Chuan Hup Holdings Limited

Annual Report 2009

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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. 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 2009 ("FY 2009").

FY 2009 was a very difficult year. The subprime mortgage crisis in the United States triggered a rapid deterioration of the financial and capital markets. The world watched in shock as established financial institutions and global giants collapsed, leading to the worst global financial and economic crisis since the Depression of the 1920s.

Financial Overview

For FY 2009, we reported a net loss of USD66.333 million. Of this sum, USD 63.041 million was due to impairment writedowns relating to our available for sale investments and loss on disposal of other financial assets at fair value through profit and loss. These decisions were taken in view of the substantial and prolonged declines in market values and our expectation that a recovery would be slow and long-drawn.

The Group's financial position continues to be healthy with cash and bank balances of USD29.694 million as at 30 June 2009. The Group's property, plant and equipment increased by 513% to USD39.336 million, mainly due to the purchase of prime land in Perth, Western Australia for property development.

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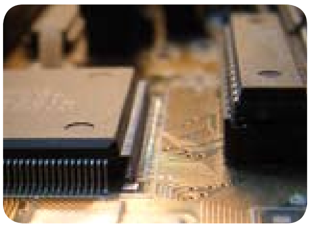


Dividend

Unfortunately, as a result of the losses incurred in FY 2009, the Group will not be in a position to pay out dividends as retained earnings have moved into negative territory. The proposed renewal of share buyback mandate, if approved by shareholders at the upcoming EGM, will be the tool to increase shareholder value.

Prospects

The investment climate remains challenging. While the recent upswing in the global economy and talks of green shoots hint of recovery, sustainability is the key issue. The Group's performance for the next twelve months may continue to be affected in these uncertain times.

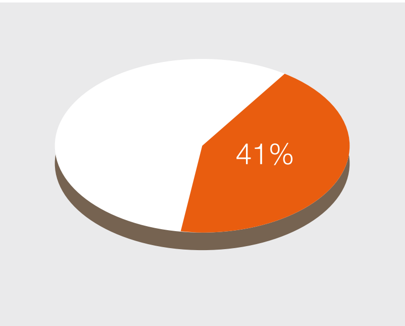
Acknowledgements

On behalf of the Board, I wish to acknowledge and express our appreciation to our staff for their loyalty and commitment in these difficult times. I also wish to express our sincere thanks to all our loyal shareholders for their continuing support.

Dr Tan Cheng Bock
Non- Executive Chairman
28 August 2009

Our Investments at a Glance

Marine



Marine

Scomi Marine Berhad ("Scomi Marine")

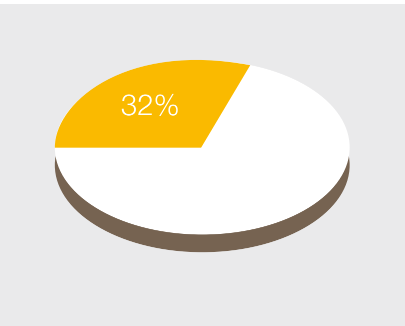
Scomi Marine is involved in marine logistics providing transportation to the coal producers and offshore marine support services to the oil and gas operators and contractors. It owns and operates one of the largest fleet of vessels in South East Asia. Scomi Marine is listed on the Main Board of Bursa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



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.

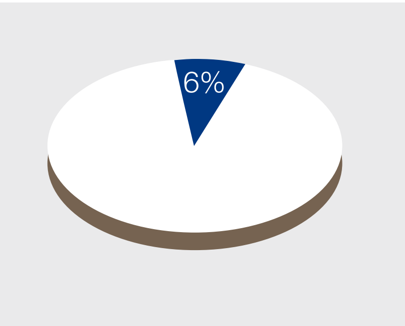
96 & 102 Terrace Road Pty Ltd ("96 & 102")

96 & 102 has entered into a joint venture agreement with a subsidiary of Finbar to develop, construct and market two residential apartment towers with unrestricted views of Swan River over Langley Park in East Perth, Western Australia. This project is scheduled to complete by year 2009.

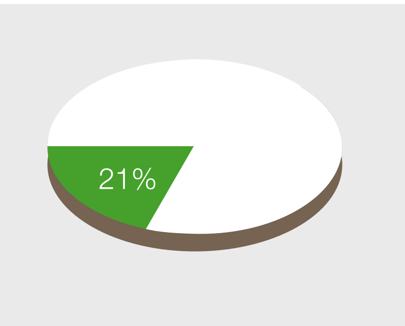
Ventrade Australia Pty Ltd ("Ventrade Australia")

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.

Manufacturing



Others



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 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 the 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

Mr Peh Siong Woon Terence

Mr Peh Kwee Chim

Mdm Joanna Young Sau Kwan

Prof. Tan Cheng Han S.C.

Dr Tan Cheng Bock

Non-Executive 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 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 & 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 was last re-elected on 17 October 2008. 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 a Director of WhiteRock Health Care Pte. Ltd and WhiteRock Medical Company Pte. Ltd.

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

Mr Peh Kwee Chim

Executive Director

Mr Peh is an Executive Director of CHH. He has over 30 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 was last re-elected on 29 October 2007. He is also 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 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 will be due for re-election at the coming Annual General Meeting ("AGM") under Article 86 of the Company's Articles of Association. 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 will be due for re-election at the coming AGM under Article 86 of the Company's Articles of Association. He is also 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"), where he teaches Company Law, Contract Law and the Law of Agency. 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 the 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 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 Exploit Technologies Private Limited, ST Marine Limited, Anwell Technologies Limited, NTUC Income, Centillion Environment and Recycling Ltd and Yellow Pages (Singapore) Ltd. He has written and edited several monographs, and published many book chapters and articles in journals such as the Asian Journal of Comparative Law, Company Financial and Insolvency Law Review, Journal of Corporate Law Studies, Law Quarterly Review, Singapore Academy of Law Journal, Singapore Journal of International and Comparative Law and Singapore Journal of Legal Studies.

In January 2005, he was selected by the World Economic Forum as one of 3 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, majoring in Accounting and Finance. She was admitted to membership of CPA Australia in 1998.

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 over 20 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

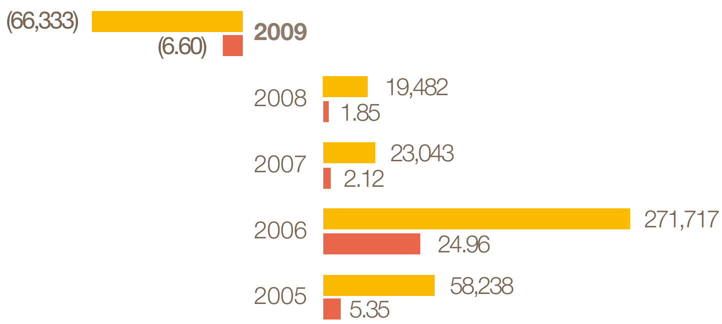
Deloitte & Touche LLP
6 Shenton Way
#32-00 DBS Building Tower Two
Singapore 068809

Partner-in-Charge: Mr. Alan Nisbet
Appointed since financial year
ended 30 June 2008

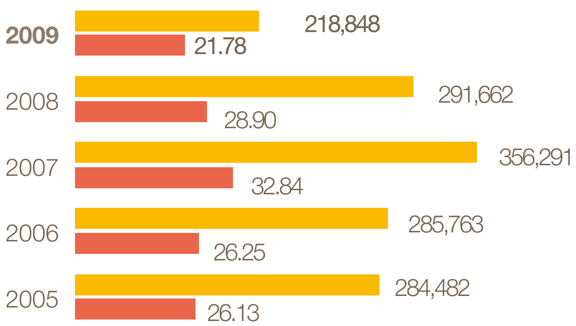
Financial Year End	30 June 2009
Announcement of First Quarter Financial Results	14 November 2008
Announcement of Half-Year Financial Results	13 February 2009
Announcement of Third Quarter Financial Results	8 May 2009
Announcement of Full-Year Financial Results	14 August 2009
Dispatch of Annual Report to Shareholders	7 October 2009
Annual General Meeting	23 October 2009

Five-Year Group Financial Statistics and Charts

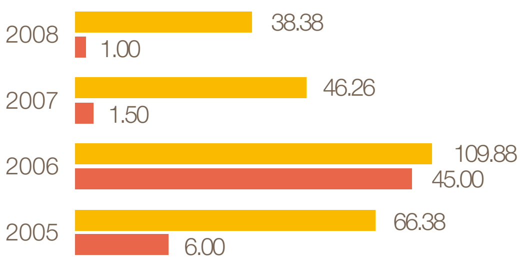
	Profit attributtable to shareholders (US$ 000)	EPS (USD cents)
2009	**(66,333)**	**(6.60)**
2008	19,482	1.85
2007	23,043	2.12
2006	271,717	24.96
2005	58,238	5.35



	Shareholders' Equity (US$ 000)	Net Tangible Assets per Share (USD cents)
2009	**218,848**	**21.78**
2008	291,662	28.90
2007	356,291	32.84
2006	285,763	26.25
2005	284,482	26.13



	Dividend Payout Ratio (%)	Dividend per Share (SGD cents)
2009	-	-
2008	38.38	1.00
2007	46.26	1.50
2006	109.88	45.00
2005	66.38	6.00



	FY2005 (US$000)	FY2006 (US$000)	FY2007 (US$000)	FY2008 (US$000)	FY2009 (US$000)
INCOME STATEMENT					
Revenue					
- Marine Businesses	104,391	30,457	-	-	-
- Vessel Management Activities	-	-	1,457	3,880	3,762
- Investment Holding Activities	3,273	13,595	14,158	21,710	4,469
	107,664	**44,052**	**15,615**	**25,590**	**8,231**
Profit (Loss) Before Taxation					
- Marine Businesses	46,722	256,090	-	-	-
- Vessel Management Activities	-	-	942	4,883	(803)
- Investment Holding Activities	19,396	18,628	22,424	14,957	(63,610)
	66,118	**274,718**	**23,366**	**19,840**	**(64,413)**
Profit (Loss) Attributable To Shareholders					
- Marine Businesses	39,229	253,836	-	-	-
- Vessel Management Activities	-	-	931	4,857	(823)
- Investment Holding Activities	19,009	17,881	22,112	14,625	(65,510)
	58,238	**271,717**	**23,043**	**19,482**	**(66,333)**
BALANCE SHEET					
Current Assets					
Cash and cash equivalents	120,348	27,589	31,993	14,796	29,694
Other current assets	35,967	34,717	62,791	40,292	33,167
Non-Current Assets					
Property, plant and equipment	128,652	1,719	5,621	6,413	39,336
Investments	100,726	218,151	271,460	237,331	145,610
Other non-current assets	-	36,709	5,512	5,512	-
	385,693	**318,885**	**377,377**	**304,344**	**247,807**
Current Liabilities	44,495	32,812	20,758	12,357	28,956
Non-Current Liabilities					
Long-term borrowing and other payable	16,425	-	-	-	-
Deferred taxation	171	-	-	-	-
Minority Interest	40,120	310	328	325	3
Shareholders Equity	284,482	285,763	356,291	291,662	218,848
	385,693	**318,885**	**377,377**	**304,344**	**247,807**
OTHER DATA:					
Issued and paid up capital	126,588	168,814	168,814	168,814	168,814
Earnings (Loss) per share(USD cents)					
- Marine Businesses	3.60	23.32	-	-	-
- Vessel Management activities	-	-	0.09	0.46	(0.08)
- Investment Holding Activities	1.75	1.64	2.03	1.39	(6.52)
	5.35	**24.96**	**2.12**	**1.85**	**(6.60)**
Dividends per share(SGD cents)	6.00	45.00	1.50	1.00	-
Dividend payout ratio(%)	66.38	109.88	46.26	38.38	-
Net tangible assets per share(USD cents)	26.13	26.25	32.84	28.90	21.78
Return on average equity(ROAE)	22.24%	95.30%	7.18%	6.01%	(25.99)%

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 6 Board meetings were held for the Financial Year ended 30 June 2009. Details of the attendance of Board members at Board meetings and meetings of the various Board Committees for the Financial Year ended 30 June 2009 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. Also, all newly appointed directors during the year will hold office only until the next AGM and will be eligible for re-election.

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

Corporate Governance Report

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 four 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, 2009

	Base Salary (%) (1)	Variable Payment (%)	Directors' Fees (%)	Total (%)	Share Options Granted
Directors of Company					
US$180,000 to US$359,999					
Mr Peh Kwee Chim	92	8	0	100	Nil
Mr Peh Siong Woon Terence	93	7	0	100	Nil
Below US$180,000					
Dr Tan Cheng Bock	0	0	100	100	Nil
Prof. Tan Cheng Han, S.C.	0	0	100	100	Nil
Mdm Joanna Young Sau Kwan	0	0	100	100	Nil

Note:

1. Base salary includes transport allowance and employer CPF.

REMUNERATION OF THE TOP FOUR KEY EXECUTIVES IN THE CHUAN HUP GROUP WHO ARE NOT ALSO DIRECTORS OF THE COMPANY FOR FINANCIAL YEAR ENDED 30 JUNE 2009

	Base Salary (%) (1)	Variable Payment (%)	Total (%)	Share Options Granted
Key Executives of Company				
Below US$180,000				
Chan Eng Chong	64	36	100	Nil
Liew Ngin Moi	60	40	100	Nil
Tan May Wei Valerie	65	35	100	Nil
Quek Kai Chua(2)	100	0	100	Nil

Notes:
1. Base salary includes transport allowance and employer CPF.
2. Mr Quek Kai Chua resigned on 21 November 2008.

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, re-appointment 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.

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.

Corporate Governance Report

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.

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, PT Mudha Graha Realty, 96 & 102 Terrace Road Pty Ltd, Ventrade Australia Pty Ltd, Valcom Holdings Inc, Polytech Investing Ltd, Sunbest Transco Limited and CH Aggregate Limited, all the subsidiaries and associated companies listed on pages 76 to 78 of this Annual Report are audited by Deloitte & Touche LLP, Singapore. PT Mudha Graha Realty was audited by KAP Doli, Bambang, Sudarmadji & Dadang, a member firm of BKR International. This subsidiary was disposed of in July 2008. 96 & 102 Terrace Road Pty Ltd and Ventrade Australia Pty Ltd are audited by KPMG, Australia. Sunbest Transco Limited is audited by Pricewaterhouse Coopers Limited, Cyprus. Cleanway Environmental Services Pte Ltd, ProVest Realty Pte Ltd, ProVest Ventures Pte. Ltd, Westgarden Development Pte Ltd, Cleanway System, Technologies Pte Ltd, CH Aggregate Limited and Polytech Investing Ltd are dormant. Valcom Holdings Inc is audited by Deloitte & Touche LLP, Singapore for consolidation purposes only.

The Board and the Audit Committee are satisfied that the appointment of the above auditors 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.

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)

After weighing the merits of having an in-house internal audit function as opposed to outsourcing the function, 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 2009.

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 Committee Meetings

The attendance of each Director at Board meetings and Board Committee meetings during the Financial Year ended 30 June 2009 is as follows:

Board Meetings

Director	No. of Meetings Held	No. of Meetings Attended
Dr Tan Cheng Bock (independent)	6	6
Mr Peh Kwee Chim	6	5
Mr Peh Siong Woon Terence	6	6
Prof. Tan Cheng Han, S.C. (Independent)	6	6
Mdm Joanna Young Sau Kwan (Independent)	6	6

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	2	2	1	1
Mr Peh Kwee Chim	-	-	-	-	1	1
Prof. Tan Cheng Han, S.C.	4	4	2	2	1	1
Mdm Joanna Young Sau Kwan	4	4	2	2	1	1

Financial

Contents

Report of the Directors

The directors present their report together with the audited consolidated financial statements of the group and the balance sheet, profit and loss statement and statement of changes in equity of the company for the financial year ended 30 June 2009.

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, Mdm Joanna Young Sau Kwan and Prof. Tan Cheng Han, S.C retire by rotation and being eligible, offer themselves for re-election.

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate except for the options mentioned in paragraph 5 of the Report of the Directors.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year and their interests in the share capital and debentures of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act are as follows :

	Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have interest	
	At beginning of year	At end of year	At beginning of year	At end of year
<u>Chuan Hup Holdings Limited</u>				
(Ordinary shares)				
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	151,835,500

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

By virtue of Section 7 of the Singapore Companies Act, Mr Peh Siong Woon Terence is deemed to have an interest in the company.

The directors' interest in the shares of the company as at 21 July 2009 were the same as at 30 June 2009.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO 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, by reason of a contract made by the company or a related corporation with the director or 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 as disclosed in the financial statements. Certain directors received remuneration from the company in their capacity 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 held on 15 August 1997 and amendments to the Scheme were approved by the shareholders of the company at an Extraordinary General Meeting held on 10 November 2000.

(b) During the financial year, no share options were 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 years ended 30 June 1999, 2000, 2001 and 2002.

(c) The Scheme is administered by the Remuneration 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 options have 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 options to take up unissued shares of any subsidiary company were granted and there were no shares of any subsidiary company issued by virtue of the exercise of an option to take up unissued shares.

(g) At the end of the financial year, there were no unissued shares of the company or any subsidiary company under option.

6 PERFORMANCE SHARE PLAN ("PSP")

The PSP was approved and adopted by the shareholders at an Extraordinary General Meeting 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 Chuan Hup Employees' Share Option Scheme 1997 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 Remuneration Committee (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 awards have been granted under the PSP since its commencement.

7 SHARE REPURCHASE

During the financial year, the company repurchased 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 Extraordinary General Meetings on 29 October 2007 and 17 October 2008.

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 Corporate Governance Report.

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.

ON BEHALF OF THE DIRECTORS

....
Peh Siong Woon Terence

....
Peh Kwee Chim

Singapore
28 August 2009

Independent Auditors' Report

to the members of Chuan Hup Holdings Limited

We have audited the accompanying consolidated financial statements of Chuan Hup Holdings Limited (the company) and its subsidiaries (the group) which comprise the balance sheets of the group and the company as at 30 June 2009, the profit and loss statement, statement of changes in equity and cash flow statement of the group and the profit and loss statement and statement of changes in equity of the company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 26 to 78.

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 accounts and balance sheets and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the 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.

Independent Auditors' Report

to the members of Chuan Hup Holdings Limited

Opinion

In our opinion,

(a) the consolidated financial statements of the group and the balance sheet, profit and loss statement 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 2009 and of the results and changes in equity of the group and of the company and cash flows of the group for the 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 subsidiary companies incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants
Singapore

Alan Nisbet
Partner
Appointed since the financial
year ended 30 June 2008

28 August 2009

Balance Sheets

As at 30 June 2009

	Note	Group		Company	
		2009	2008	2009	2008
		US$'000	US$'000	US$'000	US$'000
<u>ASSETS</u>					
Current assets :					
Cash and bank balances	7	29,694	14,796	860	2,675
Trade receivables	8	1,147	1,119	–	–
Other receivables and prepayments	9	4,996	8,216	98	615
Tax recoverable		240	807	240	764
Due from subsidiary companies	10	–	–	81,105	72,004
Held-for-trading investments	11	8,373	19,624	–	–
Other financial assets at fair value through profit and loss	12	9,838	–	2,004	–
Inventory - land held for development	13	8,573	8,573	–	–
		62,861	53,135	84,307	76,058
Non-current assets classified as held for sale	14	–	1,953	–	–
Total current assets		62,861	55,088	84,307	76,058
Non-current assets :					
Property, plant and equipment	15	39,336	6,413	76	120
Intangible asset	16	–	5,512	–	–
Subsidiary companies	17	–	–	12,202	13,994
Associated companies	18	–	1,847	–	–
Available-for-sale investments	19	131,732	202,515	113,804	166,526
Other financial assets at fair value through profit and loss	12	13,878	32,969	4,655	19,923
Total non-current assets		184,946	249,256	130,737	200,563
Total assets		247,807	304,344	215,044	276,621

Balance Sheets (Cont'd)

As at 30 June 2009

	Note	Group		Company	
		2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
LIABILITIES AND EQUITY					
Current liabilities :					
Bank loans	20	17,485	–	17,485	–
Trade payables	21	6,196	9,810	5,573	8,797
Other payables	22	3,194	1,396	342	371
Due to subsidiary companies	23	–	–	1,611	2,997
Income tax payable		2,081	1,144	396	1,013
		28,956	12,350	25,407	13,178
Liabilities directly associated with non-current assets classified as held for sale	14	–	7	–	–
Total current liabilities		28,956	12,357	25,407	13,178
Capital, reserves and minority interests :					
Share capital	24	168,814	168,814	168,814	168,814
Reserves		44,581	46,634	57,875	59,886
Accumulated profits (losses)		5,453	76,214	(37,052)	34,743
Equity attributable to equity holders of the company		218,848	291,662	189,637	263,443
Minority interests		3	325	–	–
Total equity		218,851	291,987	189,637	263,443
Total liabilities and equity		247,807	304,344	215,044	276,621

See accompanying notes to the financial statements.

Profit and Loss Statements

Year ended 30 June 2009

	Note	Group		Company	
		2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Revenue	25	8,231	25,590	8,182	26,544
Vessel management expense		(1,883)	(2,454)	–	–
Change in fair value of other financial assets at fair value through profit and loss		(2,678)	(4,959)	1,432	(1,250)
Impairment in value of available-for-sale investments		(37,550)	(3,295)	(26,757)	(556)
Impairment in value of investment in subsidiaries		–	–	(1,792)	(1,500)
Employee benefits expense		(1,056)	(3,163)	(522)	(2,616)
Depreciation and amortisation		(335)	(358)	(47)	(90)
Other expenses		94	(260)	784	583
Share of results of associated companies	18	(1,847)	1,847	–	–
Other (losses) gains	26	(27,232)	7,006	(48,196)	(761)
Finance costs		(157)	(114)	(157)	(85)
(Loss) Profit before tax		(64,413)	19,840	(67,073)	20,269
Income tax expense	27	(1,920)	(353)	(294)	(266)
(Loss) Profit for the year	28	(66,333)	19,487	(67,367)	20,003

	Note	Group	
		2009 US$'000	2008 US$'000
Attributable to:			
Equity holders of the company		(66,333)	19,482
Minority interests		–	5
		(66,333)	19,487
(Loss) Earnings per share	30		
Basic		(6.60) cents	1.85 cents
Fully diluted		(6.60) cents	1.85 cents

See accompanying notes to the financial statements.

Statement of Changes in Equity

Year ended 30 June 2009

	Share capital US$'000	Exchange fluctuation reserve (Reserves) US$'000	Investment revaluation reserve (Reserves) US$'000	Accumulated profits US$'000	Attributable to equity holders of company US$'000	Minority interests US$'000	Total US$'000
<u>Group</u>							
Balance at 1 July 2007	168,814	(1,905)	101,303	88,079	356,291	328	356,619
Decrease in fair value of available-for-sale investments	–	–	(53,545)	–	(53,545)	–	(53,545)
Currency translation reserve	–	208	–	–	208	(7)	201
Net income recognised directly in equity	–	208	(53,545)	–	(53,337)	(7)	(53,344)
Transfer to profit and loss statement:							
Sale of available-for-sale investments	–	–	(2,166)	–	(2,166)	–	(2,166)
Impairment of available-for-sale investments	–	–	2,739	–	2,739	–	2,739
Net profit for the year	–	–	–	19,482	19,482	5	19,487
Total recognised income and expense for the year	–	208	(52,972)	19,482	(33,282)	(2)	(33,284)
Payment of dividends (Note 29)	–	–	–	(11,274)	(11,274)	(1)	(11,275)
Repurchase of shares	–	–	–	(20,073)	(20,073)	–	(20,073)
Balance at 30 June 2008	168,814	(1,697)	48,331	76,214	291,662	325	291,987
Decrease in fair value of available-for-sale investments	–	–	(38,149)	–	(38,149)	–	(38,149)
Currency translation reserve	–	2,664	–	–	2,664	–	2,664
Net income recognised directly in equity	–	2,664	(38,149)	–	(35,485)	–	(35,485)
Transfer to profit and loss statement:							
Sale of available-for-sale investments	–	–	(86)	–	(86)	–	(86)
Impairment of available-for-sale investments	–	–	31,275	–	31,275	–	31,275
Sale of a subsidiary company	–	2,243	–	–	2,243	(322)	1,921
Net loss for the year	–	–	–	(66,333)	(66,333)	–	(66,333)
Total recognised income and expense for the year	–	4,907	(6,960)	(66,333)	(68,386)	(322)	(68,708)
Payment of dividends (Note 29)	–	–	–	(3,290)	(3,290)	–	(3,290)
Repurchase of shares	–	–	–	(1,138)	(1,138)	–	(1,138)
Balance at 30 June 2009	168,814	3,210	41,371	5,453	218,848	3	218,851

See accompanying notes to the financial statements.

Statement of Changes in Equity (Cont'd)

Year ended 30 June 2009

	Share capital US$'000	Investment revaluation reserve US$'000	Accumulated profits (losses) US$'000	Total US$'000
Company				
Balance at 1 July 2007	168,814	98,359	46,087	313,260
Decrease in fair value of available-for-sale investments	–	(38,765)	–	(38,765)
Net expense recognised directly in equity	–	(38,765)	–	(38,765)
Transfer to profit and loss statement:				
Sale of available-for-sale investments	–	292	–	292
Net profit for the year	–	–	20,003	20,003
Total recognised income and expense for the year	–	(38,473)	20,003	(18,470)
Payment of dividends (Note 29)	–	–	(11,274)	(11,274)
Repurchase of shares	–	–	(20,073)	(20,073)
Balance at 30 June 2008	168,814	59,886	34,743	263,443
Decrease in fair value of available-for-sale investments	–	(26,796)	–	(26,796)
Net expense recognised directly in equity	–	(26,796)	–	(26,796)
Transfer to profit and loss statement:				
Impairment of available-for-sale investments	–	24,785	–	24,785
Net loss for the year	–	–	(67,367)	(67,367)
Total recognised income and expense for the year	–	(2,011)	(67,367)	(69,378)
Payment of dividends (Note 29)	–	–	(3,290)	(3,290)
Repurchase of shares	–	–	(1,138)	(1,138)
Balance at 30 June 2009	168,814	57,875	(37,052)	189,637

See accompanying notes to the financial statements.

Consolidated Cash Flow Statement

Year ended 30 June 2009

	2009 US$'000	2008 US$'000
Operating activities		
(Loss) Profit before income tax	(64,413)	19,840
Adjustments for :		
Share of loss (profit) of associated companies	1,847	(1,847)
Depreciation expense	335	358
Dividend income	(6,510)	(10,130)
Interest income	(3,112)	(7,729)
Interest expense	157	114
Net foreign exchange losses (gains)	2,786	(49)
Gain on disposal of plant and equipment	(30)	(137)
Loss (Gain) on disposal of held-for-trading investments	5,634	(3,051)
Fair value adjustments of held-for-trading investments	110	–
Amortisation of intangible asset	5,512	–
Loss on disposal of a subsidiary company	1,159	–
Reversal of allowance for doubtful debts (net)	(64)	–
Loss (Gain) on disposal of available-for-sale investments (net)	759	(1,298)
Loss on disposal of other financial assets at fair value through profit and loss	25,491	–
Impairment in value of available-for-sale investments	37,550	3,295
Fair value adjustments of other financial assets at fair value through profit and loss	2,678	4,959
Operating profit before movements in working capital	9,889	4,325
Proceeds from disposal of held-for-trading investments	31,471	20,974
Purchase of held-for-trading investments	(28,611)	(32,868)
Receivables	3,822	(5,120)
Payables	(1,823)	(1,180)
Cash generated from (used in) operations	14,748	(13,869)
Interest paid	(157)	(114)
Interest received	3,112	7,729
Dividends received	6,510	10,130
Income tax (paid) refund	(978)	47
Net cash from operating activities	23,235	3,923

Consolidated Cash Flow Statement (Cont'd)

Year ended 30 June 2009

	2009 US$'000	2008 US$'000
Investing activities		
Purchase of property, plant and equipment	(33,072)	(4,081)
Proceeds from disposal of property, plant and equipment	30	1,777
Net cash inflow on disposal of a subsidiary company	1,849	–
Proceeds from former subsidiary companies for sale of vessels	–	49,654
Purchase of available-for-sale investments	(67)	(37,785)
Proceeds from disposal of available-for-sale investments	28,144	52,981
Purchase of other financial assets at fair value through profit and loss	(13,631)	(48,133)
Payment for early termination of other financial assets at fair value through profit and loss	(25,485)	–
Proceeds from disposal of other financial assets at fair value through profit and loss	20,158	6,725
Net cash (used in) from investing activities	(22,074)	21,138
Financing activities		
Advance to an associated company	–	(2,850)
Share repurchase	(1,138)	(20,073)
Dividends paid to shareholders of the company	(3,290)	(11,274)
Dividends paid to minority shareholders of subsidiary company	–	(1)
Proceeds from bank loans	33,838	25,771
Repayment of bank loans	(16,353)	(33,151)
Net cash from (used in) financing activities	13,057	(41,578)
Net increase (decrease) in cash and cash equivalents	14,218	(16,517)
Cash and cash equivalents at beginning of year	15,476	31,993
Cash and cash equivalents at end of year (Note A)	29,694	15,476

A. Cash and cash equivalents consist of :

	2009 US$'000	2008 US$'000
Cash at bank	19,972	11,178
Fixed deposits	9,722	4,298
Total cash and bank balances	29,694	15,476
Less: Classified as held for sale	–	(680)
Net cash and bank balances	29,694	14,796

See accompanying notes to the financial statements.

1 GENERAL

The company (Registration No. 197000572R) is 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 financial statements are expressed in United States dollars.

The principal activity of the company is investment holding.

The principal activities of the subsidiary companies, associated companies and joint ventures are set out respectively in Notes 35, 36 and 37 to the financial statements.

The consolidated financial statements of the group and the balance sheet, profit and loss statement and statement of changes in equity of the company for the year ended 30 June 2009 were authorised for issue by the Board of Directors on 28 August 2009.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

In the current financial year, the group and the company have adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 July 2008. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the group's and company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as follows:

Amendments to FRS 39 and FRS 107

In October 2008, the Accounting Standards Council issued amendments to FRS 39, "Financial Instruments: Recognition and Measurement", and FRS 107, "Financial Instruments: Disclosures relating to Reclassification of Financial Assets". The amendments to FRS 39 permit (1) certain reclassifications of non-derivative financial assets (other than those designated under the fair value option) out of the fair value through profit or loss category and (2) also allow the reclassification of financial assets from the available-for-sale category to the loans and receivables category in particular circumstances. The amendments to FRS 107 introduce additional disclosure requirements if an entity has reclassified financial assets in accordance with the amendments to FRS 39. The amendments are adopted by the group effective retrospectively from 1 July 2008. Please see Note 19.

At the date of authorisation of these financial statements, management has considered and anticipated that the adoption of the FRSs, INT FRSs and amendments to FRS that were in issue, but not yet effective, will have no material impact on the financial statements of the group and company in the initial period of their application, except as follows :

FRS 1 – Presentation of Financial Statements (Revised) – FRS 1 (Revised) will be effective for annual periods beginning on or after 1 January 2009, and will change the basis for presentation and structure of the financial statements. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs.

Amendments to FRS 107 - Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments - Amendments to FRS 107 will be effective for annual periods beginning on or after 1 January 2009, and will result in enhancement in disclosures about fair value measurement and liquidity risks. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) BASIS OF ACCOUNTING (Cont'd)

FRS 23 – Borrowing Costs (Revised) - FRS 23 (Revised) will be effective for annual periods beginning on or after 1 January 2009 and eliminates the option available under the previous version of FRS 23 to recognise all borrowing costs immediately as an expense. An entity shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. As the change in accounting policy is to be applied prospectively, there will be no impact on amounts reported for 2009.

FRS 108 – Operating Segments - FRS 108 will be effective for annual financial statements beginning on or after 1 January 2009 and supersedes FRS 14 – Segment Reporting. FRS 108 requires operating segments to be identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, FRS 14 requires an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. The group has determined that the reportable segments disclosed in FRS 108 will be the same as the business segments disclosed under FRS 14. The impact of this standard on the other segment disclosures is still to be determined. There will be no impact on the financial position or the financial performance of the group when FRS 108 is implemented in 2010.

(b) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the company (its subsidiary companies). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiary companies acquired or disposed of during the year are included in the consolidated profit and loss statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies into line with those used by other members of the group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiary companies are identified separately from the group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover its share of those losses.

In the company's financial statements, investments in subsidiary and associated companies are carried at cost less any impairment in net recoverable value that has been recognised in the profit and loss statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the group's balance sheet when the group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income or expense is recognised on an effective interest rate basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Other financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

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

Financial assets are classified as at FVTPL where the financial asset is either held-for-trading or it is designated as at FVTPL.

A financial asset is classified as held-for-trading if :

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held-for-trading may be designated as at FVTPL upon initial recognition if :

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) FINANCIAL INSTRUMENTS (Cont'd)

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in the profit and loss statement. The net gain or loss recognised in the profit and loss statement incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 4.

Available-for-sale financial assets

Certain shares and debt securities held by the group are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in the investment revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in the profit and loss statement. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investment revaluation reserve is included in the profit and loss statement for the period. Dividends on available-for-sale equity instruments are recognised in the profit and loss statement when the group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in the profit and loss statement, and other changes are recognised in equity.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the profit and loss statement. Changes in the carrying amount of the allowance account are recognised in the profit and loss statement.

With the exception of available-for-sale equity instruments, 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 loss was recognised, the previously recognised impairment loss is reversed through the profit and loss statement to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss, is recognised directly in equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) FINANCIAL INSTRUMENTS (Cont'd)

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

The consideration paid for the share repurchased, including any directly attributable incremental costs, is deducted from accumulated profits.

Financial liabilities

Financial liabilities are classified as "other financial liabilities".

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or expired.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the profit and loss statement on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

(e) NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

(f) INVENTORY - LAND HELD FOR DEVELOPMENT

Land purchased for the purpose of development into marketable freehold properties is stated at cost less any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount. Cost is calculated using the specific identification method.

(g) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost or valuation, less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Vessels construction-in-progress consists of construction costs and finance costs incurred during the period of construction.

Freehold land and building are carried at their revalued amounts, being the fair value on the basis of their existing use at the date of revaluation, less subsequent accumulated depreciation. Revaluations are performed by management on a regular basis in consideration of valuation reports prepared by independent professional valuers such that the carrying amount does not differ materially for that which would be determined using the fair values at the balance sheet date.

Any revaluation surplus arising on the revaluation of land and building is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation deficit for the same asset previously recognised as an expense, in which case the surplus is credited to the profit and loss statement to the extent of the deficit previously charged. A deficit in carrying amount arising on the revaluation of land and building is charged as an expense to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Depreciation is charged so as to write off the cost or valuation of assets, other than freehold land and vessels construction-in-progress, over their estimated useful lives, using the straight-line method, on the following bases :

Freehold building	-	5 %
Leasehold land and building	-	8.05% to 8.36%
Vessels	-	4%
Furniture, fittings and equipment	-	7.5% to 100%
Motor vehicles	-	20% to 38%

Freehold land and vessels construction-in-progress are not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

(h) INTANGIBLE ASSETS

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with finite useful lives are amortised based on the guaranteed activity volume up to the maturity date of the contract. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(i) ASSOCIATED COMPANIES

An associated company is an entity over which the group has significant influence and that is neither a subsidiary company nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associated companies are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associated companies are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the group's share of the net assets of the associated company, less any impairment in the value of individual investments. Losses of an associated company in excess of the group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associated company) are not recognised.

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associated company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the consolidated profit and loss statement.

Where a group entity transacts with an associated company of the group, profits and losses are eliminated to the extent of the group's interest in the relevant associated company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) INTEREST IN JOINT VENTURES

A joint venture is a contractual arrangement whereby the group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a group entity undertakes its activities under joint venture arrangements directly, the group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the group and their amount can be measured reliably.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The group reports its interests in jointly controlled entities using proportionate consolidation. The group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

Any goodwill arising on the acquisition of the group's interest in a jointly controlled entity is accounted for in accordance with the group's accounting policy for goodwill arising on the acquisition of a subsidiary company.

Where the group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the group's interest in the joint venture.

(k) IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

At each balance sheet date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(l) PROVISIONS

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(m) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Charter hire income is recognised on an accrual basis but is deferred when the terms of billing have not been agreed by third parties or when certain conditions necessary for realisation are yet to be fulfilled.

Revenue from rendering of services that are of short duration is recognised when the services are completed.

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

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Rental income is recognised in the period when the rental becomes due.

(n) BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the profit and loss statement in the period in which they are incurred.

(o) RETIREMENT BENEFIT COSTS

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

(p) 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)

(q) INCOME TAX

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the group companies operate by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiary companies, associated companies and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the profit and loss statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in the profit and loss statement, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

(r) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the group and the balance sheet of the company are presented in United States dollars, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(r) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION (Cont'd)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the profit and loss statement for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the profit and loss statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the group's exchange fluctuation reserve. Such translation differences are recognised in the profit and loss statement in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings, are taken to the foreign currency translation reserve.

(s) CASH AND CASH EQUIVALENTS

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

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

i) Critical judgements in applying the entity's accounting policies

In the process of applying the entity's accounting policies, which are described in Note 2, the management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements (apart from those involving estimations).

ii) 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 period, are discussed below :

a) Fair value estimation

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

Note 12 describes the various means through which the unquoted investments classified as other financial assets at fair value through profit and loss have been fair valued.

The unquoted equity shares that are classified as available-for-sale is measured at cost less impairment at each balance sheet date, which included some assumptions that are not supportable by observable market prices or rates. Changes in the assumptions will significantly affect the estimated value of the available-for-sale investment. The carrying amount of these investments for which fair value is determined using the above basis is disclosed in Note 19.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

ii) Key sources of estimation uncertainty (Cont'd)

b) 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 would currently obtain from 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 its useful life. The carrying amounts of the group's property, plant and equipment are disclosed in Note 15.

c) Impairment of property, plant and equipment

The group assesses annually whether property, plant and equipment have any indication of impairment in accordance with the accounting policy. If, indication of impairment exists, the recoverable amounts of property, plant and equipment is estimated based on the higher of fair value less costs to sell and value-in-use calculations. These value-in-use calculations require the use of judgement and estimates. In the financial year ended 30 June 2009, management assessed that there is no indication of impairment. The carrying amounts of the group's property, plant and equipment are disclosed in Note 15.

d) Impairment of available-for-sale investments

At each balance sheet date, management 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 environment in which the investee operates, indicating that the cost of the investments may not be recovered. A significant or prolonged decline in the fair value of an equity instrument below its cost is also objective evidence of impairment. Based on the assessment performed for each available-for-sale investment, impairment loss of US$37,550,000 (2008 : US$3,295,000) has been recorded in the current financial year (Note 19).

e) Allowance for bad and doubtful debts for receivables due from subsidiaries

The group and company make allowances for bad and doubtful debts for amounts due from subsidiaries based on an assessment of the recoverability of other receivables. Allowances are applied to receivables due from subsidiaries where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and 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 doubtful debts expenses in the period in which such estimate has been changed. The carrying amount of these receivables at the balance sheet date are disclosed in Note 10 to the financial statements.

4 FINANCIAL RISKS, FINALCIAL INSTRUMENTS AND CAPITAL RISKS MANAGEMENT

Categories of financial instruments

The following table sets out the financial instruments as at the balance sheet date:

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Financial Assets				
Fair value through profit or loss (FVTPL)				
Held-for-trading	8,373	19,624	–	–
Other financial assets designated as at FVTPL	23,716	32,969	6,659	19,923
Loans and receivables (including cash and bank balances)	35,794	26,053	82,059	75,278
Available-for-sale financial assets	131,732	202,515	113,804	166,526
Financial Liabilities				
Borrowings and payables at amortised cost	26,875	11,206	25,011	12,165

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 indicated below.

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.

Fair value of financial instruments/Equity price risk management

Fair value is defined as the amount at which a financial instrument could be exchanged between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. The following methods and assumptions are made to estimate the fair value of each class of financial instruments (where it is practicable to estimate that value).

a) Cash and cash equivalents/Trade and other receivables and payables

The carrying amount approximates the fair value due to the relatively short term maturity of these financial instruments.

4 FINANCIAL RISKS, FINALCIAL INSTRUMENTS AND CAPITAL RISKS MANAGEMENT (Cont'd)

Fair value of financial instruments/Equity price risk management (Cont'd)

b) Held-for-trading investments, other financial assets at fair value through profit or loss investments and available-for-sale investments

These investments are stated on the balance sheet at their fair values, except that certain available-for-sale and other financial assets at fair value through profit or loss are carried at cost less allowance for impairment loss given that their fair values cannot be reliably measured by alternative valuation methods.

Held-for-trading investments comprise quoted equity shares that are listed on a stock exchange. They are fair valued at market price based on closing quoted market prices on the last market day of the financial year (Note 11).

Other financial assets at fair value through profit and loss and available-for-sale investments are fair valued using the methods described in Notes 12 and 19 of the financial statements respectively.

Price sensitivity analysis

Price risk, is the risk that the fair value or future cash flows or 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 and loss and available-for-sale. Available-for-sale equity investments are held for strategic rather than trading purposes.

Further details of these equity investments can be found in Notes 11, 12 and 19 to the financial statements.

The sensitivity analysis below has been determined based on the exposure to market price risks 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 for the year ended 30 June 2009 would have increased/decreased by US$2,151,000 as some of the equity investments classified as available-for-sale have been impaired. No such impact would have affected net profit in the financial year ended 30 June 2008 as no investments were impaired; and

- The group's fair value reserves would have increased/decreased by US$3,809,000 (2008 : US$7,874,000).

In respect of held-for-trading investments and other financial assets at fair value through profit and loss, if equity prices had been 5% higher/lower :

- The group's net profit for the year ended 30 June 2009 would have increased/decreased by US$1,388,000 (2008 : US$2,396,000).

4 FINANCIAL RISKS, FINALCIAL INSTRUMENTS AND CAPITAL RISKS MANAGEMENT (Cont'd)

Foreign exchange risk management

The group transacts business in various foreign currencies, including the Singapore dollar, Malaysian Ringgit, Australian dollar, Indonesian Rupiah and Philippines Peso.

At the respective reporting dates, the carrying amounts of assets and liabilities, including monetary items, held-for-trading and available-for-sale equity instruments that are denominated in currencies other than the respective group entities' functional currencies are as follows :

	Group US$'000		Company US$'000	
	Assets	Liabilities	Assets	Liabilities
2009				
United States Dollar	10	24	–	–
Singapore Dollar	96,765	21,641	71,562	22,999
Malaysian Ringgit	29,218	2	26,616	2
Australian Dollar	18,493	14	16,309	14
Philippines Peso	8	27	8	27
Indonesian Rupiah	137	–	–	–
2008				
United States Dollar	15	15	–	–
Singapore Dollar	129,665	9,069	105,233	10,205
Swiss Franc	2,526	–	–	–
Malaysian Ringgit	27,333	4	27,333	4
Australian Dollar	27,598	25	14,920	25
Philippines Peso	24	31	24	31
Indonesian Rupiah	467	246	–	–

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.

Foreign currency sensitivity analysis

As highlighted above, the group is mainly exposed to the Singapore dollar, Malaysian Ringgit, Australian dollar, Indonesian Rupiah and Philippines Peso.

The following table details the sensitivity to a 500 pips increase and decrease in the relevant foreign currencies against the functional currency of each group entity. 500 pips represent 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-sale equity instruments. Their translation has been adjusted at the period end for a 500 pips change in foreign currency rates.

4 FINANCIAL RISKS, FINALCIAL INSTRUMENTS AND CAPITAL RISKS MANAGEMENT (Cont'd)

Foreign currency sensitivity analysis (Cont'd)

If the relevant foreign currency weakens by 500 pips against the functional currency of each group entity, profit or loss and other equity will decrease by :

	Group US$'000		Company US$'000	
	Profit or loss	Other equity	Profit or loss	Other equity
2009				
Singapore Dollar	(161)	(2,435)	715	(2,393)
Malaysian Ringgit	–	(417)	–	(379)
Australian Dollar	(1)	(756)	–	(668)
Indonesian Rupiah	–	(6)	–	–
Philippines Peso	(80)	–	–	–
2008				
Singapore Dollar	(604)	(3,498)	(87)	(2,655)
Swiss Franc	–	(125)	–	–
Malaysian Ringgit	–	(128)	–	(128)
Australian Dollar	(43)	(1,324)	(1)	(738)
Indonesian Rupiah	–	(104)	–	–

A 500 pips 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.

Interest rate risk management

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

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates for cash and cash equivalent balances 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 years ended 30 June 2009 and 30 June 2008 would increase/decrease by approximately US$97,000 and US$43,000 respectively.

For the interest rate linked instruments (Note 19), 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.

4 FINANCIAL RISKS, FINALCIAL INSTRUMENTS AND CAPITAL RISKS MANAGEMENT (Cont'd)

Liquidity risk management

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 assets and liabilities are due within 1 year and repayable on demand.

Credit risk management

The group's principal financial assets are cash and bank balances, trade and other receivables and investments.

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. The maximum exposure to credit risk is represented by the net carrying amount of financial assets recorded in the financial statements.

Cash and fixed deposits are held with creditworthy financial institutions. It is the group's policy to enter into financial instruments with a diversity of creditworthy customers. The group does not expect to incur material credit losses on its financial assets.

The group's credit risk arising from its investment exposures to issuers of financial products is minimised by the fact that the group only transacts with issuers that have investment grade ratings from internationally recognised rating agencies.

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

Capital risk management

Capital is represented entirely by issued capital, reserves and accumulated profits. 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 continues to monitor the balance of the overall capital structure through the payment of dividends as well as the issue of new debt.

The group overall strategy remain unchanged from 2008. The group is not subject to any external capital requirements.

5 INTERCOMPANY TRANSACTIONS

Some of the group's and company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured, interest free, repayable on demand and are non-trade in nature unless otherwise stated.

Amounts due to and from subsidiary companies are non-trade in nature, unsecured, interest free and are due within the next 12 months unless otherwise disclosed elsewhere in the notes to the financial statements.

Significant intercompany transactions, other than those disclosed elsewhere in the notes to profit and loss statement are as follows :

	Group		Company	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
Maintenance fee paid to subsidiary company	–	–	–	3
Dividend income from subsidiary companies (Note 25)	–	–	(891)	(13,168)

6 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Significant related party transactions, other than those disclosed elsewhere in the notes to profit and loss statement are as follows :

	Group		Company	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
Charter hire income from associated companies	(3,504)	(2,571)	–	–
Other income from associated company	(2)	(2)	–	–
Interest income from associated company	(90)	(216)	–	–
Agency fee received from associated company	(1)	(1)	–	–

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows :

	Group		Company	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
Short-term benefits	546	2,178	546	2,178
Post-employment benefits	7	10	7	10

Management is of the opinion that there are no other key members of management except the directors of the company.

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

7 CASH AND BANK BALANCES

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Cash at bank	19,972	11,178	859	340
Fixed deposits	9,722	4,298	1	2,335
Total	29,694	15,476	860	2,675
Less: Classified as held for sale (Note 14)	–	(680)	–	–
	29,694	14,796	860	2,675

Fixed deposits bear interest at an average rate of 0.01% to 7.27% per annum (2008 : 0.30% to 7.49% per annum) for the group and 0.10% to 6.70% per annum (2008 : 0.30% to 7.15% per annum) for the company and for a tenure ranging from 1 to 274 days (2008 : 1 to 34 days) for the group and company.

The group and company's cash and bank balances that are not denominated in the functional currencies of the respective entities are as follows :

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
United States Dollar	10	15	–	–
Singapore Dollar	16,886	5,647	466	112
Australian Dollar	29	897	–	–
Malaysian Ringgit	8	10	8	10
Indonesian Rupiah	7	242	–	–

8 TRADE RECEIVABLES

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Outside parties	131	120	–	–
Associated companies (Note 36)	1,016	1,004	–	–
Total	1,147	1,124	–	–
Less: Classified as held for sale (Note 14)	–	(5)	–	–
	1,147	1,119	–	–

The average credit period on services rendered is 30 to 60 days (2008 : 30 to 60 days). No interest is charged on the trade receivables and no allowances have been made for estimated irrecoverable amounts from the rendering of services to outside parties for the group. No allowances were made in 2009 and 2008.

Before accepting any new customers, the group assesses the potential customers' credit quality and defines credit limits by customer. Majority of the group's trade receivables that are neither past due nor impaired are creditworthy counterparties with good track record of credit history.

8 TRADE RECEIVABLES (Cont'd)

Included in the group's trade receivable balance are debtors with a carrying amount of US$1,099,000 (2008 : US$1,004,000) which are past due at the reporting date for which the group has not provided. Management assessed that the trade receivables are recoverable from the associate as the associate is able to obtain financial support from its holding company. No allowance was made in the current financial year ended 30 June 2009 for these receivables. The group does not hold any collateral over these balances. The average age of these receivables are 100 days (2008 : 70 days).

The group and company's trade receivables that are not denominated in the functional currencies of the respective entities are as follows :

	Group		Company	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
Singapore Dollar	17	104	–	–

9 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
Prepayments	43	31	4	16
Other receivables	975	2,530	85	599
Associated company (Note 36)	3,978	5,655	9	–
	4,996	8,216	98	615

The group has made an allowance for estimated irrecoverable amounts of other receivables due from third parties amounting to US$202,000 (2008 : US$266,000). This allowance has been determined by reference to long standing debt that are deemed non-collectible.

The receivable due from associate is unsecured and to be paid in December 2009. Interest was charged at a per annum rate equal to LIBOR 1 month plus 0.50%. As referred to in Note 8, management has assessed the other receivables from the associated company to be recoverable.

Movement in the allowance for doubtful debts :

	Group		Company	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
Balance at beginning of the year	266	259	–	–
Reversal of allowance recognised in profit or loss	(64)	–	–	–
Exchange difference	–	7	–	–
Balance at end of the year	202	266	–	–

9 OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

The group and company's other receivables that are not denominated in the functional currencies of the respective entities are as follows :

	Group		Company	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
Singapore Dollar	782	819	59	51
Philippines Peso	8	8	8	8
Australian Dollar	–	1	–	–

10 DUE FROM SUBSIDIARY COMPANIES

	Company	
	2009	2008
	US$'000	US$'000
Receivables due from subsidiary companies (Note 35)	81,105	72,004

The company's receivables due from subsidiaries are unsecured, interest-free and repayable on demand. An allowance amounting to US$56,578,000 (2008 : US$8,978,000) has been made.

Movement in the allowance for doubtful debts :

	Company	
	2009	2008
	US$'000	US$'000
Balance at beginning of the year	8,978	4,978
Increase in allowance recognised in profit or loss (Note 28)	47,600	4,000
Balance at end of the year	56,578	8,978

The company's receivables due from subsidiary companies that are not denominated in the functional currency are as follows :

	Company	
	2009	2008
	US$'000	US$'000
Singapore Dollar	1,549	6,100

11 HELD-FOR-TRADING INVESTMENTS

	Group		Company	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
Quoted equity shares, at fair value	8,373	19,624	–	–

The investments in quoted equity securities offer the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year.

The group's held-for-trading investments that are not denominated in the functional currencies of the respective entities are as follows :

	Group		Company	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
Singapore Dollar	8,373	18,858	–	–

12 OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Group		Company	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
Current :				
Unquoted structured deposits, at fair value	9,838	–	2,004	–
Non–current :				
Unquoted structured deposits, at fair value	9,551	28,273	4,655	19,923
Unquoted warrants, at fair value	30	30	–	–
Unquoted convertible debt securities, at cost	4,297	4,666	–	–
	13,878	32,969	4,655	19,923
Total	23,716	32,969	6,659	19,923

The unquoted structured deposits have embedded derivatives which are not closely related. The fair value of the unquoted structured deposits is based on a secondary market value at the balance sheet date. The effective interest rate for the deposits ranges from 8% to 19% (2008 : 14% to 37%) per annum. The deposits' maturity dates ranges from 2 July 2009 to 2 July 2019 (2008 : 8 June 2009 to 11 January 2010).

The fair value of the unquoted warrants is computed using the Monte Carlo simulation at the balance sheet date. The warrants will mature on 13 October 2011.

The unquoted convertible debt securities allow the group to convert the debt instruments into equity shares in the issuing companies. The fair value of the unquoted debt securities and the embedded conversion options could not be reliably measured as the estimates generated by the various valuation models vary significantly. Accordingly, they are stated at cost less impairment.

12 OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Cont'd)

The group and company's other financial assets at fair value through profit and loss that are not denominated in the functional currency are as follows :

	Group		Company	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
Singapore Dollar	6,042	5,265	–	–

13 INVENTORY - LAND HELD FOR DEVELOPMENT

	Group	
	2009	2008
	US$'000	US$'000
Current asset		
Land held for development at cost :		
Freehold land	8,573	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 joint venture "96 and 102 Terrace Road Joint Venture" (Note 37) 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 will be expiring on 31 December 2009.

14 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

A subsidiary company, Shin Chuan Pte Ltd had on 17 March 2008 signed a Sale and Purchase Agreement with PT Sasana Kwarta Putra and PT Sasana Tri Pertiwi, to sell 14,227 shares in PT Mudha Graha Realty, a subsidiary, for a total consideration of Rp20,419,967,849 (approximately US$2.2million). The sale of the subsidiary was completed on 11 July 2008.

As at 30 June 2008, the assets and liabilities attributable to PT Mudha Graha Realty, which were expected to be sold within twelve months were classified as disposal group held for sale pursuant to FRS 105: "Non-current Assets Held for Sale and Discontinued Operations" and were presented separately on the balance sheet.

14 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE (Cont'd)

The assets and liabilities comprising the disposal group classified as held for sale are as follows :

	Note	2008 US$'000
Assets		
Cash and bank balances	7	680
Trade receivables	8	5
Property, plant and equipment	15	1,268
Total assets classified as held for sale		1,953
Liabilities		
Trade payables	21	(7)
Total liabilities associated with assets classified as held for sale		(7)
Net assets of disposal group		1,946

15 PROPERTY, PLANT AND EQUIPMENT

	Freehold land and building US$'000	Leasehold land and building US$'000	Vessels US$'000	Vessels construction-in-progress US$'000	Furniture fittings and equipment US$'000	Motor vehicles US$'000	Total US$'000
Group							
At 1 July 2007							
Cost	–	2,019	3,156	930	1,886	599	8,590
Valuation	1,671	–	–	–	–	–	1,671
	1,671	2,019	3,156	930	1,886	599	10,261
Arising from translation	(37)	255	–	–	72	–	290
Additions	–	–	7	4,011	63	–	4,081
Disposals/Write off	–	–	(1,578)	–	(133)	(226)	(1,937)
Transfer	–	–	4,941	(4,941)	–	–	–
Less: Assets classified as held for sale (Note 14)	(1,634)	–	–	–	(1,407)	–	(3,041)
At 1 July 2008, at cost	–	2,274	6,526	–	481	373	9,654
Arising from translation	–	(136)	–	–	106	–	(30)
Additions	33,069	–	–	–	3	–	33,072
Disposals/Write off	–	–	(1)	–	(12)	(106)	(119)
At 30 June 2009, at cost	33,069	2,138	6,525	–	578	267	42,577

15 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Freehold land and building US$'000	Leasehold land and building US$'000	Vessels US$'000	Vessels construction-in-progress US$'000	Furniture fittings and equipment US$'000	Motor vehicles US$'000	Total US$'000
Accumulated depreciation :							
At 1 July 2007	528	2,019	19	–	1,730	344	4,640
Arising from translation	(10)	255	–	–	2	66	313
Depreciation for the year	54	–	182	–	59	63	358
Disposals/Write off	–	–	(65)	–	(132)	(100)	(297)
Less: Assets classified as held for sale (Note 14)	(572)	–	–	–	(1,201)	–	(1,773)
At 1 July 2008	–	2,274	136	–	458	373	3,241
Arising from translation	–	(136)	–	–	(14)	(66)	(216)
Depreciation for the year	–	–	262	–	42	31	335
Disposals/Write off	–	–	(1)	–	(12)	(106)	(119)
At 30 June 2009	–	2,138	397	–	474	232	3,241
Carrying amount :							
At end of year	33,069	–	6,128	–	104	35	39,336
At beginning of year	–	–	6,390	–	23	–	6,413

(a) The group's major properties are as follows :

Freehold land and building Description	Location	Area
Puri Denpasar apartment building	Denpasar Selatan No. 1, Kuningan Timur, Jakarta, Indonesia	1,990 square metres
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 6.417 years)

15 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Furniture fittings and equipment US$'000	Motor vehicles US$'000	Total US$'000
Company			
Cost :			
At 1 July 2007	387	428	815
Additions	15	–	15
Disposals/Write off	(118)	(55)	(173)
At 1 July 2008	284	373	657
Additions	3	–	3
Disposals/Write off	(6)	(107)	(113)
At 30 June 2009	281	266	547
Accumulated depreciation :			
At 1 July 2007	311	285	596
Depreciation for the year	38	52	90
Disposals/Write off	(118)	(31)	(149)
At 1 July 2008	231	306	537
Depreciation for the year	14	33	47
Disposals/Write off	(6)	(107)	(113)
At 30 June 2009	239	232	471
Carrying amount :			
At end of year	42	34	76
At beginning of year	53	67	120

16 INTANGIBLE ASSET

	Compensation rights US$'000
Group	
Cost :	
At 1 July 2007, 1 July 2008 and 30 June 2009	5,512
Accumulated amortisation :	
At 1 July 2007 and 1 July 2008	–
Amortisation for the year	(5,512)
At 30 June 2009	(5,512)
Carrying amount :	
At 30 June 2009	–
At 30 June 2008	5,512

The compensation rights pertains 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.

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 2009, the intangible asset was fully amortised.

17 SUBSIDIARY COMPANIES

	Company	
	2009 US$'000	2008 US$'000
Unquoted equity shares, at cost	40,322	40,322
Less: Impairment in value	(28,120)	(26,328)
	12,202	13,994
Movement in impairment in value :		
Balance at beginning of year	26,328	24,828
Impairment loss charged to profit and loss	1,792	1,500
Balance at end of year	28,120	26,328

During the year, the company carried out a review of the recoverable amount of its investment in subsidiary companies. An additional impairment of US$1,792,000 (2008 : US$1,500,000) was recognised during the year in respect of certain subsidiary companies. These subsidiary companies had been loss making or dormant. The recoverable amount of the investment has been determined based on net realisable value which is estimated to be the fair value less cost to sell of these subsidiary companies.

Details of the company's significant subsidiary companies as at 30 June 2009 are disclosed in Note 35.

18 ASSOCIATED COMPANIES

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Unquoted equity shares, at cost	40	40	–	–
Share of post-acquisition (loss) profit [(b)]	(40)	1,807	–	–
	–	1,847	–	–

(a) Details of associated companies of the group are set out in Note 36 to the financial statements.

(b) Share of results of associated companies recognised in profit and loss statement includes :

	Group	
	2009 US$'000	2008 US$'000
Share of results of associated companies for the year net of income tax	(1,847)	1,847

(c) Summarised financial information in respect of the group's associated companies is set out below :

	Group	
	2009 US$'000	2008 US$'000
Total assets	18,216	26,599
Total liabilities	(18,091)	(21,982)
Net assets	125	4,617
Group's share of associated companies' net assets [(d)]	50	1,847
Revenue	17,010	39,305
(Loss) Profit for the year	(4,977)	4,617
Group's share of associated companies' results for the year	(1,991)	1,847
Loss not recognised for the year	(144)	–

(d) In the financial year ended 30 June 2009, the group did not recognise the share of net assets as it is not material to the company.

19 AVAILABLE-FOR-SALE INVESTMENTS

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Equity :				
Quoted equity shares, at fair value (1)	118,695	160,788	112,163	140,500
Unquoted equity shares (1)	13,037	19,314	1,641	3,613
	131,732	180,102	113,804	144,113
Interest rate linked instruments	–	22,413	–	22,413
Total	131,732	202,515	113,804	166,526

(1) The quoted and unquoted equity shares 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 "Investment in Associates" due to a lack of significant 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 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 and company's business plans.

Quoted equity securities offer the group and company the opportunity for return through dividend income and fair value gains. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year. The investments in quoted equity shares include an impairment loss charged to the profit and loss statement for the year of US$31,275,000 (2008 : US$2,739,000).

The fair value of unquoted equity shares are valued at the most recent financing round. For any other unquoted investments, management establishes their fair value by estimating their fair value less cost to sell which are most appropriate in light of the nature, facts and circumstances of the investment. Management estimates the fair value of the unquoted equity by reference to the net assets of these securities after adjusting the fair value of the underlying assets and liabilities as appropriate. If certain assumptions relating to the current fair valuation of the unquoted equity change within the next financial year, it could result in an adjustment to the current fair value. The investment in unquoted equity shares includes an impairment loss charged to the profit and loss statement for the year of US$6,275,000 (2008 : US$556,000).

In 2008, the fair values of the interest rate linked instruments are based on quoted market prices at the balance sheet date. These instruments yield a return ranging from 7.2% to 9.15% per annum. The maturity period of the interest rate linked instruments were as follows :

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
In the second to fifth year	–	4,890	–	4,890
After fifth year	–	17,523	–	17,523
	–	22,413	–	22,413

These interest rate linked instruments may be redeemed earlier than the maturity dates by the issuer should certain conditions be met before the maturity dates. These interest rate linked instruments are issued with a call option. During the lacklustre economy over the financial year ended 30 June 2009, the issuing banks had exercised the call option as they have deemed that the conditions were met.

19 AVAILABLE-FOR-SALE INVESTMENTS (Cont'd)

The group and company's available-for-sale investments that are not denominated in the functional currencies of the respective entities are as follows :

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Singapore Dollar	72,107	101,871	70,887	101,871
Indonesian Rupiah	130	225	–	–
Australian Dollar	20,006	28,481	16,309	14,920
Malaysian Ringgit	29,210	31,148	26,608	27,323
Swiss Franc	–	2,526	–	–
Philippines Peso	5,685	5,685	–	–

Amendments to FRS 39 and FRS 107 relating to Reclassification of Financial Assets

Following the amendments to FRS 39 and FRS 107 relating to Reclassification of Financial Assets, the group reclassified certain held-for-trading investments to available-for-sale investments. In particular, the group judged the bankruptcy of Lehman Brothers and the subsequent financial crisis as a rare circumstance. The company identified assets, eligible under the amendments, for which at 1 July 2008, it had a clear change of intent to hold for the foreseeable future rather than to exit or trade in the short term. Under FRS 39 as amended, the reclassifications were made with effect from 1 July 2008, at fair value at that date. The disclosures below detail the impact of the reclassifications to the group.

The following table shows carrying values and fair values of the reclassified assets :

	Group	
	1 July 2008 Carrying value US$'000	30 June 2009 Carrying value US$'000
Held-for-trading investments reclassified to available-for-sale investments	2,647	1,219

If the reclassification had not been made, a fair value loss of US$1,428,000 (2008 : US$Nil) would have been included in the profit and loss. The fair value loss is calculated based on the closing quoted market prices on the last market day of the financial year.

Prior to the reclassification, no fair value loss was recorded. In 2008, the amount of fair value changes recognised in the profit and loss relating to the reclassified investments was US$67,000.

20 BANK LOANS

	Group		Company	
	2009	2008	2009	2008
	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 matured in July 2009. The loans were unsecured and bore floating interest at rates ranging from 1.81% to 3.65% per annum for the group and for the company.

The fair value of the above bank loans approximated their carrying amounts.

The group and company's bank loans are denominated in Singapore dollar.

21 TRADE PAYABLES

	Group		Company	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
Outside parties	121	694	–	–
Accrued expenses	6,075	9,123	5,573	8,797
	6,196	9,817	5,573	8,797
Less: Classified as held for sale (Note 14)	–	(7)	–	–
	6,196	9,810	5,573	8,797

The average credit period on trade purchases is 30 days (2008 : 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.

The trade payables of the group and company that are not denominated in the functional currencies of the respective entities are as follows :

	Group		Company	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
Singapore Dollar	4,133	7,953	3,884	7,281

22 OTHER PAYABLES

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Outside parties	3,194	1,396	342	371

The other payables of the group and company that are not denominated in the functional currencies of the respective entities are as follows :

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
United States Dollar	24	15	–	–
Singapore Dollar	23	36	19	30
Australian Dollar	14	25	14	25
Malaysian Ringgit	2	4	2	4
Indonesian Rupiah	–	246	–	–
Philippines Peso	27	31	27	31

23 DUE TO SUBSIDIARY COMPANIES

	Company	
	2009 US$'000	2008 US$'000
Payables due to subsidiary companies (Note 35)	1,611	2,997

The payables due to subsidiary companies are non-trade in nature, unsecured, interest-free and repayable on demand.

The company's payables to subsidiary companies that are not denominated in the functional currency are as follows :

	Company	
	2009 US$'000	2008 US$'000
Singapore Dollar	1,611	1,882

24 SHARE CAPITAL

	Group and Company 2009	Group and Company 2008	Group and Company 2009	Group and Company 2008
	Number of ordinary shares ('000)		US$'000	US$'000
Issued and fully paid ordinary shares :				
At beginning of year	1,009,107	1,084,875	168,814	168,814
Repurchase of shares	(4,340)	(75,768)	–	–
At end of year	1,004,767	1,009,107	168,814	168,814

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the company.

The company repurchased 4,340,000 (2008 : 75,768,000) ordinary shares by way of market acquisition on the Singapore Exchange. The total amount paid to acquire the shares was US$1,138,422 (2008 : US$20,072,501). The share repurchases were made out of the company's profits and cancelled.

25 REVENUE

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Charter hire income	3,504	3,586	–	–
Dividend income from :				
- Subsidiary companies	–	–	891	13,168
- Other investments - quoted equity	6,510	10,130	5,299	9,170
Interest income from :				
- Associate company	90	216	–	–
- Outside parties	3,023	7,513	1,992	3,463
Rendering of services	507	449	–	–
Net (loss) profit on sale of held-for-trading investments	(5,634)	3,050	–	743
Rental income	231	486	–	–
Management fees	–	160	–	–
	8,231	25,590	8,182	26,544

26 OTHER (LOSSES) GAINS

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Gain on disposal of plant and equipment	30	137	30	2
Foreign exchange adjustment (loss) gain	(660)	5,516	(633)	2,979
(Loss) Gain on disposal of available-for-sale investments	(759)	1,298	–	–
Waiver of debts by subsidiary companies	–	–	–	258
Reversal of allowance for doubtful debts	64	–	–	–
Loss on disposal of subsidiary	(1,159)	–	–	–
Amortisation of intangible asset	(5,512)	–	–	–
Change in fair value of held-for-trading investments	(110)	–	–	–
Benefits arising from the use of compensation rights	6,338	–	–	–
Loss on disposal of other financial assets at fair value through profit and loss	(25,491)	–	–	–
Allowance for doubtful receivables from subsidiary companies	–	–	(47,600)	(4,000)
Other income	27	–	7	–
Gain on liquidation of a joint venture	–	55	–	–
	(27,232)	7,006	(48,196)	(761)

27 INCOME TAX EXPENSE

(a) The details of income tax charge are as follows :

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Current taxation	1,411	376	301	271
Under (Over) provision	509	(23)	(7)	(5)
	1,920	353	294	266

27 INCOME TAX EXPENSE (Cont'd)

(b) The total charge for the year can be reconciled to the accounting profit as follows :

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
(Loss) Profit before tax	(64,413)	19,840	(67,073)	20,269
Income tax expense at statutory rate of 17% (2008 : 18%)	(10,950)	3,571	(11,402)	3,648
Income not subject to tax*	(1,252)	(2,119)	(1,010)	(4,195)
Tax effect of share of results of associate	307	(332)	–	–
Non-allowable (taxable) items	13,368	(496)	12,731	635
Utilisation of deferred tax benefits previously not recognised	(33)	(440)	–	–
Tax exempt income	(39)	(64)	(18)	(19)
Under (Over) provision in prior years	509	(23)	(7)	(5)
Withholding tax on overseas income	3	204	–	202
Effect of different tax rate	4	12	–	–
Deferred tax benefit not recognised	–	14	–	–
Others	3	26	–	–
Income tax expense at effective tax rates	1,920	353	294	266

* Mainly pertains to income derived from shipping operations which is exempted from income tax under Section 13A of the Singapore Income Tax Act, Cap. 134.

(c) Subject to agreement with the Comptroller of Income Tax, the group (excluding foreign subsidiary companies) has unutilised tax loss carryforwards, capital allowances, and other temporary differences estimated as follows :

	Group	
	2009 US$'000	2008 US$'000
Unutilised tax loss carryforwards	6,087	7,277
Capital allowances	15	59
	6,102	7,336
Deferred tax benefit on above :		
- unrecorded	1,037	1,320

These future income tax benefits are available for an unlimited future period only if the company and its respective subsidiary companies 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 benefit is not recognised due to uncertainty of future taxable profits.

28 (LOSS) PROFIT FOR THE YEAR

(Loss) Profit for the year has been arrived at after charging (crediting) the following items :

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Directors' remuneration [(a)] :				
Directors of the company	553	2,188	553	2,188
Directors of subsidiary companies	174	323	–	–
Total directors' remuneration	727	2,511	553	2,188
Directors' fees :				
Directors of the company	104	110	104	110
Employee benefits expense (including directors' remuneration and directors' fees) :				
Defined contribution plans	72	72	20	24
Others	984	3,091	502	2,592
Total employee benefits expense	1,056	3,163	522	2,616
Change in fair value of held-for-trading investments	110	–	–	–
Impairment in value of investment in subsidiary companies	–	–	1,792	1,500
Allowance for doubtful receivables from subsidiary companies	–	–	47,600	4,000
Loss on disposal of subsidiary company	1,159	–	–	–
Loss on disposal of other financial assets at fair value through profit or loss	25,491	–	–	–
Reversal of allowance for trade debts (net)	(64)	–	–	–
Loss (Gain) on disposal of available-for-sale investments (net)	759	(1,298)	–	–
Amortisation of intangible asset	5,512	–	–	–
Gain on disposal of plant and equipment	(30)	(137)	(30)	(2)
Foreign currency adjustment loss (gain)	660	(5,516)	633	(2,979)
Auditors' remuneration :				
Payable to auditors of the company	75	77	38	32
Payable to other auditors	2	3	–	–
Total auditors' remuneration	77	80	38	32

Note :

(a) Directors' remuneration of the group and the company includes depreciation expense of vehicles used by directors of US$32,000 (2008 : US$50,000) and US$32,000 (2008 : US$50,000) respectively and consultancy fees paid to directors of the subsidiaries of US$174,000 (2008 : US$323,000).

29 DIVIDENDS

During the financial year ended 30 June 2009, the company :

(a) 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;

During the financial year ended 30 June 2008, the company :

(a) paid a final tax-exempt dividend of US$0.0069 (S$0.01) per ordinary share on the ordinary shares of the company totalling US$7,505,000 (S$10,849,000) in respect of the financial year ended 30 June 2007;

(b) paid an interim tax-exempt dividend of US$0.0037 (S$0.005) per ordinary share on the ordinary shares of the company totalling US$3,769,000 (S$5,127,000) in respect of the financial year ended 30 June 2008;

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

30 (LOSS) EARNINGS PER SHARE

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

	Group (Basic)		Group (Diluted)	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
(Loss) Earnings				
(Loss) Earnings for the purposes of earnings per share (loss) profit for the year attributable to equity holders of the parent	(66,333)	19,482	(66,333)	19,482

	Group (Basic)		Group (Diluted)	
	2009	2008	2009	2008
	'000	'000	'000	'000
Number of shares				
Number of weighted average ordinary shares used to compute earnings per share	1,005,033	1,053,942	1,005,033	1,053,942
(Loss) Earnings per share	(6.60) cts	1.85 cts	(6.60) cts	1.85 cts

31 DISPOSAL OF SUBSIDIARY

As referred to in Note 14 to the financial statements, on 11 July 2008, the group has disposed its property rental business in Indonesia upon the disposal of shares in PT Mudha Graha Realty (Note 35).

The group's share of net assets of the subsidiary at the date of disposal were as follows :

	2009 US$'000
Non-current asset :	
Plant and equipment	1,084
Current assets :	
Cash and bank balances	678
Trade receivables	5
	683
Current liability :	
Trade payables	(2)
Attributable foreign exchange reserves	2,243
Attributable minority interest	(322)
	3,686
Loss on disposal of subsidiary	(1,159)
Total consideration, satisfied by cash	2,527
Net cash inflow arising on disposal :	
Cash consideration received	2,527
Cash and bank balances disposed of	(678)
	1,849

32 SEGMENTAL INFORMATION

The core business segment of the group is its investment holding business. Other business conducted by the group includes vessel management. Accordingly, the group has segregated its primary segment information reporting into "Investment holding" and "Vessel management".

(a) Primary reporting format - business segments

Segment revenue and expense: Segment revenue and expense are the operating revenue and expense reported in the group's profit and loss statement that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating receivables, investments and property, plant and equipment, net of allowances and provisions. Capital expenditure includes the total cost incurred to acquire property, plant and equipment, and intangible assets directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of bank loans, accounts payable and accrued expenses.

	Investment holding US$'000	Vessel management US$'000	Elimination US$'000	Total US$'000
Group				
2009				
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 losses	(27,187)	(45)	–	(27,232)
Employee benefit expense	(941)	(115)	–	(1,056)
Other expenses	489	(395)	–	94
Finance costs – interest expense to related companies	(157)	–	–	(157)
Share of results of associated companies	–	(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)

32 SEGMENTAL INFORMATION (Cont'd)

(a) Primary reporting format - business segments (Cont'd)

	Investment holding US$'000	Vessel management US$'000	Elimination US$'000	Total US$'000
OTHER INFORMATION				
Additions to property, plant and equipment	33,072	–	–	33,072
Impairment in value of available-for-sale investments	37,550	–	–	37,550
BALANCE SHEET				
ASSETS				
Segment assets	238,169	9,638	–	247,807
Consolidated total assets				247,807
LIABILITIES				
Segment liabilities	25,899	976	–	26,875
Unallocated corporate liabilities				2,081
Consolidated total liabilities				28,956

Group

2008

	Investment holding US$'000	Vessel management US$'000	Elimination US$'000	Total US$'000
REVENUE				
External sales	21,710	3,880	–	25,590
Inter-segment sales	4,218	–	(4,218)	–
Revenue	25,928	3,880	(4,218)	25,590
RESULT				
Segment result	13,413	1,469	–	14,882
Less depreciation	(170)	(188)	–	(358)
	13,243	1,281	–	14,524
Other income	4,627	2,379	–	7,006
Employee benefit expense	(2,973)	(190)	–	(3,163)
Other expenses	174	(434)	–	(260)
Finance costs – interest expense to non-related companies	(114)	–	–	(114)
Share of results of associated companies	–	1,847	–	1,847
Profit before tax	14,957	4,883	–	19,840
Income tax expense	(327)	(26)	–	(353)
Profit for the year	14,630	4,857	–	19,487

32 SEGMENTAL INFORMATION (Cont'd)

(a) Primary reporting format - business segments (Cont'd)

	Investment holding US$'000	Vessel management US$'000	Elimination US$'000	Total US$'000
OTHER INFORMATION				
Additions to property, plant and equipment	16	4,065	–	4,081
Impairment in value of available-for-sale investments	3,295	–	–	3,295
BALANCE SHEET				
ASSETS				
Segment assets	292,930	9,567	–	302,497
Associated companies	–	1,847	–	1,847
Consolidated total assets				304,344
LIABILITIES				
Segment liabilities	10,024	1,189	–	11,213
Unallocated corporate liabilities				1,144
Consolidated total liabilities				12,357

(b) Secondary reporting format - geographical segments

The group's operations are located in Philippines, Australia, Singapore, Hong Kong, Indonesia, Malaysia and Middle East.

Segment assets and capital expenditure: 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, and intangible assets.

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

	2009 US$'000	2008 US$'000
ASEAN (excluding Singapore)	1,545	2,118
Singapore	(754)	12,980
Hong Kong	190	2,149
Australia	1,494	2,074
Middle East	3,503	3,636
Others	2,253	2,633
	8,231	25,590

32 SEGMENTAL INFORMATION (Cont'd)

(b) Secondary reporting format - geographical segments (Cont'd)

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

	Group			
	Carrying amount of segment assets		Additions to property, plant and equipment	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
ASEAN (excluding Singapore)	35,129	35,642	–	–
Singapore	103,266	146,885	3	63
Hong Kong	7,142	10,825	–	–
Australia	61,769	37,182	33,069	–
Middle East	6,433	20,420	–	4,018
United Kingdom	11,644	38,791	–	–
Belgium	13,298	–	–	–
Others	9,126	14,599	–	–
	247,807	304,344	33,072	4,081

33 CONTINGENT LIABILITIES

	Group		Company	
	2009 US$'000	2008 US$'000	2009 US$'000	2008 US$'000
Bankers' guarantee issued to customers (unsecured)	45	67	45	67

The company has given undertakings to provide continuing financial support to certain of its subsidiary companies amounting to US$47,382,000 (2008 : US$9,979,000).

Management, having considered all the above matters, are of the opinion that no loss will arise and accordingly, no provision has been made in the financial statements for the amounts guaranteed.

34 COMMITMENTS

Operating lease commitments

	Group		Company	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
Minimum lease payments under operating leases recognised as an expense in the year	182	188	113	116

At the balance sheet date, the group and company has commitments under non-cancellable operating leases for the rental of office premises which fall due as follows :

	Group		Company	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
Future minimum lease payments payable :				
Within one year	180	198	114	121
In the second to fifth year inclusive	263	429	–	121
Payable after fifth year	93	186	–	–
Total	536	813	114	242

Lease rental of the group amounting to US$68,751 (2008 : US$71,845), which was included in operating leases recognised in the profit and loss statement is subject to revision every year not exceeding 5.5% or the prevailing market value whichever is lower of the annual rent for each immediate preceding year. The computation of the future minimum lease payments payable are calculated based on the existing prevailing market value.

35 SUBSIDIARY COMPANIES

	Country of incorporation and operating activities	Proportion of ownership interest and voting power held		Principal activities
		2009	2008	
		%	%	
Held by the company				
Beauford Marine Pte Ltd	Singapore	100	100	Ship agent and ship chartering
Cleanway Environmental Services Pte Ltd [(1)]	Singapore	100	100	Dormant
Cresta Investment Pte Ltd	Singapore	100	100	Investment holding
ProVest Global Pte Ltd	Singapore	100	100	Investment holding
ProVest Holdings Pte Ltd	Singapore	100	100	Investment holding
ProVest Realty Pte Ltd [(1)]	Singapore	100	100	Dormant
ProVest Transworld Limited	Singapore	99.7	99.7	Rental and management of properties
ProVest Ventures Pte Ltd [(1)]	Singapore	100	100	Dormant
Shin Chuan Pte Ltd	Singapore	100	100	Investment holding
CH BioVest Pte Limited	Singapore	100	100	Ship agent and investment holding
Ventrade (Asia) Pte Ltd	Singapore	100	100	Investment holding and trading of available-for-sale and held-for-trading investments
Westgarden Development Pte Ltd [(1)]	Singapore	100	100	Dormant
Held by subsidiary companies				
Held by Cleanway Environmental Services Pte Ltd				
Cleanway Systems and Technologies Pte Ltd [(1)]	Singapore	100	100	Dormant
Held by Shin Chuan Pte Ltd				
PT Mudha Graha Realty [(2)]	Indonesia	–	81.68	Rental of properties (Indonesia)

35 SUBSIDIARY COMPANIES (Cont'd)

	Country of incorporation and operating activities	Proportion of ownership interest and voting power held 2009 %	2008 %	Principal activities
Held by Ventrade (Asia) Pte Ltd				
96 and 102 Terrace Road Pty Ltd [3]	Australia	100	100	Property Development (Australia)
Ventrade Australia Pty Ltd [3]	Australia	100	–	Property Development (Australia)
Held by ProVest Holdings Pte Ltd				
Valcom Holdings Inc [4]	British Virgin Island	100	100	Investment holding
Held by CH BioVest Pte Limited				
Polytech Investing Ltd [1]	British Virgin Island	100	100	Dormant

All subsidiary companies are audited by Deloitte & Touche 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 KAP Doli, Bambang, Sudarmadji & Dadang, a member firm of BKR International. This subsidiary was disposed in July 2008.

(3) Audited by KPMG, Australia.

(4) Audited by Deloitte & Touche LLP, Singapore for consolidation purposes only.

36 ASSOCIATED COMPANIES

	Country of incorporation and operating activities	Proportion of ownership interest and voting power held 2009 %	2008 %	Principal activities
Held by Cresta Investment Pte Ltd				
Sunbest Transco Limited (1)	Cyprus	40	40	Ship chartering (Middle East)
CH Aggregate Limited (2)	Cyprus	40	40	Dormant

(1) Audited by PricewaterhouseCoopers Limited, Cyprus.

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

37 JOINT VENTURE

	Country of incorporation and operating activities	Proportion of ownership interest and voting power held 2009 %	2008 %	Principal activities
Held by Ventrade Australia Pty Ltd				
187 Adelaide Terrace Joint Venture	Australia	50	–	Property development (Australia)
Held by 96 and 102 Terrace Road Pty Ltd				
96 and 102 Terrace Road Joint Venture	Australia	50	50	Property development (Australia)

In 2008 and 2009, no share of the joint ventures' aggregate amount was recognised as they were dormant.

Statement of Directors

In the opinion of the directors, the accompanying consolidated financial statements of the group and the balance sheet, profit and loss statement and statement of changes in equity of the company as set out on pages 26 to 78 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 2009 and of the results and changes in equity of the group and of the company and cash flows of the group for the financial year then ended and 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 DIRECTORS

....
Peh Siong Woon Terence

....
Peh Kwee Chim

Singapore
28 August 2009

Shareholder Information

as at 15 September 2009

SHARE CAPITAL

Issued and Fully Paid Capital - S$288,340,605.67

BREAKDOWN OF SHAREHOLDINGS BY RANGE

SIZE OF SHAREHOLDINGS	NUMBER OF SHAREHOLDERS	% OF SHAREHOLDINGS	NUMBER OF SHARES	% OF ISSUED SHARE CAPITAL
1 – 999	28	0.23	10,185	0.00
1,000 - 10,000	6,439	52.61	43,527,551	4.36
10,001 - 1,000,000	5,732	46.83	287,277,871	28.79
1,000,001 and above	40	0.33	667,048,843	66.85
TOTAL	12,239	100.00	997,864,450	100.00

TWENTY LARGEST SHAREHOLDERS

	SHAREHOLDER'S NAME	NO. OF SHARES	% OF HOLDINGS
1	PEH KWEE CHIM	316,823,990	31.75
2	WALNUT PTE. LTD.	151,835,500	15.22
3	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	28,324,000	2.84
4	DBS NOMINEES PTE LTD	27,599,500	2.77
5	UNITED OVERSEAS BANK NOMINEES (PTE) LTD	26,827,000	2.69
6	MERRILL LYNCH (SINGAPORE) PTE LTD	18,158,500	1.82
7	CITIBANK NOMINEES SINGAPORE PTE LTD	14,363,453	1.44
8	LIM & TAN SECURITIES PTE LTD	14,281,000	1.43
9	OCBC NOMINEES SINGAPORE PTE LTD	9,823,400	0.98
10	KIM ENG SECURITIES PTE. LTD.	3,604,000	0.36
11	CIMB-GK SECURITIES PTE. LTD.	3,555,000	0.36
12	LEONG HEIN HAK	3,250,000	0.33
13	OCBC SECURITIES PRIVATE LTD	3,097,000	0.31
14	NG THIN ONN	3,000,000	0.30
15	LOW BENG BAK OR LEE SIEW TIANG (MRS LOW SIEW TIANG)	2,875,000	0.29
16	HSBC (SINGAPORE) NOMINEES PTE LTD	2,620,000	0.26
17	LIM MENG KONG	2,510,000	0.25
18	UOB KAY HIAN PTE LTD	2,389,000	0.24
19	SEAH KIOK LENG	2,172,000	0.22
20	KHONG LAI CHEONG	2,015,000	0.20
	Total:	639,123,343	64.06

Shareholder Information

as at 15 September 2009

SUBSTANTIAL SHAREHOLDERS (as shown in the Register of Substantial Shareholders)

	DIRECT INTEREST		DEEMED INTEREST		TOTAL INTEREST	
SHAREHOLDER'S NAME	NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%
PEH KWEE CHIM	316,823,990[a]	31.75	151,835,500[b]	15.22	468,659,490	46.97
WALNUT PTE. LTD.	151,835,500	15.22	–	–	151,835,500	15.22
PEH SIONG WOON TERENCE	–	–	151,835,500[c]	15.22	151,835,500	15.22

Notes:

(a) Includes shares held in the name of nominees.

(b) Mr Peh Kwee Chim has a deemed interest in 151,835,500 shares, by virtue of Section 7(4) of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), as he holds 50% of the issued shares of Walnut Pte. Ltd.

(c) Mr Peh Siong Woon Terence has a deemed interest in 151,835,500 shares, by virtue of Section 7(4) of the Companies Act, as he holds 50% of the issued shares of Walnut Pte. Ltd.

(d) Based on information available to the Company as at 15 September 2009, approximately 53% 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.

Notice of Annual General Meeting

CHUAN HUP HOLDINGS LIMITED

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

NOTICE IS HEREBY GIVEN that the THIRTY-NINTH ANNUAL GENERAL MEETING of the Company will be held at The Board Room, 390 Jalan Ahmad Ibrahim, Singapore 629155 on 23 October 2009 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 2009 together with the reports of the Directors and the Auditors thereon. (Resolution 1)

2. To re-elect Mdm Joanna Young Sau Kwan, who retires by rotation in accordance with Article 86 of the Company's Articles of Association, and who, being eligible, offers herself for re-election. [See Explanatory Note 1] (Resolution 2)

3. To re-elect Prof. Tan Cheng Han, S.C., 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 2] (Resolution 3)

4. To approve the payment of fees of S$150,000 for Non-Executive Directors for the Financial Year ended 30 June 2009 (FY 2008: S$150,000). (Resolution 4)

5. To appoint Ernst & Young LLP as Auditors of the Company in place of Deloitte & Touche LLP to hold office until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. [Please see Appendix for the details.] (Resolution 5)

Special Business:

6. 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 issued share 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 issued share 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 share capital shall be based on the issued share 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 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 6)**

Dated this 7th day of October 2009

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 to attend and vote on his behalf. Such proxy need not be a member of the Company.

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

Explanatory Notes:

1) Mdm Joanna Young Sau Kwan if re-elected, will continue as the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees. Mdm Young is considered an independent director.

2) Prof. Tan Cheng Han, S.C if re-elected, will continue as the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. Prof. 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 Friday, October 23, 2009. The bus will leave for Chuan Hup Holdings Limited at 1.15 p.m. sharp on that day.

Appendix to Notice of Annual General Meeting dated 7 October 2009

This Appendix to the Notice of Annual General Meeting dated 7 October 2009 issued by Chuan Hup Holdings Limited contains additional information for the Ordinary Resolution set out in Item 5 of the Notice. If you are in any doubt as to the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Chuan Hup Holdings Limited, you should immediately forward this Appendix, the Notice of Annual General Meeting and the enclosed Proxy Form to the purchaser or the transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Appendix.

Resolution 5 is to appoint Ernst & Young LLP ("Ernst & Young") as auditors of the Company in place of Deloitte & Touche LLP ("Deloitte") until the next Annual General Meeting and to authorise the Directors of the Company to fix their remuneration.

The Audit Committee (the "AC") reviewed the Company's continued engagement of its existing external auditors Deloitte as part of the Company's ongoing efforts to enhance its corporate governance process. Deloitte have been the Company's external auditors for the past 21 years. A change of auditors would enable the Group to benefit from fresh perspective and views of another professional firm and also further enhance the value of the audit.

The Board of Directors reviewed and considered the recommendations of the AC on the proposed change of auditors. The Directors also evaluated the resources and the experience of Ernst & Young. After taking into account the size and complexity of the Group's business, the Directors are of the opinion that Ernst & Young will be able to meet the audit requirements and statutory obligations of the Company and the Group. Accordingly, the Directors confirm that Rule 712 of the Singapore Exchange Securities Trading Limited Listing Manual (the "Listing Manual") has been complied with.

Deloitte have confirmed that they are not aware of any professional reasons why Ernst & Young should not accept appointment as auditors of the Company. The Directors have confirmed there were no disagreements with Deloitte on accounting treatments within the last 12 months. The Directors also confirm that they are not aware of any circumstances connected with the change of auditors that should be brought to the attention of the shareholders of the Company.

In accordance with Rule 1203(5) of the Listing Manual, the Directors propose to seek shareholders' approval for the proposed change of auditors from Deloitte to Ernst & Young.

The Directors accept responsibility for the accuracy of the information herein.

CHUAN HUP HOLDINGS LIMITED

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

IMPORTANT

1. For investors who have used their CPF moneys to buy shares in the capital of Chuan Hup Holdings Limited, this Annual Report 2009 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.

PROXY FORM

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 Thirty-Ninth Annual General Meeting of the Company to be held at The Board Room, 390 Jalan Ahmad Ibrahim, Singapore 629155 on 23 October 2009 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 – Mdm Joanna Young Sau Kwan		
3	Re-election of Director – Prof. Tan Cheng Han, S.C.		
4	Payment of Fees to Non-Executive Directors		
5	Appointment of Ernst & Young LLP as Auditors		
	Special Business		
6	Approval of proposed Share Issue Mandate		

Dated this ______________ day of ____________________ 2009

____
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 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 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.

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

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