CH

Chuan Hup Holdings Limited

ANNUAL REPORT

2010

CONTENTS

ABOUT US



Chuan Hup Holdings Limited
("CHH") was founded in 1970 as a tug and barge service provider for the PSA Corporation in Singapore. CHH subsequently developed a core competency in the provision of marine transportation services to the mining and energy sectors within the ASEAN region. In doing so, CHH established itself as one of the leading owners and operators of marine transport equipment to the resource industries.

During the second half of year 2002, CHH reorganised its marine business into two separate and distinct operations according to industry focus, namely the offshore support services to the oil and gas industry (held under its then subsidiary CH Offshore Ltd) and marine logistics services and transportation of bulk aggregates.

On 14 February 2005, CHH entered into an agreement with Habib Corporation Berhad ("Habib"), pursuant to which Habib would acquire from CHH the following:

the entire marine logistics business of CHH which was undertaken substantially through six subsidiaries of CHH;

205,000,000 shares representing 29.1% (out of the 52.8% held by CHH) of the issued shares of CH Offshore Ltd; and

298,905,500 shares representing 49.1% of the issued shares of PT Rig Tenders Indonesia held by CHH.

On 30 September 2005, CHH completed the above transaction with Habib (now known as Scomi Marine Berhad) for SGD485,621,190 and a 28.9% stake in Scomi Marine Berhad. On 28 April 2010, Scomi Marine Berhad sold its entire stake in CH offshore Ltd, held though its subsidiary, Scomi Marine Services Pte Ltd, to Energian Pte Ltd, a wholly-owned subsidiary of Falcon Energy Group.

CHH continues to operate as an investment holding company with investments in the following sectors: Marine, Property, Electronic Manufacturing Services and others.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I wish to present the Audited Financial Statements of the Group for the Financial Year ended 30 June 2010 ("FY 2010").

Financial Review

With the gradual recovery of the world economy and financial markets, I am pleased to report that the Group returned to profitability in FY 2010. Revenue for the year was USD114.044 million and net profit after tax was USD9.629 million, compared to revenue of USD8.231 million and net loss of USD66.333 million in FY 2009. Earnings per share rose from USD(6.60) cents in FY 2009 to USD1.00 cent in FY 2010.

The turnaround was largely due to higher income earned from the completion of Reflections Waterfront Apartment, the property development project in East Perth, Western Australia and from mark to market valuation gains of available-for-sale investments.

The Group's financial position continues to be healthy with cash and cash equivalents of USD28.477 million and no outstanding bank loans. The bank loan which was taken by the Group to finance the purchase of the former Australian Broadcasting Corporation site in Perth, Western Australia during FY 2009 was repaid in full during the year under review.



Prospects

The global economic outlook remains uncertain. There is no strong or clear market consensus regarding the certainty or sustainability of underlying growth in the global economies.

The Board will continue to exercise caution when considering new investments.

Acknowledgements

As we celebrate Chuan Hup's fortieth year in business, we would like to express our sincere appreciation to all our shareholders for their continued strong support through the years. I would also like to thank our management and staff for their dedication and my fellow directors for their counsel.

Dr Tan Cheng Bock
Non-Executive Chairman
27 August 2010

OUR INVESTMENTS AT A GLANCE

Marine

Scomi Marine Berhad ("Scomi Marine")

Scomi Marine is involved in marine logistics providing transportation to the coal producers and offshore marine support services to the oil and gas operators and contractors. It owns and operates one of the largest fleet of vessels in South East Asia. Scomi Marine is listed on the Main Board of Bursa Malaysia Securities.

CH Offshore Ltd ("CH Offshore")

CH Offshore owns and operates a fleet of vessels to support and service the offshore oil and gas industry in Asia Pacific, Middle East and Latin America. Its offshore support services are involved in various phases of offshore oil and gas exploration, development and production activities.

These services include supporting seismic surveys, towing and anchor handling of drilling rigs and equipment, transportation of supplies and personnel, work-over and production activities and supporting pipe-laying and other offshore construction activities. CH Offshore is listed on the Main Board of SGX-ST.

Properties

Finbar Group Limited ("Finbar")

Finbar is involved in the property investment and development business in Perth, Western Australia. It focuses mainly on the development of medium to high-density luxury residential apartments in the Perth Metropolitan area by way of direct ownership or by joint venture involvement through companies registered specifically to conduct the development. Finbar is listed on the Australian Securities Exchange.

Ventrade Australia Pty Ltd ("Ventrade Australia")

Ventrade Australia owns the former Australian Broadcasting Corporation ("ABC") site located at 187 Adelaide Terrace, East Perth, Western Australia and has entered into a joint venture with Finbar to carry out the redevelopment of the site.

The joint venture intends to develop a landmark luxury apartment on the Terrace Road frontage to benefit from the uninterrupted views of the Swan River. The joint venture will also consider other options available for the development of the Adelaide Terrace frontage, which will include the integration of the former ABC administration block and radio building into any proposed redevelopment, due to the heritage significance of the former home of the ABC.

Security Land Corporation ("SLC")

SLC is involved in the property investment and development business in the Philippines. It currently owns and leases out a nine-storey office building in the prime commercial and business district in Makati, Manila. It also owns parcels of raw land located in General Trias, Cavite City, 2km away from Gateway Business Park.

Manufacturing

PCI Limited ("PCI")

PCI provides electronic manufacturing services to a global customer base. Its business is to create a competitive advantage for its customers through helping them bring products to market in the shortest possible time, at the right price and performance point, and with the highest quality. PCI is listed on the Main Board of SGX-ST.

Others

This is represented by treasury activities and other investments as follows:

a) engineering, marketing and servicing transit concrete mixers
b) biotechnology sector
c) vessel management activities
d) structured bank deposits and other treasury products

BOARD OF DIRECTORS

Dr Tan Cheng Bock

Non-Executive, Independent Director and Chairman

Dr Tan Cheng Bock is a Non-Executive, Independent Director of CHH. He was appointed as Chairman on 12 February 1991 and was last re-elected on 17 October 2008. He will be due for re-appointment at the coming Annual General Meeting ("AGM") under Section 153 of the Singapore Companies Act, Cap. 50. He is also the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees.

Dr Tan is a Director of PCI Limited. He is the Chairman of its Remuneration and Nominating Committees and a member of its Audit Committee. He is also a Director of M&C REIT Management Limited and M&C Business Trust Management Limited and sits on the Audit Committees of both companies. He is the Chairman of Dredging International Asia Pacific Pte Ltd and a Director of ING Private Bank. He was a board member of Land Transport Authority until 2005.

Dr Tan served as a Member of Parliament for Ayer Rajah from 1980 to 2006. He was also the Leader of the Singapore Southeast Asia Parliamentary Group, Chairman of the West Coast - Ayer Rajah Town Council, Vice-Chairman of the South West Community Development Council and member of the Government Parliamentary Committee for Defence and Foreign Affairs.

After retiring from politics, he continued to serve the Ministry of Health as Chairman of the Jurong Medical Centre. He is a Director of Jurong General Hospital and a board member of the Council for the Third Age.

A private medical practitioner by profession, Dr Tan obtained his Bachelor of Medicine and Surgery degree from the then University of Singapore in 1968. In addition, he is a Fellow of the College of Family Practitioners and an Honorary Member of the Singapore Medical Association.

Mr Peh Siong Woon Terence

Chief Executive Officer and Executive Director

Mr Peh Siong Woon Terence is the Chief Executive Officer and Executive Director of CHH. He was appointed to this position on 1 November 2005 and will be due for re-election at the coming AGM under Article 86 of the Company's Articles of Association.

Mr Peh was the Deputy Financial Controller of CHH from July 2002 to October 2005. From July 2002 to September 2005, he was seconded to CH Offshore Ltd ("CHO") as Chief Financial Officer. As Chief Financial Officer, he oversaw the financial affairs of CHO. From July 2000 to June 2002, Mr Peh was the Finance Manager at CHH and was responsible for its cash management, treasury functions, account payables and banking relations. Prior to his appointment with CHH, he was a Finance Manager at PCI Limited and was responsible for its cash management and treasury functions.

Mr Peh is also an Alternate Director to Mr Peh Kwee Chim on the Board of CHO.

Mr Peh holds a degree of Bachelor of Commerce in Marketing from Curtin University of Technology, Australia and a Master of Commerce in Finance degree from the University of New South Wales, Australia.

Mr Peh Kwee Chim

Executive Director

Mr Peh is an Executive Director of CHH. He has 40 years of experience in the marine transportation, marine logistics and offshore support services industries. Mr Peh was one of the co-founders of CHH in 1970 and was appointed as Managing Director in 1984. On 1 November 2005, he resigned as Managing Director and remained on the Board as an Executive Director. He will be due for re-election at the coming AGM under Article 86 of the Company's Articles of Association. He is a member of the Nominating Committee.

Mr Peh is also the Executive Chairman of PCI Limited and has been instrumental in building up the PCI Group. He is also a Director of CH Offshore Ltd and Dredging International Asia Pacific Pte Ltd.

Mr Peh graduated from the University of Western Australia in 1969 with a Bachelor of Engineering (Mechanical) degree.

Mdm Joanna Young Sau Kwan

Non-Executive, Independent Director

Mdm Joanna Young Sau Kwan is a Non-Executive, Independent Director of CHH. She was appointed on 21 February 2003 and was last re-elected on 23 October 2009. She is also the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees.

Mdm Young brings with her a wealth of experience in accounting, auditing and financial management. Mdm Young runs her own accounting firm. From 1969 to 1978, she gained extensive experience in the accounting profession during her employment with Evan Wong & Co and Turquand Youngs & Co. In 1978, she joined a garment manufacturing company taking charge of financial, administration and production duties before setting up her own practice in 1980. Mdm Young has been the Honorary Auditor of the Chinese Women's Association since 1972.

Mdm Young is also a Non-Executive, Independent Director of CH Offshore Ltd. She is the Chairman of its Audit Committee and a member of its Remuneration and Nominating Committees.

Mdm Young studied Accountancy in Sydney Technical College and obtained her Accountancy Certificate in 1968. She was admitted to membership of the Australian Society of Accountants and the Singapore Society of Accountants in 1969. She is a Fellow (Practising) Member of the Institute of Certified Public Accountants of Singapore and a Fellow Member of CPA Australia.

Prof. Tan Cheng Han S.C.

Non-Executive, Independent Director

Prof. Tan Cheng Han, S.C., is a Non-Executive, Independent Director of CHH. He was appointed as a Director of CHH on 1 July 2001 and was last re-elected on 23 October 2009. He is also the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees.

Prof. Tan is currently the Dean of the Faculty of Law, National University of Singapore ("NUS"). He has been a Visiting Professor at Peking University, East China University of Political Science and Law and National Taiwan University. Prior to joining NUS in 1996, he was a Partner in M/s Drew & Napier's litigation department. He is currently a Consultant at TSMP Law Corporation and a member of the Singapore International Arbitration Centre's Regional Panel of Arbitrators. He was appointed to the rank of Senior Counsel in 2004 and in August 2006 he was appointed a Specialist Judge.

Prof. Tan's current public appointments include being a Vice-President of the Singapore Academy of Law, a Senate member of NUS, a Commissioner of the Competition Commission of Singapore, a member of the Steering Committee to Review the Companies Act, a member of the Appeal Advisory Panel to the Minister for Finance, a member of the Military Court of Appeal, a member of the Board of Legal Education, Advisor to the Singapore Tae Kwon-do Federation and a member of the Singapore Youth Sports Development Committee. He serves on many professional and university committees and is also a member of the Governing Boards of the International Association of Law Schools, the Asian Law Institute, and the NUS Centre for International Law, as well as Secretary-General of the Asian Society of International Law.

Prof. Tan is a Director of ST Marine Limited, Anwell Technologies Limited, NTUC Income, Centillion Environment & Recycling Ltd and Global Yellow Pages Limited.

In January 2005, he was selected by the World Economic Forum as one of three Young Global Leaders from Singapore. In 2006, he was awarded the Public Administration Medal (Silver) in Singapore's 41st National Day celebrations.

Prof. Tan obtained his Bachelor of Law (Honours) degree from the National University of Singapore in 1987 and his Master of Law degree from the University of Cambridge in 1990.

KEY MANAGEMENT

Ms Valerie Tan May Wei

Head-Legal and Corporate Secretarial

Ms Valerie Tan May Wei joined CHH on 15 July 1993 as Group Legal Manager and was appointed Group Company Secretary on 18 January 1994. She is responsible for all legal and secretarial matters of the CHH Group.

Prior to joining CHH, Ms Tan was Group Legal Manager and Company Secretary of Jurong Shipyard Ltd. Prior to that, she was Senior Legal Officer at Neptune Orient Lines Ltd. She has over 20 years of experience in legal and corporate secretarial matters.

Ms Tan is also the Company Secretary of CH Offshore Ltd and the Company Secretary of PCI Limited.

Ms Tan graduated from the National University of Singapore in 1987 with a Bachelor of Law (Honours) degree.

Ms Liew Ngin Moi

Head-Finance and Administration

Ms Liew Ngin Moi joined CHH on 3 March 2008 as a Management Trainee and was appointed Senior Finance Manager on 28 September 2008. She is responsible for all accounting, financial and taxation matters of the CHH Group.

Ms Liew was an accountant with CH Offshore Ltd before joining CHH. Prior to that, she was an accountant with Medtronic International Ltd and Kao (Singapore) Pte Ltd. Ms Liew has over 13 years of experience in the accounting profession.

Ms Liew graduated from the Murdoch University, Western Australia in 1996 with a Bachelor of Commerce degree, majoring in Accounting and Finance. She was admitted to membership of CPA Australia in 1998 and the Institute of Certified Public Accountants of Singapore (Non-Practising) in March 2010.

Mr William Chan Eng Chong

Special Project Manager

Mr William Chan Eng Chong was appointed Special Project Manager on 1 November 2006. He joined CHH in 1980 as an Operations Assistant and was appointed as Senior Operations Executive in 1988 and Shipyard Manager in 1991.

Mr Chan has 30 years of working experience in the marine and offshore industry. His experience ranges from logistics planning, handling vessel insurance, vessel maintenance and procurement, shipping agency transactions to project management in the CHH Group.

Mr Chan is a member of the Institute of Shipping Management.

CORPORATE DATA AND FINANCIAL CALENDAR

Board of Directors

Dr Tan Cheng Bock	*(Non-Executive, Independent Director and Chairman)*
Mr Peh Siong Woon Terence	*(Chief Executive Officer and Executive Director)*
Mr Peh Kwee Chim	*(Executive Director)*
Prof. Tan Cheng Han, S.C.	*(Non-Executive, Independent Director)*
Mdm Joanna Young Sau Kwan	*(Non-Executive, Independent Director)*

Audit Committee

Mdm Joanna Young Sau Kwan *(Chairman)*
Dr Tan Cheng Bock
Prof. Tan Cheng Han, S.C.

Remuneration Committee

Prof. Tan Cheng Han, S.C *(Chairman)*
Dr Tan Cheng Bock
Mdm Joanna Young Sau Kwan

Nominating Committee

Dr Tan Cheng Bock *(Chairman)*
Mr Peh Kwee Chim
Prof. Tan Cheng Han, S.C.
Mdm Joanna Young Sau Kwan

Company Secretary

Ms Valerie Tan May Wei

Registered Office

390 Jalan Ahmad Ibrahim
Singapore 629155
Telephone: (65) 65599700
Facsimile: (65) 62681937
Website: www.chuanhup.com.sg
Email: corpsec_legal@chuanhup.com.sg

Share Registrar

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
8 Cross Street #11-00
PWC Building
Singapore 048424

Auditors

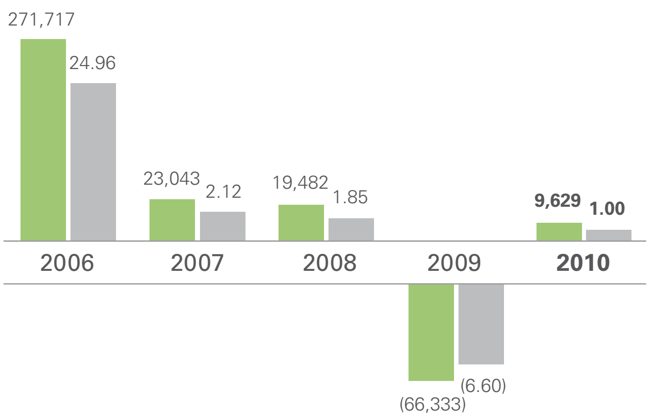
Ernst & Young LLP
One Rafflas Quay
North Tower, Level 18
Singapore 048583

Partner-in-Charge: Mr. Adrian Koh
Appointed since the financial year
ended 30 June 2010

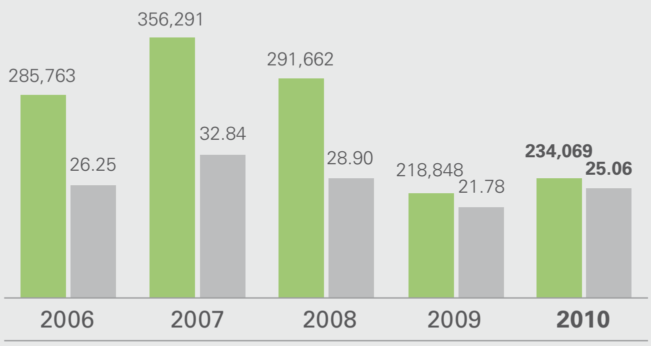
Financial Year End	30 June 2010
Announcement of First Quarter Financial Results	13 November 2009
Announcement of Half-Year Financial Results	5 February 2010
Announcement of Third Quarter Financial Results	7 May 2010
Announcement of Full-Year Financial Results	13 August 2010
Dispatch of Annual Report to Shareholders	8 October 2010
Annual General Meeting	25 October 2010

FIVE-YEAR GROUP FINANCIAL STATISTICS AND CHARTS

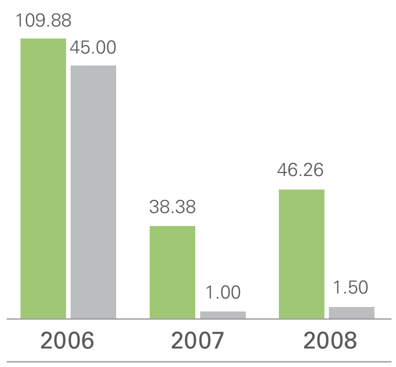
	Profit attributtable to shareholders (US$000)	EPS (USD cents)
2010	**9,629**	**1.00**
2009	(66,333)	(6.60)
2008	19,482	1.85
2007	23,043	2.12
2006	271,717	24.96



	Shareholders' Equity (US$000)	Net Tangible Assets per Share (USD cents)
2010	**234,069**	**25.06**
2009	218,848	21.78
2008	291,662	28.90
2007	356,291	32.84
2006	285,763	26.25



	Dividend Payout Ratio (%)	Dividend per Share (SGD cents)
2010	**-**	**-**
2009	-	-
2008	38.38	1.00
2007	46.26	1.50
2006	109.88	45.00



	FY2006 (US$000)	FY2007 (US$000)	FY2008 (US$000)	FY2009 (US$000)	FY2010 (US$000)
INCOME STATEMENT					
Revenue					
- Marine Businesses	30,457	-	-	-	-
- Vessel Management Activities	-	1,457	3,880	3,762	726
- Investment Holding Activities	13,595	14,158	21,710	4,469	6,628
- Property Development Activities	-	-	-	-	106,690
	44,052	**15,615**	**25,590**	**8,231**	**114,044**
Profit (Loss) Before Taxation					
- Marine Businesses	256,090	-	-	-	-
- Vessel Management Activities	-	942	4,883	(803)	(744)
- Investment Holding Activities	18,628	22,424	14,957	(63,610)	1,863
- Property Development Activities	-	-	-	-	11,290
	274,718	**23,366**	**19,840**	**(64,413)**	**12,409**
Profit (Loss) Attributable To Shareholders					
- Marine Businesses	253,836	-	-	-	-
- Vessel Management Activities	-	931	4,857	(823)	(751)
- Investment Holding Activities	17,881	22,112	14,625	(65,510)	2,470
- Property Development Activities	-	-	-	-	7,910
	271,717	**23,043**	**19,482**	**(66,333)**	**9,629**
BALANCE SHEET					
Current Assets					
Cash and cash equivalents	27,589	31,993	14,796	29,694	28,477
Other current assets	34,717	62,791	40,292	33,167	24,342
Non-Current Assets					
Property, plant and equipment	1,719	5,621	6,413	39,336	38,522
Deferred taxation	-	-	-	-	1
Investments	218,151	271,460	237,331	145,610	154,522
Other non-current assets	36,709	5,512	5,512	-	-
	318,885	**377,377**	**304,344**	**247,807**	**245,864**
Current Liabilities	32,812	20,758	12,357	28,956	11,792
Non-controlling interests	310	328	325	3	3
Shareholders Equity	285,763	356,291	291,662	218,848	234,069
	318,885	**377,377**	**304,344**	**247,807**	**245,864**
OTHER DATA					
Issued and paid up capital	168,814	168,814	168,814	168,814	152,076
Earnings (Loss) per share (USD cents)					
- Marine Businesses	23.32	-	-	-	-
- Vessel Management Activities	-	0.09	0.46	(0.08)	(0.08)
- Investment Holding Activities	1.64	2.03	1.39	(6.52)	0.26
- Property Development Activities	-	-	-	-	0.82
	24.96	**2.12**	**1.85**	**(6.60)**	**1.00**
Dividends per share (SGD cents)	45.00	1.50	1.00	-	-
Dividend payout ratio (%)	109.88	46.26	38.38	-	-
Net tangible assets per share (USD cents)	26.25	32.84	28.90	21.78	25.06
Return on average equity (ROAE)	95.30%	7.18%	6.01%	(25.99)%	4.25%

CORPORATE
GOVERNANCE REPORT

CHH is committed to achieving high standards of corporate governance to ensure greater transparency and maximise long-term shareholder value.

This report describes CHH's corporate governance practices with reference to the Code of Corporate Governance 2005 (the "Code").

BOARD MATTERS

The Board's Conduct of its Affairs

(Principle 1)

The Board oversees the business affairs of CHH and therefore every director is expected to act in good faith and always in the interests of the Company. The principal functions of the Board include the approval of the Company's strategic plans, the approval of major investments, divestments and fund-raising, overseeing processes for evaluating the adequacy of internal controls and risk management and being responsible for corporate governance practices. CHH has in place financial authorisation and approval limits for operating and capital expenditure, as well as acquisitions and disposal of investments. The Board and the Audit Committee also approve the CHH Group's financial results.

The Board meets on a regular basis. Where necessary, additional Board meetings are held to deliberate on urgent substantive matters. An aggregate of 7 Board meetings were held for the Financial Year ended June 30, 2010. Details of the attendance of Board members at Board meetings and meetings of the various Board Committees for the Financial Year ended June 30, 2010 are set out on page 19 of this Annual Report.

All new Directors appointed to the Board are briefed on the business activities of the Group and its strategic directions, as well as their statutory and other duties and responsibilities as Directors. In addition, Directors are briefed either during Board meetings or at specially convened sessions on changes to regulations and accounting standards which have an important bearing on the Company's or Directors' disclosure obligations. Where appropriate, Directors are encouraged to attend courses, conferences and seminars in relevant fields.

Board Composition and Guidance

(Principle 2)

The Board currently comprises 5 Directors, 3 of whom are Non-Executive, Independent Directors. The Non-Executive Independent Directors are Dr Tan Cheng Bock, Prof. Tan Cheng Han, S.C. and Mdm Joanna Young Sau Kwan.

The Nominating Committee reviews the independence of each director annually bearing in mind the Code's definition of what constitutes an independent director. Under the Code of Corporate Governance, Prof. Tan Cheng Han, S.C. would be deemed to be not independent because his spouse, Ms Valerie Tan May Wei, is the Head - Legal and Corporate Secretarial and Group Company Secretary. However, Ms Tan reports to the Chief Executive Officer and Prof.

Tan abstains from discussions and decisions relating to her remuneration, and hence Prof. Tan is considered to be an Independent Director. In any event, the Board considers Prof. Tan to be an Independent Director because he is a strong-minded individual who is able to exercise independent judgement with a view to the best interests of the Company at all times in the discharge of his duties as Director.

The directors bring with them a broad range of expertise and experience in areas such as accounting and finance, law, business and management and industry knowledge. The diversity of the directors' experience allows for the useful exchange of ideas and views. Profiles of the directors and other relevant information are set out on pages 6 and 7 of this Annual Report.

Chairman and Chief Executive Officer

(Principle 3)

Different individuals assume the Chairman and the Chief Executive Officer functions in CHH. There is a clear separation of the roles and responsibilities between the Chairman and the Chief Executive Officer. The Chairman, who is non-executive, is responsible for the Board and the Board has delegated day-to-day management of CHH to the CEO.

Board Membership

(Principle 4)

The Nominating Committee comprises Dr Tan Cheng Bock (Committee Chairman), Mr Peh Kwee Chim, Prof. Tan Cheng Han, S.C., and Mdm Joanna Young Sau Kwan, the majority of whom including the Chairman, are Non-Executive, Independent Directors.

The Nominating Committee reviews and assesses candidates for directorships before making recommendations to the Board. In recommending new directors to the Board, the Nominating Committee takes into consideration the skills and experience required and the current composition of the Board, and strives to ensure that the Board has an appropriate balance of independent directors as well as directors with the right profile of expertise, skills, attributes and ability.

In evaluating a director's contribution and performance for the purpose of re-nomination, the Nominating Committee takes into consideration a variety of factors such as attendance, preparedness, participation and candour.

Recommendations for nominations of new directors and retirement of directors are made by the Nominating Committee and considered by the Board as a whole. At each Annual General Meeting ("AGM") of CHH, not less than one third of the directors for the time being (being those who have been longest in office since their last re-election) are required to retire from office by rotation. A retiring director is eligible for re-election by the shareholders of CHH at the AGM. All newly appointed directors during the year will hold office only until the next AGM and will be eligible for re-election. Director above 70 years of age are subject to annual re-appointment.

Board Performance

(Principle 5)

The Board should ensure compliance with applicable laws and Board members should act in good faith, with due diligence and care in the best interests of CHH and its shareholders. In addition to these fiduciary duties, the Board is charged with two key responsibilities: setting strategic directions and ensuring that CHH is ably led. The measure of a board's performance is also tested through its ability to lend support to Management especially in times of crisis and to steer CHH in the right direction.

CHH is of the opinion that the financial indicators set out in the Code as guides for the evaluation of directors are more of a measure of Management's performance and hence are less applicable to Directors. In any case, such financial indicators provide a snapshot of a company's performance, and do not fully measure the sustainable long-term wealth and value creation of CHH.

The Board through the delegation of its authority to the Nominating Committee, has used its best efforts to ensure that directors appointed to the Board possess the background, experience, knowledge and skills critical to the Company's business and that each director with his special contributions brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

Access to Information

(Principle 6)

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. The Board has separate and independent access to Senior Management and the Company Secretary at all times. The Board also has access to independent professional advice, where appropriate, at the expense of CHH.

REMUNERATION MATTERS

(Principles 7, 8 and 9)

The Remuneration Committee comprises Prof. Tan Cheng Han, S.C. (Committee Chairman), Dr Tan Cheng Bock and Mdm Joanna Young Sau Kwan, all of whom are Non-Executive, Independent Directors. The role of the Remuneration Committee is to review and approve the remuneration, including the grant of aggregate variable bonuses, share options, performance shares and benefits in kind to the Directors and the Senior Management of CHH.

The Remuneration Committee in establishing the framework of remuneration policies for its Directors and Senior Executives is largely guided by the financial performance of the Company. The primary objective is to align the interest of Management with that of the shareholders. In this respect, it believes that remuneration should be competitive and sufficient to attract, retain and motivate Executive Directors and Senior Executives to manage the Company well. Pay levels, benefits and incentives are structured to focus them to achieve corporate objectives.

The remuneration package generally comprises two components. One component is fixed in the form of the base salary. The other component is variable consisting of AWS, performance and incentive bonuses. The variable portion is largely dependent on the financial performance of the Company. The Remuneration Committee strongly supports and endorses the flexible wage system because it gives the Company more flexibility to ride through economic downturns. The Remuneration Committee has adopted set profitability levels to be achieved before performance bonuses are payable.

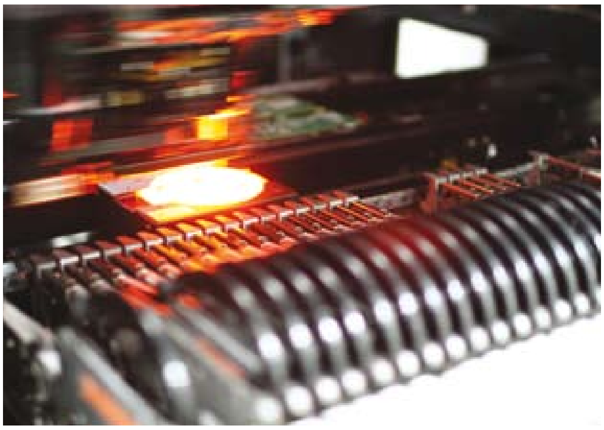
While share options may be a good form of long-term incentive compensation, the Remuneration Committee is less inclined to grant them as the conversion of these options will dilute the interest of existing shareholders. The Remuneration Committee will therefore recommend granting share options selectively and sparingly and depend more on cash bonuses to reward the key executives including Executive Directors. The Chief Executive Officer, Mr Peh Siong Woon Terence, has voluntarily declined receiving share options. Non-Executive Directors are not eligible for grant of share options as the Remuneration Committee believes that their independence can be better preserved and the discharge of their duties will not be influenced or affected by movements in the Company's share price. All Non-Executive Directors are paid Directors' fees which are subject to approval at AGMs. The Non-Executive Chairman of the Board is paid more than the other Non-Executive Directors due to the nature of his position.

The Directors' remuneration in bands of US$180,000 is disclosed below. The remuneration of the top three key executives in the Group who are not also Directors of the Company is shown in bands of US$180,000. Their actual remuneration has not been disclosed for competitive reasons and to maintain confidentiality of staff remuneration matters.

DIRECTORS' REMUNERATION PAID OR ACCRUED FOR FINANCIAL YEAR ENDED JUNE 30, 2010

	Fixed Component (%) (1)	Variable Component (%) (2)	Directors' Fees (%)	Total Compensation (%)	Share Options Granted
Directors of Company					
US$360,000 to US$539,999					
Mr Peh Kwee Chim	59	41	-	100	-
Mr Peh Siong Woon Terence	55	45	-	100	-
Below US$180,000					
Dr Tan Cheng Bock	-	-	100	100	-
Prof Tan Cheng Han, S.C.	-	-	100	100	-
Mdm Joanna Young Sau Kwan	-	-	100	100	-

Note:
1. Fixed component refers to base salary earned, transport allowance and employer CPF.
2. Variable component refers to variable bonus and employer CPF.



REMUNERATION OF THE TOP THREE KEY EXECUTIVES IN THE CHUAN HUP GROUP WHO ARE NOT ALSO DIRECTORS OF THE COMPANY FOR FINANCIAL YEAR ENDED JUNE 30, 2010

Key Executives of Company	Fixed Component (%) (1)	Variable Component (%) (2)	Total Compensation (%)	Share Options Granted
Below US$180,000				
Chan Eng Chong	62	38	100	-
Liew Ngin Moi	53	47	100	-
Valerie Tan May Wei	58	42	100	-

Notes:
1. Fixed component refers to base salary earned, transport allowance and employer CPF.
2. Variable component refers to variable bonus and employer CPF.

ACCOUNTABILITY AND AUDIT

Accountability

(Principle 10)

The Board through its announcements of quarterly and full-year results, aims to provide shareholders with a balanced and understandable assessment of the Company's performance and prospects.

CHH recognises the importance of providing the Board with a continual flow of relevant information on an accurate and timely basis in order that it may effectively discharge its duties. On a regular basis, Board members are provided with business and financial reports comparing actual performance with budget with highlights on key business indicators and major issues.

Audit Committee

(Principle 11)

The Audit Committee comprises Mdm Joanna Young Sau Kwan (Committee Chairman), Dr Tan Cheng Bock and Prof. Tan Cheng Han, S.C., all of whom are Non-Executive, Independent Directors. Mdm Joanna Young Sau Kwan has accounting and related financial management expertise and experience. The Board considers the other members as having sufficient financial knowledge and experience to discharge their responsibilities as members of the Committee.

The Audit Committee meets at least four times a year to carry out its role of reviewing the financial reporting process, the system of internal controls, management of financial risks and the audit process.

The Audit Committee's duties include:

(a) reviewing the scope and the results of audit work carried out by the external auditors, the cost effectiveness of the audit, the independence and objectivity of the external auditors, and the nature, extent and costs of non-audit services provided by the external auditors;

(b) reviewing significant financial reporting issues and judgements to ensure the integrity of the financial statements of the Group and the quarterly and annual financial statements and financial announcements required by SGX-ST for recommendation to the Board for approval;

(c) reviewing and assessing the adequacy and effectiveness of the Company's system of internal controls;

(d) reviewing the effectiveness of the Company's internal audit function;

(e) recommending to the Board the appointment, reappointment and removal of the external auditors of the Company and approval of the remuneration and terms of engagement of the external auditors;

(f) meeting with the internal auditor and the external auditors, without the presence of the Company's Management, at least annually;

(g) reviewing the independence of the external auditors annually; and

(h) reviewing interested person transactions and conflict of interest situations that may arise within the Group.

The Audit Committee has explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of Management and full discretion to invite any director or executive officer to attend its meetings. The Audit Committee has adequate resources to enable it to discharge its responsibilities properly.

With the exception of Cleanway Environmental Services Pte Ltd, ProVest Realty Pte Ltd, ProVest Ventures Pte. Ltd., Westgarden Development Pte Ltd, Cleanway Systems and Technologies Pte Ltd, 96 & 102 Terrace Road Pty Ltd, Ventrade Australia Pty Ltd, Valcom Holdings Inc and Polytech Investing Ltd, all the subsidiaries listed on pages 50 and 51 of this Annual Report are audited by Ernst & Young LLP, Singapore. 96 & 102 Terrace Road Pty Ltd and Ventrade Australia Pty Ltd are audited by KPMG, Australia. Cleanway Environmental Services Pte Ltd, ProVest Realty Pte Ltd, ProVest Ventures Pte. Ltd, Westgarden Development Pte Ltd, Cleanway System Technologies Pte Ltd and Polytech Investing Ltd are dormant. Valcom Holdings Inc is not required to be audited.

The Board and the Audit Committee are satisfied that the appointment of KPMG Australia as the auditors of 96 and 102 Terrace Road Pty Ltd and Ventrade Australia Pty Ltd would not compromise the standard and effectiveness of the audit of the Group. Accordingly, the Board confirms that Rule 716 of the SGX-ST Listing Manual has been complied with.

The Company has implemented a Whistle-Blowing Policy, which serves to encourage and provide a channel to employees to report in good faith and in confidence, without fear of reprisals, concerns about possible wrongdoing or breach of applicable laws, regulations, policies or other matters. The objectives for such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action.

The Company has adopted the SGX Best Practices Guide with respect to the dealings in securities for the guidance of directors and officers. CHH's directors and officers are prohibited from dealing in CHH's shares for the period of two weeks prior to the announcement of quarterly results and a period of one month prior to the announcement of year-end results. In addition, directors and officers are prohibited from dealing in CHH's shares on short-term considerations or if they are in possession of unpublished price-sensitive information on the Group.

Internal Controls

(Principle 12)

The Board has ultimate responsibility for the system of internal controls maintained by the Company to safeguard the shareholders' investments and the Company's assets and for reviewing their effectiveness. The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation regulation and best practices, and the identification and containment of business risk.

Internal and external auditors conduct regular reviews of the system of internal controls and significant internal control weaknesses are brought to the attention of the Audit Committee and to Management for remedial action. The Audit Committee is of the opinion that there are adequate internal controls in the Company.

Risk management is essential to the Company's business. The Company has established risk management policies, guidelines and control procedures to identify operational risks and monitor and manage these risks.

CHH has implemented a Group insurance program and has in place a system for financial monitoring and control.

Internal Audit

(Principle 13)

The Company has established an in-house internal audit function that is independent of the activities it audits. The Internal Auditor reports primarily to the Chairman of the Audit Committee and administratively to the Chief Executive Officer. The Internal Auditor meets the standards set by recognised professional bodies.

COMMUNICATION WITH SHAREHOLDERS

(Principles 14 and 15)

CHH believes in regular and timely communication with investors. The Company is open to meetings with investors and analysts.

CHH's website serves as a comprehensive and easy-to-use source of information for shareholders. It contains the Company's publicly disclosed financial information, annual reports and announcements.

CHH is in full support of the Code's principle to encourage shareholder participation. CHH's Articles of Association allow a member entitled to attend and vote to appoint a proxy to attend and vote instead of the member and also provide that a proxy need not be a member of CHH. Voting in absentia by facsimile or email is not currently permitted to ensure proper authentication of the identity of shareholders and their voting intentions.

Board members always endeavour to attend general meetings to address questions by shareholders. Management as well as the external auditors are present at AGMs to assist the Board in addressing queries from shareholders.

INTERESTED PERSON TRANSACTIONS

The Company has put in place an internal procedure to track interested person transactions ("IPTs") of the Company. All IPTs are disclosed in the Company's Annual Report.

CHH did not enter into any IPTs in Financial Year ended 30 June 2010.

CONCLUSION

CHH recognises the importance of good corporate governance practices for maintaining and promoting investor confidence. CHH will continue to review and improve its corporate governance practices on an ongoing basis.

ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

The attendance of each Director at Board meetings and Board Committee meetings during the Financial Year ended 30 June 2010 is as follows:

Board Meetings

Director	No. of Meetings Held	No. of Meetings Attended
Dr Tan Cheng Bock	7	7
Mr Peh Kwee Chim	7	7
Mr Peh Siong Woon Terence	7	7
Prof. Tan Cheng Han, S.C.	7	6
Mdm Joanna Young Sau Kwan	7	7

Board Committee Meetings

	Audit Committee		Remuneration Committee		Nominating Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Dr Tan Cheng Bock	4	4	1	1	1	1
Mr Peh Kwee Chim	-	-	-	-	1	1
Prof. Tan Cheng Han, S.C.	4	4	1	1	1	1
Mdm Joanna Young Sau Kwan	4	4	1	1	1	1

FINANCIAL STATEMENTS

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Chuan Hup Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of comprehensive income, balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2010.

1. Directors

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

Dr Tan Cheng Bock
Mr Peh Kwee Chim
Prof. Tan Cheng Han, S.C.
Mdm Joanna Young Sau Kwan
Mr Peh Siong Woon Terence

In accordance with Article 86 of the articles of association, Mr Peh Kwee Chim and Mr Peh Siong Woon Terence retire by rotation and being eligible, offer themselves for re-election.

Dr Tan Cheng Bock retires pursuant to Section 153 of the Singapore Companies Act, Cap 50. A resolution will be proposed for his re-appointment under Section 153 of the said Act to hold office until the next annual general meeting of the Company.

2. Arrangements to enable directors to acquire shares and debentures

Except for the Chuan Hup Employees' Share Option Scheme 1997 and the Chuan Hup Performance Share Plan as described in paragraphs five and six 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 a director 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' interests 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, interests in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below :

Name of director	**Direct interest**		**Deemed interest**	
Chuan Hup Holdings Limited (ordinary shares)	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Dr Tan Cheng Bock	–	–	250,000	250,000
Mr Peh Kwee Chim	316,823,990	316,823,990	151,835,500	151,835,500
Mdm Joanna Young Sau Kwan	22,500	22,500	–	–
Mr Peh Siong Woon Terence	–	–	151,835,500	–

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.

By virtue of Section 7 of the Singapore Companies Act, Cap. 50, Mr Peh Kwee Chim is deemed to have an interest in the Company and in all the related corporations of the Company.

The directors' interests in the shares of the Company as at 21 July 2010 were the same as at 30 June 2010.

4. Directors' contractual benefits

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, Cap. 50, by reason of a contract made by the Company or a related corporation with the director with a firm of which he is a member, or with a company in which he has a substantial financial interest except for salaries, bonuses and other benefits disclosed in the financial statements. Certain directors received remuneration from the Company in their capacities as executives of the Company.

5. Share options

a) The Chuan Hup Employees' Share Option Scheme 1997 (the "Scheme") was approved by the shareholders of the Company at an Extraordinary General Meeting ("EGM") held on 15 August 1997 and amendments to the Scheme were approved by the shareholders of the Company at an EGM held on 10 November 2000;

b) During the financial year, no share option was granted, exercised, cancelled and outstanding under the Scheme. Statutory information regarding the options granted in 1998, 1999, 2001 and 2002 under the Scheme have been set out in the Reports of the Directors for the financial years ended 30 June 1999, 2000, 2001 and 2002;

c) The Scheme is administered by the Remuneration Committee (the "Committee") comprising Prof. Tan Cheng Han, S.C., an independent director, Dr Tan Cheng Bock, an independent director and Mdm Joanna Young Sau Kwan, an independent director;

d) Non-executive directors, controlling shareholders or their associates are not eligible to participate in the Scheme;

e) No option has been granted to eligible participants which, in aggregate, represent 5% or more of the total number of new shares available under the Scheme and the Performance Share Plan, as detailed under the Performance Share Plan ("PSP"), collectively;

f) During the financial year, no option to take up unissued shares of any subsidiaries were granted and there was no share of any subsidiaries issued by virtue of the exercise of an option to take up unissued shares; and

g) At the end of the financial year, there was no unissued share of the Company or any subsidiaries under option.

6. Performance Share Plan ("PSP")

The PSP was approved and adopted by the shareholders at an EGM held on 10 November 2000. Under the PSP, awards which represent the right to receive the Company's ordinary shares free of charge upon the achievement of certain prescribed performance targets, will be given to those participants eligible to participate in the PSP. The aggregate number of ordinary shares to be issued pursuant to the Scheme and those to be awarded under the PSP, shall not exceed 15% of the issued share capital of the Company on the day preceding the relevant award date.

The PSP is administered by the Committee. The PSP shall continue to be in force at the discretion of the Committee subject to a maximum period of 10 years commencing 10 November 2000. Further details of the PSP are set out in the Company's Circular dated 25 October 2000.

No award has been granted under the PSP since its commencement.

7. Share repurchase

During the financial year, the Company repurchased 70,881,000 (2009: 4,340,000) ordinary shares by way of market acquisition pursuant to the authority given to the directors under the Share Repurchase Mandates approved at the EGMs on 17 October 2008 and 23 October 2009. Shares were repurchased by the Company at a total consideration of S$23,340,808 (2009: S$1,560,813). The highest and lowest prices paid per share were S$0.350 and S$0.240 (2009: S$0.370 and S$0.235) respectively.

8. Audit committee

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50, and the Singapore Exchange Securities Trading Limited Listing Manual. The functions carried out are detailed in the Company's Corporate Governance Report, which is included in the Annual Report for the financial year ended 30 June 2010.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee, 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 Audit Committee has also conducted a review of interested person transactions.

9. Auditors

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

On behalf of the board of directors,

Peh Siong Woon Terence
Director

Peh Kwee Chim
Director

Singapore
27 August 2010

INDEPENDENT AUDITORS' REPORT

To the Members of Chuan Hup Holdings Limited

We have audited the accompanying financial statements of Chuan Hup Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 30 June 2010, the statements of changes in equity and the statements of comprehensive income of the Group and the Company and the consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

The financial statements for the financial year ended 30 June 2009 were audited by another firm of auditors whose report dated 28 August 2009 expressed an unqualified opinion on those financial statements.

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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,

(a) the consolidated financial statements of the Group and the balance sheet, statement of comprehensive income 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 30 June 2010 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

(b) 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

27 August 2010

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2010

	Note	Group 2010 US$'000	Group 2009 US$'000	Company 2010 US$'000	Company 2009 US$'000
Revenue	4	114,044	8,231	4,631	8,182
Property development expense		(95,391)	–	–	–
Vessel management expense		(722)	(1,883)	–	–
Change in fair value of other financial assets at fair value through profit or loss		6,914	(2,678)	(663)	1,432
Impairment loss on available-for-sale investments		(9,795)	(37,550)	(6,962)	(26,757)
Impairment loss on investments in subsidiaries		–	–	(179)	(1,792)
Employee benefits expense		(1,566)	(1,056)	(1,007)	(522)
Depreciation expense		(294)	(335)	(47)	(47)
Other expenses		(103)	94	624	784
Share of results of associates	5	–	(1,847)	–	–
Other gains	6	3,722	6,459	6,233	37
Other losses	6	(4,400)	(33,691)	(253)	(48,233)
Interest expense		–	(157)	–	(157)
Profit/(loss) before tax	6	12,409	(64,413)	2,377	(67,073)
Income tax (expense)/benefit	7	(2,780)	(1,920)	63	(294)
Profit/(loss) after tax		9,629	(66,333)	2,440	(67,367)
Other comprehensive income					
Increase/(decrease) in fair value of available-for-sale investments		12,299	(38,149)	11,481	(26,796)
Impairment loss on available-for-sale investments		8,627	31,275	6,962	24,785
Sale of available-for-sale investments		(93)	(86)	–	–
Foreign currency translation		1,497	2,664	–	–
Sale of subsidiary – foreign currency translation		–	1,921	–	–
Other comprehensive income for the year, net of tax		22,330	(2,375)	18,443	(2,011)
Total comprehensive income for the year		31,959	(68,708)	20,883	(69,378)
Profit/(loss) attributable to :					
Equity holders of the Company		9,629	(66,333)		
Total comprehensive income attributable to :					
Equity holders of the Company		31,959	(68,386)		
Non-controlling interests – sale of subsidiary		–	(322)		
Earnings/(loss) per share	9				
Basic		1.00 cents	(6.60) cents		
Fully diluted		1.00 cents	(6.60) cents		

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

BALANCE SHEETS

As at 30 June 2010

	Note	Group 2010 US$'000	Group 2009 US$'000	Company 2010 US$'000	Company 2009 US$'000
Assets					
Non-current assets					
Property, plant and equipment	10	38,522	39,336	38	76
Subsidiaries	11	–	–	12,023	12,202
Associates	5	–	–	–	–
Available-for-sale investments	12	145,810	131,732	130,989	113,804
Other financial assets at fair value through profit or loss	13	8,712	13,878	4,631	4,655
Deferred tax asset		1	–	–	–
Total non-current assets		193,045	184,946	147,681	130,737
Current assets					
Cash and cash equivalents	14	28,477	29,694	17,399	860
Trade receivables	15	1,468	1,144	–	–
Other receivables and prepayments	16	1,305	4,999	35	98
Tax recoverable		–	240	–	240
Due from subsidiaries	17	–	–	17,032	81,105
Held-for-trading investments	18	12,074	8,373	12,074	–
Other financial assets at fair value through profit or loss	13	9,495	9,838	9,495	2,004
Inventory-land held for development	19	–	8,573	–	–
Total current assets		52,819	62,861	56,035	84,307
Total assets		245,864	247,807	203,716	215,044
Equity and liabilities					
Current liabilities					
Bank loans	20	–	17,485	–	17,485
Trade payables	21	183	337	–	–
Other payables	22	8,360	9,053	4,898	5,915
Due to subsidiaries	23	–	–	5,022	1,611
Income tax payable		3,249	2,081	14	396
Total current liabilities		11,792	28,956	9,934	25,407
Capital, reserves and non-controlling interests					
Share capital	24	152,076	168,814	152,076	168,814
Reserves		66,911	44,581	76,318	57,875
Accumulated profit/(losses)		15,082	5,453	(34,612)	(37,052)
Equity attributable to equity holders of the Company		234,069	218,848	193,782	189,637
Non-controlling interests		3	3	–	–
Total equity		234,072	218,851	193,782	189,637
Total equity and liabilities		245,864	247,807	203,716	215,044

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

For the financial year ended 30 June 2010

	Share capital US$'000	Reserves: Foreign currency translation (Note 25a) US$'000	Reserves: Investment revaluation (Note 25b) US$'000	Accumulated profits/ (losses) US$'000	Attributable to equity holders of the Company US$'000	Non-controlling interests US$'000	Total US$'000
Group							
Balance at 1 July 2008	168,814	(1,697)	48,331	76,214	291,662	325	291,987
Loss after tax	–	–	–	(66,333)	(66,333)	–	(66,333)
Other comprehensive income, net of tax	–	4,907	(6,960)	–	(2,053)	(322)	(2,375)
Total comprehensive income for the year	–	4,907	(6,960)	(66,333)	(68,386)	(322)	(68,708)
Payment of dividends (Note 8)	–	–	–	(3,290)	(3,290)	–	(3,290)
Repurchase of shares	–	–	–	(1,138)	(1,138)	–	(1,138)
Balance at 30 June 2009 and at 1 July 2009	168,814	3,210	41,371	5,453	218,848	3	218,851
Profit after tax	–	–	–	9,629	9,629	–	9,629
Other comprehensive income, net of tax	–	1,497	20,833	–	22,330	–	22,330
Total comprehensive income for the year	–	1,497	20,833	9,629	31,959	–	31,959
Repurchase of shares	(16,738)	–	–	–	(16,738)	–	(16,738)
Balance at 30 June 2010	152,076	4,707	62,204	15,082	234,069	3	234,072

	Share capital US$'000	Investment revaluation reserve (Note 25b) US$'000	Accumulated profits/ (losses) US$'000	Total US$'000
Company				
Balance at 1 July 2008	168,814	59,886	34,743	263,443
Loss after tax	–	–	(67,367)	(67,367)
Other comprehensive income, net of tax	–	(2,011)	–	(2,011)
Total comprehensive income for the year	–	(2,011)	(67,367)	(69,378)
Payment of dividends (Note 8)	–	–	(3,290)	(3,290)
Repurchase of shares	–	–	(1,138)	(1,138)
Balance at 30 June 2009 and at 1 July 2009	168,814	57,875	(37,052)	189,637
Profit after tax	–	–	2,440	2,440
Other comprehensive income, net of tax	–	18,443	–	18,443
Total comprehensive income for the year	–	18,443	2,440	20,883
Repurchase of shares	(16,738)	–	–	(16,738)
Balance at 30 June 2010	152,076	76,318	(34,612)	193,782

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 30 June 2010

	Group	
	2010	**2009**
	US$'000	US$'000
Cash flows from operating activities		
Profit/(loss) before tax	12,409	(64,413)
Adjustments for :		
Share of results of associates	–	1,847
Depreciation expense	294	335
Dividend income	(4,917)	(6,510)
Interest income	(976)	(3,112)
Interest expense	–	157
Net foreign exchange (gain)/loss	(503)	2,786
Loss/(gain) on disposal of plant and equipment	123	(30)
(Gain)/loss on disposal of held-for-trading investments	(420)	5,634
Change in fair value of held-for-trading investments	4,159	110
Amortisation of intangible asset	–	5,512
Loss on disposal of subsidiary	–	1,159
Reversal of allowance for doubtful debts	(80)	(64)
(Gain)/loss on disposal of available-for-sale investments	(1,547)	759
(Gain)/loss on disposal of other financial assets at fair value through profit or loss	(205)	25,491
Impairment loss on available-for-sale investments	9,795	37,550
Change in fair value of other financial assets at fair value through profit or loss	(6,914)	2,678
Bad debts written off	118	–
Operating profit before changes in working capital	11,336	9,889
Changes in working capital :		
Proceeds from disposal of held-for-trading investments	19,565	31,471
Purchase of held-for-trading investments	(20,802)	(28,611)
Receivables	3,572	3,822
Payables	(847)	(1,823)
Inventory-land held for development	8,573	–
Cash flows from operating activities	21,397	14,748
Interest paid	–	(157)
Interest received	976	3,112
Dividends received	4,917	6,510
Income tax paid	(1,513)	(978)
Net cash inflows from operating activities	25,777	23,235

CONSOLIDATED CASH FLOW STATEMENT (cont'd)

For the financial year ended 30 June 2010

	Group	
	2010	2009
	US$'000	US$'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(40)	(33,072)
Proceeds from disposal of property, plant and equipment	2,167	30
Net cash inflow on disposal of subsidiary	–	1,849
Purchase of available-for-sale investments	(12,241)	(67)
Proceeds from disposal of available-for-sale investments	9,559	28,144
Purchase of other financial assets at fair value through profit or loss	(38,474)	(13,631)
Payment for early termination of other financial assets at fair value through profit or loss	–	(25,485)
Proceeds from disposal of other financial assets at fair value through profit or loss	46,258	20,158
Net cash inflows/(outflows) from investing activities	7,229	(22,074)
Cash flows from financing activities		
Share repurchase	(16,738)	(1,138)
Dividends paid to shareholders of the Company	–	(3,290)
Proceeds from bank loans	–	33,838
Repayment of bank loans	(17,485)	(16,353)
Net cash (outflows)/inflows from financing activities	(34,223)	13,057
Net (decrease)/increase in cash and cash equivalents	(1,217)	14,218
Cash and cash equivalents at beginning of year	29,694	15,476
Cash and cash equivalents at end of year	28,477	29,694

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Chuan Hup Holdings Limited (the "Company") is a limited liability company incorporated in the Republic of Singapore with its registered office and principal place of business at 390 Jalan Ahmad Ibrahim, Singapore 629155. The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the Company consist of investment holding, trading activities and provision for management services. There has been no significant change in the nature of these activities from the previous financial year.

The principal activities of the subsidiaries, associates and jointly controlled operations are set out in Notes 11, 5 and 33 to the financial statements, respectively.

2. Summary of significant accounting policies

2.1 ***Basis of preparation***

The consolidated financial statements of the Group and the statement of comprehensive income, 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 dollar ("USD" or "US$") and all values in the tables are rounded to the nearest thousand (US$'000) as indicated.

2.2 ***Changes in accounting policies***

The accounting policies adopted are consistent with those of the previous financial year except as follows :

On 1 July 2009, the Group adopted the standards and interpretations mandatory for annual financial periods beginning on or after 1 July 2009. 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 disclosure. The principal effects of these changes are as follows :

FRS 1: Presentation of Financial Statements – (Revised)

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 revised 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 in 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 Levels 1 and 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 Notes 28 and 29 to the financial statements, respectively.

2. Summary of significant accounting policies (cont'd)

2.2 *Changes in accounting policies (cont'd)*

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 operating segments are the same as the business segments previously identified under FRS 14 Segment Reporting. Additional disclosures about each of the segments are shown in Note 30, including revised comparative information.

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 instruments. This did not result in any re-classification of financial instruments between current and non-current in the balance sheet.

- Revised FRS 103 *Business Combinations* and Amendments to FRS 27 *Consolidated and Separate Financial Statements:* 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.

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards and interpretations that have been issued but not yet effective :

Reference		Description	*Effective for annual periods beginning on or after*
		Improvements to FRSs issued in 2009	1 January 2010, unless otherwise stated
FRS 102	:	*Amendments to Share-based Payment* - Group Cash-settled Share-based Payment Transactions	1 January 2010
FRS 32	:	Amendments to Financial Instruments: *Presentation* - Classification of Rights Issues	1 February 2010
FRS 24	:	*Related Party Disclosures (Revised)*	1 January 2011
INT FRS 114	:	*Prepayments of a Minimum Funding Requirements (Amendments to INT FRS 114)*	1 January 2011
INT FRS 119	:	*Extinguishing Financial Liabilities With Equity Instruments*	1 July 2010

The directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the financial period of initial application.

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation*

Business combinations prior to 1 January 2010

Acquisitions of subsidiaries are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity.

When the Group acquires a business, embedded derivatives separated from the host contract by the acquire are not reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Business combinations from 1 January 2010

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. 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.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation (cont'd)*

Business combinations from 1 January 2010 (cont'd)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

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 *Transactions with non-controlling interests*

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated balance sheet, separately from parent shareholder's equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is reflected as being a transaction between owners and recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

2.6 *Foreign currency*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on the initial recognition in the functional currency at exchange rates approximating those ruling at transactions 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 foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items are 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 profit or loss 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 profit or loss of the Group on disposal of the foreign operations.

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 financial 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 profit or loss.

2. Summary of significant accounting policies (cont'd)

2.7 *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 property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows :

-	Leasehold land and building	:	12 years to 13 years
-	Vessels	:	25 years
-	Furniture, fittings and equipment	:	3 years to 13 years
-	Motor vehicles	:	5 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, estimated 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 gains or losses on derecognition of the asset are included in profit or loss in the financial year the asset is derecognised.

2.8 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following the initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

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 profit or loss when the asset is derecognised.

Compensation rights

The compensation rights pertain to purchase of a contract that provided a subsidiary of the Group with the right to transport bulk aggregate in the Middle East for two years up to 23 October 2008. The amortisation period of the compensation rights is based on the guaranteed activity volume up to the maturity date of the contract. In the financial year ended 30 June 2009, the intangible asset was fully amortised.

2. Summary of significant accounting policies (cont'd)

2.9 *Inventory-land held for development*

Inventory-land held for development is land held and developed for sale in the ordinary course of business. Inventory-land held for development is measured at lower of cost and net realisable value. The costs are assigned by using specific identification. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

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, and is generally accompanied by a shareholding giving rise to the majority of the voting rights.

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

2.11 *Associates*

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is deducted from the carrying amount of the investment and is recognised as income as part of the Group's share of results of the associate in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each balance sheet date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.12 *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 an annual impairment assessment 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

2. Summary of significant accounting policies (cont'd)

2.12 ***Impairment of non-financial assets (cont'd)***

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income 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 profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.13 ***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 instruments.

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 the consideration received and any cumulative gains or losses that have been recognised directly in other comprehensive income is recognised in profit or loss.

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 financial period generally established by regulation or convention in the marketplace concerned.

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.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair values. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss.

Financial assets are designated as fair value through profit and loss if they meet the following criteria :

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets on a different basis;
- the assets are managed on a fair value basis in accordance with a documented risk management or investment strategy; or
- the financial asset contains an embedded derivative, except where such derivative does not significantly modify cash flows of the instrument.

2. Summary of significant accounting policies (cont'd)

2.13 *Financial assets (cont'd)*

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 or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired and through the amortisation process.

Trade receivables, other receivables and prepayments are classified as loans and receivables.

c) ***Available-for-sale investments***

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

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

2.14 *Impairment of financial assets*

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset 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 directly or through the use of an allowance account. The impairment loss is recognised in profit or loss.

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 amount charged to the allowance account is 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 profit or loss.

b) ***Assets carried at cost***

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at 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 current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent financial periods.

2. Summary of significant accounting policies (cont'd)

2.14 *Impairment of financial assets (cont'd)*

c) ***Available-for-sale investments***

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 principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss. Reversals of impairment losses on debt instruments are recognised in profit or loss if the increase in fair value of the debt instrument can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

2.15 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.16 *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.

2.17 *Financial liabilities*

Financial liabilities include trade and other payables. Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are recognised initially at fair value of consideration received less directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method. A financial liability is derecognised when the obligation under the liability is extinguished. Gains or losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process. The liabilities are derecognised when the obligations under the liabilities are discharged or cancelled or expired.

2.18 *Employee benefits*

a) ***Defined contribution plan***

The Group participates in the national pension schemes as defined by the laws of the countries 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.

b) ***Employee leave entitlement***

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

2. Summary of significant accounting policies (cont'd)

2.19 *Revenue recognition*

Revenue is recognised to the extent that it 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.

Management and agency fees earned from rendering of services are recognised over the service period.

Charter hire income is recognised on a straight line basis over the charter period.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Interest income is recognised on a time proportionate basis using the effective interest rate method.

Rental income is recognised on a straight line basis over the lease terms.

Revenue from sale of development property is recognised when risks and rewards of ownership has been transferred to the buyers.

2.20 *Taxation*

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 substantially enacted by the balance sheet date.

Current taxes are recognised in profit or loss 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 temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred 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 taxable 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.

2. Summary of significant accounting policies (cont'd)

2.20 ***Taxation (cont'd)***

b) ***Deferred tax (cont'd)***

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 financial 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 income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or 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.

2.21 ***Share capital and share issue 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.

2.22 ***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. Summary of significant accounting policies (cont'd)

2.23 *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 profit or loss. 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 profit or loss 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 basis as rental income. The accounting policy for rental income is set out in Note 2.19.

2.24 *Segment reporting*

For management purposes, the Group is organised into operating segments based on their products and services 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 30, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 *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.

2.26 *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 as a liability 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 profit or loss 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 profit or loss.

3. Significant accounting estimates and judgements

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 disclosures of contingent liabilities at the reporting date. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates.

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) ***Impairment of available-for-sale investments***

At each balance sheet date, the directors assess whether there is any objective evidence that available-for-sale investments are impaired, which includes information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environments in which the investee operates, indicating that the cost of the investments may not be recoverable. A significant and prolonged decline in the fair value of an equity instrument below its cost is also objective evidence of impairment. The impairment loss of US$9,795,000 (2009: US$37,550,000) recorded is based on the net recoverable value of the investment assessed at financial year end. The carrying amount of the investments is disclosed in Note 12 to the financial statements.

b) ***Fair value of financial instruments***

The Group has unquoted investments that are classified as other financial assets at fair value through profit or loss and available-for-sale.

Note 28 describes the various means through which the unquoted investments classified as other financial assets at fair value through profit or loss and available-for-sale have been fair valued.

c) ***Impairment of property, plant and equipment***

The Group assess annually whether property, plant and equipment have any indications of impairment in accordance with the accounting policy. In the financial year ended 30 June 2010, the directors assessed that there was no indication of impairment. The carrying amounts of the Group's property, plant and equipment are disclosed in Note 10.

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) ***Depreciation of property, plant and equipment***

The Group depreciates its property, plant and equipment over their estimated useful lives and after taking into account their estimated residual values, using the straight line method. The estimated useful life reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual values reflect the directors' estimated amount that the Group will currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of the useful life. The carrying amounts of the Group's property, plant and equipment are disclosed in Note 10.

3. Significant accounting estimates and judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

b) ***Allowance for doubtful debts for receivables due from subsidiaries and associates***

The Group makes allowances for doubtful debts for amounts due from subsidiaries and associates based on an assessment of the recoverability of these receivables. Allowances are applied to receivables due from subsidiaries and associates where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgements and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables due from subsidiaries and associates and allowance for doubtful debt in the period in which such estimate has been changed. The carrying amount of these receivables at the balance sheet date is disclosed in Note 15 and 17 to the financial statements.

4. Revenue

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	US$'000	US$'000	US$'000
Charter hire income	480	3,504	–	–
Dividend income from :				
- Subsidiaries	–	–	–	891
- Other investments - quoted equity	4,917	6,510	4,317	5,299
Interest income from :				
- Associates	17	90	–	–
- External parties	958	3,023	131	1,992
Rendering of services	496	507	–	–
Gain/(loss) on disposal of held-for-trading investments	420	(5,634)	141	–
Rental income	269	231	–	–
Management fees from subsidiaries	–	–	42	–
Sale of property	106,487	–	–	–
	114,044	8,231	4,631	8,182

5. Associates

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	US$'000	US$'000	US$'000
Shares, at cost	40	40	–	–
Share of post-acquisition profit/(loss) [a]	(40)	(40)	–	–
	–	–	–	–

[a] Share of results of associates recognised in profit or loss includes :

	Group	
	2010	**2009**
	US$'000	US$'000
Share of results of associates net of income tax	–	(1,847)

5. Associates (cont'd)

Details of associates are disclosed below :

	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held 2010 %	2009 %
Held by Cresta Investment Pte Ltd				
Sunbest Transco Limited(1)	Cyprus	Ship chartering (Middle East)	40	40
CH Aggregate Limited(2)	Cyprus	Dormant	40	40

(1) Audited by PricewaterhouseCoopers Limited, Cyprus; and

(2) Unaudited management accounts were used for consolidation purposes as the associate is not significant to the Group.

Summarised financial information in respect of the Group's associates is set out below :

	Group 2010 US$'000	2009 US$'000
Total assets	4,428	18,216
Total liabilities	(6,337)	(18,091)
Net (liabilities)/assets	(1,909)	125
Group's share of associates' net (liabilities)/assets (b)	(764)	50
Revenue	613	17,010
Loss for the year	(2,486)	(4,977)
Group's share of associates' results for the year	(994)	(1,991)
Loss not recognised for the year	(994)	(144)

(b) In the financial year ended 30 June 2009, the Group did not recognise the share of net assets as it was not material to the Company.

6. Profit/(loss) before tax

Profit/(loss) before tax for the financial year has been arrived at after crediting/(charging) the following items :

	Group		Company	
	2010	2009	2010	2009
	US$'000	US$'000	US$'000	US$'000
Other gains:				
Gain on disposal of plant and equipment	–	30	–	30
Foreign exchange gain	1,807	–	256	–
Gain on disposal of available-for-sale investments	1,547	–	–	–
Reversal of allowance for doubtful debts	80	64	80	–
Benefits arising from the use of compensation rights	–	6,338	–	–
Gain on disposal of other financial assets at fair value through profit or loss	205	–	–	–
Reversal of allowance for doubtful receivables from subsidiaries	–	–	5,887	–
Other income	83	27	10	7
Total other gains	3,722	6,459	6,233	37
Other losses:				
Loss on disposal of plant and equipment	(123)	–	–	–
Foreign exchange loss	–	(660)	–	(633)
Loss on disposal of available-for-sale investments	–	(759)	–	–
Loss on disposal of subsidiary	–	(1,159)	–	–
Amortisation of intangible asset	–	(5,512)	–	–
Change in fair value of held-for-trading investments	(4,159)	(110)	(135)	–
Loss on disposal of other financial assets at fair value through profit or loss	–	(25,491)	–	–
Allowance for doubtful receivables from subsidiaries	–	–	–	(47,600)
Bad debts written off	(118)	–	(118)	–
Total other losses	(4,400)	(33,691)	(253)	(48,233)
Directors' remuneration[(a)]:				
Directors of the Company	(605)	(553)	(605)	(553)
Directors of subsidiaries	(128)	(174)	–	–
Total directors' remuneration	(733)	(727)	(605)	(553)
Directors' fees :				
Directors of the Company	(143)	(104)	(143)	(104)
Employee benefits expense (including directors' remuneration and directors' fees) :				
Defined contribution plans	(96)	(72)	(39)	(20)
Others	(1,470)	(984)	(968)	(502)
Total employee benefits expense	(1,566)	(1,056)	(1,007)	(522)

(a) Directors' remuneration of the Group and the Company includes depreciation expense of vehicles used by directors of US$32,000 (2009: US$32,000) and consultancy fees paid to directors of the subsidiaries of US$128,000 (2009: US$174,000).

6. Profit/(loss) before tax (cont'd)

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	US$'000	US$'000	US$'000
Auditors' remuneration :				
Payable to auditors of the Company	(72)	(75)	(51)	(38)
Payable to other auditors	(3)	(2)	–	–
Total auditors' remuneration	(75)	(77)	(51)	(38)

The non-audit fees payable to the auditors of the Company are insignificant as at 30 June 2010 and 30 June 2009.

7. Income tax expense/(benefit)

(a) The major components of income tax expense/(benefit) are as follows :

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	US$'000	US$'000	US$'000
Current taxation	3,393	1,411	12	301
(Over)/under provision in respect of prior years	(613)	509	(75)	(7)
	2,780	1,920	(63)	294

(b) A reconciliation between tax expense/(benefit) and the product of accounting profit multiplied by the applicable statutory tax rate for the financial years ended 30 June 2010 and 2009 are as follows :

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	US$'000	US$'000	US$'000
Profit/(loss) before tax	12,409	(64,413)	2,377	(67,073)
Tax expense at statutory rate of 17% (2009: 17%)	2,110	(10,950)	404	(11,402)
Expenses/(income) not subject to tax (1)	72	(1,252)	–	(1,010)
Tax effect of share of results of associate	–	307	–	–
Non-allowable/(taxable) items	(357)	13,368	(568)	12,731
Utilisation of deferred tax benefits previously not recognised	(54)	(33)	–	–
Tax exempt income	(13)	(39)	(2)	(18)
(Over)/under provision in prior years	(613)	509	(75)	(7)
Withholding tax on overseas income	2	3	–	–
Effect of different tax rate (2)	1,453	4	–	–
Deferred tax benefit not recognised	165	–	165	–
Others	15	3	13	–
Income tax expense/(benefit) at effective tax rates	2,780	1,920	(63)	294

(1) Mainly pertains to expenses incurred/income derived from shipping operations which is exempted from income tax under Section 13A of the Singapore Income Tax Act, Cap. 134.

(2) Pertains to the difference in tax rate between Australia and Singapore, arising from Australia subsidiaries.

7. Income tax expense/(benefit) (cont'd)

(c) Subject to agreement with the Comptroller of Income Tax, the Group has unutilised tax losses, capital allowances and other temporary differences estimated as follows :

	Group	
	2010	**2009**
	US$'000	US$'000
Unutilised tax losses	7,383	6,087
Capital allowances	11	15
	7,394	6,102
Deferred tax asset not recognised	1,257	1,037

These future income tax benefits are available for an unlimited future period only if the Company and its respective subsidiaries derive future assessable income of a nature and of sufficient amounts to enable the benefits to be realised and the conditions for deductibility imposed by the law, including the retention of majority shareholders as defined are complied with. Deferred tax asset is not recognised due to uncertainty of future taxable profits.

8. Dividends paid

During the previous financial year, the Company paid a final tax exempt dividend of US$0.0033 (S$0.005) per ordinary share on the ordinary shares of the Company totalling US$3,290,000 (S$5,024,000) in respect of the financial year ended 30 June 2008.

In respect of the current financial year, no dividends have been proposed and declared.

9. Earnings/(loss) per share

The calculation of the basic and fully diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data :

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	US$'000	US$'000	US$'000
Earnings/(loss)				
Profit/(loss) for the year attributable to equity holders of the Company	9,629	(66,333)	9,629	(66,333)
Number of shares				
Weighted average number of ordinary shares used to compute earnings per share	961,642	1,005,033	961,642	1,005,033
Earnings/(loss) per share	1.00 cents	(6.60) cents	1.00 cents	(6.60) cents

Group basic earnings per share is the same as fully diluted earnings per share as the Group does not have any potential dilutive ordinary shares outstanding.

10. Property, plant and equipment

Group	Freehold land	Leasehold land and building	Vessels	Furniture, fittings and equipment	Motor vehicles	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost						
At 1 July 2008	–	2,274	6,526	481	373	9,654
Exchange difference	–	(136)	–	106	–	(30)
Additions	33,069	–	–	3	–	33,072
Disposals/write-off	–	–	(1)	(12)	(106)	(119)
At 30 June 2009 and 1 July 2009	33,069	2,138	6,525	578	267	42,577
Exchange difference	1,730	74	–	7	–	1,811
Additions	27	–	–	13	–	40
Disposals/write-off	–	–	(2,483)	(21)	–	(2,504)
At 30 June 2010	34,826	2,212	4,042	577	267	41,924
Accumulated depreciation						
At 1 July 2008	–	2,274	136	458	373	3,241
Exchange difference	–	(136)	–	(14)	(66)	(216)
Depreciation for the year	–	–	262	42	31	335
Disposals/write-off	–	–	(1)	(12)	(106)	(119)
At 30 June 2009 and 1 July 2009	–	2,138	397	474	232	3,241
Exchange difference	–	74	–	6	–	80
Depreciation for the year	–	–	221	41	32	294
Disposals/write-off	–	–	(192)	(21)	–	(213)
At 30 June 2010	–	2,212	426	500	264	3,402
Net book value						
At 30 June 2009	33,069	–	6,128	104	35	39,336
At 30 June 2010	34,826	–	3,616	77	3	38,522

10. Property, plant and equipment (cont'd)

The Group's major properties are as follows:

Freehold land

Description	Location	Area
Former ABC Site 187-193 (Lot 123)	187 Adelaide Terrace, East Perth, Australia	12,874 square metres

Leasehold land and building

Description	Location	Area/Tenure
Shipyard	No. 2, Jalan Samulun Jurong, Singapore	5,249 square metres/tenure 15 years with a further 10 years extension (unexpired lease term of 5.417 years)

Company

Cost	Furniture, fittings and equipment US$'000	Motor vehicles US$'000	Total US$'000
At 1 July 2008	284	373	657
Additions	3	–	3
Disposals/write-off	(6)	(107)	(113)
At 30 June 2009 and 1 July 2009	281	266	547
Additions	9	–	9
Disposals/write-off	(4)	–	(4)
At 30 June 2010	286	266	552
Accumulated depreciation			
At 1 July 2008	231	306	537
Depreciation for the year	14	33	47
Disposals/write-off	(6)	(107)	(113)
At 30 June 2009 and 1 July 2009	239	232	471
Depreciation for the year	16	31	47
Disposals/write-off	(4)	–	(4)
At 30 June 2010	251	263	514
Net book value			
At 30 June 2009	42	34	76
At 30 June 2010	35	3	38

11. Subsidiaries

	Company 2010 US$'000	Company 2009 US$'000
Shares, at cost	40,322	40,322
Less: impairment in value	(28,299)	(28,120)
	12,023	12,202

Movement in impairment in value :

	Company 2010 US$'000	Company 2009 US$'000
Balance at beginning of financial year	28,120	26,328
Impairment loss charged to profit or loss	179	1,792
Balance at end of financial year	28,299	28,120

During the financial year, the Company carried out a review of the recoverable amount of its investments in subsidiaries. An additional impairment of US$179,000 (2009: US$1,792,000) was recognised during the financial year in respect of certain subsidiaries. These subsidiaries had been loss making or dormant. The recoverable amount of the investments has been determined based on fair value less cost to sell for these subsidiaries.

Details of the Company's subsidiaries are disclosed below :

	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held 2010 %	Proportion of ownership interest and voting power held 2009 %
Held by the Company				
Beauford Marine Pte Ltd	Singapore	Ship agent and ship chartering	100	100
Cleanway Environmental Services Pte Ltd [1]	Singapore	Dormant	100	100
Cresta Investment Pte Ltd	Singapore	Investment holding	100	100
ProVest Global Pte Ltd	Singapore	Investment holding	100	100
ProVest Holdings Pte Ltd	Singapore	Investment holding	100	100
ProVest Realty Pte Ltd [1]	Singapore	Dormant	100	100
ProVest Transworld Limited	Singapore	Rental and management of properties	99.7	99.7
ProVest Ventures Pte Ltd [1]	Singapore	Dormant	100	100

11. Subsidiaries (cont'd)

	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held 2010 %	2009 %
Held by the Company (cont'd)				
Shin Chuan Pte Ltd	Singapore	Investment holding	100	100
CH BioVest Pte Limited	Singapore	Ship agent and investment holding	100	100
Ventrade (Asia) Pte Ltd	Singapore	Investment holding of available-for-sale investments and trading of held-for-trading investments	100	100
Westgarden Development Pte Ltd[1]	Singapore	Dormant	100	100
Held by subsidiaries				
Held by Cleanway Environmental Services Pte Ltd				
Cleanway Systems and Technologies Pte Ltd[1]	Singapore	Dormant	100	100
Held by Ventrade (Asia) Pte Ltd				
96 and 102 Terrace Road Pty Ltd[2]	Australia	Property Development (Australia)	100	100
Ventrade Australia Pty Ltd[2]	Australia	Property Development (Australia)	100	100
Held by ProVest Holdings Pte Ltd				
Valcom Holdings Inc[3]	British Virgin Island	Investment holding	100	100
Held by CH BioVest Pte Limited				
Polytech Investing Ltd[1]	British Virgin Island	Dormant	100	100

All subsidiaries are audited by Ernst & Young LLP, Singapore except as follows :

(1) Unaudited management accounts were used for consolidation purposes as the subsidiary is not material to the Group;

(2) Audited by KPMG, Australia; and

(3) Not required to be audited.

12. Available-for-sale investments

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	US$'000	US$'000	US$'000
Equity :				
Quoted equity investments, at fair value *	134,879	118,695	128,148	112,163
Unquoted equity investments *	10,931	13,037	2,841	1,641
	145,810	131,732	130,989	113,804

* The quoted and unquoted equity investments include investments in certain companies where the Group has more than 20% effective equity interest. However, it has been determined that the Group does not have significant influence in these companies as defined by FRS 28 "Investments in Associates" due to no representation on the board of the investees, non-participation in the policy-making processes including dividends or other distributions, non-existence of material transactions between the Company and the investee during the financial year, no interchange of managerial personnel and no provision of essential technical information to the investees.

The quoted and unquoted investments are held for long-term strategic purposes in accordance with the Group's and the Company's business plans.

Quoted equity investments offer the Group and the Company the opportunity for return through dividend income and fair value gains. The investments in quoted equity investments include an impairment loss charged to the statement of comprehensive income for the financial year of US$8,627,000 (2009: US$31,275,000), after assessing that there has been significant and prolonged decline in market prices.

The investments in unquoted equity investments include an impairment loss charged to the statement of comprehensive income for the financial year of US$1,168,000 (2009: US$6,275,000).

13. Other financial assets at fair value through profit or loss

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	US$'000	US$'000	US$'000
Current :				
Unquoted structured deposits	9,495	9,838	9,495	2,004
Non-current :				
Unquoted structured deposits	4,631	9,551	4,631	4,655
Unquoted warrants	–	30	–	–
Unquoted convertible debt securities	4,081	4,297	–	–
	8,712	13,878	4,631	4,655
Total	18,207	23,716	14,126	6,659

The unquoted structured deposits have embedded derivatives which are not closely related. The effective interest rates for the deposits range from 8% to 15% (2009: 8% to 19%) per annum. The deposits' maturity dates range from 7 July 2010 to 18 April 2012 (2009: 2 July 2009 to 2 July 2019).

14. Cash and cash equivalents

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	US$'000	US$'000	US$'000
Cash at bank	20,398	19,972	11,963	859
Fixed deposits	8,079	9,722	5,436	1
Total	28,477	29,694	17,399	860

Fixed deposits earn interest at rates ranging from 0.05% to 3.97% (2009: 0.01% to 7.27%) per annum for the Group and 0.05% to 3.97% (2009: 0.10% to 6.70%) per annum for the Company and for a tenure ranging from 1 to 35 days (2009: 1 day to 274 days) for the Group and the Company.

15. Trade receivables

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	US$'000	US$'000	US$'000
External parties	141	128	–	–
Associates (Note 5)	1,327	1,016	–	–
Total	1,468	1,144	–	–

The average credit period on services rendered is 30 to 60 days (2009: 30 to 60 days). No interest is charged on the trade receivables and there is no indication of irrecoverable amounts from the rendering of services to external parties for the Group. No allowance was made in 2010 and 2009.

Neither past due nor impaired

Majority of the Group's trade receivables that are neither past due nor impaired are receivable from creditworthy counterparties with good track record of credit history.

Past due but not impaired

Included in the Group's trade receivable balance are debtors with a carrying amount of US$1,395,000 (2009: US$1,099,000) which are past due at the reporting date for which the Group has not provided. No allowance was made in the financial years ended 30 June 2010 and 30 June 2009, for these receivables. The Group does not hold any collateral over these balances. The average age of these receivables is 119 days (2009: 100 days).

Impaired

There was no impaired trade receivable for the financial year ended 30 June 2010 (2009: US$Nil).

16. Other receivables and prepayments

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	US$'000	US$'000	US$'000
Prepayments	34	43	3	4
Other receivables	990	978	32	85
Associates (Note 5)	281	3,978	–	9
	1,305	4,999	35	98

Neither past due nor impaired

The receivable due from associate is unsecured and repayable on demand. Interest was charged at a per annum rate equal to LIBOR 1 month plus 0.50%. As referred to in Note 15, management has assessed the receivables from the associate to be recoverable.

Past due but not impaired

There was no other receivable and prepayment which was past due but not impaired as at 30 June 2010 (2009: US$Nil).

Impaired

The Group has made an allowance for estimated irrecoverable amounts of other receivables due from external parties amounting to US$122,000 (2009: US$202,000).This allowance has been determined by reference to long standing debt that is deemed non-collectible.

Movement in the allowance for doubtful debts :

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	US$'000	US$'000	US$'000
Balance at beginning of financial year	202	266	202	202
Reversal of allowance recognised in profit or loss	(80)	(64)	(80)	–
Balance at end of financial year	122	202	122	202

17. Due from subsidiaries

	Company	
	2010	**2009**
	US$'000	US$'000
Receivables due from subsidiaries (Note 11)	17,032	81,105

Neither past due nor impaired, past due but not impaired

There was no amount due from subsidiaries which was: (i) neither past due nor impaired; or (ii) past due but not impaired as at the financial year ended 30 June 2010 (2009: US$Nil).

17. Due from subsidiaries (cont'd)

Impaired

Amounts due from subsidiaries are unsecured, interest-free and repayable on demand. An allowance amounting to US$50,691,000 (2009: US$56,578,000) has been made.

Movement in the allowance for doubtful debts :

	Company	
	2010	**2009**
	US$'000	US$'000
Balance at beginning of financial year	56,578	8,978
Increase in allowance recognised in profit or loss (Note 6)	–	47,600
Writeback of allowance	(5,887)	–
Balance at end of financial year	50,691	56,578

18. Held-for-trading investments

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	US$'000	US$'000	US$'000
Quoted equity investments, at fair value	12,074	8,373	12,074	–

Investments in quoted equity investments offer the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

19. Inventory-land held for development

	Group	
	2010	**2009**
	US$'000	US$'000
Current asset		
Land held for development at cost:		
Freehold land	–	8,573

The freehold land held for development consists of the following :

Location	**Title**	**Land Area**
96 Terrace Rd, East Perth, Australia	Freehold land	3,127 square metres
102 Terrace Rd, East Perth, Australia	Freehold land	3,331 square metres

The freehold land was acquired by entrance into a jointly controlled operation "96 and 102 Terrace Road Joint Venture" (Note 33) for purpose of developing a residential property for sale in Australia.

In 2008, the freehold land was pledged to a bank for the securing of a finance facility amounting to US$65,642,000 (equivalent to A$80,850,000) for the development of the 96 and 102 Terrace Road property. The facility was repaid in full on 14 September 2009. The development property was completed and fully sold in the financial year ended 30 June 2010.

20. Bank loans

	Group		Company	
	2010	2009	2010	2009
	US$'000	US$'000	US$'000	US$'000
Short-term bank loans	–	17,485	–	17,485

During the financial year ended 30 June 2009, the Company secured short-term bank loans amounting to US$17,485,000, which were fully repaid in the current financial year. The loans were unsecured and bore floating interest at rates ranging from 2.21% to 2.22% (2009: 1.81% to 3.65%) per annum.

The bank loans were denominated in Singapore dollars.

21. Trade payables

	Group		Company	
	2010	2009	2010	2009
	US$'000	US$'000	US$'000	US$'000
External parties	61	117	–	–
Accrued expenses	122	220	–	–
	183	337	–	–

The average credit period on trade purchases is 30 days (2009: 30 days). The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

22. Other payables

	Group		Company	
	2010	2009	2010	2009
	US$'000	US$'000	US$'000	US$'000
Accrued expenses	4,927	5,855	4,580	5,573
External parties	3,433	3,198	318	342
	8,360	9,053	4,898	5,915

Other payables due to external parties are mainly related to the jointly controlled operations in Australia.

23. Due to subsidiaries

	Company	
	2010	2009
	US$'000	US$'000
Payable due to subsidiaries (Note 11)	5,022	1,611

The payments due to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

24. Share capital

	Group and Company			
	2010		2009	
	No. of shares		No. of shares	
	('000)	US$'000	('000)	US$'000
Issued and fully paid :				
At beginning of financial year	1,004,767	168,814	1,009,107	168,814
Repurchase of shares	(70,881)	(16,738)	(4,340)	–
At end of financial year	933,886	152,076	1,004,767	168,814

The holders of ordinary 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.

The Company repurchased 70,881,000 (2009: 4,340,000) ordinary shares by way of market acquisition on the Singapore Exchange. The total amount paid to acquire the shares was US$16,738,133 (2009: US$1,138,422). The share repurchases in 2010 were made out of the Company's capital and cancelled, and the share repurchases in 2009 were made out of the Company's profits and cancelled.

25. Other reserves

a) ***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.

b) ***Investment revaluation reserve***

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

26. Intangible asset

Group	**Compensation rights** US$'000
Cost	
At 1 July 2008 and 30 June 2009	5,512
Accumulated amortisation	
At 1 July 2008	–
Amortisation for the year	(5,512)
At 30 June 2009	(5,512)
Net book value	
At 30 June 2009	–

The compensation rights pertain to purchase of a contract that provides a subsidiary of the Group with the rights to transport bulk aggregate in the Middle East for two years up to 23 October 2008.

26. Intangible asset (cont'd)

The amortisation period of the compensation rights is based on the guaranteed activity volume up to the maturity date of the contract. No amortisation had been charged for the financial year ended 30 June 2008 as the benefit from the use of the compensation rights had not been recognised.

In financial year ended 30 June 2009, the intangible asset was fully amortised.

27. Related party transactions

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

	Group	
	2010	**2009**
	US$'000	US$'000
Charter hire income from associates	414	3,504
Other income from associates	1	2
Interest income from associates (Note 4)	17	90
Agency fee received from associates	1	1

	Company	
	2010	**2009**
	US$'000	US$'000
Management fees from subsidiaries (Note 4)	42	–
Dividend income from subsidiaries (Note 4)	–	891
Purchase of quoted equity investments from subsidiaries	(3,494)	–

The related party transactions between the subsidiaries of the Company include dividend income of US$4,130,000 (2009: US$Nil) and management fees of US$120,000 (2009: US$120,000).

<u>Related companies</u> :

These are subsidiaries and associates of Chuan Hup Holdings Limited and its subsidiaries.

The intercompany balances are unsecured, interest-free and repayable on demand and are non-trade in nature unless otherwise stated. These transactions are all arm's length in nature.

b) ***Compensation of key management personnel***

	Group and Company	
	2010	**2009**
	US$'000	US$'000
Short-term benefits	594	546
Post-employment benefits	11	7
	605	553

Key management personnel refer to the directors of the Company.

The remuneration of the directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

28. Fair value of financial instruments

a) ***Fair value of financial instruments that are carried at fair value***

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

	2010 Group US$'000			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant other observable inputs** (Level2)	**Significant unobservable inputs** (Level 3)	**Total**
Financial assets :				
Investments at fair value through profit or loss - held-for-trading :				
- quoted equity investments (Note 18)	12,074	–	–	12,074
Investments at fair value through profit or loss - designated at fair value through profit or loss (Note 13) :				
- unquoted structured deposits	–	14,126	–	14,126
- unquoted warrants	–	–	–	–
- unquoted convertible debt securities	–	–	4,081	4,081
Available-for-sale investments (Note 12) :				
- quoted equity investments	134,879	–	–	134,879
- unquoted equity investments	–	–	10,931	10,931
At 30 June 2010	146,953	14,126	15,012	176,091

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 have 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 assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (i.e., unobservable inputs).

Determination of fair value

Quoted equity investments (Note 12 and Note 18): Fair value is determined directly by reference to their published market price at the balance sheet date.

Unquoted structured deposits (Note 13): Fair value is based on a secondary market value at the balance sheet date.

Unquoted warrants (Note 13): Fair value is estimated using the Monte Carlo simulation at the balance sheet date.

Unquoted convertible debt securities (Note 13): Fair value of the unquoted debt securities and the embedded conversion options is based on a secondary market value at the balance sheet date.

28. Fair value of financial instruments (cont'd)

a) ***Fair value of financial instruments that are carried at fair value (cont'd)***

Determination of fair value (cont'd)

Unquoted equity investments (Note 12): Management estimates the fair value by reference to the net assets of the equity investments after adjusting the fair value of the underlying assets and liabilities as appropriate.

Movements in level 3 financial instruments measured at fair value

The following table presents the reconciliation for all financial instruments measured at fair value based on significant unobservable inputs (level 3).

	2010 Group US$'000			
	Unquoted warrants	**Unquoted convertible debt securities**	**Unquoted equity investments**	**Total**
Opening balance	30	4,297	13,037	17,364
Total gains or losses :				
- in profit or loss (presented in changes in fair value)	(30)	–	–	(30)
- in profit or loss (presented in impairment loss on available-for-sale investments)	–	–	(1,168)	(1,168)
Purchases	–	–	2,031	2,031
Sales	–	(216)	(2,969)	(3,185)
Closing balance	–	4,081	10,931	15,012
Total gains or loss for the period included in profit or loss for assets held at 30 June 2010	(30)	–	(1,168)	(1,198)

b) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values***

Cash and cash equivalents, trade and other receivables, due to and due from subsidiaries, bank loans and trade and other payables.

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 repriced to market interest rates on or near the balance sheet date.

29. Financial risk management objectives and policies

The Group is exposed to various common financial risks arising in the normal course of business. It has adopted risk management policies and utilises a variety of techniques and instruments to manage its exposure to these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis as indicated below.

a) ***Market risk management***

Market risk refers to the risk arising from uncertainty in the future values of the financial instruments, resulting from movements in factors such as market interest rates, foreign exchange rates and equity prices.

The Group's exposure to market risk is associated with the future values of its available-for-sale investments, held-for-trading investments and foreign exchange rates.

The Group manages these risks by the close monitoring of the global economy and investment portfolio. Regular reviews of the performance of each of the investments are carried out on a periodic basis.

i) *Market price risk*

Market price risk, is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk, which are further discussed below), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Group is exposed to market price risk arising from equity investments classified as held-for-trading, other financial assets at fair value through profit or loss and available-for-sale. Available-for-sale equity instruments are held for strategic rather than trading purposes.

Further details of these equity investments can be found in Notes 12, 13 and 18 to the financial statements.

The sensitivity analysis below has been determined based on the exposure to market price risk at the reporting date.

In respect of available-for-sale investments if the market prices had been 5% higher/lower while all other variables were held constant :

- The Group's net profit/(loss) for the financial year ended 30 June 2010 would have increased/(decreased) by US$1,096,000 (2009: US$2,151,000) as some of the equity investments classified as available-for-sale had been impaired; and

- The Group's investment revaluation reserves would have increased/(decreased) by US$5,673,000 (2009: US$3,809,000).

In respect of held-for-trading investments and other financial assets at fair value through profit or loss, if equity prices had been 5% higher/lower, the Group's net profit for the financial year ended 30 June 2010 would have increased/(decreased) by US$1,310,000 (2009: US$1,388,000).

5% represents management's assessment of the possible change in market prices.

ii) *Foreign exchange risk*

The Group transacts business in various foreign currencies, including the Singapore dollar ("SGD"), Australian dollar ("AUD"), Malaysian ringgit ("MYR"), Philippine peso ("Peso") and Indonesian rupiah ("Rp") and its foreign exchange exposure arises mainly from exchange rate movements against the Group's foreign currency denominated assets and liabilities.

29. Financial risk management objectives and policies (cont'd)

a) ***Market risk management (cont'd)***

ii) *Foreign exchange risk (cont'd)*

The table below sets out the Group's exposure to currency risk as at the balance sheet date. Included in the table are the monetary items of the Group, at US$ equivalent carrying amounts, categorised by currencies :

2010 **Group**	**USD** US$'000	**SGD** US$'000	**AUD** US$'000	**MYR** US$'000	**Others** US$'000	**Total** US$'000
Assets						
Cash and cash equivalents	10,519	9,898	8,043	9	8	28,477
Trade receivables	1,364	59	45	–	–	1,468
Other receivables	494	777	–	–	–	1,271
Available-for-sale investments	1,230	86,959	29,814	21,913	5,894	145,810
Held-for-trading investments	819	11,255	–	–	–	12,074
Other financial assets at fair value through profit or loss	13,168	2,737	2,302	–	–	18,207
	27,594	111,685	40,204	21,922	5,902	207,307
Liabilities						
Trade payables	142	41	–	–	–	183
Other payables	3,485	2,626	2,234	–	15	8,360
	3,627	2,667	2,234	–	15	8,543

2009 **Group**	**USD** US$'000	**SGD** US$'000	**AUD** US$'000	**MYR** US$'000	**Others** US$'000	**Total** US$'000
Assets						
Cash and cash equivalents	12,552	17,018	109	8	7	29,694
Trade receivables	1,125	19	–	–	–	1,144
Other receivables	4,151	784	11	–	10	4,956
Available-for-sale investments	4,168	72,532	20,006	29,210	5,816	131,732
Held-for-trading investments	–	8,373	–	–	–	8,373
Other financial assets at fair value through profit or loss	17,674	6,042	–	–	–	23,716
	39,670	104,768	20,126	29,218	5,833	199,615
Liabilities						
Bank loans	–	17,485	–	–	–	17,485
Trade payables	133	111	90	–	3	337
Other payables	2,640	4,273	2,111	2	27	9,053
	2,773	21,869	2,201	2	30	26,875

29. Financial risk management objectives and policies (cont'd)

a) ***Market risk management (cont'd)***

ii) *Foreign exchange risk (cont'd)*

2010 **Company**	**USD** US$'000	**SGD** US$'000	**AUD** US$'000	**MYR** US$'000	**Others** US$'000	**Total** US$'000
Assets						
Cash and cash equivalents	10,003	6,912	475	9	–	17,399
Other receivables	6	26	–	–	–	32
Due from subsidiaries	15,076	1,956	–	–	–	17,032
Held-for-trading investments	819	11,255	–	–	–	12,074
Other financial assets at fair value through profit or loss	9,087	2,737	2,302	–	–	14,126
Available-for-sale investments	1,200	85,486	24,657	19,646	–	130,989
	36,191	108,372	27,434	19,655	–	191,652
Liabilities						
Other payables	2,694	2,189	–	–	15	4,898
Due to subsidiaries	3,427	1,595	–	–	–	5,022
	6,121	3,784	–	–	15	9,920

2009 **Company**	**USD** US$'000	**SGD** US$'000	**AUD** US$'000	**MYR** US$'000	**Others** US$'000	**Total** US$'000
Assets						
Cash and cash equivalents	385	467	–	8	–	860
Other receivables	28	58	–	–	8	94
Due from subsidiaries	79,555	1,550	–	–	–	81,105
Other financial assets at fair value through profit or loss	6,659	–	–	–	–	6,659
Available-for-sale investments	–	70,887	16,309	26,608	–	113,804
	86,627	72,962	16,309	26,616	8	202,522
Liabilities						
Bank loans	–	17,485	–	–	–	17,485
Other payables	1,969	3,903	14	2	27	5,915
Due to subsidiaries	–	1,611	–	–	–	1,611
	1,969	22,999	14	2	27	25,011

The Group does not hedge its foreign currency exposure using derivative financial instruments. It manages foreign exchange risk by close monitoring of the timing of inception and settlement of the transactions. Speculation in currencies is not part of the Group's investment mandate.

29. Financial risk management objectives and policies (cont'd)

a) ***Market risk management (cont'd)***

ii) *Foreign exchange risk (cont'd)*

Foreign currency sensitivity analysis

As highlighted above, the Group is mainly exposed to the Singapore dollar, Malaysian ringgit and Australian dollar.

The following table details the sensitivity to a 500 basis point increase and decrease in the relevant foreign currencies against the functional currency of the Group. 500 basis point represent the management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes all outstanding foreign currency denominated monetary items and available-for-sales equity instruments. Their translation has been adjusted at the period end for a 500 basis point change in foreign currency rates.

If the relevant foreign currency weakens by 500 basis point against the functional currency of the Group, profit or loss and other equity will decrease by :

2010	**Group**		**Company**	
	Profit or loss	**Other equity**	**Profit or loss**	**Other equity**
	US$'000	US$'000	US$'000	US$'000
Singapore dollar	(761)	(3,002)	(659)	(2,951)
Malaysian ringgit	–	(333)	–	(298)
Australian dollar	(477)	(1,745)	(163)	(1,443)
Philippines peso	–	(6)	–	–
Indonesian rupiah	–	(11)	–	–
2009				
Singapore dollar	(346)	(2,423)	699	(2,368)
Malaysian ringgit	–	(410)	–	(373)
Australian dollar	128	(1,232)	1	(1,004)
Philippines peso	–	(6)	–	–
Indonesian rupiah	–	(6)	–	–

A 500 basis point strengthening of the relevant foreign currency against the functional currency of each group entity would have resulted in an equal but opposite effect on the financial statement of the Group, on the basis that all other variables remain constant.

iii) *Interest rate risk*

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing assets and liabilities.

29. Financial risk management objectives and policies (cont'd)

a) ***Market risk management (cont'd)***

iii) *Interest rate risk (cont'd)*

Interest rate sensitivity analysis

The sensitivity analysis is determined based on the exposure to interest rates for cash and cash equivalents at the balance sheet dates and the stipulated change taking place at the beginning of the respective financial year. A 100 basis point increase or decrease represents management's assessment of the possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit before tax for the financial years ended 30 June 2010 and 30 June 2009 would have increased/(decreased) by approximately US$81,000 and US$97,000, respectively.

For the interest rate linked instruments (Note 13), the interest rate structures are based on a range or certain hypothesis to hold true in order for interest coupons to be paid. Most of the structures would require interest rates to move very significantly in order to fail the pre-agreed range and/or hypothesis. In management's opinion, the interest rate sensitivity analysis is not applicable for these interest rate linked instruments.

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 closely monitors its working capital requirements and funds available. It attempts to ensure sufficient liquidity through efficient cash management and maintains adequate lines of credit.

All financial liabilities for the financial years ended 30 June 2010 and 2009 are repayable on demand or due within one year from the balance sheet and are non-interest bearing, except for short-term bank loans (Note 20).

c) ***Credit risk management***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's principal financial assets are cash and cash balances, trade and other receivables and investments.

Exposure to credit risk

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;
- A nominal amount of US$41,578,000 (2009: US$47,382,000) of undertakings to continue financial support to certain of its subsidiaries; or
- A nominal amount of US$166,000 (2009: US$45,000) of unsecured bankers' guarantee issued to customers.

29. Financial risk management objectives and policies (cont'd)

c) ***Credit risk management (cont'd)***

(i) *Trade receivables, other receivables and due from subsidiaries*

The Group has adopted a pro-active approach in the extension of credit terms to trade customers, monitors its exposure to credit risk on an ongoing basis and only transacts with creditworthy institutions. Before accepting any new customers, the Group assesses the potential customers' credit quality and defines credit limits by customers. Apart from credit extended to external parties, the Group also extends credit to its associates and subsidiaries.

The credit quality and allowance for doubtful debts for trade receivables, other receivables and due from subsidiaries are detailed in Notes 15, 16 and 17, respectively.

(ii) *Cash and bank balances*

Cash and fixed deposits are held with financial institutions with high credit quality. The Group does not expect to incur material credit losses on its cash and bank balances.

(iii) *Financial instruments*

The Group's credit risk arising from its investment exposures to issuer of financial investments is minimised by the fact that the Group only transacts with issuers that have investment grade ratings from internationally recognised rated agencies. It is the Group's policy to enter into financial instruments with reputable financial institutions with a diverse range of creditworthy customers. The Group does not expect to incur material credit losses on these financial instruments.

(iv) *Contingent liabilities*

The Company is exposed to credit risks arising from undertakings to continue financial support to some of its subsidiaries as well as the issuance of unsecured bankers' guarantee issued to customers. The management is of the opinion that no loss will arise from these contingent liabilities and accordingly, no provision has been made in the financial statements for the amounts guaranteed. Details are stated in Note 31.

<u>Concentration of credit risk</u>

The Group has no significant concentration of credit risk, with exposure spread over a larger number of counterparties and customers.

29. Financial risk management objectives and policies (cont'd)

d) ***Capital management***

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

Capital is represented entirely by issued capital and reserves, less investment revaluation reserve. The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

Management regularly reviews the Company's capital structure and makes adjustments to reflect economic conditions, business strategies and future commitments.

	Group	
	2010	**2009**
	US$'000	US$'000
Bank loans	–	17,485
Trade and other payables	8,543	9,390
Other liabilities	3,249	2,081
Total debt	11,792	28,956
Equity attributable to the equity holders of the Company	234,069	218,848
Less: Investment revaluation reserve	(62,204)	(41,371)
Total capital	171,865	177,477
Total capital and total debt	183,657	206,433

The Group overall strategy remained unchanged from 2009. The Group is not subject to any externally-imposed capital requirements.

30. Segmental information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows :

I. The investment holding segment is the core business segment of the Group and is in the business of treasury activities;
II. The vessel management segment is in the business of ship chartering and related agency services; and
III. The property development segment is in the business of property rental, management and development.

No operating segment has been aggregated to form the above reportable 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.

30. Segmental information (cont'd)

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

Group 2010	Investment holding US$'000	Vessel management US$'000	Property development US$'000	Elimination US$'000	Total US$'000
REVENUE					
External sales	6,628	726	106,690	–	114,044
Inter-segment sales	4,130	–	–	(4,130)	–
Revenue	10,758	726	106,690	(4,130)	114,044
RESULT					
Segment result	3,749	3	11,298	–	15,050
Less depreciation	(56)	(238)	–	–	(294)
	3,693	(235)	11,298	–	14,756
Other gains	3,640	82	–	–	3,722
Other losses	(4,277)	(123)	–	–	(4,400)
Employee benefit expense	(1,377)	(189)	–	–	(1,566)
Other income/(expense)	184	(279)	(8)	–	(103)
Profit/(loss) before tax	1,863	(744)	11,290	–	12,409
Income tax benefit/(expense)	607	(7)	(3,380)	–	(2,780)
Profit/(loss) for the year	2,470	(751)	7,910	–	9,629
OTHER INFORMATION					
Additions to property, plant and equipment	37	3	–	–	40
Impairment loss on available-for-sale investments	9,795	–	–	–	9,795
ASSETS					
Segment assets	229,961	10,000	5,903	–	245,864
Consolidated total assets					245,864
LIABILITIES					
Segment liabilities	8,564	1,097	2,131	–	11,792
Consolidated total liabilities					11,792

30. Segmental information (cont'd)

Group 2009	Investment holding US$'000	Vessel management US$'000	Elimination US$'000	Total US$'000
REVENUE				
External sales	4,469	3,762	–	8,231
Inter-segment sales	608	–	(608)	–
Revenue	5,077	3,762	(608)	8,231
RESULT				
Segment result	(35,759)	1,879	–	(33,880)
Less depreciation	(55)	(280)	–	(335)
	(35,814)	1,599	–	(34,215)
Other gains	6,455	4	–	6,459
Other losses	(33,642)	(49)	–	(33,691)
Employee benefit expense	(941)	(115)	–	(1,056)
Other income/(expense)	489	(395)	–	94
Finance costs - interest expense to related companies	(157)	–	–	(157)
Share of results of associates	–	(1,847)	–	(1,847)
Loss before tax	(63,610)	(803)	–	(64,413)
Income tax expense	(1,900)	(20)	–	(1,920)
Loss for the year	(65,510)	(823)	–	(66,333)
OTHER INFORMATION				
Additions to property, plant and equipment	33,072	–	–	33,072
Impairment loss on available-for-sale investments	37,550	–	–	37,550
ASSETS				
Segment assets	236,539	11,268	–	247,807
Consolidated total assets				247,807
LIABILITIES				
Segment liabilities	27,342	1,614	–	28,956
Consolidated total liabilities				28,956

Geographical information

The Group's operations are located in Philippines, Australia, Singapore, Hong Kong, United Kingdom, Belgium, Indonesia, Malaysia and Middle East.

Segment assets and capital expenditure are analysed based on the location of those assets. Capital expenditure includes the total cost incurred to acquire property, plant and equipment.

30. Segmental information (cont'd)

The following is the revenue analysed by source of investment income according to geographical area :

	Group 2010 US$'000	Group 2009 US$'000
ASEAN (excluding Singapore)	697	1,545
Singapore	3,923	(754)
Hong Kong	–	190
Australia	108,446	1,494
Middle East	464	3,503
United Kingdom	281	1,072
Belgium	231	30
Others	2	1,151
Total revenue	114,044	8,231

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment, analysed by the geographical area in which the assets are located :

	Group			
	Carrying amount of segment assets		Additions to property, plant and equipment	
	2010 US$'000	2009 US$'000	2010 US$'000	2009 US$'000
ASEAN (excluding Singapore)	27,896	35,129	–	–
Singapore	110,119	103,266	13	3
Hong Kong	5,206	7,142	–	–
Australia	71,784	61,769	27	33,069
Middle East	1,610	6,433	–	–
United Kingdom	5,042	11,644	–	–
Belgium	18,073	13,298	–	–
Others	6,134	9,126	–	–
Total	245,864	247,807	40	33,072

The following is the non-current assets (excluding financial assets and deferred tax assets) analysed according to geographical area :

	Group 2010 US$'000	Group 2009 US$'000
Singapore	3,696	6,267
Australia	34,826	33,069
Total	38,522	39,336

31. Contingent liabilities

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	US$'000	US$'000	US$'000
Bankers' guarantee issued to customers (unsecured)	166	45	166	45

The Company has undertaken to provide continuing financial support to certain of its subsidiaries amounting to US$41,578,000 (2009: US$47,382,000).

32. Commitments

Operating lease commitments – as lessee

The Group and the Company has entered into operating lease agreements for office premises. These non-cancellable operating leases have remaining non-cancellable lease tenors of up to approximately 5 years.

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	US$'000	US$'000	US$'000
Minimum lease payments under operating lease recognised as an expense in the year	192	182	117	113
Future minimum lease payments payable :				
Within one year	201	180	118	114
In the second to fifth year inclusive	448	263	118	–
Payable after fifth year	34	93	–	–
Total	683	536	236	114

Operating lease commitments – as lessor

The Group has entered into lease agreements on its property, plant and equipment. These non-cancellable leases have remaining lease terms of approximately 2 years.

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	US$'000	US$'000	US$'000
Future minimum lease payments receivable :				
Within one year	536	505	–	–
In the second to fifth years	226	737	–	–
Total	762	1,242	–	–

33. Jointly controlled operations

	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held	
			2010	2009
			%	%
Held by Ventrade Australia Pty Ltd				
187 Adelaide Terrace Joint Venture	Australia	Property development (Australia)	50	50
Held by 96 and 102 Terrace Road Pty Ltd				
96 and 102 Terrace Road Joint Venture	Australia	Property development (Australia)	50	50

During the financial year ended 30 June 2009, the Group's share of expenses of the jointly-controlled operations was recognised in accordance with the respective agreements.

During the financial year ended 30 June 2010, the development property relating to 96 and 102 Terrace Road Joint Venture was fully sold and the revenue was recognised in the books of 96 and 102 Terrace Road Pty Ltd.

34. Approval of the financial statements

The financial statements of the Company for the financial year ended 30 June 2010 were approved and authorised for issue by the board of directors on 27 August 2010.

STATEMENT BY DIRECTORS

We, Peh Siong Woon Terence and Peh Kwee Chim, being two of the directors of Chuan Hup Holdings Limited, do hereby state that, in the opinion of the directors :

(i) the accompanying statements of comprehensive income, balance sheets, statements of changes in equity and consolidated cash flow statement together with 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 30 June 2010 and the results of the business, changes in equity of the Group and of the Company and cash flows of the Group for the financial year ended on that date; and

(ii) 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,

Peh Siong Woon Terence
Director

Peh Kwee Chim
Director

Singapore
27 August 2010

SHAREHOLDER INFORMATION

As at 16 September 2010

SHARE CAPITAL

Total number of issued shares	:	933,532,450
Issued and Fully Paid–up Capital	:	S$266,932,342.56
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share
Treasury Shares	:	Nil

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 999	29	0.25	10,435	0.00
1,000 – 10,000	6,108	52.50	41,308,424	4.42
10,001 – 1,000,000	5,466	46.98	278,250,451	29.81
1,000,001 and above	31	0.27	613,963,140	65.77
TOTAL	11,634	100.00	933,532,450	100.00

TWENTY LARGEST SHAREHOLDERS

	Shareholder's Name	No. of Shares	%
1	PEH KWEE CHIM	316,823,990	33.94
2	WALNUT PTE LTD (IN MEMBERS' VOLUNTARY LIQUIDATION)	151,835,500	16.26
3	CITIBANK NOMINEES SINGAPORE PTE LTD	33,134,250	3.55
4	DBS NOMINEES PTE LTD	26,154,000	2.80
5	UNITED OVERSEAS BANK NOMINEES PTE LTD	25,402,500	2.72
6	OCBC NOMINEES SINGAPORE PTE LTD	9,224,400	0.99
7	PHILLIP SECURITIES PTE LTD	4,549,500	0.49
8	KIM ENG SECURITIES PTE. LTD.	4,524,000	0.48
9	HSBC (SINGAPORE) NOMINEES PTE LTD	4,125,000	0.44
10	LEONG HEIN HAK	3,250,000	0.35
11	NG THIN ONN TONY	3,000,000	0.32
12	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	2,671,000	0.29
13	LIM MENG KONG	2,310,000	0.25
14	SEAH KIOK LENG	2,210,000	0.24
15	OCBC SECURITIES PRIVATE LTD	2,041,000	0.22
16	KHONG LAI CHEONG	2,015,000	0.22
17	UOB KAY HIAN PTE LTD	2,008,000	0.22
18	UOB NOMINEES (2006) PTE LTD	1,990,000	0.21
19	LOA SZE PIN	1,900,000	0.20
20	MRS LOH SIN YUN NEE TAN HUI LAN CORRIE	1,700,000	0.18
	Total:	600,868,140	64.37

As at 16 September 2010

SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST NO. OF SHARES	%	DEEMED INTEREST NO. OF SHARES	%	TOTAL INTEREST NO. OF SHARES	%
PEH KWEE CHIM	316,823,990	33.94	151,835,500[a]	16.26	468,659,490	50.20
WALNUT PTE. LTD. (IN MEMBERS' VOLUNTARY LIQUIDATION)	151,835,500	16.26	–	–	151,835,500	16.26

Notes:

(a) Mr Peh Kwee Chim has a deemed interest in 151,835,500 shares, by virtue of Section 7(4) of the Singapore Companies Act, Cap. 50.

(b) Based on information available to the Company as at 16 September 2010, approximately 49.77% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

CHUAN HUP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Co. Reg. No. 197000572R)

NOTICE IS HEREBY GIVEN that the FORTIETH ANNUAL GENERAL MEETING of the Company will be held at The Board Room, 390 Jalan Ahmad Ibrahim, Singapore 629155 on 25 October 2010 at 2.00 p.m. to transact the following businesses:

Ordinary Business:

1. To receive and adopt the Audited Accounts for the Financial Year ended 30 June 2010 together with the reports of the Directors and the Auditors thereon. **(Resolution 1)**

2. To re-elect Mr Peh Kwee Chim, who retires by rotation in accordance with Article 86 of the Company's Articles of Association, and who, being eligible, offers himself for re-election.
[See Explanatory Note 1] **(Resolution 2)**

3. To re-elect Mr Peh Siong Woon Terence, who retires by rotation in accordance with Article 86 of the Company's Articles of Association, and who, being eligible, offers himself for re-election. **(Resolution 3)**

4. To re-appoint Dr Tan Cheng Bock pursuant to Section 153(6) of the Singapore Companies Act, Cap. 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting.
[See Explanatory Note 2] **(Resolution 4)**

5. To approve the payment of fees of S$150,000 for Non-Executive Directors for the Financial Year ended 30 June 2010 (FY 2009: S$150,000). **(Resolution 5)**

6. To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

Special Business:

7. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

   That authority be and is hereby given to the Directors of the Company to:

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

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

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(i) 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 this Resolution is passed; and

(ii) any subsequent bonus issue or consolidation or subdivision of shares;

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

(4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall 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 the earlier.

(Resolution 7)

Dated this 8th day of October 2010

By Order of the Board

Valerie Tan May Wei
Company Secretary

Notes:

1. A member of the Company who is entitled to attend and vote at the above Meeting is entitled to appoint a proxy and vote on his behalf. Such proxy need not be a member of the Company.

2. The instrument appointing a proxy must be lodged at the registered office of the Company at 390 Jalan Ahmad Ibrahim, Singapore 629155, not less than 48 hours before the time appointed for the Annual General Meeting.

Explanatory Notes:

1) Mr Peh Kwee Chim, if re-elected, will continue as a member of the Nominating Committee. Mr Peh is considered a non-independent director.

2) Dr Tan Cheng Bock, if re-elected, will continue as the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. Dr Tan is considered an independent director.

For the convenience of shareholders, the Company will arrange for a bus to pick up shareholders attending the above meeting from SBS Bus Stop B23 Boon Lay Way (outside Lakeside MRT Station), on Monday, 25 October 2010.
The bus will leave for Chuan Hup Holdings Limited at 1.15 p.m. sharp on that day.

This page has been intentionally left blank.

CHUAN HUP HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Co. Reg. No. 197000572R)

PROXY FORM

IMPORTANT
1. For investors who have used their CPF moneys to buy shares in the capital of Chuan Hup Holdings Limited, this Annual Report 2010 is forwarded to them at the request of their 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.

Total Number of Shares held	

I/We ____

of ____

being a member/members of Chuan Hup Holdings Limited (the" Company") hereby appoint

NAME	ADDRESS	NRIC/ PASSPORT NUMBER	PROPORTION OF SHAREHOLDINGS (%)
(a)			

and/or (delete as appropriate)

(b)			

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Fortieth Annual General Meeting of the Company to be held at The Board Room, 390 Jalan Ahmad Ibrahim, Singapore 629155 on 25 October 2010 at 2.00 p.m. and at any adjournment thereof.

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

NO	ORDINARY RESOLUTIONS	FOR	AGAINST
	Ordinary Business		
1.	Adoption of Accounts and Reports		
2.	Re-election of Director – Mr Peh Kwee Chim		
3.	Re-election of Director – Mr Peh Siong Woon Terence		
4.	Re-appointment of Director – Dr Tan Cheng Bock		
5.	Payment of Fees to Non-Executive Directors		
6.	Re-appointment of Ernst & Young LLP as Auditors		
	Special Business		
7.	Approval of proposed Share Issue Mandate		

Dated this __________ day of ______________ 2010

____

Signature(s) of Member(s) or Common Seal

IMPORTANT:

PLEASE READ NOTES ON THE REVERSE

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 Singapore Companies Act, Cap 50), 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 instead of him. Such proxy need not be a member of the Company.

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

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 390 Jalan Ahmad Ibrahim, Singapore 629155, not less than 48 hours before the time appointed for the Annual General Meeting.

5. 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.

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

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 Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

www.chuanhup.com.sg

Chuan Hup Holdings Limited
(Co. Reg. No. 197000572R)

390 Jalan Ahmad Ibrahim, Singapore 629155
Tel: (65) 6559 9700 Fax: (65) 6268 1937
Website: www.chuanhup.com.sg
Email: corpsec_legal@chuanhup.com.sg

cre8 Tel: (65) 63278398