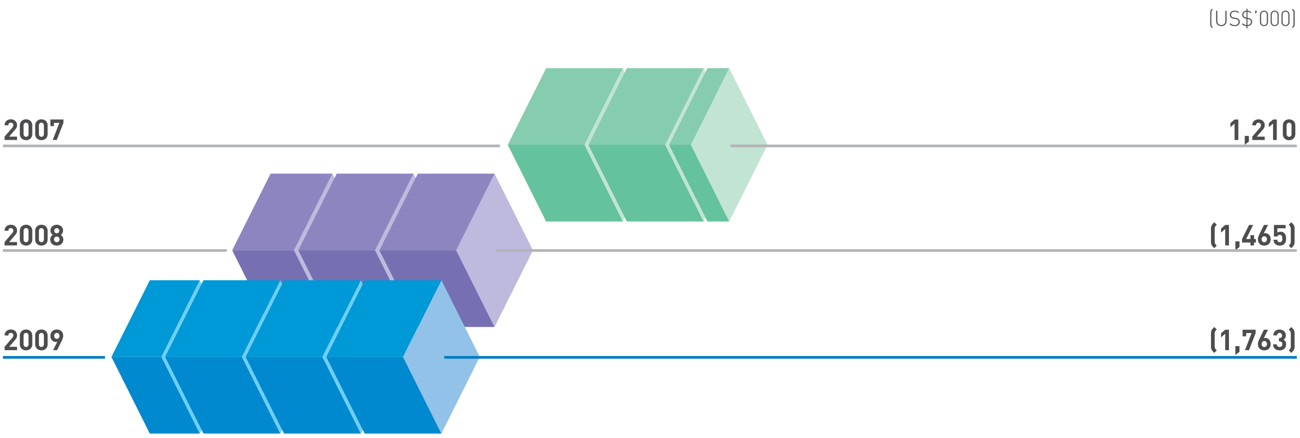
REVENUE BY GEOGRAPHICAL LOCATION

Geographically, Hong Kong/PRC continues to be the major source of revenue, accounting for about 71.0% or US$253.5 million of the Group's total revenue in FY2009.



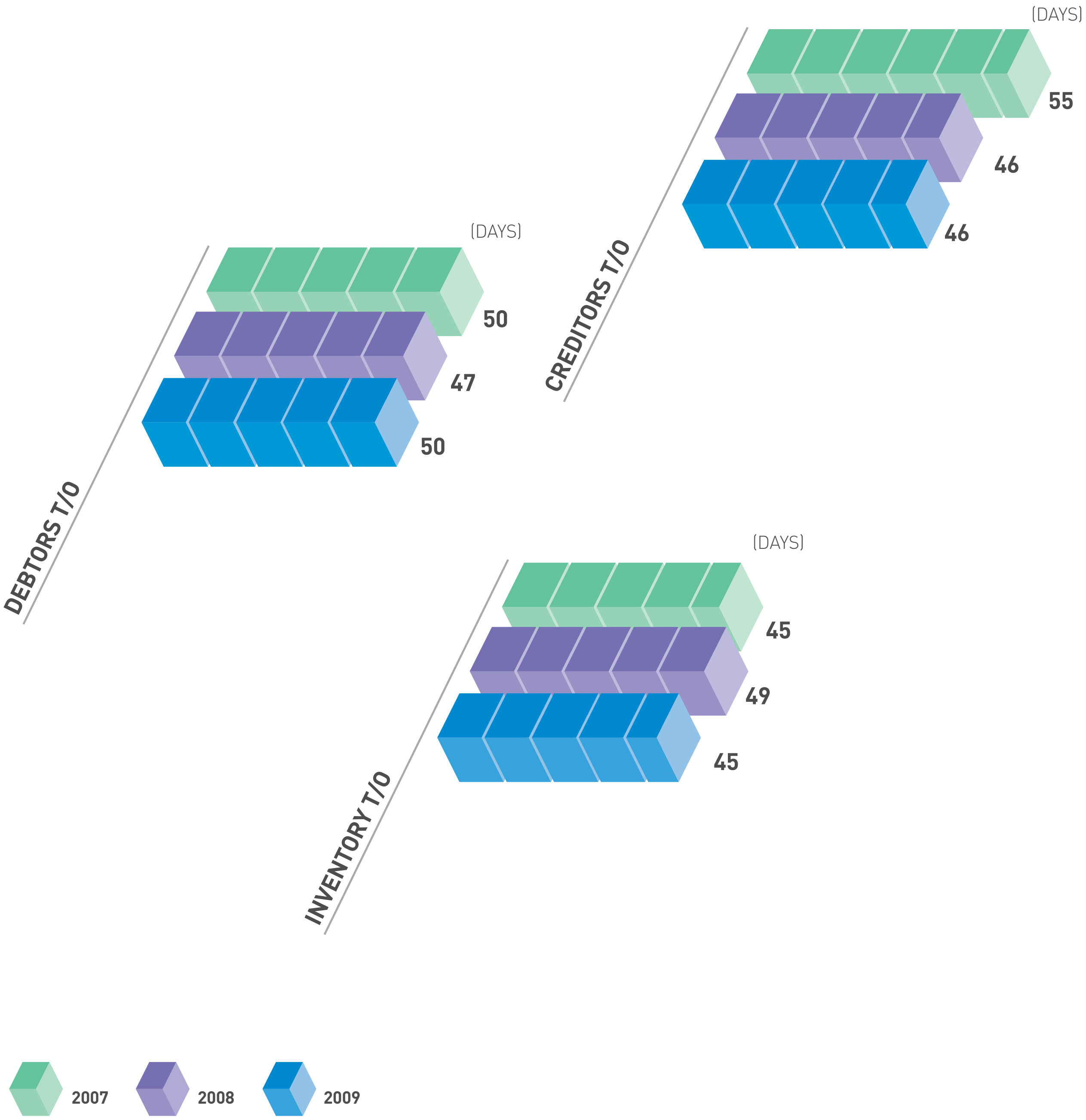
PROFIT AFTER TAXATION

The Group recorded a loss after taxation of US$1.8 million in FY2009, compared to a loss after taxation of US$1.5 million in FY2008. Cost control measures adopted throughout the Group resulted in significantly lower expenses led by a 74.9% decrease in interest expenses and an 18.5% decrease in sales and distribution costs. Other expenses, which reported an increase of 30.1%, was due to allowances made for inventory write down in FY2009.



OPERATIONAL EFFICIENCY

The increases in product shipments in 4Q2009 resulted in the average debtor turnover day to increase from 47 days in FY2008 to 50 days in FY2009. The Group's focus on rationalising and managing its inventory decreased the average inventory turnover days from 49 days in FY2008 to 45 days in FY2009.



BOARD OF DIRECTORS

From left to right:
Kwah Thiam Hock
Sunny Wong Fook Choy
Alan Kwan Wai Loen
Albert Phuay Yong Hen
David Kok Fat Keung
Professor Low Teck Seng

Albert Phuay Yong Hen is the founder of our Group and is also our Chairman and Group Chief Executive Officer. He was appointed as an Executive Director on 18 May 2001 and was last re-elected on 18 April 2007. He is also a member of the Nominating Committee.

He oversees the general management of our business and is also responsible for our Group's strategic direction and planning and business development.

Prior to forming Excelpoint Systems (Pte) Ltd ("ESPL"), Mr. Phuay had held various management positions in several companies from 1977-1986.

Mr. Phuay holds a Technical Certificate in Electronics from the Institute of Technical Education in Singapore. He has also received a Long Service Award Certificate from the Ministry of Community Development and Sports in recognition of his voluntary contributions as a Probation Officer since 1985.

Alan Kwan Wai Loen was appointed as an Executive Director on 18 May 2001 and was last re-elected on 8 April 2009.

Mr. Kwan holds a Diploma in Production Engineering from the Singapore Polytechnic, a Diploma in Marketing Management from the Ngee Ann Polytechnic and a Diploma from the Chartered Institute of Marketing in the United Kingdom.

David Kok Fat Keung was appointed as an Executive Director on 5 July 2001 and was last re-elected on 16 April 2008.

He is the Chief Operating Officer of the Excelpoint Systems (H.K.) Limited ("ESHK") Group and was appointed as a director of ESHK in 1995. He is responsible for the general management and business development of the ESHK Group.

Mr. Kok holds an Ordinary Certificate in Electronics Engineering from the Morrison Hill Technical Institute of Hong Kong.

Sunny Wong Fook Choy was appointed as an Independent Director on 13 November 2003 and was re-elected on 16 April 2008. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee.

He is a practising advocate and solicitor of the Supreme Court of Singapore. He started his legal career in 1982. He is currently the Managing Director of Wong Tan & Molly Lim LLC.

Mr. Wong holds a Bachelor of Laws (Honours) from the National University of Singapore. He is a director in the following public listed companies in Singapore: Global Testing Corporation Limited, Albedo Limited and Mencast Holdings Ltd.

Professor Low Teck Seng was appointed as an Independent Director on 19 April 2006 and was re-elected on 18 April 2007. He is the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee.

He holds a Bachelor of Science (First Class) and Ph.D, in 1978 and 1982 from the Southampton University, United Kingdom. Professor Low is currently the Deputy Managing Director of Singapore's A*STAR (Agency for Science, Technology and Research) and is concurrently the Executive Director of its Science and Engineering Research Council. He is also a Board Member of the Workplace Safety and Health Council, the National Community Leadership Institute and a Technical Panel member for the National Environmental Agency.

Kwah Thiam Hock was appointed as an Independent Director on 18 April 2007 and was re-elected on 16 April 2008. He is the Chairman of the Audit Committee and also a member of the Remuneration Committee.

Mr. Kwah holds a Bachelor in Accountancy from the National University of Singapore. He is a Fellow CPA of Australian Society of Accountants and also a Fellow Member of both the Institute of Certified Public Accountants of Singapore and ACCA (UK).

KEY MANAGEMENT

William Low Mong Chai is the Vice President of Operations of the ESPL Group. He oversees the overall operations of the ESPL Group.

Mr. Low holds a Diploma in Production Engineering and Industrial Systems from the Singapore Polytechnic and a Manufacturing Management Consultant Certificate from SANNO Institute of Business Administration in Japan. He is also a Certified Practitioner of Method-Time-Measurement-2 from Method-Time-Measurement Association Limited in the United Kingdom.

Herbert Kwok Fei Lung is the Senior Vice President of Business Unit of the ESHK Group. He oversees all the activities for PRC (including Hong Kong).

Mr. Kwok holds a Higher Diploma in Marine Electronics from the Hong Kong Polytechnic.

Phuay Yong Choon is the Vice President of Sales of the ESHK Group. He is responsible for and oversees the sales activities of the ESHK Group for PRC (including Hong Kong).

Mr. Phuay holds a Diploma in Electronics and Communications from the Singapore Polytechnic and a Postgraduate Diploma in Sales and Marketing from the Chartered Institute of Marketing in the United Kingdom.

Ge Yixin is the Vice President of Field Applications of the ESHK Group. His areas of responsibilities include planning of technical designs and evaluation of projects for the design and development divisions of the ESHK Group.

Mr. Ge holds a degree in Automatic Manufacturing Systems from the Shanghai University of Technology and was conferred the Masters of Engineering degree by the same university.

Phuay Yong Hua is the Group Vice President of HR & Admin of ETL. He oversees the human resource and administrative divisions of the ETL Group.

Mr. Phuay holds an Electronics Servicing Certificate from the Institute of Technical Education in Singapore.

Ivan Lee See Thiam is the Chief Financial Officer of ETL. He oversees the overall financial activities of the Group.

Mr. Lee holds a Masters of Commerce (Accounting and Finance) from The University of Sydney, Australia and a Bachelor of Business Administration with Merit from the National University of Singapore.

CORPORATE STRUCTURE

EXCELPOINT TECHNOLOGY LTD

EXCELPOINT SYSTEMS (PTE) LTD
SINGAPORE (100%)

Excelpoint Systems Sdn. Bhd.
Malaysia (100%)

Excelpoint Systems (Pte) Ltd (Australia Branch)
Australia

Excelpoint Systems (India) Pvt Ltd
India (100%)

Representative Offices
India - Bangalore, Hyderabad, Mumbai, New Delhi, Pune
Korea - Seoul
The Philippines - Manila
Thailand - Bangkok
Vietnam - Ho Chi Minh City

EXCELPOINT SYSTEMS (H.K.) LIMITED
HONG KONG (100%)

Excelpoint International Trading (Shenzhen) Co., Ltd
PRC (100%)

Excelpoint International Trading (Shanghai) Co., Ltd
PRC (100%)
Branches: Beijing, Chengdu, Nanjing, Qingdao, Xiamen, Xian

LIGHTS ELECTRONICS PTE LTD
SINGAPORE (100%)

Lights Electronics (H.K.) Limited
Hong Kong (100%)

Lights Electronics (Shanghai) Co., Ltd.
PRC (100%)

Lights Electronics (Shenzhen) Co., Ltd.
PRC (100%)

Sun Lights Electronics (M) Sdn. Bhd.
Malaysia (100%)

Representative Offices
India - Bangalore, New Delhi

EXCELPOINT SOLUTIONS PTE. LTD.
SINGAPORE (100%)

Excelpoint Manufacturing Pte. Ltd.
Singapore (100%)

Excelpoint Manufacturing (Zhu Hai) Co., Ltd
PRC (100%)

PLANETSPARK PTE. LTD.
SINGAPORE (100%)

CORPORATE INFORMATION

BOARD OF DIRECTORS
Executive
Albert Phuay Yong Hen
(Chairman and Group Chief Executive Officer)
Alan Kwan Wai Loen
David Kok Fat Keung

Non-Executive
Sunny Wong Fook Choy (Independent)
Professor Low Teck Seng (Independent)
Kwah Thiam Hock (Independent)

AUDIT COMMITTEE
Kwah Thiam Hock (Chairman)
Sunny Wong Fook Choy (Member)
Professor Low Teck Seng (Member)

NOMINATING COMMITTEE
Professor Low Teck Seng (Chairman)
Sunny Wong Fook Choy (Member)
Albert Phuay Yong Hen (Member)

REMUNERATION COMMITTEE
Sunny Wong Fook Choy (Chairman)
Professor Low Teck Seng (Member)
Kwah Thiam Hock (Member)

COMPANY SECRETARIES
Tan Cher Liang
Wong Yoen Har

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50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Tel: 6536 5355 Fax: 6536 1360

AUDITORS
Ernst & Young LLP
Public Accountants and Certified Public Accountants
One Raffles Quay
North Tower Level 18
Singapore 048583

AUDIT PARTNER-IN-CHARGE
Yee Woon Yim
(since financial year ended 31 December 2007)

FINANCIAL CONTENTS

REPORT ON CORPORATE GOVERNANCE

Excelpoint Technology Ltd (the "Company") is committed to having and maintaining high standards of corporate governance. The Company believes that good corporate governance inculcates an ethical environment and enhances the interest of all shareholders. Since our incorporation on 18 May 2001 and our subsequent admission to the Official List of The Singapore Exchange Securities Trading Limited (the "SGX-ST"), we have taken steps to comply with the Code of Corporate Governance (the "Code").

The Group's approach in FY2009 remains unchanged. This Report describes the Company's corporate governance processes and activities with specific reference to the Code in its annual report.

BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF ITS AFFAIRS

The principal functions of the Board are:-

1.1 Approving the broad policies, strategies and financial objectives of the Company and monitoring the performance of management;

1.2 Overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;

1.3 Approving the nominations of directors and appointment of key personnel;

1.4 Approving major funding proposals, investment and divestment proposals; and

1.5 Assuming responsibility for corporate governance.

The Board makes decisions in matters specifically involving conflict of interest situations relating to a substantial shareholder or a director, material acquisitions and disposal of assets, corporate or financial restructuring and share issuances, dividends and other returns to shareholders and other matters which require Board approval as specified under the Company's interested person transaction policy.

The Board conducts regular scheduled meetings. Ad-hoc meetings are convened when circumstances require. The Company's Articles of Association allow a board meeting to be conducted by way of telephone conference or by means of similar communication equipment whereby all persons participating in the meeting are able to hear each other. The Board is supported by the Audit Committee, Remuneration Committee and Nominating Committee. The attendance of the directors at these meetings is disclosed in this Report.

PRINCIPLE 2: BOARD COMPOSITION AND BALANCE

The Board currently comprises three Executive Directors and three Independent Directors. The Board has examined its size and is satisfied that it is an appropriate size for effective decision making, taking into account the nature and scope of the Company's operations. The Independent Directors consist of respected individuals from different backgrounds whose core competencies, qualifications, skills and experience are extensive and complementary. The independence of each Independent Director is reviewed by the Nominating Committee annually in accordance with the guidelines of the Code. The Board of Directors is as follows:-

Executive Directors

Albert Phuay Yong Hen	(Chairman and Group Chief Executive Officer)
Alan Kwan Wai Loen	(Managing Director of the LES Group)
David Kok Fat Keung	(Chief Operating Officer of the ESHK Group)

Independent Directors

Sunny Wong Fook Choy
Professor Low Teck Seng
Kwah Thiam Hock

Profiles of the Directors are found on page 14 of this Annual Report.

PRINCIPLE 3: ROLE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and Group CEO, Albert Phuay Yong Hen, plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision. He is responsible for the day-to-day running of the Group as well as the exercise of control over the quality, quantity and timeliness of information flow between the Board and Management. As the Chairman and Group CEO, he also schedules Board meetings, oversees the preparation of the agenda for Board meetings and ensures the Group's compliance with the Code. The role of Chairman is not separate from that of the Group CEO as the Board considers that there is considerable accountability and transparency within the Group. The Independent Directors currently form half the composition of the Board and exercise objective judgement on corporate matters impartially, thus ensuring a balance of power and authority. As such, it would not be necessary for the Group to effect a separation of the role of Chairman and Group CEO.

PRINCIPLE 4: BOAD MEMBERSHIP

Nominating Committee ("NC")

The Nominating Committee comprises the following Directors:-

Professor Low Teck Seng (Chairman)
Sunny Wong Fook Choy (Member)
Albert Phuay Yong Hen (Member)

The NC met once in FY2009. The NC's principal functions are to:-

4.1 Identify candidates and review all nominations for the appointment or re-appointment of members of the Board of Directors and the members of the various Board Committees for the purpose of proposing such nominations to the Board for its approval;

4.2 Determine the criteria for identifying candidates and reviewing nominations for the appointments referred to in paragraph 4.1;

4.3 Decide the manner in which the Board's performance may be evaluated and propose objective performance criteria for the Board's approval;

4.4 Assess the effectiveness of the Board as a whole, and the contribution by each individual director to the effectiveness of the Board; and.

4.5 To determine on an annual basis the independence of directors.

The NC had held a meeting in February 2010 for the nomination of directors for the Ninth Annual General Meeting ("AGM").

At present, new directors are appointed by way of a Board resolution, upon the NC's approval of their appointment. The new directors must submit themselves for re-election at the next AGM of the Company. In addition, the Company's Articles of Association requires all Directors to retire from office at regular intervals and at least once every three years.

Although the Independent Directors and the Chairman & Group CEO hold directorships in other companies which are not in the Group, the Board is of the view that such multiple board representations do not hinder them from carrying out their duties as directors. These directors would widen the experience of the Board and give it a broader perspective.

PRINCIPLE 5: BOARD PERFORMANCE

The NC, in considering the re-appointment of any director, evaluates the performance of the director. The NC and the Chairman of the Board implemented a self-assessment process that required each director to assess the performance of the Board as a whole for FY2009. The self-assessment process took into consideration, inter alia, board structure, corporate strategy and planning, risk management and internal control, performance measurement and compensation, succession planning, financial reporting, conduct of meetings and communication with shareholders.

The NC is of the opinion that the independence of the non-executive directors is maintained and that each director has contributed to the effectiveness of the Board as a whole and has recommended the re-election of the following Directors to be put forward for re-election at the forthcoming Annual General Meeting:-

Albert Phuay Yong Hen (Retiring pursuant to Article 104)
Kwah Thiam Hock (Retiring pursuant to Article 104)

The attendance of each Director at meetings of the Board and Audit Committee during the financial year ended 31 December 2009 is as follows:-

Attendance at Board and Committee Meetings

Name of Directors	Board		Audit Committee ("AC")		Nominating Committee ("NC")		Remuneration Committee ("RC")	
	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance
Albert Phuay Yong Hen	4	4	-	-	1	1	-	-
Alan Kwan Wai Loen	4	4	-	-	-	-	-	-
David Kok Fat Keung	4	4	-	-	-	-	-	-
Sunny Wong Fook Choy	4	4	4	4	1	1	1	1
Professor Low Teck Seng	4	4	4	4	1	1	1	1
Kwah Thiam Hock	4	4	4	4	-	-	1	1

PRINCIPLE 6: ACCESS TO INFORMATION

Prior to each Board meeting, the Board is supplied with relevant information by the management pertaining to matters to be brought before the Board for decision as well as ongoing reports relating to operational and financial performance of the Group.

In addition, the Board has separate and independent access to senior management and the Company Secretaries at all times. Should directors, whether individually or as a group, need independent professional advice, the Company Secretaries will, upon direction by the Board, appoint a professional advisor selected by the group or individual, and approved by the Chairman to render advice. The cost of such professional advice will be borne by the Company.

At least one of the Company Secretaries attends all Board meetings and Committee meetings and is responsible to ensure that Board procedures are followed.

REMUNERATION MATTERS

PRINCIPLES 7, 8 and 9: REMUNERATION MATTERS

Remuneration Committee ("RC")

The Remuneration Committee comprises the following three Directors, of whom all are Independent Directors:-

Sunny Wong Fook Choy (Chairman)
Professor Low Teck Seng (Member)
Kwah Thiam Hock (Member)

The RC met once in FY2009. Its principal responsibilities are to:-

7.1 Recommend to the Board base pay levels, benefits and incentive opportunities, and identify components of pay which can best be used to focus management staff on achieving corporate objectives, including identifying equity-based incentives such as stock options;

7.2 Recommend to the Board the structure of the compensation program for directors and senior management to ensure that the program is competitive and sufficient to attract, retain and motivate senior management of the required quality to run the Company successfully; and

7.3 Review compensation packages of directors, senior management and employees who are related to the Executive Directors and Controlling Shareholders (including the compensation package of the CEO) annually and determine appropriate adjustments for approval by the Board.

The Company has adopted the Excelpoint Share Option Scheme which was approved by the shareholders at an Extraordinary General Meeting held on 13 November 2003. To-date, no options had been granted.

Our Executive Directors are paid based on their Service Agreements with the Company as disclosed in the Company's Prospectus dated 18 December 2003. The Agreements were renewed for a further period of three years from 1 January 2008. The Independent Directors are paid basic fee and additional fees for serving on any of the committees.

Key executives' remuneration is set in accordance with a remuneration framework comprising basic salary (including variable bonuses and benefits-in-kind). To preserve the confidentiality of the remuneration packages of these key executives, the breakdown (in percentage terms) of each executive's remuneration is not disclosed.

The remuneration in FY2009 of the Directors and key executives are set out below:-

Directors' Remuneration

	Year 2009 No. of Directors	Year 2008 No. of Directors
$500,000 and above	1	3
$250,000 to below $500,000	2	-
Below $250,000	3	3
Total	6	6

Top 5 Key Executives Remuneration

	Year 2009 No. of Key Executives	Year 2008 No. of Key Executives
$500,000 and above	-	-
$250,000 to below $500,000	4	5
Below $250,000	1	-
Total	5	5

There are two employees who are immediate family members of our Chairman and Group CEO and their remuneration are between $250,000 to below $500,000 for FY2009.

EXCELPOINT PERFORMANCE SHARE SCHEME

The Company has adopted the Excelpoint Performance Share Scheme ("the Scheme") to increase the Company's flexibility and effectiveness in its continual efforts to reward, retain and motivate employees to achieve superior performance, which was approved by the shareholders at, the Extraordinary General Meeting held on 25 June 2008.

To-date, no performance shares had been granted.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 10: ACCOUNTABILITY AND AUDIT

The Board seeks to provide shareholders with a comprehensive view of the Company's financial performance, position and prospects on a quarterly basis.

PRINCIPLE 11: AUDIT COMMITTEE ("AC")

The AC comprises the following three Directors, all of whom are Independent Directors:-

Kwah Thiam Hock (Chairman)
Professor Low Teck Seng (Member)
Sunny Wong Fook Choy (Member)

All the members of the AC have had many years of experience in senior management positions in different sectors. The Board is of the view that the members of the AC have sufficient financial management expertise and experience to discharge the AC's functions.

The AC meets quarterly to perform the following key functions:-

11.1 Recommends to the Board of Directors, the external and internal auditors to be nominated, approves the compensation of the external auditors, and reviews the scope and results of the audit;

11.2 Reviews (with the other committees, management, and the external and internal auditors) significant risks or exposures that exist and assesses the steps management has taken to minimize such risk to the Company;

11.3 Reviews with the Chief Financial Officer and external auditors at the completion of the annual examination:-
- the external auditors' audit of the annual financial statements and reports;
- the adequacy of the Group's system of accounting controls;
- the level of assistance and cooperation given by management to external auditors;
- any significant findings and recommendations of the external auditors and internal auditors and the related management's responses thereto; and
- any significant changes required in the external auditors' audit plan, any serious difficulties or disputes with management encountered during the course of the audit and their resolution, and other matters related to the conduct of the audit.

11.4 Reviews legal and regulatory matters that may have a material impact on the financial statements' related exchange compliance policies, and programs and reports received from regulators;

11.5 Reports actions and resolutions of the AC to the Board of Directors with such recommendations as the AC considers appropriate.

The AC has the expressed power to conduct or authorise investigations into any matters within its terms of reference. Minutes of AC meetings are regularly submitted to the Board for its information and review.

Pursuant to Listing Rule 716, the Board and the AC are satisfied that the appointment of different auditors for its significant subsidiaries would not compromise the standard and effectiveness of the audit of the Company.

The AC has conducted an annual review of the volume of non-audit services to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the auditors before confirming their re-nomination.

The AC also conducts reviews of interested person transactions and meets with the external auditors, without the presence of management, at least once a year. For FY2009, the AC met once with the external and internal auditors without presence of the management.

No material contract involving the interests of any director or controlling shareholder of the Company has been entered into by the Company or any of its subsidiary since the end of the previous financial year.

The Company has in place a whistle-blowing framework, which provides an avenue for the staff of the Company to raise concerns about improprieties and the independent investigation of such matters by the AC. Contact details of AC have been made available to all staff.

PRINCIPLE 12: INTERNAL CONTROLS

The Board believes in the importance of maintaining a sound system of internal controls to safeguard the interests of the shareholders and the Group's assets. In the absence of any evidence to the contrary, the Board believes that the system of internal controls maintained by the Company's management is adequate to meet the needs of the Group in its current business environment.

However, the Board notes that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities.

As part of the annual statutory audit on financial statements, the external auditors report to the AC and the appropriate level of management any material weaknesses in financial controls over the areas which are significant to the audit.

PRINCIPLE 13: INTERNAL AUDITS

Since FY2006, the Company, upon the recommendation of the AC, appointed Messrs Baker Tillly TFWLCL as internal auditors to review key business processes of the Company and its material subsidiaries with the primary objective of identifying significant control issues that the AC and Management should focus their attention on.

In the discharge of its functions, the internal auditors report directly to the Chairman of the AC on functional matters and to the Chief Financial Officer on administrative matters. The AC reviews and approves the internal audit plans and ensures that resources are adequate to perform the function.

COMMUNICATION WITH SHAREHOLDERS

PRINCIPLES 14 and 15: COMMUNICATION WITH SHAREHOLDERS AND GREATER SHAREHOLDER PARTICIPATION

The Company does not practise selective disclosure of material information. Material and price-sensitive information is always released on SGXNET after trading hours. Results and annual reports are announced or issued within the mandatory periods and are available on the Company website. When press conference and briefings will be held on major events and financial results, the management will only meet the press and analysts after the announcement is released on SGXNET.

All shareholders of the Company receive the annual report and Notice of AGM. The Notice is also advertised in a national newspaper. At AGMs, shareholders are given the opportunity to air their views and ask directors or management questions regarding the Company. Separate resolutions on each distinct issue are proposed at general meetings for approval. The external auditors and legal advisors (if necessary) are present to assist the Directors in addressing any queries by shareholders.

The Articles of Association allow a member of the Company to appoint one or two proxies to attend and vote in place of the member.

DEALINGS IN SECURITIES

The Company has issued an Internal Compliance Code on Securities Transactions to directors and key employees (including employees with access to price-sensitive information to the Company's shares) of the Group setting out the code of conduct on transactions in the Company's shares by these persons, the implications of insider trading and the recommendations of the Best Practices Guide issued by the SGX-ST.

The Code forbids the trading of the Company's shares at least one month before the announcement of the Company's quarterly or full year results and ending one day after the announcement of the relevant results.

On Behalf of the Directors,

Albert Phuay Yong Hen
Chairman and Group CEO
Singapore

DIRECTORS' REPORT

The Directors are pleased to present their report to the members together with the audited consolidated financial statements of Excelpoint Technology Ltd (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2009.

1. DIRECTORS

The Directors of the Company in office at the date of this report are:-

Albert Phuay Yong Hen (Chairman and Group Chief Executive Officer)
Alan Kwan Wai Loen
David Kok Fat Keung
Sunny Wong Fook Choy
Professor Low Teck Seng
Kwah Thiam Hock

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as described in paragraph 5 below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. DIRECTORS' INTEREST IN SHARES AND DEBENTURES

The following Directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap.50, an interest in shares of the Company as stated below:-

	Direct interest		Deemed interest	
Name of Director	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of the Company				
Albert Phuay Yong Hen	238,131,520	238,131,520	12,990,840	12,990,840
Alan Kwan Wai Loen	31,291,220	31,291,220	–	–
David Kok Fat Keung	2,579,620	2,579,620	–	–
Sunny Wong Fook Choy	100,000	100,000	–	–

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2010.

By virtue of Section 7 of the Singapore Companies Act, Cap.50, Albert Phuay Yong Hen, Alan Kwan Wai Loen, David Kok Fat Keung and Sunny Wong Fook Choy are deemed to have interests in shares of the subsidiaries of the Company, all of which are wholly-owned by the Company.

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

4. DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest.

5. SHARE PLANS

Options

At an Extraordinary General Meeting held on 13 November 2003, shareholders approved the Excelpoint Share Option Scheme (the "Scheme") for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of the Company. As at the date of this report, no options have been granted under the Scheme.

Performance shares

The Company has adopted the Excelpoint Performance Share Scheme, which was approved by the shareholders at the Extraordinary General Meeting held on 25 June 2008. As at the date of this report, no performance shares have been granted.

6. AUDIT COMMITTEE

The Audit Committee ("AC") carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50, including the following:-

- Reviews the audit plans of the internal and external auditors of the Company, and review the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Company's management to the external and internal auditors;
- Reviews the quarterly and annual financial statements and the auditors' report on the annual financial statements of the Company before their submission to the Board of Directors;
- Reviews effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditors;
- Meets with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviews the cost effectiveness and the independence and objectivity of the external auditors;
- Reviews the nature and extent of non-audit services provided by the external auditors;
- Recommends to the Board of Directors the external auditors to be nominated, approves the compensation of the external auditors, and reviews the scope and results of the audit;
- Reports actions and minutes of the AC to the Board of Directors with such recommendations as the AC considers appropriate; and
- Reviews interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

6. AUDIT COMMITTEE (CONT'D)

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the financial year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance in the Annual Report of the Company.

7. AUDITORS

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

Albert Phuay Yong Hen
Director

Alan Kwan Wai Loen
Director

Singapore
5 March 2010

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 201(15)

We, Albert Phuay Yong Hen and Alan Kwan Wai Loen, being two of the Directors of Excelpoint Technology Ltd, do hereby state that, in the opinion of the Directors:-

(a) the accompanying balance sheets, consolidated statement of comprehensive income, statements of changes in equity, and consolidated cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date; and

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

On behalf of the Board of Directors,

Albert Phuay Yong Hen
Director

Alan Kwan Wai Loen
Director

Singapore
5 March 2010

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF EXCELPOINT TECHNOLOGY LTD

We have audited the accompanying financial statements of Excelpoint Technology Ltd (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2009, the statements of changes in equity of the Group and the Company, the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

In our opinion,

(i) the consolidated financial statements of the Group, and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date; and

(ii) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and Certified Public Accountants
Singapore
5 March 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	Note	Group 2009 US$'000	Group 2008 US$'000
Revenue	4	**356,884**	436,476
Cost of sales		**(330,081)**	(405,142)
Gross profit		**26,803**	31,334
Other income	5	**520**	1,203
Sales and distribution costs		**(14,887)**	(18,257)
General and administrative expenses		**(10,710)**	(11,494)
Finance costs	6	**(468)**	(1,863)
Other expenses		**(2,312)**	(1,777)
Loss before taxation	7	**(1,054)**	(854)
Income tax expense	8	**(709)**	(611)
Loss after taxation		**(1,763)**	(1,465)
Other comprehensive income/(loss)			
Translation differences relating to financial statements of foreign subsidiaries		**(5)**	(9)
Gain on re-measurement of available-for-sale financial assets		**433**	–
Other comprehensive income/(loss) for the year		**428**	(9)
Total comprehensive loss for the year and attributable to equity holders of the Company		**(1,335)**	(1,474)
Loss per share attributable to equity holders of the Company (cents per share)	9	**(0.36)**	(0.30)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS
AS AT 31 DECEMBER 2009

	Note	Group 2009 US$'000	Group 2008 US$'000	Company 2009 US$'000	Company 2008 US$'000
Non-current assets					
Property, plant and equipment	10	**3,940**	3,101	**–**	1
Investment property	11	**–**	1,926	**–**	–
Intangible assets	12	**326**	326	**–**	–
Investments in subsidiaries	13	**–**	–	**13,049**	13,049
Investment securities	14	**1,273**	–	**1,273**	–
Deferred tax assets	24	**54**	–	**–**	–
		5,593	5,353	**14,322**	13,050
Current assets					
Trade debtors	15	**55,489**	43,590	**3**	4
Other debtors	16	**1,052**	791	**–**	–
Prepayments		**684**	151	**7**	1
Stocks	17	**36,123**	46,251	**–**	–
Amounts due from subsidiaries	18	**–**	–	**17,342**	15,229
Tax recoverable		**15**	311	**–**	–
Cash and cash equivalents	19	**19,605**	13,568	**2,942**	4,876
		112,968	104,662	**20,294**	20,110
Current liabilities					
Trade creditors and accruals	20	**(50,435)**	(34,768)	**(110)**	(90)
Other creditors	21	**(6,132)**	(4,945)	**(12)**	–
Interest-bearing loans and borrowings	22	**(16,487)**	(27,703)	**–**	–
Finance lease obligations	23	**(72)**	(86)	**–**	–
Provision for taxation		**(601)**	(456)	**(16)**	(22)
		(73,727)	(67,958)	**(138)**	(112)
Net current assets		**39,241**	36,704	**20,156**	19,998
Non-current liabilities					
Interest-bearing loans and borrowings	22	**(3,498)**	–	**–**	–
Finance lease obligations	23	**(20)**	(86)	**–**	–
Deferred tax liabilities	24	**–**	(166)	**–**	–
		(3,518)	(252)	**–**	–
Net assets		**41,316**	41,805	**34,478**	33,048
Equity attributable to equity holders of the Company					
Share capital	25	**32,294**	31,429	**32,294**	31,429
Treasury shares	25	**(19)**	–	**(19)**	–
Reserves		**9,041**	10,376	**2,203**	1,619
		41,316	41,805	**34,478**	33,048

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

		Attributable to equity holders of the Company							
GROUP	**Note**	**Equity total US$'000**	**Share capital (Note 25) US$'000**	**Treasury shares (Note 25) US$'000**	**Reserves total US$'000**	**Fair value reserve (Note 26) US$'000**	**Statutory reserve (Note 26) US$'000**	**Foreign currency translation reserve (Note 26) US$'000**	**Revenue reserve US$'000**
Opening balance at 1 January 2009		41,805	31,429	–	10,376	–	25	(936)	11,287
Total comprehensive loss for the year		(1,335)	–	–	(1,335)	433	–	(5)	(1,763)
Shares issued for acquisition of investment securities	25	865	865	–	–	–	–	–	–
Acquisition of treasury shares	25	(19)	–	(19)	–	–	–	–	–
Closing balance at 31 December 2009		41,316	32,294	(19)	9,041	433	25	(941)	9,524
Opening balance at 1 January 2008		44,169	31,429	–	12,740	–	25	(927)	13,642
Total comprehensive loss for the year		(1,474)	–	–	(1,474)	–	–	(9)	(1,465)
Dividends on ordinary shares	35	(890)	–	–	(890)	–	–	–	(890)
Closing balance at 31 December 2008		41,805	31,429	–	10,376	–	25	(936)	11,287

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

COMPANY	Note	Attributable to equity holders of the Company					
		Equity total US$'000	Share capital (Note 25) US$'000	Treasury shares (Note 25) US$'000	Reserves total US$'000	Fair value reserve (Note 26) US$'000	Revenue reserve US$'000
Opening balance at 1 January 2009		33,048	31,429	–	1,619	–	1,619
Total comprehensive income for the year		584	–	–	584	433	151
Shares issued for acquisition of investment securities	25	865	865	–	–	–	–
Acquisition of treasury shares	25	(19)	–	(19)	–	–	–
Closing balance at 31 December 2009		34,478	32,294	(19)	2,203	433	1,770
Opening balance at 1 January 2008		33,773	31,429	–	2,344	–	2,344
Total comprehensive income for the year		165	–	–	165	–	165
Dividends on ordinary shares	35	(890)	–	–	(890)	–	(890)
Closing balance at 31 December 2008		33,048	31,429	–	1,619	–	1,619

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	Group 2009 US$'000	Group 2008 US$'000
Operating activities		
Loss before taxation	**(1,054)**	(854)
Adjustments for:-		
Interest income	**(17)**	(190)
Interest expense	**468**	1,863
Impairment loss on property, plant and machinery	**–**	3
Depreciation of property, plant and equipment	**1,707**	1,073
Depreciation of investment property	**–**	42
Gain on disposal of property, plant and equipment	**(13)**	(72)
Operating cash flows before changes in working capital	**1,091**	1,865
Decrease in stocks	**10,128**	17,186
(Increase)/decrease in trade debtors, other debtors and prepayments	**(12,693)**	26,594
Increase/(decrease) in trade creditors, accruals and other creditors	**16,854**	(34,056)
Cash flows generated from operations	**15,380**	11,589
Interest received	**17**	190
Interest paid	**(468)**	(1,863)
Income tax paid	**(486)**	(853)
Net cash flows generated from operating activities	**14,443**	9,063
Investing activities		
Purchase of property, plant and equipment	**(656)**	(705)
Purchase of investment securities	**(840)**	–
Proceeds on disposals of property, plant and equipment	**47**	365
Purchase of club membership	**–**	(103)
Net cash flows used in investing activities	**(1,449)**	(443)
Financing activities		
Decrease in interest bearing loans and borrowings	**(7,718)**	(3,678)
Proceeds from issuance of ordinary shares	**865**	–
Purchase of treasury shares	**(19)**	–
Repayment of finance lease obligations	**(80)**	(102)
Dividends paid on ordinary shares	**–**	(890)
Net cash flows used in from financing activities	**(6,952)**	(4,670)
Net increase in cash and cash equivalents	**6,042**	3,950
Effects of exchange rate changes on cash and cash equivalents	**(5)**	2
Cash and cash equivalents at 1 January	**13,568**	9,616
Cash and cash equivalents at 31 December (Note 19)	**19,605**	13,568

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

Excelpoint Technology Ltd (the "Company") is a limited liability company incorporated in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the Company is located at 15 Changi Business Park Central 1, #06-00, Singapore 486057.

The principal activities of the Company are that of an investment holding company and the provision of support services to its subsidiaries. The principal activities of the subsidiaries include the trading of electronics equipment, sale and distribution of electronic components and dealers of all types of electronic and electrical components and accessories and manufacturing of signs and advertising displays including neon-lighting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars ("USD" or "US$") and all values are rounded to the nearest thousand (US$'000) except when otherwise indicated.

The accounting policies have been consistently applied by the Group and the Company during the financial year and are consistent with those used in the previous financial year, except for the changes in accounting policies as discussed below.

2.2 Changes in accounting policies

On 1 January 2009, the Group adopted the following FRSs and INT FRS mandatory for annual financial periods beginning on or after 1 January 2009.

- FRS 1 Presentation of Financial Statements (Revised)
- Amendments to FRS 18 Revenue
- Amendments to FRS 23 Borrowing Costs
- Amendments to FRS 32 Financial Instruments: Presentation and FRS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to FRS 101 First-time Adoption of Financial Reporting Standards and FRS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 102 Share-based Payment – Vesting Conditions and Cancellations
- Amendments to FRS 107 Financial Instruments: Disclosures
- FRS 108 Operating Segments
- INT FRS 113 Customer Loyalty Programmes
- INT FRS 116 Hedges of a Net Investment in a Foreign Operation
- Amendments to INT FRS 109 Reassessment of Embedded Derivatives and FRS 39 Financial Instruments: Recognition and Measurement – Embedded Derivatives
- INT FRS 118 Transfers of Assets from Customers
- Improvements to FRSs issued in 2008

Adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group. They did however give rise to additional disclosures, including, in some cases, revisions to accounting policies.

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

2.2 Changes in accounting policies (cont'd)

The principal effects of these changes are as follows:-

FRS 1 Presentation of Financial Statements – Revised Presentation

The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Group has elected to present this statement as one single statement.

Amendments to FRS 107 Financial Instruments: Disclosures

The amendments to FRS 107 require additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well as significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The fair value measurement disclosures and liquidity risk disclosures are presented in Note 32 and Note 29 to the financial statements respectively.

FRS 108 Operating Segments

FRS 108 requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary and secondary reporting segments of the Group. The Group determined that the reportable primary operating segments to be business units based on geographical area i.e. Hong Kong Business Unit and Singapore Business Unit. Previously, operating segments were determined and presented in accordance with FRS 14 Segment Reporting. Comparative segment information has been revised in conformity with the transitional requirements of the standard. Since the changes in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share. Additional disclosures about each of the segments are shown in Note 34.

Improvements to FRSs issued in 2008

In 2008, the Accounting Standards Council issued an omnibus of amendments to FRS. There are separate transitional provisions for each amendment. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group:-

- FRS 1 Presentation of Financial Statements: Assets and liabilities classified as held for trading in accordance with FRS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the balance sheet. The Group amended its accounting policy accordingly and analysed whether Management's expectation of the period of realisation of financial assets and liabilities differed from the classification of the instrument. This did not result in any re-classification of financial instruments between current and non-current in the balance sheet.

- FRS 16 Property, Plant and Equipment: Replaces the term "net selling price" with "fair value less costs to sell". The Group amended its accounting policy accordingly, which did not result in any change in the financial position.

- FRS 23 Borrowing Costs: The definition of borrowing costs is revised to consolidate the two types of items that are considered components of "borrowing costs" into one – the interest expense calculated using the effective interest rate method calculated in accordance with FRS 39. The Group has amended its accounting policy accordingly which did not result in any change in its financial position.

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

2.3 Future changes in accounting policies

The Group has not applied the following FRS and INT FRS that have been issued but not yet effective:-

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 27 Consolidated and Separate Financial Statements	1 July 2009
Amendments to FRS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Item	1 July 2009
Revised FRS 103 Business Combinations	1 July 2009
Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 July 2009
INT FRS 117 Distributions of Non-cash Assets to Owners	1 July 2009
Improvements to FRSs issued in 2009:	
- Amendments to FRS 38 Intangible Assets	1 July 2009
- Amendments to FRS 102 Share-based Payment	1 July 2009
- Amendments to FRS 108 Operating Segments	1 July 2009
- Amendments to INT FRS 109 Reassessment of Embedded Derivatives	1 July 2009
- Amendments to INT FRS 116 Hedges of a Net Investment in a Foreign Operation	1 July 2009
- Amendments to FRS 1 Presentation of Financial Statements	1 January 2010
- Amendments to FRS 7 Statement of Cash Flows	1 January 2010
- Amendments to FRS 17 Leases	1 January 2010
- Amendments to FRS 36 Impairment of Assets	1 January 2010
- FRS 39 Financial Instruments: Recognition and Measurement	1 January 2010
- Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
- Amendments to FRS 108 Operating Segments	1 January 2010

The directors expect that the adoption of the above pronouncements will have no material impact on the financial statements in the period of initial application, except for revised FRS 103 and amendments to FRS 27 as indicated below.

<u>Revised FRS 103 Business Combinations and Amendments to FRS 27 Consolidated and Separate Financial Statements</u>

The revised standards are effective for annual periods beginning on or after 1 July 2009. The revised FRS 103 introduces a number of changes in the accounting for business combinations occurring after 1 July 2009. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 27 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to FRS 7 Statement of Cash Flows, FRS 12 Income Taxes, FRS 21 The Effects of Changes in Foreign Exchange Rates, FRS 28 Investments in Associates and FRS 31 Interests in Joint Ventures. The changes from revised FRS 103 and Amendments to FRS 27 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early applied. However, the Group does not intend to early adopt.

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

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.5 Functional and foreign currency

(a) Functional currency

The management has determined the currency of the primary economic environment in which the Company operates, i.e. the functional currency, to be the United States Dollars (USD), as it best reflects the economic substance of the underlying events and circumstances relevant to the entity.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the statement of comprehensive income except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to statement of comprehensive income of the Group on disposal of the foreign operation.

The assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the balance sheet date and their statement of comprehensive income are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in the statement of comprehensive income.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, all items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

2.6 Property, plant and equipment (cont'd)

Depreciation of an asset begins when it is available for use and is computed on the straight-line basis over the estimated useful lives of the assets as follows:-

Leasehold building	-	44 years (remaining lease of the land)
Furniture and fittings	-	5 years
Office equipment	-	3 - 5 years
Motor vehicles	-	5 - 10 years
Computers	-	3 - 5 years
Renovations	-	the lower of remaining lease period and 5 years
Plant and machinery	-	3 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

2.7 Investment property

Investment property is initially recorded at cost, including transaction costs. Subsequent to recognition, investment property is measured using the cost model and is stated at cost less accumulated depreciation and accumulated impairment loss.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the statement of comprehensive income in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use.

2.8 Intangible assets

Intangible assets consisting club memberships are initially recorded at cost. Following initial recognition, club memberships are carried at cost less any accumulated impairment losses. The useful lives of club memberships are assessed to be indefinite as these are lifetime memberships and have no dates of expiry and are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

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

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the statement of comprehensive income except for assets that are previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the statement of comprehensive income.

2.10 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 Financial assets

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the statement of comprehensive income.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

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

2.11 Financial assets (cont'd)

(a) Financial assets at fair value through profit or loss

Financial assets held for trading are classified as financial assets at fair value through profit or loss. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

The Group does not designate any financial assets held for trading as financial assets at fair value through profit or loss.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the loans and receivables are derecognised or impaired, and through the amortisation process.

(c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognized in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is classified from equity to statement of comprehensive income as a reclassifications adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

(d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in statement of comprehensive income. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

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

2.12 Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(a) Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the statement of comprehensive income.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the statement of comprehensive income.

(b) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principle payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of comprehensive income, is transferred from equity to the statement of comprehensive income.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and short-term fixed deposits in banks.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value. Costs incurred in bringing the stocks to their present location and condition are accounted at purchase costs on a first-in first-out basis for trading stocks.

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

2.15 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Financial liabilities

Financial liabilities within the scope of FRS 39 are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for financial guarantee) are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the statement of comprehensive income. Net gains or losses on derivatives include exchange differences.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

2.17 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees are recognised initially at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in the statement of comprehensive income over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the statement of comprehensive income.

2.18 Employee benefits

(a) Defined contribution plan

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

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

2.18 Employee benefits (cont'd)

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the balance sheet date.

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

2.20 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of comprehensive income. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.21.

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

2.21 Revenue

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

Revenue from the sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Commission income

Commission income is recognised as and when services are rendered.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Rental income

Rental income is accounted for on a straight-line basis over the lease terms.

(e) Grant income

Grant income, pertaining to research and development activities, is recognised at their fair value in the statement of comprehensive income as and when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

(f) Royalty income

Royalty income is recognised as and when the Group's right to receive payment is established.

2.22 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current taxes are recognised in the statement of comprehensive income except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred income tax is provided using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

2.22 Income taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred income tax liabilities are recognised for all temporary differences, except:-

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and

- In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:-

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxes are recognised in the statement of comprehensive income except that deferred tax relating to items recognised directly in equity is recognised directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

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

2.22 Income taxes (cont'd)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:-

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.23 Segment reporting

For management purposes, the Group is organised into operating segments based on geographical area of the business unit which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 34, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.24 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.25 Treasury shares

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

2.26 Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

On 22 January 2009, the Minister of Finance announced the Jobs Credit Scheme in his Budget Speech. The objective of the Jobs Credit Scheme is to encourage businesses to preserve jobs in the downturn.

The Group is entitiled to receive a cash grant under the Jobs Credit Scheme and has accounted for the Jobs Credit grants in accordance with the Circular issued by Institute of Certifed Public Accountants of Singapore on 20 May 2009.

Jobs Credit is recognised in the month of receipt and is recorded in the statement of comprehensive income over the period on a systematic basis to sales and distribution costs and general and administrative expenses.

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

2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:-

(a) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payables and deferred tax liabilities at the balance sheet date was US$601,000 (2008: US$456,000) and US$Nil (2008: US$166,000) respectively.

(b) Fair value of financial instruments

Where the fair values of financial instruments recorded on the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values. The judgements include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. The valuation of financial instruments is described in more detail in Note 32.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

(a) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the key assumptions applied in the impairment assessment of investment in subsidiaries and property, plant and equipment are given in Note 13 and Note 10, respectively to the financial statements.

(b) Impairment of loans and receivables

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and the timing of future cash flows are being estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the balance sheet date is disclosed in Note 15 and Note 18 to the financial statements.

4. REVENUE

	Group	
	2009 US$'000	2008 US$'000
Sale of goods	**356,513**	436,015
Commission income	**371**	461
	356,884	436,476

5. OTHER INCOME

	Group	
	2009 US$'000	2008 US$'000
Other income includes:-		
Rental income from investment property	**–**	163
Interest income on bank deposits	**17**	190
Grant income	**194**	251

6. FINANCE COSTS

	Group	
	2009 US$'000	2008 US$'000
Interest expense on:-		
Bank loans and borrowings (including bank overdrafts)	**(456)**	(1,852)
Obligations under finance leases	**(12)**	(11)
	(468)	(1,863)

7. LOSS BEFORE TAXATION

The following items have been included in arriving at loss before tax:-

	Group	
	2009 US$'000	2008 US$'000
Gain on disposal of property, plant and equipment	**13**	72
(Impairment) and reversal of impairment of financial assets (Note 15)		
- Allowance for doubtful trade debts	**(94)**	(779)
- Allowance for doubtful trade debts written back	**692**	840
Stocks written down/off	**(4,091)**	(3,282)
Reversal of stocks written down/stocks recovered	**1,244**	1,332
Impairment on property, plant and equipment (Note 10)	**–**	(3)
Net foreign exchange (loss)/gain	**(217)**	78
Employee benefits expenses (including directors)		
- Salaries and bonuses	**(13,691)**	(15,851)
- Contributions to CPF and other defined contribution pension schemes	**(1,347)**	(1,561)
- Other short term benefits	**(958)**	(797)
- Government grants – Jobs credit	**295**	–
Depreciation of property, plant and equipment	**(1,707)**	(1,073)
Depreciation of investment property	**–**	(42)
Non-audit fees paid to auditors of the Company	**(28)**	(28)
Stocks recognised as an expense in cost of sales	**(329,288)**	(403,997)

8. INCOME TAX EXPENSE

(a) Major components of income tax expense

The major components of income tax expense for the financial years ended 31 December 2009 and 2008 are:-

	Group	
	2009 US$'000	2008 US$'000
Current taxation		
- Current year	**(913)**	(599)
- Under provision in respect of previous years	**(16)**	(91)
Deferred income tax (Note 24)		
- Origination and reversal of temporary differences	**220**	79
Income tax expense recognised in the statement of comprehensive income	**(709)**	(611)

8. INCOME TAX EXPENSE (CONT'D)

(b) Relationship between tax expense and profit before taxation

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate for the financial year ended 31 December:-

	Group	
	2009	**2008**
	US$'000	**US$'000**
Loss before taxation	**(1,054)**	(854)
Tax expense at statutory tax rate of 17% (2008: 18%)	**179**	154
Adjustments:-		
Non-deductible expenses	**(194)**	(432)
Income not subject to taxation	**13**	21
Tax rebates and tax incentives	**16**	43
Difference in tax rates of overseas subsidiaries	**15**	(16)
Underprovision in respect of previous/current years	**(242)**	(91)
Losses of foreign subsidiaries not available for set-off against profits of other companies within the Group	**(493)**	(290)
Others	**(3)**	–
Income tax expense recognised in the statement of comprehensive income	**(709)**	(611)

The corporate income tax rate applicable to Hong Kong companies is 16.5% (2008: 16.5%). The corporate income tax rate applicable to Singapore companies was reduced to 17% (2008: 18%) for the year of assessment 2010 onwards. The corporate income tax rate applicable to Malaysian companies was reduced from 27% for 2007 to 26% and 25% for 2008 and 2009 onwards respectively. The corporate income tax rate applicable to the People's Republic of China ("PRC") companies of the Group was increased to 20% (2008: 18%).

9. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing loss after taxation for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year. The following table reflects the loss and share data used in the computation of basic loss per share for the years ended 31 December:-

	Group	
	2009	**2008**
Loss after taxation attributable to owners of the parent used in the computation of basic earnings per share (US$'000)	**(1,763)**	(1,465)
Weighted average number of ordinary shares, excluding treasury shares, for basic loss per share computation ('000)	**489,302**	486,022

As there were no share options and warrants granted, the basic and diluted earnings per share are the same.

10. PROPERTY, PLANT AND EQUIPMENT

Group	Furniture and fittings US$'000	Office equipment US$'000	Motor vehicles US$'000	Computers US$'000	Renovations US$'000	Leasehold building US$'000	Plant and machinery US$'000	Total US$'000
Cost:								
At 1 January 2008	445	2,499	1,936	1,270	1,171	–	334	7,655
Additions	137	97	4	142	322	–	3	705
Disposals	(183)	(146)	(588)	(161)	(89)	–	(47)	(1,214)
Currency realignment	–	–	–	(1)	–	–	–	(1)
At 31 December 2008 and 1 January 2009	399	2,450	1,352	1,250	1,404	–	290	7,145
Transfer from investment property (Note 11)	–	–	–	–	–	3,688	–	3,688
Additions	23	114	–	145	364	–	10	656
Disposals	(10)	(41)	–	(7)	(329)	–	(290)	(677)
At 31 December 2009	412	2,523	1,352	1,388	1,439	3,688	10	10,812
Accumulated depreciation and impairment loss:								
At 1 January 2008	269	1,347	559	826	552	–	334	3,887
Depreciation charge for the year	64	361	198	225	225	–	–	1,073
Impairment loss	–	–	–	–	–	–	3	3
Disposals	(141)	(133)	(360)	(153)	(87)	–	(47)	(921)
Currency realignment	–	–	1	1	–	–	–	2
At 31 December 2008 and 1 January 2009	192	1,575	398	899	690	–	290	4,044
Depreciation charge for the year	64	695	135	158	592	62	1	1,707
Depreciation charge transfer from investment property (Note 11)	–	–	–	–	–	692	–	692
Impairment loss transfer from investment property (Note 11)	–	–	–	–	–	1,070	–	1,070
Disposals	(3)	(41)	–	(7)	(300)	–	(290)	(641)
At 31 December 2009	253	2,229	533	1,050	982	1,824	1	6,872
Net book value:								
At 31 December 2009	159	294	819	338	457	1,864	9	3,940
At 31 December 2008	207	875	954	351	714	–	–	3,101

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Assets held under finance leases

The carrying amount of motor vehicles held under finance leases at 31 December 2009 is US$312,000 (2008: US$357,000).

Leased assets are pledged as security for the related finance lease liabilities.

Company	**Office equipment US$'000**
Cost:	
At 1 January 2008 and 31 December 2009	10
Accumulated depreciation:	
At 1 January 2008	7
Depreciation charge for the year	2
At 31 December 2008 and 1 January 2009	9
Depreciation charge for the year	1
At 31 December 2009	10
Net book value:	
At 31 December 2009	–
At 31 December 2008	1

11. INVESTMENT PROPERTY

	Group	
	2009 US$'000	**2008 US$'000**
Balance sheet		
Cost:		
At 1 January	**3,688**	3,688
Transfer to property, plant and equipment	**(3,688)**	–
At 31 December	**–**	3,688
Accumulated depreciation and impairment:		
At 1 January	**1,762**	1,720
Depreciation charge for the year	**–**	42
Depreciation charge transfer to property, plant and equipment	**(692)**	–
Impairment loss transfer to property, plant and equipment	**(1,070)**	–
At 31 December	**–**	1,762
Net book value:		
At 31 December	**–**	1,926
Statement of comprehensive income		
Rental income from investment property	**–**	163
Direct operating expenses	**–**	23

11. INVESTMENT PROPERTY (CONT'D)

Transfer to property plant and equipment

On 1 January 2009, the Group transferred the leasehold building that was held as investment property to owner-occupied property. On that date, the Group has ceased to earn rental income from the leasehold building.

12. INTANGIBLE ASSETS

Group	Club memberships US$'000
Cost:	
At 1 January 2008	244
Additions	103
At 31 December 2008, 1 January 2009 and 31 December 2009	347
Accumulated impairment:	
At 1 January 2008, 31 December 2008 and 31 December 2009	(21)
Net book value:	
At 31 December 2009 and 31 December 2008	326

13. INVESTMENTS IN SUBSIDIARIES

	Company	
	2009 US$'000	2008 US$'000
Unquoted shares, at cost	**13,700**	13,700
Impairment losses	**(651)**	(651)
	13,049	13,049

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The subsidiaries as at 31 December are:-

Name	Country of incorporation	Principal activities (Place of business)	Unquoted equity shares, at cost		Proportion (%) of ownership interest	
			2009	2008	2009	2008
			US$'000	US$'000	%	%
Held by the Company						
Excelpoint Systems (Pte) Ltd [1]	Singapore	Trading of electronic components (Singapore)	**3,927**	3,927	**100**	100
Excelpoint Systems (H.K.) Limited [2]	Hong Kong	Trading of electronic components (Hong Kong)	**5,951**	5,951	**100**	100
Lights Electronics Pte Ltd [1]	Singapore	Dealers of all types of electronic and electrical components and accessories (Singapore)	**3,171**	3,171	**100**	100
Excelpoint Solutions Pte Ltd [1]	Singapore	Dormant	**651**	651	**100**	100
PlanetSpark Pte. Ltd. [3]	Singapore	Manufacture of signs and advertising displays including neon-lighting (Singapore)	**-**	-	**100**	-
			13,700	13,700		
Held by Excelpoint Systems (Pte) Ltd						
Excelpoint Systems Sdn. Bhd. [4]	Malaysia	Trading of electronic components (Malaysia)			**100**	100
Excelpoint Systems (India) Pvt Ltd [2]	India	Trading of electronic components (India)			**100**	100

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name	Country of incorporation	Principal activities (Place of business)	Proportion (%) of ownership interest 2009 %	2008 %
Held by Excelpoint Systems (H.K.) Limited				
Excelpoint International Trading (Shanghai) Co., Ltd. [5]	The People's Republic of China	Trading of electronic components (The People's Republic of China)	**100**	100
Excelpoint International Trading (Shenzhen) Co., Ltd. [6]	The People's Republic of China	Trading of electronic components (The People's Republic of China)	**100**	100
Held by Lights Electronics Pte Ltd				
Lights Electronics (Shanghai) Co., Ltd. [5]	The People's Republic of China	Trading of electronic components (The People's Republic of China)	**100**	100
Lights Electronics (Shenzhen) Co., Ltd. [6]	The People's Republic of China	Dormant	**100**	100
Lights Electronics (H.K.) Limited [2]	Hong Kong	Trading of electronic components (Hong Kong)	**100**	100
Sun Lights Electronics (M) Sdn. Bhd. [7]	Malaysia	Trading of electronic components (Malaysia)	**100**	100
Held by Excelpoint Solutions Pte Ltd				
Excelpoint Manufacturing Pte. Ltd. [1]	Singapore	Dormant	**100**	100
Held by Excelpoint Manufacturing Pte. Ltd.				
Excelpoint Manufacturing (Zhu Hai) Co., Ltd [8]	The People's Republic of China	Dormant	**100**	100

(1) Audited by Ernst & Young LLP, Singapore.
(2) Audited by member firm of Ernst & Young Global.
(3) Cost of investment is less than US$1,000. The subsidiary was incorporated on 3 September 2009. Unaudited financial statements have been used for the preparation of the consolidated financial statement of the Group.
(4) Audited by Yong & Leonard Chartered Accountants, Malaysia.
(5) Audited by Shanghai Shenzhou Certified Public Accountants Co., Limited, The People's Republic of China.
(6) Audited by Shenzhen Yi Da Certified Public Accountants Company Limited, The People's Republic of China.
(7) Audited by Ng & Associates Chartered Accountants, Malaysia.
(8) The subsidiary had ceased operations since 1 January 2009. Unaudited financial statements have been used for the preparation of the consolidated financial statements of the Group.

14. INVESTMENT SECURITIES

	Group 2009 US$'000	Group 2008 US$'000
Non-current		
Available-for-sale financial assets		
Equity instruments (quoted)	**1,273**	–

15. TRADE DEBTORS

	Group 2009 US$'000	Group 2008 US$'000	Company 2009 US$'000	Company 2008 US$'000
Trade debtors	**57,375**	46,382	**3**	4
Less: Allowance for doubtful trade debts	**(1,886)**	(2,792)	**–**	–
	55,489	43,590	**3**	4

Trade debtors are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade debtors that are past due but not impaired

The Group has trade debtors amounting to US$15,446,000 (2008: US$15,229,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:-

	Group 2009 US$'000	Group 2008 US$'000
Trade debtors past due:-		
Less than 30 days	**10,955**	10,301
31 to 60 days	**2,843**	3,063
61 to 90 days	**229**	939
More than 90 days	**1,419**	926
	15,446	15,229

15. TRADE DEBTORS (CONT'D)

Trade debtors that are impaired

The Group's trade debtors that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:-

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Trade debtors				
– nominal amounts	**1,960**	3,438	**–**	–
Less: Allowance for impairment	**(1,886)**	(2,792)	**–**	–
	74	646	**–**	–
Movement in allowance amount:-				
At 1 January	**(2,792)**	(2,838)	**–**	–
Charge for the financial year	**(94)**	(779)	**–**	–
Allowance written back	**692**	840	**–**	–
Bad debts written off	**308**	5	**–**	–
Currency realignment	**–**	(20)	**–**	–
At 31 December	**(1,886)**	(2,792)	**–**	–

Trade debtors that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

16. OTHER DEBTORS

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Deposits	**718**	666	**–**	–
Staff loans	**7**	9	**–**	–
Advances	**318**	34	**–**	–
Others	**9**	82	**–**	–
	1,052	791	**–**	–

Staff loans are unsecured, non-interest bearing and have scheduled repayment dates repayable within 1 to 2 years (2008 : 1 to 2 years).

17. STOCKS

	Group 2009 US$'000	Group 2008 US$'000
Balance sheet:-		
Trading stocks at lower of cost and net realisable value	**36,123**	46,251
Statement of comprehensive income:-		
Stocks recognized as an expense in cost of sales	**(329,288)**	(403,997)
Stocks written down/off	**(4,091)**	(3,282)
Reversal of stocks written down/stocks recovered	**1,244**	1,332

Reversal of stocks written down and stocks recovered were made when the related stocks were sold above their carrying amounts.

18. AMOUNTS DUE FROM SUBSIDIARIES

Amounts due from subsidiaries are non-interest bearing, repayable on demand, unsecured and are to be settled in cash.

	Company 2009 US$'000	Company 2008 US$'000
Amounts due from subsidiaries		
- loans	**17,997**	15,883
- non-trade	**108**	106
Less: Allowance for impairment		
- loans	**(760)**	(760)
- non-trade	**(3)**	–
	17,342	15,229

19. CASH AND CASH EQUIVALENTS

	Group 2009 US$'000	Group 2008 US$'000	Company 2009 US$'000	Company 2008 US$'000
Cash at bank and in hands	**18,287**	12,911	**2,942**	4,876
Short-term fixed deposits	**1,318**	657	**–**	–
	19,605	13,568	**2,942**	4,876

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and one month depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates.

20. TRADE CREDITORS AND ACCRUALS

	Group		Company	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
Trade creditors	**(47,391)**	(32,641)	**(7)**	–
Accruals	**(3,044)**	(2,127)	**(103)**	(90)
	(50,435)	(34,768)	**(110)**	(90)

Trade creditors and accruals are non-interest bearing and are normally settled on 30 to 90 days' terms.

21. OTHER CREDITORS

	Group		Company	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
Recoverables due to suppliers	**(1,126)**	(1,585)	**–**	–
Deposits received	**(3,745)**	(2,218)	**–**	–
Sundries	**(1,261)**	(1,142)	**(12)**	–
	(6,132)	(4,945)	**(12)**	–

Other creditors are non-interest bearing. Except for deposits received, other creditors are normally settled on 30 to 90 days' terms.

22. INTEREST-BEARING LOANS AND BORROWINGS

		Group	
	Maturity	2009	2008
		US$'000	US$'000
Current:-			
Bills payable, unsecured	-	**(14,935)**	(27,078)
Short term loan, unsecured	-	**(354)**	(625)
HKD loan, unsecured	2014	**(308)**	–
SGD loan, unsecured	2013	**(890)**	–
		(16,487)	(27,703)
Non-current:-			
HKD loan, unsecured	2014	**(1,231)**	–
SGD loan, unsecured	2013	**(2,267)**	–
		(3,498)	–

22. INTEREST-BEARING LOANS AND BORROWINGS (CONT'D)

Bills payable, unsecured

The Group's bills payables bear interest ranging from 1.23% to 6.13% (2008: 1.55% to 7.50%) above the banks' cost of funds or inter-bank offer rates per annum.

Short term loan, unsecured

Short term bank loan of a subsidiary bears interest at rate of 5.10% (2008: 5.10% to 7.27%) per annum, which are also the effective interest rates. Short term loans amounted to US$354,000 (2008: Nil) and Nil (2008 : US$625,000) are denominated in Renminbi and United States dollars, respectively. These loans are covered by corporate guarantees given by the Company.

HKD loan, unsecured

This relates to a bank term loan of a subsidiary of US$1,539,000 (2008: Nil) denominated in Hong Kong dollars and is repayable on a quarterly basis until November 2014. This loan has an effective interest of 2.9% (2008 : Nil) per annum, computed based on Hong Kong Interbank Offer Rate plus 2.75%. The loan is covered by a corporate guarantee given by the Company.

SGD loan, unsecured

This relates to a Singapore dollar bank term loan of a subsidiary of US$3,157,000 (2008: Nil) and is repayable on a monthly basis until April 2013. This loan bears interest at fixed rate of 5% (2008: Nil) per annum. This loan is covered by a corporate guarantee given by the Company.

23. FINANCE LEASE OBLIGATIONS

The Group has finance leases for certain items of motor vehicles. The finance leases bear effective rates from 5.32% to 6.09% (2008: 5.32% to 6.09%) per annum. The interest rates for the finance lease obligations are fixed upon entering into the lease agreements and are therefore not subjected to fluctuations in market interest rates.

	Group	
	2009	**2008**
	US$'000	**US$'000**
The present value of finance lease obligations may be analysed as follows:-		
Within one year	**(72)**	(86)
Within two to five years	**(20)**	(86)
Present value of net minimum lease payments (Note 28 (b))	**(92)**	(172)

24. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2009	2008
	US$'000	US$'000
At 1 January	**(166)**	(245)
Charge for the financial year (Note 8)	**220**	79
At 31 December	**54**	(166)
Deferred tax liabilities recognised are as follows:-		
Differences in depreciation	**(55)**	(177)
Other deferred tax assets/(liabilities)	**46**	(44)
Provision for employee leave entitlement	**63**	55
Net deferred tax assets/(liabilities) recognised	**54**	(166)

Unrecognised tax losses

During the year, the Company utilised current year tax losses and capital allowances of another subsidiary totalling US$100,000 (2008: US$307,000) pursuant to the group relief scheme which was introduced in Singapore with effect from year of assessment 2003. The benefit from group relief amounted to approximately US$17,000 (2008: US$55,000). The subsidiary which transferred the tax losses to another subsidiary has agreed to transfer the tax losses without any charge.

The Group believes that it has satisfied the group relief provision based on the details that have been announced to date.

As at 31 December 2009, the Group has unutilised tax losses amounting to US$469,000 (2008: US$278,000). Deferred tax benefit on unutilised tax losses of US$80,000 (2008: US$50,000) has not been recognised due to the unpredictability of future income.

25. SHARE CAPITAL

(a) Share capital

	Group and Company			
	2009		2008	
	No. of shares '000	US$'000	No. of shares '000	US$'000
Issued and fully paid:-				
At beginning of financial year	**486,022**	**31,429**	486,022	31,429
Issued for acquisition of investment securities	**24,000**	**865**	–	–
At end of financial year	**510,022**	**32,294**	486,022	31,429

The holders of ordinary shares (except for treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

25. SHARE CAPITAL (CONT'D)

(b) Treasury shares

	Group and Company			
	2009		2008	
	No. of shares '000	US$'000	No. of shares '000	US$'000
Acquired during the financial year and balance as at 31 December	**520**	**19**	–	–

Treasury shares relate to ordinary shares of the Company that is held by the Company.

The Company acquired 520,000 (2008: Nil) shares in the Company through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was $19,000 (net of transaction costs) (2008: Nil) and this was presented as a component within shareholders' equity.

26. OTHER RESERVES

(a) Statutory reserve

In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the People's Republic of China ("PRC"), a subsidiary is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Fair value reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

27. RELATED PARTY TRANSACTIONS

(a) Sales and purchase of goods and services

In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:-

	Group	
	2009	2008
	US$'000	US$'000
Rental expense paid to a Director	**104**	90

(b) Compensation of key management personnel

	Group	
	2009	2008
	US$'000	US$'000
Short-term employee benefits	**2,703**	3,165
Contributions to CPF and other defined contribution pension schemes	**40**	65
Directors' fee	**103**	117
	2,846	3,347
Comprise amounts paid to:-		
Directors of the Company	**1,805**	2,018
Other key management personnel	**1,041**	1,329
	2,846	3,347

28. COMMITMENTS

(a) Operating lease commitments – as lessee

The Group leases certain properties under lease arrangements that are non-cancellable. The leases have an average life of between 2 months and 3 years with renewal options and escalation clauses included in the contracts. There are no restrictions placed upon the Group by entering into these leases. Operating lease payments recognised in the consolidated statement of comprehensive income during the financial year amounted to US$5,666,000 (2008: US$2,984,000).

Future minimum rental payable under non-cancellable operating leases as at 31 December are as follows:-

	Group	
	2009	2008
	US$'000	US$'000
Not later than one year	**1,407**	2,247
Later than one year but not later than five years	**1,827**	887
	3,234	3,134

28. COMMITMENTS (CONT'D)

(b) Finance lease commitments

The Group has finance leases for certain items of motor vehicles. The finance leases do not carry any escalation clauses, renewal options and do not provide for contingent rents. There are no restrictions placed upon the Group by entering into these leases.

Future minimum lease payments under finance lease together with the present value of the net minimum lease payments are as follows:-

	Group	
	2009	2008
	US$'000	US$'000
Minimum lease payments due:-		
Within one year	**(81)**	(96)
Within two to five years	**(23)**	(98)
	(104)	(194)
Less: Future finance charges	**12**	22
Present value of minimum finance lease payments (Note 23)	**(92)**	(172)

(c) Contingent liabilities

Corporate guarantees

As at 31 December 2009, the Company has given corporate guarantees to banks in connection with banking facilities provided to its subsidiaries, of which US$19,985,000 (2008: US$27,703,000) of the banking facilities have been utilised as at year end.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. It is, and has been throughout the current and previous financial years the Group's policy that no derivatives shall be undertaken. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other debtors. For other financial assets (including investment securities and cash and cash equivalents), the Group and the Company manage credit risk by dealing with creditworthy counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, debtor balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

At the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets and an amount of US$19,985,000 (2008: US$27,703,000) relating to the corporate guarantees provided by the Company to various banks on its subsidiaries' bank loans.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade debtors on an on-going basis. The credit risk concentration profile of the Group's trade debtors at the balance sheet date is as follows:-

	Group			
	2009		2008	
	US$'000	% of total	US$'000	% of total
Singapore	**5,550**	**10.0%**	7,354	16.9%
Malaysia	**3,006**	**5.4%**	3,680	8.4%
Thailand	**2,108**	**3.8%**	5,391	12.4%
Philippines	**898**	**1.6%**	905	2.1%
India	**3,470**	**6.3%**	3,211	7.4%
Hong Kong/The People's Republic of China	**37,661**	**67.9%**	22,660	52.0%
Others	**2,796**	**5.0%**	389	0.8%
	55,489	**100.0%**	43,590	100.0%

At the balance sheet date, approximately 19.1% (2008: 4.7%) of the Group's trade receivables were due from 2 major customers located in Hong Kong/The People's Republic of China.

Financial assets that are neither past due nor impaired

Trade and other debtors that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Investment securities and cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 15.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors its liquidity risk and maintains adequate liquid financial assets and stand-by credit facilities with different banks to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

At the balance sheet date, the Group's and the Company's financial liabilities will mature in less than one year, except for non-current financial lease obligations.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by the remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and financial liabilities at the balance sheet date based on the contractual undiscounted repayment obligations:-

	2009 US$'000			2008 US$'000		
Group	**One year or less**	**More than one year to five years**	**Total**	**One year or less**	**More than one year to five years**	**Total**
Financial assets:						
Investment securities (Note 14)	**–**	**1,273**	**1,273**	–	–	–
Trade debtors (Note 15)	**55,371**	**118**	**55,489**	43,587	3	43,590
Other debtors (Note 16)	**1,052**	**–**	**1,052**	791	–	791
Cash and cash equivalents (Note 19)	**19,605**	**–**	**19,605**	13,568	–	13,568
Total undiscounted financial assets	**76,028**	**1,391**	**77,419**	57,946	3	57,949
Financial liabilities:						
Trade creditors and accruals (Note 20)	**50,435**	**–**	**50,435**	34,768	–	34,768
Other creditors (Note 21)	**6,132**	**–**	**6,132**	4,945	–	4,945
Interest bearing loans and borrowings (Note 22)	**16,487**	**3,498**	**19,985**	27,703	–	27,703
Finance lease obligation (Note 23)	**72**	**20**	**92**	86	86	172
Total undiscounted financial liabilities	**73,126**	**3,518**	**76,644**	67,502	86	67,588
Total net undiscounted financial assets/liabilities	**2,902**	**(2,127)**	**775**	(9,556)	(83)	(9,639)
Company						
Financial assets:						
Trade debtors (Note 15)	**3**	**–**	**3**	4	–	4
Amount due from subsidiaries (Note 18)	**17,342**	**–**	**17,342**	15,229	–	15,229
Cash and cash equivalents (Note 19)	**2,942**	**–**	**2,942**	4,876	–	4,876
Total undiscounted financial assets	**20,287**	**–**	**20,287**	20,109	–	20,109
Financial liabilities:						
Trade creditors and accruals (Note 20)	**110**	**–**	**110**	90	–	90
Other creditors (Note 21)	**12**	**–**	**12**	–	–	–
Total undiscounted financial liabilities	**122**	**–**	**122**	90	–	90
Total net undiscounted financial assets/liabilities	**20,165**	**–**	**20,165**	20,019	–	20,019

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	Group					
	2009 US$'000			2008 US$'000		
	One year or less	More than one year to five years	Total	One year or less	More than one year to five years	Total
Financial guarantees	**16,487**	**3,498**	**19,985**	27,703	–	27,703

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their interest-bearing loans and borrowings. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2008 : less than 6 months) from the balance sheet date.

The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. Surplus funds are placed with reputable banks.

Sensitivity analysis for interest rate risk

At the balance sheet date, if USD interest rates had been 100 (2008: 100) basis points lower/higher with all other variables held constant, the Group's profit after taxation would have been US$200,000 (2008: US$277,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility as in prior years.

(d) Foreign currency risk

The Group has transactional currency exposures arising from its ordinary course of business that are denominated in a currency other than the respective functional currencies of Group entities, primarily USD. The foreign currencies in which these transactions are denominated are mainly in Singapore Dollars (SGD), Hong Kong Dollars (HKD) and Renminbi (RMB).

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit after taxation to a reasonably possible change in the SGD, HKD and RMB exchange rates (against USD), with all other variables held constant:-

	Group	
	2009 US$'000	2008 US$'000
SGD - strengthened 5% (2008: 5%)	**(130)**	3
SGD - weakened 5% (2008: 5%)	**130**	(3)
HKD - strengthened 5% (2008: 5%)	**(48)**	44
HKD - weakened 5% (2008: 5%)	**48**	(44)
RMB - strengthened 5% (2008: 5%)	**178**	155
RMB - weakened 5% (2008: 5%)	**(178)**	(155)

30. FINANCIAL ASSETS

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Trade debtors (Note 15)	**55,489**	43,590	**3**	4
Other debtors (Note 16)	**1,052**	791	**–**	–
Cash and cash equivalents (Note 19)	**19,605**	13,568	**2,942**	4,876
Amounts due from subsidiaries (Note 18)	**–**	–	**17,342**	15,229
Total loans and receivables	**76,146**	57,949	**20,287**	20,109

31. FINANCIAL LIABILITIES

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Trade creditors and accruals (Note 20)	**(50,435)**	(34,768)	**(110)**	(90)
Other creditors (Note 21)	**(6,132)**	(4,945)	**(12)**	–
Interest-bearing loans and borrowings (Note 22)	**(19,985)**	(27,703)	**–**	–
Finance lease obligations (Note 23)	**(92)**	(172)	**–**	–
Total financial liabilities carried at amortised cost	**(76,644)**	(67,588)	**(122)**	(90)

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

A. Fair value of financial instruments that are carried at fair value

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:-

- Level 1– Quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

A. Fair value of financial instruments that are carried at fair value (cont'd)

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:-

	Group 2009 US$'000			
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets:				
Available-for-sale financial assets (Note 14)	**1,273**	**–**	**–**	**1,273**

Determination of fair value

Quoted equity instruments (Note 14): Fair value is determined directly by reference to their published market bid price at the balance sheet date.

B. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Cash and cash equivalents, current trade and other debtors, current trade and other creditors, other liabilities, and interest-bearing loans and borrowings at floating rates

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date.

C. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

Non-current finance lease obligations

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:-

		Group			
		2009 US$'000		2008 US$'000	
	Note	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities:					
Obligations under finance leases	23	**20**	**23**	86	94

33. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2009 and 2008.

The Group monitors capital and externally imposed capital requirements using a gearing ratio, which is net debt over total capital plus net debt. The Group's policy is to maintain a healthy gearing ratio. The Group includes within net debt, loans and borrowings, less cash and cash equivalents. Capital includes equity attributable to the equity holders of the Company less statutory reserve fund.

	Group	
	2009 US$'000	2008 US$'000
Interest-bearing loans and borrowings (Note 22)	**19,985**	27,703
Less: Cash and cash equivalents (Note 19)	**(19,605)**	(13,568)
Net debt	**380**	14,135
Equity attributable to equity holders of the Company	**41,316**	41,805
Less: Statutory reserve fund (Note 26(a))	**(25)**	(25)
Total capital	**41,291**	41,780
Capital and net debt	**41,671**	55,915
Gearing ratio	**0.9%**	25.3%

34. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on geographical area, and has two reportable operating segments as follows:-

(i) Hong Kong Business Unit

The Hong Kong Business Unit segment provides design-in and distribution services. This segment covers the business entities located in Hong Kong and The People's Republic of China.

(ii) Singapore Business Unit

The Singapore Business Unit segment provides design-in and distribution services. This segment covers the business entities located in Southeast Asia and India.

(iii) Corporate Unit

The Corporate Unit segment comprises the corporate services, treasury functions, investment securities, newly incorporated subsidiary providing media, advertising services and other dormant companies.

Design-in services relates to product sales that include field application services and design and development services which require a higher level of technical expertise and involve research and development.

Distribution services includes value-added distribution and supply chain management which primarily involve the provision of electronic components and related logistics to customers.

34. SEGMENT INFORMATION (CONT'D)

Except as indicated above, no operating segments have been aggregated to form the above operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following table presents segment information regarding the Group's geographical segments for the years ended 31 December 2009 and 2008.

	Hong Kong Business Unit		Singapore Business Unit		Corporate Unit		Adjustment and eliminations		Per consolidated financial statements	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Revenue										
External customers	**228,766**	243,759	**128,118**	192,689	**–**	28	**–**	–	**356,884**	436,476
Inter-segment	**330**	1,193	**1,113**	311	**–**	44	**(1,443)**	(1,548)	**–**	–
Total revenue	**229,096**	244,952	**129,231**	193,000	**–**	72	**(1,443)**	(1,548)	**356,884**	436,476
Results										
Interest income	**8**	74	**3**	66	**6**	50	**–**	–	**17**	190
Depreciation of property, plant and equipment and investment property	**(1,083)**	(607)	**(620)**	(505)	**(4)**	(3)	**–**	–	**(1,707)**	(1,115)
Impairment of non-financial assets	**–**	–	**–**	–	**–**	(3)	**–**	–	**–**	(3)
Other non-cash expenses										
- Reversal of stocks written down/ stocks recovered	**418**	542	**826**	790	**–**	–	**–**	–	**1,244**	1,332
- Stocks written down/off	**(1,942)**	(1,338)	**(2,149)**	(1,932)	**–**	(12)	**–**	–	**(4,091)**	(3,282)
Segment profit/(loss)	**1,084**	(1,714)	**(1,970)**	849	**(168)**	11	**–**	–	**(1,054)**	(854)
Assets										
Additions to non-current assets	**229**	688	**374**	117	**53**	3	**–**	–	**656**	808
Segment assets	**69,200**	61,901	**45,487**	43,288	**3,874**	4,826	**–**	–	**118,561**	110,015
Segment liabilities	**11,405**	17,208	**9,258**	11,267	**16**	22	**–**	–	**20,679**	28,497

34. SEGMENT INFORMATION (CONT'D)

The nature of the adjustments and eliminations to arrive at amounts reported in the consolidated financial statements relates to Inter-segment revenues that are eliminated on consolidation.

Other geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:-

	Revenue		Non-current asset	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
South East Asia	**71,844**	113,811	**3,217**	3,412
India	**20,666**	40,843	**1**	3
Hong Kong/The People's Republic of China	**253,509**	272,537	**1,046**	1,934
Others	**10,865**	9,285	**2**	4
	356,884	436,476	**4,266**	5,353

Non-current assets information presented above consist of property, plant and equipment, investment property and intangible assets as presented in the consolidated balance sheet.

Information about a major customer

There is no major customer for the years ended 31 December 2009 and 31 December 2008, contributing more than 10% of the total Group revenue.

35. DIVIDENDS

	Group and Company	
	2009	2008
	US$'000	US$'000
Paid during the financial year in respect of the previous financial year		
Dividends on ordinary shares		
Final exempt (one-tier) dividend for 2008: Nil Singapore cents (2007: 0.25 Singapore cents) per share	**–**	890

36. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2009 were authorised for issue in accordance with a resolution of the directors on 5 March 2010.

STATISTICS OF SHAREHOLDINGS
AS AT 5 MARCH 2010

Number of Issued Shares (including Treasury Shares):	510,022,200
Number of Issued Shares (excluding Treasury Shares):	508,809,200
Number/*Percentage of Treasury Shares:	1,213,000/0.24%
Class of Shares:	Ordinary share
Voting Rights (excluding Treasury Shares):	One vote per share

* Percentage is calculated based on the total number of issued shares, excluding treasury shares of the Company.

DISTRIBUTION OF SHAREHOLDINGS

Size Of Shareholdings	No. Of Shareholders	%	No. Of Shares	%
1 – 999	0	0.00	0	0.00
1,000 – 10,000	1,188	45.64	6,614,000	1.30
10,001 – 1,000,000	1,390	53.40	99,655,000	19.59
1,000,001 AND ABOVE	25	0.96	402,540,200	79.11
TOTAL	**2,603**	**100.00**	**508,809,200**	**100.00**

SUBSTANTIAL SHAREHOLDERS

Size Of Shareholdings	Direct Interest	%	Deemed Interest	%
Albert Phuay Yong Hen	238,131,520 [1]	46.80 [3]	12,990,840 [2]	2.55 [3]
Alan Kwan Wai Loen	31,291,220	6.15 [3]	0	0.00 [3]

Notes:

(1) Include 2,000,000 shares held by Kim Eng Securities Pte. Ltd.
(2) Deemed to be interested as follows:-
(i) 830,000 shares held by AP21 Holdings Pte. Ltd. and
(ii) 12,160,840 shares held by his spouse.
(3) Percentage is calculated based on the total number of issued shares, excluding treasury shares of the Company.

STATISTICS OF SHAREHOLDINGS
AS AT 5 MARCH 2010

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. Of Shares	%
1	Phuay Yong Hen	236,131,520	46.41
2	Kwan Wai Loen	31,291,220	6.15
3	UOB Kay Hian Pte Ltd	27,196,000	5.35
4	Answer Technology Co Ltd	24,000,000	4.72
5	CITIBANK Nominees Singapore Pte Ltd	12,500,000	2.46
6	Han Jiak Siew	12,160,840	2.39
7	OCBC Securities Private Ltd	10,600,000	2.08
8	United Overseas Bank Nominees (Pte) Ltd	8,056,000	1.58
9	Mayban Nominees (Singapore) Pte Ltd	6,203,000	1.22
10	Db Nominees (Singapore) Pte Ltd	5,020,000	0.99
11	Kim Eng Securities Pte. Ltd.	4,586,000	0.90
12	Bruce Douglas Moulin	3,454,000	0.68
13	Phillip Securities Pte Ltd	2,872,000	0.56
14	Kok Fat Keung	2,579,620	0.51
15	Ng Ban Hock	2,125,000	0.42
16	Chng Seng Chye @ Chng Hung Seng	2,053,000	0.40
17	OCBC Nominees Singapore Pte Ltd	1,742,000	0.34
18	Low Mong Chai	1,529,000	0.30
19	Teo You Xiao	1,450,000	0.28
20	Lim Teck Heng @ Soh Teck Heng Stuart	1,316,000	0.26
		396,865,200	**78.00**

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information provided, to the best of the Directors and the substantial shareholders of the Company, 42.21% of the Company's shares are held in the hands of public as at 5 March 2010. Accordingly, Rule 723 of the Listing Manual of the SGX- ST has been complied with.

NOTICE OF NINTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting of Excelpoint Technology Ltd. ("the Company") will be held at Paramount Hotel, 25 Marine Parade Road, Parawave, Level 4, Singapore 449536 on Wednesday, 7 April 2010 at 3.00 p.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the year ended 31 December 2009 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to Article 104 of the Articles of Association of the Company:-

   Albert Phuay Yong Hen **(Resolution 2)**
   Kwah Thiam Hock **(Resolution 3)**

   Albert Phuay Yong Hen will, upon re-election as Director of the Company, remain as member of the Nominating Committee and will be considered non-independent.

   Kwah Thiam Hock will, upon re-election as Director of the Company, remain as Chairman of the Audit Committee and a member of the Remuneration Committee and will be considered independent.

3. To approve the payment of Directors' Fees of S$165,000 for the financial year from 1 January 2010 to 31 December 2010 (2009: S$150,000). **(Resolution 4)**

4. To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

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

AS SPECIAL BUSINESS

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

6. **Authority to allot and issue shares in the share capital of the Company**

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

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

   (ii) make or grant offers, arrangements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to, the creation and issue (as well as adjustments to) warrants, or other instruments convertible or exchangeable into shares; and/or

   (iii) (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force;

provided that:-

(a) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of the Instruments made or granted pursuant to the Ordinary Resolution and including shares which may be issued pursuant to any adjustment effected under any relevant Instruments) shall not exceed fifty per centum (50%) [or such other limit or limits and manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited] of the total number of issued shares (excluding treasury shares) in the capital of the Company of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to be issued to existing shareholders shall not exceed twenty per centum (20%) [or such other limit or limits and manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited] of the total number of issued shares (excluding treasury shares) in the capital of the Company;

(b) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:-

    (i) new shares arising from the conversion or exercise of convertible securities or employee share options on issue as at the date of the passing of the Ordinary Resolution; and

    (ii) any subsequent consolidation or sub-division of shares.

(c) until 31 December 2010 or such other expiration date as may be determined by Singapore Exchange Securities Trading Limited, the limit on the aggregate number of shares (including shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) of fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company set out in sub-paragraph (a) above, shall be increased to 100%, for purposes of enabling the Company to undertake pro rata renounceable rights issues;

(d) in exercising the power to make or grant Instruments (including the making of any adjustment under any relevant Instrument), the Company shall comply with the listing rules and regulations of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance is waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association of the Company; and

(e) unless revoked or varied by the Company in General Meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company following the passing of the Ordinary Resolution, or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. [See Explanatory Note (i)] **(Resolution 6)**

7. **Authority to issue shares other than on a pro rata basis pursuant to the aforesaid share issue mandate at discounts not exceeding twenty per centum (20%) of the weighted average price for trades done on the SGX-ST**

That subject to and pursuant to the aforesaid share issue mandate being obtained, the Directors of the Company be hereby authorised and empowered to issue shares (other than on a pro rata basis to the shareholders of the Company) at a discount ("the Discount") not exceeding ten per centum (10%) to the weighted average price ("the Price") for trades done on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the full market day on which the placement or subscription agreement in relation to such shares is executed (or if not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the placement or subscription agreement is executed), provided that in exercising the authority conferred by this Resolution:-

(a) the Company complies with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST); and

(b) the Company may, until 31 December 2010 or such other expiration date as may be determined by SGX-ST increase the Discount to an amount exceeding ten per centum (10%) but not more than twenty per centum (20%) of the Price for shares to be issued,

unless revoked or varied by the Company in General Meeting, such authority shall continue in force until (a) the conclusion of the next Annual General Meeting of the Company, or (b) the date by which the next Annual General Meeting of the Company is required by law to be held whichever is earlier. [See Explanatory Note (ii)] **(Resolution 7)**

8. **Authority to allot and issue shares under the Excelpoint Share Option Scheme**

That pursuant to Section 161 of the Companies Act, Chapter 50, the Directors of the Company be authorised and empowered to offer and grant options under the Excelpoint Share Option Scheme ("the Scheme") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a General Meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. [See Explanatory Note (iii)] **(Resolution 8)**

9. **Authority to allot and issue shares under the Excelpoint Performance Share Scheme**

That the Directors of the Company be authorised to offer and grant awards in accordance with the provisions of the Excelpoint Performance Share Scheme ("the Award Scheme") and to deliver such number of fully-paid shares in the form of existing shares held as treasury shares and/or new shares as may be required to be delivered pursuant to the vesting of the awards under the Award Scheme. [See Explanatory Note (iv)] **(Resolution 9)**

10. **Renewal of Share Buyback Mandate**

That for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as ascertained as at the date of Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price as defined in paragraph 2.3.4 of Appendix to the Notice of the Annual General Meeting to Shareholders dated 22 March 2010 (the "Appendix") in accordance with the Terms of the Share Buyback Mandate set out in the Appendix, and this mandate shall, unless revoked or varied by the Company in General Meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. [See Explanatory Note (v)] **(Resolution 10)**

By Order of the Board

Tan Cher Liang
Wong Yoen Har
Secretaries

Singapore, 22 March 2010

NOTICE OF NINTH ANNUAL GENERAL MEETING

Explanatory Notes:

(i) The Ordinary Resolution 6 in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a General Meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis to shareholders. The 50% limit referred to in the preceding sentence may be increased to 100% for the Company to undertake pro rata renounceable rights issues subject to timeline stated below.

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

The 100% renounceable pro rata rights issue limit is one of the new measures implemented by the SGX-ST as stated in a press release entitled "SGX introduces further measures to facilitate fund raising" dated 19 February 2009 and which became effective on 20 February 2009 until 31 December 2010. The effectiveness of these measures will be reviewed by the SGX-ST at the end of the period. It will provide the Directors with an opportunity to raise funds and avoid prolonged market exposure by reducing the time taken for shareholders' approval, in the event the need arises. Minority shareholders' interests are mitigated as all shareholders have equal opportunities to participate and can dispose their entitlements through trading of nil-paid rights if they do not wish to subscribe for their rights shares. It is subject to the condition that the Company makes periodic announcements on the use of the proceeds as and when the funds are materially disbursed and provides a status report on the use of proceeds in the annual report.

(ii) The Ordinary Resolution 7 in item 7 above is pursuant to measures implemented by the SGX-ST as stated in a press release entitled "SGX introduces further measures to facilitate fund raising" dated 19 February 2009 and which became effective on 20 February 2009 until 31 December 2010. The effectiveness of these measures will be reviewed by SGX-ST at the end of the period. Under the measures implemented by the SGX-ST, issuers will be allowed to undertake non pro rata placements of new shares priced at discounts of up to 20% to the weighted average price for trades done on the SGX-ST for a full market day on which the placement or subscription agreement in relation to such shares is executed, subject to the conditions that (a) shareholders' approval be obtained in a separate resolution (the "Resolution") at a general meeting to issue new shares on a non pro rata basis at discount exceeding 10% but not more than 20%; and (b) that the resolution seeking a general mandate from shareholders for issuance of new shares on a non pro rata basis is not conditional upon the Resolution.

It should be noted that under the Listing Manual of the SGX-ST, shareholders' approval is not required for placements of new shares, on a non pro rata basis pursuant to a general mandate, at a discount of up to 10% to the weighted average price for trades done on the SGX-ST for a full market day on which the placement or subscription agreement in relation to such shares is executed.

(iii) The Ordinary Resolution 8 in item 8 above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a General Meeting, whichever is the earlier, to issue shares in the Company subject to the maximum number of shares prescribed under the terms and conditions of the Option Scheme.

(iv) The Ordinary Resolution 9 in item 9 above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a General Meeting, whichever is the earlier, to offer and grant awards under the Award Scheme in accordance with the provisions of the Award Scheme and to deliver from time to time such number of fully-paid shares in the form of existing shares held as treasury shares and/or new shares as may required to be delivered pursuant to the vesting of the awards under the Award Scheme subject to the maximum number of shares prescribed under the terms and conditions of the Award Scheme. The number of new shares to be issued under the Option Scheme and Award Scheme collectively, subject to the existing maximum limit of fifteen per centum (15%) of the total issued share capital of the Company from time to time.

(v) The Ordinary Resolution 10 proposed in item 10 above, if passed, will empower the Directors of the Company effective until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price as defined in Appendix to the Notice of the Annual General Meeting to Shareholders. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 December 2009 are set out in greater detail in Paragraph 2 of the Appendix.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 15 Changi Business Park Central 1, #06-00, Singapore 486057 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

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EXCELPOINT TECHNOLOGY LTD.
(Company Registration No. 200103280C)
(Incorporated In The Republic of Singapore with limited liability)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

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

I/We, ____

of ____

being a member/members of Excelpoint Technology Ltd. (the "Company"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Ninth Annual General Meeting (the "Meeting") of the Company to be held at Paramount Hotel, 25 Marine Parade Road, Parawave, Level 4, Singapore 449536 on Wednesday, 7 April 2010 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

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

No.	**Resolutions relating to:**	**For**	**Against**
	Ordinary Business		
1	Directors' Report and Audited Accounts for the year ended 31 December 2009		
2	Re-election of Albert Phuay Yong Hen as a Director		
3	Re-election of Kwah Thiam Hock as a Director		
4	Approval of Directors' Fees amounting to S$165,000 to Independent Directors for the financial year from 1 January 2010 to 31 December 2010		
5	Re-appointment of Messrs Ernst & Young LLP as Auditors		
	Special Business		
6	Authority to allot and issue new shares in the share capital of the Company		
7	Authority to issue shares other than on a pro rata basis pursuant to the aforesaid share issue mandate at discounts not exceeding twenty per centum (20%) of the weighted average price for trades done on the SGX-ST		
8	Authority to allot and issue shares under the Excelpoint Share Option Scheme		
9	Authority to allot and issue shares under the Excelpoint Performance Share Scheme		
10	Renewal of Share Buyback Mandate		

Dated this __________ day of __________________ 2010

Total number of Shares in:	**No. of Shares**
(a) CDP Register	
(b) Register of Members	

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

Notes:

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

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

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

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

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 15 Changi Business Park Central 1, #06-00, Singapore 486057 not less than 48 hours before the time appointed for the Meeting.

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

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

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Excelpoint™

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Website: www.excelpoint.com

Company Registration No.200103280C