Lindeteves - Jacoberg Limited

annual report 09

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Corporate Information

Board of Directors

Peter Sichrovsky
Chairman & Chief Executive Officer

Knut Unger
Independent Director

Volker Felix Zuleck
Independent Director

Bernhard Rippel
Non-Executive & Non-Independent Director

Christian Schmidt
Non-Executive & Non-Independent Director
(appointed on 1st January 2010)

Audit Committee

Volker Felix Zuleck
Chairman

Knut Unger
Member

Bernhard Rippel
Member

Nominating Committee

Volker Felix Zuleck
Chairman

Knut Unger
Member

Bernhard Rippel
Member

Remuneration Committee

Volker Felix Zuleck
Chairman

Knut Unger
Member

Bernhard Rippel
Member

Company Secretary

Chan Wan Mei
Lim Mee Fun

Registered Office

141 Market Street
International Factors Building #07-01
Singapore 048944
Tel no: [+65] 6227 0308
Fax no: [+65] 6227 0605
Email: mgt@linjacob.com

Registrar, Agent and Transfer Officer

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

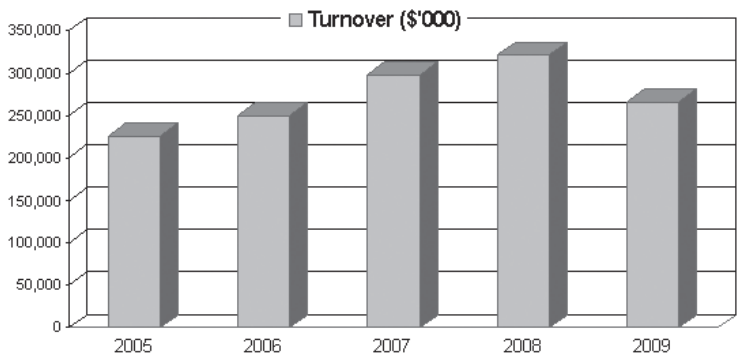
Auditors

BDO LLP
Public Accountants and
Certified Public Accountants
19 Keppel Road, #02-01
Jit Poh Building
Singapore 089058
Audit Partner: Yeo Ek Khuan
(starting financial year ended 31 December 2007)

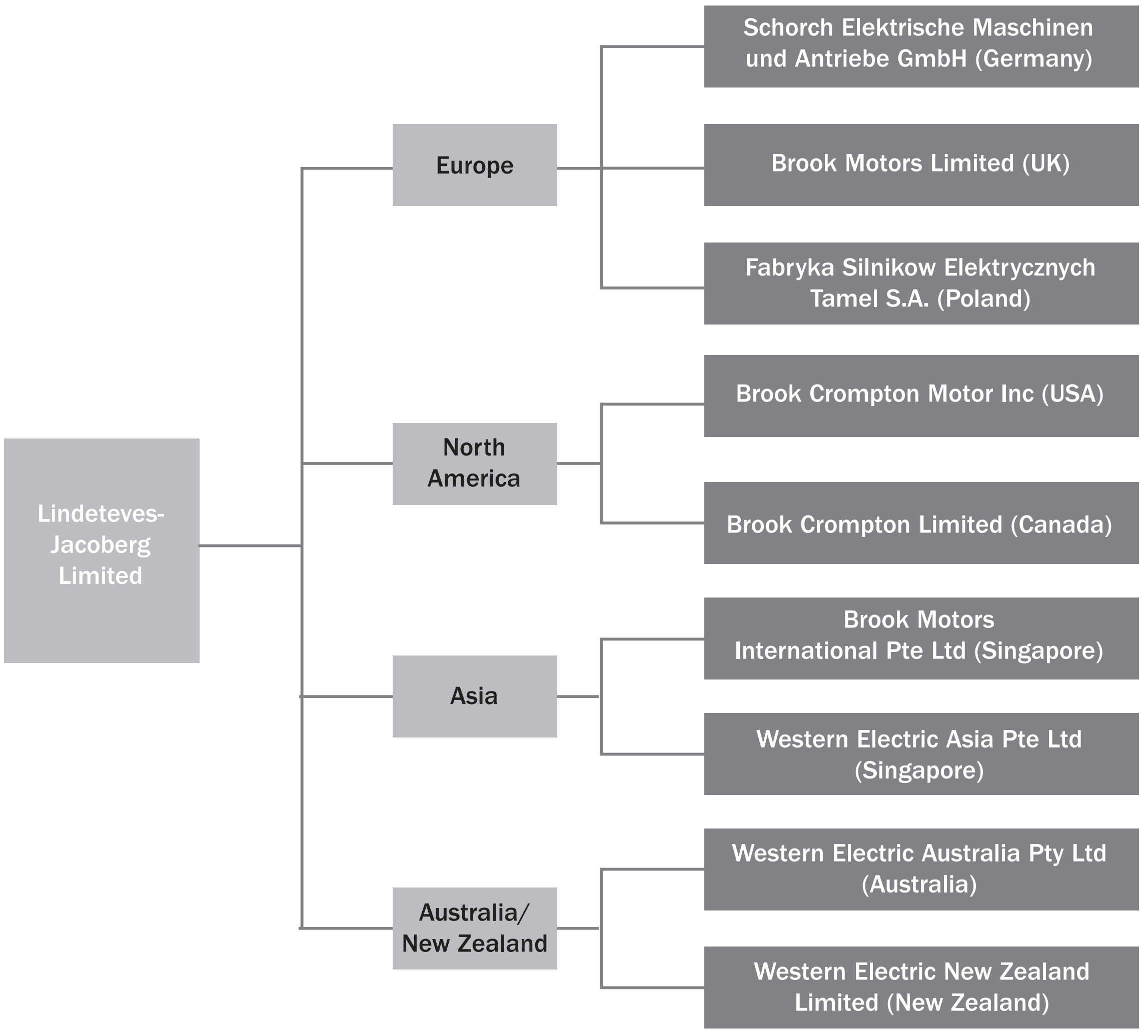
Financial Highlights

S$'000	2005	2006	2007	2008	2009
Consolidated Income Statement					
Turnover	226,090*	249,557*	297,627	321,180	265,404
Profit/(Loss) from continuing operations	(130,671)	14,566	(8,451)	(12,347)	(6,528)
Loss from discontinued operations	(25,863)	(47,662)	(24,170)	(21,815)	–
Total loss after tax	(156,534)	(33,096)	(32,621)	(34,162)	(6,528)
Consolidated Statements of Financial Position					
Property, plant and equipment	192,439	157,533	152,862	109,731	103,713
Other non-current assets	5,868	4,509	2,824	739	647
Non-current assets	**198,307**	**162,042**	**155,686**	**110,470**	**104,360**
Current assets	176,671	122,568	130,412	119,596	108,691
Current liabilities	(386,082)	(134,031)	(202,358)	(96,386)	(79,635)
Net current liabilities	**(209,411)**	**(11,463)**	**(71,946)**	**23,210**	**29,056**
Non-current liabilities	(77,403)	(221,813)	(180,060)	(247,693)	(254,975)
Net assets/(liabilities)	**(88,507)**	**(71,234)**	**(96,320)**	**(114,013)**	**(121,559)**
Share Capital	90,969	149,642	149,642	149,642	149,642
Other Reserves	(4,779)	(13,083)	(5,548)	10,921	9,903
Accumulated losses	(174,697)	(207,793)	(240,414)	(274,576)	(281,104)
Shareholders' funds	**(88,507)**	**(71,234)**	**(96,320)**	**(114,013)**	**(121,559)**
Net tangible assets/(liabilities) per share (cents)	(32.6)	(10.2)	(13.66)	(16.13)	(17.17)
Return on equity (%)	NM	NM	NM	NM	NM

NM: Not Meaningful
** Exclude motor business in China*



Corporate Structure



Note: All are wholly owned subsidiaries of the Company

Board of Directors

Mr Peter Sichrovsky

Executive Chairman of the Board, Mr Sichrovsky was appointed to the Board as a non-executive director on 27 February 2007 and subsequently appointed as Chief Executive Officer on 8 August 2007. Mr Sichrovsky was a former foreign correspondent and director for the South and South-East Asian offices of several major German newspapers, and had worked in New Delhi and Hong Kong. Between 1996 and 2004, he was a Member of the European Parliament for Austria. Mr Sichrovsky graduated from the University of Vienna, Austria with a Master of Science degree majoring in Chemistry and Pharmacy.

Dr Knut Unger

Independent Director, Dr Unger joined the Lindeteves-Jacoberg Ltd. Board of Directors on 1 August 2007. After completion of his legal training in Germany, he participated in the FARE – Project Estonia, a program of the European Community for the development of the judicial systems of Eastern European reform democracies. He has subsequently been working as solicitor in Germany and Singapore. Dr Unger holds a PhD in Law from the University of Freiburg and has studied in Germany and Belgium.

Mr Volker Felix Zuleck

Independent Director, Mr Zuleck joined the Board of Directors on 7 November 2008. He started his career as solicitor in an international law firm in Dubai, UAE. He has previously worked in Paris, Germany and Austria and has held superior positions in several international companies. Over the past years he has been working as freelance consultant to several major players in the chemical, engineering and pharmaceutical industry. Mr. Zuleck holds a degree in law from Germany and a Master of Law in European Business Law.

Mr Bernhard Rippel

Non-Executive & Non-Independent director, Mr Rippel is currently PA to the Board of Directors at A-TEC Industries AG and he joined the Board of Directors on 7 November 2008. He has been heading the Singapore Desk at A-TEC Industries since 2007 and has been closely involved in the development of Lindeteves Jacoberg Ltd. He also holds several positions as managing director in Serbia and Africa. Previous experience includes positions as Sales Manager at Crown Plaza Salzburg and as Key Account Manager at DO&CO Airline Catering in Vienna. Mr. Rippel graduated from the University of Innsbruck with a degree in Business Administration and Economics. He also completed a postgraduate program in International Relations at the Diplomatic Academy in Vienna.

Mr Christian Schmidt

Non-Executive and Non-Independent director. Being one of the co-founders and co-owners of the Austrian industrial group A-TEC Industries (founded in 2001), Mr Schmidt has been holding the position of Chief Operating Officer in A-TEC since 2006. Concurrently he is serving as the CEO of ATB Antriebstechnik and is also a member of the board of Austrian Energy & Environment and other subdivisions of the group. Prior to his current activities, he held several management and consultant positions in the industry. Mr Schmidt holds a degree in Industrial Engineering from ETH Zurich in Switzerland.

Management Team

Mr Peter Sichrovsky

Chief Executive Officer, Mr Sichrovsky plays a key role in charting the ***LJ Group***'s strategic growth. He is responsible for the Group's overall performance as well as developing the Group's business to maximize shareholder value in the long term.

Mr Wolfgang Kloser

Mr Wolfgang Kloser was appointed Chief Financial Officer of ***Lindeteves-Jacoberg Ltd*** in August 2009. Previously, he held leading positions as Head of Finance and Controlling and Director of Corporate Finance in Austria with a stocklisted company in the packaging & paper industry. He also holds various directorships in Austria and the Netherlands. Mr Kloser is a graduate in the University of Vienna for Economics and Business Administration.

Mr Kay Schimdt

Mr Kay Schmidt was appointed as Managing Director of ***Schorch*** in 2009. Prior to his current appointment, he held various management positions with BorgWarner Transmission Systems GmbH in Germany where he was responsible for major production facilities. Mr Schmidt has completed intensive training in economics and holds a degree in Engineering.

Mr Marek Zych

Mr Marek Zych was appointed General Director of ***Tamel S.A.*** in 2009. His previous career included various specialist and management positions with Polish and Dutch companies where he was awarded numerous awards for outstanding business and technical achievements. Mr Zych holds diplomas in management from the Management Centre Europe in Brussels and INSEAD Fontainebleau.

Mr Richard Eason

Mr Eason was appointed as CEO of ***Brook Motors Ltd*** in April 2009. Prior to this he has spent 20 years in the electrics motor and drives industry, including assuming the role of Manager UK Operations for Loher Gmbh and most recently as Business Manager for Siemens PLC focusing on OEM and EPC businesses for large motors and drives, predominantly serving the oil & gas industries. Mr Eason holds a degree in Environmental Sciences from the University of Lancaster in the UK.

Chairman's Statement

When 2009 came to a close, it became clear that it did not bring the relief from the global economic turmoil that everyone had hoped for. In light of the global development, the year has provened to be especially difficult from a sales perspective. Thus, Lindeteves-Jacoberg Limited has made it a priority to cushion the effects from lower sales through a major cost reduction and sales of non-profitable subsidiaries.

The process of winding up BCW Dalian has made progress in China while a lawsuit brought forward in Singapore under the appointment of Dalian Municipal Economic Commission was successfully averted. Our subsidiaries in Australia and New Zealand have sold their business to new contract partners who have also taken over the infrastructure including the assets and employees on site. All the while, we have worked towards expanding the trading business and venturing into new markets. Cooperation with our major shareholder, ATB Austria, has remained strong and aided in our efforts to develop new strategies for Lindeteves-Jacoberg Ltd.

OUTLOOK

Our objectives for the next year include: further economization and reduction of costs while restructuring the group in a way that will optimize the exploitation of new business opportunities. We will be focusing on initiating and expanding activities in markets that show signs of recovery and economic growth while stabilizing operations in volatile markets that are still suffering economic troubles which consequently affect sales numbers. We aim to substantially increase our trading business; a big step towards achieving our goal lies in the restructuring of our North American sales subsidiaries under a new management.

ACKNOWLEDGEMENTS

Despite the hardships of 2009 the team has managed to avert sharp effects on output through strong cooperation and efficient management of the tasks at hand. I would like to express my utmost appreciation for the efforts every member of the team has exercised in order to achieve our goals. On behalf of the Board of Directors, I welcome Mr Christian Schmidt who joined the main board on 1 January 2010. He brings with him a wealth of experience in the industry. I appreciate the counseling and the guidance provided by my fellow board members during the past years; I would also like to thank our former CFO, Mr Gerhard Margetich, for his contributions, and welcome Mr Wolfgang Kloser, who has taken over his role. At the same time I would like to thank the directors and employees of our headquarters and subsidiaries for their commitment. Last but not least, I wish to express my gratitude to all shareholders and business associates for their continued support.

Peter Sichrovsky
Chairman

Review of Operations

PERFORMANCE OVERVIEW

The group turnover for the financial year 2009 has dropped to $265.4 million compared to the preceding year's $321.2 million, which means a decline of 17%. This was mainly due to the economic downturn which hit most of the motor industry and has had an adverse impact on the group sales. This has led to a lower gross profit of $51.5 million compared with 2008's gross profit of $69.2 million. However, despite the lower sales, the after-tax loss for continuous operations of $6.5 million was almost half of that of 2008's loss of $12.3 million. This was the result of lower operating costs as well as lower financing costs.

In addition to the group's concerted effort to trim its operational costs in 2009, there was a write-back of impairment charges when our WE Australia and WE New Zealand sales offices were sold, as well as positive effects resulted from Lindeteves-Jacoberg Limited ('the Company') disposing of its joint venture company Brook Crompton Greaves in 2009. At the same time, financing costs have decreased due to a cessation of loan interests due to the major shareholder.

No operations were recorded as discontinued in 2009, the net loss for the year remained therefore at $6.5 million (2008: net loss $34.2 million including the loss from a discontinued operation).

As per year end, the Company is free of any debt formerly due to financial institutions.

OPERATIONS OVERVIEW

The business of the group comprises manufacturing and distribution of electric motors for both standard and specialized motors covering a wide range of industries. The products are mostly manufactured and distributed under the brand names of Brook Crompton, Western Electric and Schorch.

Brook Crompton and Western Electric

Fabryka Silnikow Elecktrycznch S.A ('Tamel') — Poland

Tamel produces industrial motors with Europe as its major market. About 80% of its products are sold under the trademark of Brook Crompton with the remaining being marketed under the Tamel brand name. Streamlining efforts are in place in order to trim operational costs.

Brook Motors Limited ('BML') — (UK):

80% of BML's revenue in 2009 was derived from its distribution business headquartered in Huddersfield, with the remainder coming from its manufacturing operation in Blackheath which produces mostly customized electric motors. The company owns the Brook Crompton trademark which stands for well established and well known quality products throughout Europe. It partners with Tamel to produce and distribute industrial motors in addition to its in-house production of specialised motors. Its major market is mainly the UK.

BML, together with Tamel, contributes over 30% to the group sales.

BC Canada and BC USA – North America

The two companies' core business is in distribution of various types of motors under the brand name of Brook Crompton. Both companies have a wide customer base in North America. Facing the declining sales experienced during this year of global financial turmoil, the management is continuing efforts to streamline its business model to strongly improve cost efficiency and to improve its market share.

Review of Operations

Western Electric Asia (‘WEA’) & Brook Motors International (‘BMI’) — Singapore

WEA is headquartered in Singapore where it supplies primarily three phase AC motors to various distributors in the Asian region under the brand names of both Western Electric as well as Brook Crompton. WEA obtains its range of motors from Tamel and from third-party suppliers in China and India.

During the year, our sales offices in Australia and New Zealand have been converted to distributorships by way of partnering with two major distributors stationed in both countries. Under the agreements, all inventories were sold; our partners will operate under the brand name of Western Electric and Brook Crompton.

Recognizing the growing potential in the Asia-Pacific region as a market, WEA & BMI will play a major role in promoting the sales activity in this region, leveraging on its well established industry know-how and market intelligence in the supply chain.

Schorch

Schorch Elektrische Maschinen und Antriebe GmbH (‘Schorch’) — Germany

Schorch is an electrical engineering manufacturer of specialized motors for projects marketed under the highly reputed brand name of Schorch. Its target markets are Europe and the Middle East. In 2009, Schorch has contributed more than 50% of the group sales. The management continually strives to maintain and improve the high standard and quality of products.

Peter Sichrovsky
Chief Executive Officer

Corporate Governance

OUR COMMITMENT TO CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance within the Company and its subsidiaries as part of its mission to enhance shareholder value for the long term. The Company's corporate governance policies and practices are guided by the corporate governance principles set out in the Singapore Code of Corporate Governance 2005 (the "Code").

In implementing the various aspects of the Code, and while adhering to its fundamental principles in promoting high standards of corporate conduct, the Company has adopted a practical approach in order to achieve an optimal balance with operational and strategic business goals.

BOARD MATTERS

Principle 1: Board's Conduct of its Affairs

The Board's role is to:

(a) provide entrepreneurial leadership, set strategic aims, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;

(b) establish a framework of prudent and effective controls which enables risk to be assessed and managed;

(c) review management performance; and

(d) set the company's values and standards, and ensure that obligations to shareholders and others are understood and met.

The Board regularly reviews the business plans and the financial performance of the Group, and has overall responsibility for corporate governance, including the adequacy of internal controls, risk management, compliance and financial reporting.

Principle 2: Board Composition and Guidance

The composition of the Board is as follows:

Peter Sichrovsky	Executive Chairman	
Dr Knut Unger	Independent, non-executive	
Volker Felik Zuleck	Independent, non-executive	
Bernhard Rippel	Non-independent, non-executive	
Christian Schmidt	Non-independent, non-executive	(appointed on 1 January 2010)

The Board meets at least four times a year in order to review the performance of the preceding quarter, projections and to review and approve announcements. Members of the Board will meet and hold discussion regularly to deliberate on operational issues and provide continuing advice to management as the need arises. In the financial year ended 31 December 2009, four Board Meetings were held.

The Board comprises of five (5) members, four (4) of whom are non-executive directors where two (2) are independent directos. The Board has strong industry knowledge, expertise and experience in areas of engineering, law, finance and business management. A short description of each director background is presented on page 4 of this annual report.

Corporate Governance

The Board is supported by three committees, namely the Audit Committee (“AC”), the Nominating Committee (“NC”) and the Remuneration Committee (“RC”). Each committee has its own terms of reference setting out the scope of its duties.

The attendances of the Directors at the meetings of the Board and Board Committees during the financial year ended 31 December 2009 are as follows:–

				Board of Directors				Audit Committee				Nominating Committee	Remuneration Committee
	Director	**Appointment**	**Resignation**	**26-Feb-09**	**7-May-09**	**13-Aug-09**	**13-Nov-09**	**26-Feb-09**	**7-May-09**	**13-Aug-09**	**13-Nov-09**	**26-Feb-09**	**26-Feb-09**
1	Peter Sichrovsky (Appointed as Non–Executive Director & Chairman on 27 Feb 2007; Appointed as CEO on 8 Aug 2007 & continue as Chairman) (Appointed as Member of AC, RC and NC on 28 March 2007 and ceased on 8 Aug 2007)	27.2.2007	–	1	1	1	1	NA	NA	NA	NA	NA	NA
2	Dr Knut Unger (Appointed as Member of AC on 1 August 2007) (Appointed as Chairman of NC and RC on 1 Aug 2007 and redesignated to NC and RC member on 19 January 2009)	1.8.2007	–	1	1	1	1	1	1	1	1	1	1
3	Volker Felix Zuleck (Appointed as AC, NC and RC Chairman on 19 Jan 2009)	7.11.2008	–	1	1	1	1	1	1	1	1	1	1
4	Bernhard Rippel (Appointed as AC, NC and RC member on 19 Jan 2009)	7.11.2008	–	0	1	1	1	0	1	1	1	0	0
5	Christian Schmidt (Appointed as Non–Independent and Non–Executive Director on 1 Jan 2010)	1.1.2010	–	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Principle 3: Role of Chairman and CEO

The Chairman and CEO of the Company during the financial year 2009 was Mr Peter Sichrovsky. Although the roles and responsibilities for the Chairman and CEO were vested in Mr Sichrovsky, major decisions are made in consultation with the Board. The Board believes that there were adequate measures in place against the concentration of power and authority in one individual.

The Chairman leads the Board to ensure its effectiveness and also to ensure the Board members are provided with accurate, timely and clear information. The Chairman monitors communications between the Company and its shareholders and between Board and Management to encourage constructive relation and dialogue between them.

Principle 4 and 5: Board Membership and Performance

The composition of NC are outlined below. The NC shall comprise at least three directors, a majority of whom, including the Chairman shall be Independent.

Mr Volker Felix Zuleck	Chairman of the Committee
Dr Knut Unger	Member
Mr Bernhard Rippel	Member

The NC will meet as and when necessary and has its own Terms of Reference approved by the Board that sets out its roles and responsibilities amongst the selection and nomination process and recommendation of appointing new directors to the Board and re-election of retiring directors at the Company's Annual General Meeting.

The Articles of Association of the Company provides for at least one-third of the directors except the CEO to retire and subject themselves to re-election by shareholders at every Annual General Meeting and for all directors to do so at least once in every three years.

In the nomination and selection process for new directors, the NC identifies the key attributes that an incoming director should have, based on a matrix of the attributes of the existing Board and the requirements of the Group. The NC also reviews annually the independence of the independent director and the overall performance and effectiveness of the Board as a whole.

Principle 6: Access to Information

Directors are furnished with sufficient information in the form of board reports prepared by the Management prior to board meetings. The Board has full access to the Management and the Company Secretary, records and other information as they may require. Each director may also seek such independent professional advice on any Company matters as he may require and the cost of which is to be borne by the Company.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies
Principle 8: Level and Mix of Remuneration
Principle 9: Disclosure of Remuneration

The composition of RC members are outlined below. The RC shall have a minimum of three members who shall entirely comprise non-executive directors, the majority of whom, including the Chairman, should be independent.

Mr Volker Felix Zuleck	Chairman of the Committee
Dr Knut Unger	Member
Mr Bernhard Rippel	Member

The RC has its own Terms of Reference approved by the Board that sets out its roles & responsibilities.

The responsibilities of the RC are to review and recommend to the Board for approval, a framework for remuneration and to determine the specific remuneration packages and terms of employment for each of the Group's executive directors and senior executive officers including those of employees related to executive directors and controlling shareholders of the Company. The review also includes the nature of compensation commitments on key management contracts of service in the event of early termination and that the contracts do not have excessively long or onerous removal clauses.

In addition, the RC also reviews the appropriateness of compensation for non-executive directors including but not limited to director's fees, allowances and share options (where applicable). The level of each director's remuneration for the financial year 2009 is shown below:

	Fee	Salary	Allowances	Bonus
	%	%	%	%
S$250,000 – S$500,000				
Mr Peter Sichrovsky	Nil	77	13	10
Below S$250,000				
Dr Unger	100	Nil	Nil	Nil
Mr Volker Zuleck	100	Nil	Nil	Nil
Mr Bernhard Rippel	Nil	Nil	Nil	Nil

There are no employees of the Company who are immediate family members of a director or CEO.

There are five top executives and key employees within the Group (who are not also directors of the Company) who received remuneration within the range of S$250,000 and S$500,000. These are: Gunter Gorgen, Jurgen Broihan, Wayne Huron, Paolo Maggiotto & Roman Zuzok.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

In the discharge of its duties to shareholders, the Board seeks to provide shareholders with a detailed analysis, explanation and assessment of the Group's performance, financial position and prospects when reporting quarterly, half-yearly and full year financial results.

Principle 11: Audit Committee

The composition of AC are outlined below. The AC should comprise at least three directors, all non-executive, the majority of whom, including the Chairman, should be Independent.

Mr Volker Felix Zuleck	Chairman of the Committee (appointed on 19 January 2009)
Dr Knut Unger	Member
Mr Bernhard Rippel	Member (appointed on 19 January 2009)

The AC has its own Terms of Reference approved by the Board that sets out its roles & responsibilities.

The AC meets at least four times a year, primarily to review the Company's financial performance, projections and announcements of each quarter which are tabled to the Board. The AC meets on other occasions informally to deliberate on matters within its purview.

The AC also reviews the financial reporting process, the system of internal control and the audit process and reports tabled to it. Specifically the AC undertakes the following:

(a) Review the external auditors' proposed audit scope and approach and ensure no restrictions or limitations have been placed on the scope. The AC also reviews all reports and recommendations from the external auditors.

(b) Review the quarterly and full year financial statements of the Company and the respective announcements before recommending to the Board for approval for release to the SGX-ST.

(c) Make recommendations to the Board regarding the appointment of the external auditors.

(d) Consider the independence of the external auditors annually, including reviewing the range of services provided in the context of all non-audit services bought by the Company, seeking to balance maintenance of objectivity and value for money. The audits of the Company and its Singapore incorporated subsidiaries are undertaken by BDO LLP. Rule 716 of the Listing Manual is complied with.

(e) Meet with the external auditors, without the presence of the Management, to discuss any matters that the AC or auditors believe should be discussed privately.

(f) Review interested persons transactions.

Corporate Governance

Principle 12: Internal Controls
Principle 13: Internal Audit

The Board recognises the importance of a sound system of internal controls to safeguard the shareholders' interests and investments and the Company's assets, and to manage risks. The Board affirms its overall responsibility for reviewing the adequacy and integrity of the systems of internal controls maintained by the Group. The system by its nature can only 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 practice, and the identification and containment of business risk.

The Group has an internal audit function as it engaged the services of the group internal auditors from its holding company. The Internal Auditor reports directly to the Chairman of the AC on internal audit matters. To ensure adequacy of internal audit functions, the AC receives and approves the internal audit plan on an annual basis.

Principle 14: Communication with Shareholders
Principle 15: Greater Shareholder Participation

The Company has a communications policy that allows the company to effectively communicate with its shareholders:

(a) Providing the shareholders in a timely manner, with balanced and understandable assessment of the Company's performance, position and prospects on a quarterly basis. This responsibility extends to quarterly announcements of financial results, other price sensitive public reports and reports to regulators.

(b) Ensuring the Company regularly and in a timely manner conveys pertinent information, gathers views or inputs, and addresses shareholders' concerns. Such disclosures will be in a manner as required by applicable laws and requirements.

(c) Disclosing in the Company's annual report the number of board meetings held in the year, and meetings of specialised committees established by the Board. Board and committee meeting attendance represents a part and not the full reflection of the contributions of Board members to the Company.

(d) Enabling shareholders full opportunity to participate effectively and to vote and to communicate their views at Annual General Meetings.

DEALING IN SECURITIES

The Company has adopted its own internal codes in line with Rule 1207(18) applicable to all its officers in relation to dealings in the Company's securities. The Company and its officers are not allowed to deal in the Company's shares during the period commencing two weeks before the announcement of the Company financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements.

INTERESTED PERSON TRANSACTIONS

At the Annual General Meeting held on 30 April 2009, Shareholders of the Company approved a General Mandate to enable the Company, its subsidiaries and associated companies to enter into any transactions with ATB, A-TEC and any of its associates and its group of subsidiaries.

The interested person transactions presented in the format pursuant to Rule 907 of the Listing Manual is tabled below:

Name of Interested Person	Aggregate value of all interested person transactions during the financial under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
	2009	2008	2009	2008
	S$'000	S$'000	S$'000	S$'000
General Transactions	–	–		
ATB Antrieb Nordenham	–	–	3,275	866
ATB Morley	–	–	–	523
Austrian Energy	–	–	–	214
ATB Austria Antriebstechnik AG	–	–	4,832	2,813
ATB Welzheim	–	–	1,352	834
ATB Motorenwerke GmbH	–	–	532	2,333
ATB Benelux	–	–	541	174
ATB Server A.D.	–	–	508	–
Treasury Transactions	–	–		
ATB Austria Antriebstechnik AG	–	–	1,160	28,196
ATB GmbH, Wien	–	–	7,040	571
ATEC	–	–	–	313
TOTAL:			**19,240**	**36,837**

Saved as disclosed under Corporate Governance, in the Directors' Report and in the Financial Statements, the Company and its subsidiaries did not enter into any material contracts involving the interests of the directors or controlling shareholder during the financial year and no such material contracts still subsist at the end of the financial year.

RISK MANAGEMENT

The Board recognises the importance of a sound system of internal controls and risk management practices. Risk management is an integral part of all decisions and business processes in the Group. The management structure, the planning system, and the reporting and information systems form the basis for the organizational integration of risk management into business processes.

As a global company, the Company is exposed to a wide variety of risks in the course of its worldwide activities. The goal is to identify the potential risks associated with our activities as early as possible, assess the possible quantitative and qualitative consequences of their occurrence, and take suitable measures to mitigate them.

Reporting plays a key role in monitoring the risks of our everyday business. Group accounting and controlling functions support these activities. Risk management practices would not be effective without monitoring and audit controls to ensure compliance.

Financial Contents

Directors' Report

The Directors of the Company present their report to the shareholders together with the audited statement of financial position of Lindeteves-Jacoberg Limited (the "Company") as at 31 December 2009, statement of changes in equity of the Company and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2009.

1. Directors

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

Mr Peter Sichrovsky
Dr Knut Unger
Mr Volker Felix Zuleck
Mr Bernhard Rippel
Mr Christian Schimdt (appointed on 1 January 2010)

2. Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

3. Directors' interests in shares and debentures

(a) According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap. 50 (the "Act"), none of the Directors of the Company holding office at the end of the financial year had any interests in the shares and debentures of the Company and its related corporations except as detailed below:

	Shareholdings registered in the name of Director or nominee		Shareholdings in which Director is deemed to have an interest	
	At beginning of year or date of appointment, if later	At end of year	At beginning of year or date of appointment, if later	At end of year
	Number of ordinary shares			
Mr Peter Sichrovsky	235,000	1,235,000	–	–

(b) The Directors' interests in the ordinary shares of the Company as at 21 January 2010 were the same as those as at 31 December 2009.

4. Directors' contractual benefits

Since the end of the previous 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 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 related corporations in their capacity as executives of those related corporations.

5. Share options

There were no share options granted by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares under option in the Company or its subsidiaries as at the end of the financial year.

6. Audit committee

The Audit Committee ("AC") comprises the following Directors, two of whom are independent:

Mr Volker Felix Zuleck	Chairman of the Committee
Dr Knut Unger	Member
Mr Bernhard Rippel	Member

The AC meets at least four times a year primarily to review the Group's and the Company's financial performance, projections and announcements of each quarter which are tabled to the Board of Directors. The AC meets on other occasions to deliberate on matters within its purview.

The AC also reviews the financial reporting process, the system of internal control and the audit process and reports tabled to it. Specifically, the AC undertakes the following:

(a) Review of the external auditors' proposed audit scope and approach and ensure no restrictions or limitations have been placed on the scope. The AC also considers the independence of the external auditors, including reviewing the range of services provided in the context of all non-audit services bought by the Company, seeking to balance maintenance of objectivity and value for money;

(b) Review of the Group's financial, operating results and accounting policies;

(c) Review of the financial statements of the Company and the consolidated financial statements of the Group before their submission to the Directors of the Company and external auditors' report on those financial statements;

(d) Make recommendations to the Board of Directors on the nomination of BDO LLP for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting of the Company.

7. Auditors

The auditors, BDO LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

PETER SICHROVSKY	**VOLKER FELIX ZULECK**
Chairman	Director

Singapore
9 April 2010

Statement by Directors

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date; and

(b) with the undertaking of the immediate and ultimate holding companies to provide financial support as set out in Note 3 to the financial statements, there are reasonable grounds to believe that the Company will be able to meet its obligations as and when they fall due.

On behalf of the Board of Directors

PETER SICHROVSKY
Chairman

VOLKER FELIX ZULECK
Director

Singapore
9 April 2010

Independent Auditors' Report to the Members of Lindeteves-Jacoberg Limited

We have audited the accompanying financial statements of Lindeteves-Jacoberg Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 24 to 98, which comprise the statements of financial position of the Group and of the Company as at 31 December 2009, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) 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;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

Opinion

In our opinion,

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

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

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following matters:

(a) Provision for alleged unpaid capital contribution

As set out in Notes 4 and 33 (d) to the financial statements, the management of the Company has continued to recognise a provision of $17,034,000 (2008: $17,034,000) (Note 25) as at 31 December 2009 with regards to liabilities and costs which may arise from a possible claim that could be brought against the Company for alleged unpaid capital contribution from the Company in BCW Electric Motor (Dalian) Corporation Ltd ("BCW") aggregating to approximately $27,021,000 (2008: approximately $29,400,000) (RMB131,600,000), together with interests, costs and other relief. Management is of the view that it is not likely to incur additional material losses with respect to the alleged capital contribution other than the provision made.

BCW is currently undergoing bankruptcy proceedings where a legal firm has been appointed by the local authorities to act as the administrator for the purpose. As the administration of the bankruptcy proceedings is still in its early stage, there are significant uncertainties revolving around the possible outcome of the claim, if it were to be made against the Company, which are set out in Note 4 under *Provision for alleged unpaid capital contribution*.

(b) Going concern

As set out in Note 3 to the financial statements, the Group and the Company incurred a total loss of $6,528,000 and $64,925,000 respectively for the financial year ended 31 December 2009. As at 31 December 2009, the Company's current liabilities exceeded its current assets by $17,411,000. In addition, the Group and the Company were in a net liability position of $121,559,000 and $129,139,000 respectively.

These conditions, along with other matters as set forth in Note 3 to the financial statements, indicate the existence of uncertainties over the going concern assumption used in the preparation of the financial statements of the Group and of the Company for the financial year ended 31 December 2009.

Independent Auditors' Report to the Members of Lindeteves-Jacoberg Limited

Emphasis of Matter (Continued)

(b) Going concern (Continued)

The appropriateness of the going concern assumption on which the financial statements of the Group and of the Company are prepared is dependent on the financial support from the Company's immediate and ultimate holding companies, which have undertaken to do so, as set out in Note 3 to the financial statements, to meet their obligations as and when they fall due.

In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts stated in the statement of financial positions. In addition, the Group and the Company may have to provide for further liabilities that may arise and reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to the financial statements of the Group and of the Company.

BDO LLP
Public Accountants and
Certified Public Accountants

Singapore
9 April 2010

Consolidated Statement of Comprehensive Income

For the Financial year ended 31 December 2009

	Note	2009 $'000	2008 $'000
Continuing operations			
Revenue	5	**265,404**	321,180
Cost of sales	6	**(213,854)**	(251,930)
Gross profit		**51,550**	69,250
Other gains	5	**6,506**	11,187
Expenses			
– Distribution and marketing	6	**(27,007)**	(33,511)
– Administrative	6	**(23,366)**	(25,023)
– Finance	8	**(4,960)**	(11,744)
– Others	6	**(8,567)**	(20,930)
Loss before income tax		**(5,844)**	(10,771)
Income tax expense	9(a)	**(684)**	(1,576)
Loss from continuing operations		**(6,528)**	(12,347)
Discontinued operations			
Loss from discontinued operations	10	**–**	(21,815)
Loss for the year, representing loss attributable to owners of the Company		**(6,528)**	(34,162)
Other comprehensive loss			
Exchange differences on translating foreign operations, representing other comprehensive loss for the year, net of tax		**(1,018)**	(383)
Total comprehensive loss for the year, representing total comprehensive loss attributable to owners of the Company		**(7,546)**	(34,545)
Loss per ordinary share for loss from operations attributable to owners of the Company	11		
Basic and diluted			
– continuing operations		**(0.9) cents**	(1.7) cents
– discontinued operations		**–**	(3.1) cents
		(0.9) cents	(4.8) cents

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

As at 31 December 2009

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
ASSETS					
Current assets					
Cash and cash equivalents	12	**12,032**	10,762	**548**	753
Trade and other receivables	13	**71,282**	77,605	**307**	186
Inventories	14	**25,377**	31,229	**–**	–
		108,691	119,596	**855**	939
Non-current assets					
Available-for-sale financial assets	15	**–**	–	**–**	–
Other receivables	16	**–**	–	**61,944**	129,219
Investments in subsidiaries	17	**–**	–	**82,781**	84,701
Property, plant and equipment	18	**103,713**	109,731	**56**	83
Investment property	19	**165**	183	**165**	183
Intangible assets	20	**223**	392	**18**	27
Deferred income tax assets	21	**259**	164	**–**	–
		104,360	110,470	**144,964**	214,213
Total assets		**213,051**	230,066	**145,819**	215,152
LIABILITIES					
Current liabilities					
Trade and other payables	22	**45,806**	49,207	**1,109**	2,428
Current income tax liabilities	9(c)	**1,300**	2,879	**123**	71
Provision for employee benefits	23	**761**	950	**–**	–
Provision for warranty	24	**1,922**	2,119	**–**	–
Provision for alleged unpaid capital contribution	25	**17,034**	17,034	**17,034**	17,034
Borrowings	26	**12,812**	24,197	**–**	7,200
		79,635	96,386	**18,266**	26,733
Non-current liabilities					
Borrowings	26	**114,439**	115,696	**88,071**	88,131
Other payables	28	**93,014**	85,812	**168,621**	164,502
Retirement benefit obligations	29	**40,973**	39,747	**–**	–
Provision for employee benefits	23	**451**	586	**–**	–
Deferred income tax liabilities	21	**6,098**	5,852	**–**	–
		254,975	247,693	**256,692**	252,633
Total liabilities		**334,610**	344,079	**274,958**	279,366
NET LIABILITIES		**(121,559)**	(114,013)	**(129,139)**	(64,214)
EQUITY					
Capital and reserves attributable to owners of the Company					
Share capital	30	**149,642**	149,642	**149,642**	149,642
Other reserves	31	**9,903**	10,921	**16,852**	16,852
Accumulated losses		**(281,104)**	(274,576)	**(295,633)**	(230,708)
TOTAL EQUITY		**(121,559)**	(114,013)	**(129,139)**	(64,214)

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the Financial year ended 31 December 2009

Group	Share capital $'000	Capital reserve $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Total $'000
Balance at 1.1.2009	149,642	16,852	(5,931)	(274,576)	(114,013)
Total comprehensive loss for the financial year	–	–	(1,018)	(6,528)	(7,546)
Balance at 31.12.2009	149,642	16,852	(6,949)	(281,104)	(121,559)
Balance at 1.1.2008	149,642	–	(5,548)	(240,414)	(96,320)
Total comprehensive loss for the financial year	–	–	(383)	(34,162)	(34,545)
Deemed capital injection	–	16,852	–	–	16,852
Balance at 31.12.2008	149,642	16,852	(5,931)	(274,576)	(114,013)

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the Financial year ended 31 December 2009

Company	Share capital $'000	Capital reserve $'000	Accumulated losses $'000	Total $'000
Balance at 1.1.2009	149,642	16,852	(230,708)	(64,214)
Total comprehensive loss for the financial year	–	–	(64,925)	(64,925)
Balance at 31.12.2009	149,642	16,852	(295,633)	(129,139)
Balance at 1.1.2008	149,642	8,819	(174,402)	(15,941)
Total comprehensive loss for the financial year	–	(8,819)	(56,306)	(65,125)
Deemed capital injection	–	16,852	–	16,852
Balance at 31.12.2008	149,642	16,852	(230,708)	(64,214)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the Financial year ended 31 December 2009

	Note	2009 $'000	2008 $'000
Loss from continuing operations		**(6,528)**	(12,347)
Loss from discontinued operations	10	**–**	(21,815)
		(6,528)	(34,162)
Adjustments for:			
Income tax expense	9(a)	**684**	1,576
Amortisation and depreciation	6	**9,742**	19,674
Retirement benefit plan expense	29(b)	**2,202**	2,704
Interest expense	8	**4,960**	11,744
Interest income	5	**(109)**	(1,247)
Inventories			
– write off		**–**	1,168
– write back		**(2,393)**	(1,852)
Impairment in value of trade and other receivables			
– charged		**345**	352
– write back		**(55)**	(2,301)
Gain on disposal of property, plant and equipment		**(61)**	(149)
Gain on liquidation of subsidiaries		**–**	(15,388)
Gains on disposal of available-for-sale financial assets	6	**(1,046)**	–
Impairment in value of property, plant and equipment	6	**1,541**	–
Impairment in value of intangible assets	6	**42**	–
Loss on disposal of property, plant and equipment		**6**	–
Loss on disposal of subsidiaries	10	**–**	13,696
Provision for warranty expenses		**(15)**	–
Provision for employee benefits	23	**41**	–
Provision for alleged unpaid capital contribution		**–**	17,034
Operating cash flows before working capital changes		**9,356**	12,849
Change in operating assets and liabilities			
Inventories		**9,478**	(147)
Trade and other receivables		**7,342**	4,097
Trade and other payables		**(8,161)**	(22,281)
Effect of currency translation		**(1,243)**	(1,217)
Cash generated from operations		**16,772**	(6,699)
Interest received		**109**	1,247
Income tax paid	9	**(2,183)**	(280)
Retirement benefit contribution paid	29(c)	**(1,294)**	(1,323)
Net cash from/(used in) operating activities		**13,404**	(7,055)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the Financial year ended 31 December 2009

	Note	2009 $'000	2008 $'000
Cash flows from investing activities			
Proceeds on disposal of available-for-sale financial assets		**1,046**	–
Purchases of property, plant and equipment		**(3,762)**	(21,513)
Proceeds from disposals of property, plant and equipment		**176**	10,277
Purchases of intangible assets		**(51)**	(244)
Effect of currency translation		**(1,428)**	14,978
Net cash (used in)/from investing activities		**(4,019)**	3,498
Cash flows from financing activities			
Repayment of lease liabilities		**(277)**	(192)
Repayment of factoring of trade receivables		**–**	–
Interest paid		**(2,717)**	(6,084)
Advances from immediate holding company		**121**	2,220
Advances from ultimate holding company		**–**	8,888
Advances from related company		**7,106**	–
Proceeds from borrowings from a financial institution		**3,453**	10,830
Repayment of bank borrowings		**(17,296)**	(16,432)
Cash not available for use		**(369)**	(63)
Effect of currency translation		**2,214**	(4,332)
Net cash used in financing activities		**(7,765)**	(5,165)
Net increase/(decrease) in cash and cash equivalents		**1,620**	(8,722)
Cash and cash equivalents at beginning of the financial year		**(5,283)**	5,227
Effects of exchange rate changes on cash and cash equivalents		**(53)**	(1,788)
Cash and cash equivalents at end of the financial year	12	**(3,716)**	(5,283)

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements
For the financial year ended 31 December 2009

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

1. General corporate information

The statement of financial position and statement of changes in equity of Lindeteves-Jacoberg Limited (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2009 were authorised for issue by the Board of Directors on 9 April 2010.

The Company is a public limited company, incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The address of its registered office is 141 Market Street, #07-01 International Factors Building, Singapore 048944. The Company's registration number is 194700172G.

The immediate holding company is ATB Austria Antriebstechnik AG ("ATB") and the ultimate holding company is A-TEC Industries AG ("A-TEC"), both of which are incorporated in Austria.

The principal activities of the Company consist of investments holding and provision of management services to its subsidiaries. The principal activities of the significant subsidiaries are set out in Note 32 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS ("INT FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below, and on a going concern basis as disclosed in Note 3 to the financial statements.

The financial statements are presented in Singapore dollar ($) and rounded to the nearest thousand ($'000) unless otherwise stated.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement, to use accounting estimates and to make assumptions in the process of applying the Group's accounting policies on the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the end of the reporting period, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on management's best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements and key sources of estimation uncertainty used that are significant to the financial statements are disclosed in Note 4 to the financial statements.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

During the current financial year, the Group adopted all the new or revised FRS and INT FRS that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS. The adoption of the new or revised FRS and INT FRS does not result in any substantial changes to the Group's accounting policies except as disclosed below.

FRS 1 – Presentation of Financial Statements (Revised)

The Group has adopted FRS 1 (Revised) for annual periods beginning on or after 1 January 2009. FRS 1 (Revised) requires the Group to present all changes in equity arising from transactions with non-owners in a statement of comprehensive income separately from those equity changes arising from transactions with owners in their capacity as owners to be presented in the statement of changes in equity. FRS 1 (Revised) also requires the Group to disclose income tax relating to each component of other comprehensive income and to disclose reclassification adjustments relating to components of other comprehensive income. Where the Group restates or reclassifies comparative information, the Group will be required to present a restated balance as of the beginning of the earliest comparative period in addition to the current requirement to present the statements of financial position as at the end of the current period and comparative period. The Group has chosen to present both the income statement and the statement of other comprehensive income in a consolidated statement of comprehensive income. There is no restatement of the statement of financial position as at 1 January 2008 in the current financial year.

FRS 23 – Borrowing Costs (Revised)

The Group has adopted FRS 23 (Revised) prospectively for annual periods beginning on or after 1 January 2009. FRS 23 (Revised) requires the Group to 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.

FRS 108 – Operating Segments

The Group has adopted FRS 108 for annual periods beginning on or after 1 January 2009. FRS 108 replaces FRS 14 Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes to the chief operating decision-maker. There is no change in the presentation of the reportable segments from that reported in 2008.

Amendments to FRS 107 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments

The Group has adopted Amendments to FRS 107 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments for annual periods beginning on or after 1 January 2009. The amendments expand the disclosure required in respect of fair value measurements and liquidity risk.

Notes to the Financial Statements

For the financial year ended 31 December 2009

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective

At the date of authorisation of the financial statements, the Group has not adopted the following FRS and INT FRS that have been issued but not yet effective:

		Effective date (annual periods beginning on or after)
FRS 24	: Related Party Disclosures (Revised)	1.1.2011
FRS 27	: Consolidated and Separate Financial Statements (Revised)	1.7.2009
FRS 32	: Amendments to FRS 32 - Classification of Rights Issues	1.2.2010
FRS 39	: Amendments to FRS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items	1.7.2009
FRS 39 & INT FRS 109	: Amendments to INT FRS 109 and FRS 39 – Embedded Derivatives	30.6.2009
FRS 102	: Amendments to FRS 102 - Group Cash-settled Share-based Payment Transactions	1.1.2010
FRS 103	: Business Combinations (Revised)	1.7.2009
INT FRS 114	: Amendments to INT FRS 114 – Prepayments of a Minimum Funding Requirement	1.1.2011
INT FRS 117	: Distributions of Non-cash Assets to Owners	1.7.2009
INT FRS 118	: Transfer of Assets from Customers	1.7.2009
INT FRS 119	: Extinguishing Financial Liabilities with Equity instruments	1.7.2010

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management anticipates that the adoption of the above FRS and INT FRS in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption, except as disclosed below.

FRS 27 (2009) - Consolidated and Separate Financial Statements

FRS 27 (Revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. In the event when control is lost, any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply FRS 27 (Revised) prospectively to transactions with non-controlling interests from 1 January 2010.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective (Continued)

FRS 103 (Revised) - Business Combinations

FRS 103 (Revised) applies the acquisition method with certain significant changes from the purchase method referred to in FRS 103. For example, all considerations given to purchase a business are to be recorded at fair value at the acquisition date, with contingent considerations classified as debt subsequently re-measured through profit or loss if the fair value changes were to take place after the measurement period. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply FRS 103 (Revised) prospectively to all business combinations taking place from 1 January 2010.

2.2 Basis of consolidation

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

Subsidiaries are entities (including special purpose entities) over which the Company has power to govern the financial and operating policies, generally accompanied by a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They continue to be consolidated until the date that such control ceases.

Investments in subsidiaries are stated at cost less accumulated impairment in net recoverable value that has been recognised in profit or loss.

On disposal of subsidiaries, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the aggregate of the fair values of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition (irrespective of the extent of any minority interest), except for non-current assets (disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations,* which are recognised and measured at fair value less costs to sell. The excess cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill.

Notes to the Financial Statements
For the financial year ended 31 December 2009

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. After initial recognition, the acquirer shall measure goodwill acquired in a business combination at cost less any accumulated impairment in value. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

In preparing the consolidated financial statements, intercompany transactions, balances and recognised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interest is that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. It is measured at the minority share of the fair value of the subsidiary's identifiable assets and liabilities at the date of acquisition by the Group and the minority's share of changes in equity since the date of acquisition, except when the losses applicable to the minority in a subsidiary exceed the minority interest in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minority are attributed to the equity holders of the Company, unless the minority has a binding obligation to, and is able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority are attributed to the equity holders of the Company until the minority's share of losses previously absorbed by the equity holders of the Company has been recovered.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

2.3 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. Revenue is recognised as follows:

(a) Sale of goods

Revenue from the sale of goods is recognised when a Group entity has delivered the products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured. Revenue from inventory contract work-in-progress is recognised under the percentage of completion method in accordance with the basis described in Note 2.11 below.

(b) Rendering of services

Revenue from services is recognised when the services are rendered and are calculated based on the power contracted for and supplied.

2. Summary of significant accounting policies (Continued)

2.3 Revenue recognition (Continued)

(c) Rental income

Revenue arising from rental is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(d) Interest income

Interest income is recognised on a time proportion basis, taking into account of the principal outstanding and the effective interest rate over the period of maturity, when it is determined such income will accrue to the Group.

(e) Dividend income

Dividends are recognised when the right to receive payment is established.

2.4 Employee compensation

(a) Post-employment benefits

The Group operates both defined benefit and defined contribution post-employment benefit plans.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when due.

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised on the statements of financial position in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the date of the end of the reporting period less the fair value of plan assets, together with adjustments for recognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

Past service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

2. Summary of significant accounting policies (Continued)

2.4 Employee compensation (Continued)

(b) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognised termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the date of the end of the reporting period are discounted to present value.

(c) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the date of the end of the reporting period.

2.5 Leases

(a) *When a group company is the lessee*

The Group leases certain property, plant and equipment from third parties.

Finance leases

Leases of property, plant and equipment where the Group assumes substantially the risks and rewards of ownership are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statements of financial position as property, plant and equipment and borrowings respectively at the inception of the leases at the lower of the fair values of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding lease liability. The finance charge is recognised in profit or loss and allocated to each period during the lease term so as to achieve a constant periodic rate of interest on the remaining balance of the finance lease liability.

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

Contingent rents are recognised as expense in profit or loss in the financial year in which they are incurred.

2. Summary of significant accounting policies (Continued)

2.5 Leases (Continued)

(a) When a group company is the lessee (Continued)

Operating leases

Leases of property, plant and equipment where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Contingent rents are recognised as expense in profit or loss in the financial year in which they are incurred.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

(b) When a group company is the lessor

The Group leases out certain property, plant and equipment and investment properties to third parties.

Operating leases

Assets leased out under operating leases are included in investment properties and property, plant and equipment.

Rental income from operating leases (net of any incentives given to lessees) is recognised in profit or loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Initial direct costs incurred by the Group in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss in the financial year in which they are earned.

2.6 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. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Financial Statements

For the financial year ended 31 December 2009

2. Summary of significant accounting policies (Continued)

2.7 Income taxes

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 profit or loss 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.

(a) Current tax

Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the date of the end of the reporting period.

(b) Deferred tax

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

Deferred tax assets and liabilities are recognised for all temporary differences, except:

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

- In respect of temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

- In respect of deductible temporary differences and carry forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry forward of unused tax credits and unused tax losses can be utilised.

2. Summary of significant accounting policies (Continued)

2.7 Income taxes (Continued)

(b) Deferred tax (Continued)

The carrying amount of deferred tax asset is reviewed at the date of the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred income tax assets and liabilities are measured at:

- the tax rates that are expected to apply when the related deferred income tax asset is recognised or the deferred income tax liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the date of the end of the reporting period; and

- the tax consequence that would follow from the manner in which the Group expects, at the date of the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in profit or loss for the period, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax on temporary differences arising from the revaluation gains and losses on land and buildings, fair value gains and losses on available-for-sale financial assets and cash flow hedges, and the liability component of convertible debts are charged or credited directly to equity in the same period the temporary differences arise. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.8 Assets/liabilities classified as held for sale and discontinued operations

Assets/liabilities are classified as assets held for sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Any impairment in value on initial classification and subsequent measurement is recognised in profit or loss. Subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment in value that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and

(a) represents a separate major line of business or geographical area of operations; or

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

Results and cash flows attributable to a discontinued operation (including comparative figures) are presented or disclosed separately from the continuing operations.

2. Summary of significant accounting policies (Continued)

2.9 Impairment of non-financial assets (excluding goodwill)

At the date of the end of each reporting period, 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 in value. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment in value, if any.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The impairment in value is recognised in profit or loss unless the asset is carried at revalued amount, in which case, such impairment in value is treated as a revaluation decrease.

An impairment in value for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment in value was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of recognition or depreciation) had no impairment in value been recognised for the asset in prior years. A reversal of impairment in value for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2.10 Financial assets

(a) Classification

The Group classifies its financial assets into the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the assets were acquired. The management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date, where allowed and appropriate.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the date of the end of the reporting period which are classified as non-current assets. Loans and receivables are classified within "trade and other receivables" and "cash and cash equivalents" on the statements of financial position.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in held-to-maturity investments and financial assets at fair value through profit or loss. They are included in non-current assets unless management intends to dispose of the assets within 12 months after the date of the end of the reporting period.

2. Summary of significant accounting policies (Continued)

2.10 Financial assets (Continued)

(b) Recognition and initial measurement

Financial assets are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

Regular way purchases and sales of investments are recognised on trade date, the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs.

(c) Subsequent measurement

Loans and receivables are carried at amortised cost, where applicable, using the effective interest method, except for short-term receivables when the recognition of interest would be immaterial. Available-for-sale financial assets are subsequently carried at fair value.

Changes in the fair value of monetary assets denominated in a foreign currency and classified as available-for-sale are analysed into translation differences resulting from changes in amortised cost of the asset and other changes. The translation differences are recognised in profit or loss, and other changes are recognised in the fair value reserve within equity. Changes in fair values of other monetary and non-monetary assets that are classified as available-for-sale are recognised in the fair value reserve within equity.

Interest on available-for-sale financial assets, calculated using the effective interest method, is recognised in profit or loss. Dividends on available-for-sale equity securities are recognised in profit or loss when the Group's right to receive payment is established. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in the fair value reserve within equity are included in profit or loss as "gains and losses from investment securities".

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.

(d) Derecognition

A financial asset is derecognised when:

(i) the Group transfers the contractual rights to receive the cash flows of the financial asset; or

(ii) the Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in a "pass-through" arrangement; or

(iii) the Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset but has transferred control of the asset.

2. Summary of significant accounting policies (Continued)

2.10 Financial assets (Continued)

(d) Derecognition (Continued)

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option of the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(e) Impairment

The Group assesses at the date of the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(i) Loans and receivables

An allowance for impairment of loans and receivables, including trade and other receivables, is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the customer, probability that the customer will enter bankruptcy or financial recognition, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance 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 amount of the allowance for impairment is recognised in profit or loss.

(ii) Available-for-sale financial assets

In the case of an equity security classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the security is impaired.

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that has been recognised directly in the fair value reserve is removed from the fair value reserve within equity and recognised in profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and recognised) and the current fair value, less any impairment in value on that financial asset previously recognised in profit or loss.

Reversal of impairment in value in respect of equity security classified as available-for-sale is recognised through equity.

2. Summary of significant accounting policies (Continued)

2.11 Inventories and inventory contracts work-in-progress

Inventories of raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value. Cost is determined under the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and an appropriate proportion of related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Allowance for obsolete, slow-moving or defective inventories is made where necessary.

An inventory contract is a contract specifically negotiated and recognised for the construction of an inventory or combination of inventories that are closely interrelated or interdependent in terms of their design, technology and functions.

When the outcome of an inventory contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that those costs will be recoverable. Contract costs are recognised when incurred. When the outcome of a contract can be estimated reliably, contract revenue and contract costs are recognised by using the stage of completion method. The stage of completion is measured by reference to the contract costs incurred to date to the estimated total costs for the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs incurred during the financial year in connection with future activity on a contract are excluded from costs incurred to date when determining the stage of completion of a contract. Such costs are shown as contracts work-in-progress. The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the financial year-end.

Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as due from customers on contracts, under trade and other receivables. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on contracts, under trade and other payables.

2.12 Property, plant and equipment

(a) Measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment in value, if any.

The cost of property, plant and equipment includes its purchase price and any cost directly attributable to bringing the property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

2. Summary of significant accounting policies (Continued)

2.12 Property, plant and equipment (Continued)

(b) *Depreciation*

Depreciation of property, plant and equipment, other than freehold land, is calculated on the straight-line basis to allocate their depreciable amounts over their estimated useful lives as follows:

Buildings on freehold land	50 years
Leasehold land and buildings	Term lease, being not more than 50 years
Plant, machinery and office equipment	4 – 12 years
Motor vehicles	4 years

The residual values and useful lives of property, plant and equipment are reviewed and adjusted as appropriate, at the date of the end of each reporting period. The effects of any revision of the residual values and useful lives are included in profit or loss for the financial year in which the changes arise.

No depreciation is provided on freehold land and capital work-in-progress. Depreciation is provided when construction and installation of an asset are complete and the asset is ready for its intended use.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or if there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the item can be reliably measured. Other subsequent expenditure is recognised as repairs and maintenance expense in profit or loss during the financial year in which it is incurred.

(d) *Derecognition*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is determined as the difference between the sales proceeds and the carrying amount of the asset as of the derecognition date and is recognised in profit or loss. Any amounts in the revaluation reserve relating to that asset are transferred to retained earnings directly.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

2. Summary of significant accounting policies (Continued)

2.13 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment in value. Depreciation is charged, using the straight line method, so as to write off the cost over their estimated useful lives of 50 years. The residual values, useful lives and depreciation method of investment properties are reviewed and adjusted as appropriate, at the date of the end of each reporting period. The effects of any revision are included in profit or loss when the changes arise.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as addition and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

On disposal or retirement of an investment property, the difference between the disposal proceeds and the carrying amounts is recognised in profit or loss.

2.14 Intangible assets

Computer software

Acquired computer software licences are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the software for its intended use. Direct expenditure which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured is added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment in value. The costs are amortised to profit or loss using the straight line method over their useful lives of 4 years.

The amortisation period and amortisation method of intangible assets are reviewed at least once at the date of the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

2.15 Financial liabilities

(a) Recognition and initial measurement

Financial liabilities are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

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

(b) Subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortised cost, where applicable, using the effective interest method.

Notes to the Financial Statements

For the financial year ended 31 December 2009

2. Summary of significant accounting policies (Continued)

2.15 Financial liabilities (Continued)

(c) Derecognition

A financial liability is derecognised when the obligations are discharged, cancelled or when they expire. For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised or impaired, and through the amortisation process. Any gain or loss arising from changes in fair value of derivatives is recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

2.16 Trade and other payables

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

2.17 Borrowings

Borrowings are recognised initially at fair value (estimated by discounting the future contractual cash flows at the market interest rate at the inception of the transaction that was available to the Group for similar financial instruments), net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the period of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Borrowings which are due to be settled within twelve months after the date of the end of the reporting period are included in current borrowings in the statements of financial position even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the date of the end of the reporting period and before the financial statements are authorised for issue. Other borrowings due to be settled more than twelve months after the date of the end of the reporting period are included in non-current borrowings in the statements of financial position.

2.18 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs in the financial liabilities that it relates to in the statements of financial position.

Financial guarantee contracts are subsequently measured at the higher amount of obligation under the contract recognised as a provision in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with FRS 18 *Revenue*.

2. Summary of significant accounting policies (Continued)

2.19 Provisions

Provisions for asset dismantlement, removal or restoration, warranty, restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are reviewed at the date of the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

The Group recognises the estimated liability to repair or replace products still under warranty at the date of the end of the reporting period. This provision is calculated based on past historical experience of the level of repairs and replacements.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in profit or loss as interest expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss for the period the changes in estimates arise except for asset dismantlement, removal and restoration costs, which are adjusted against the cost of the related property, plant and equipment unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

2.20 Fair value estimation

The carrying amounts of current financial assets and liabilities, carried at amortised cost, are assumed to approximate their fair values.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the date of the end of each reporting period. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as estimated discounted cash flows, are also used to determine the fair values of the financial instruments.

The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial liabilities.

2. Summary of significant accounting policies (Continued)

2.21 Share capital

Proceeds from issuance of ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

2.22 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand and demand deposits, bank overdrafts and other highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank overdrafts are included in borrowings on the statements of financial position.

2.23 Foreign currency translation

(a) Functional currency

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 ("functional currency"). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency translation gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the date of the end of the reporting period are recognised in profit or loss, except for foreign currency translation differences on the net investment in foreign operations, borrowings in foreign currencies and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the foreign currency translation reserve within equity in the consolidated financial statements.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the date of the end of the reporting period;

2. Summary of significant accounting policies (Continued)

2.23 Foreign currency translation (Continued)

(c) Translation of Group entities' financial statements (Continued)

(ii) Income and expenses are translated at average exchange rates (unless the average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the date of the end of the reporting period. For acquisitions prior to 1 January 2005, the exchange rates at the dates of acquisition are used.

(d) Consolidation adjustments

On consolidation, foreign currency translation differences arising from the net investment in foreign operations and borrowings in foreign currencies are taken to the foreign currency translation reserve. When a foreign operation is sold, such foreign currency translation differences recorded in the foreign currency translation reserve are recognised in profit or loss as part of the gain or loss on sale.

2.24 Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

3. Going concern assumption

The Group and the Company incurred a total loss of $6,528,000 and $64,925,000 respectively for the financial year ended 31 December 2009. As at 31 December 2009, the Company's current liabilities exceeded current assets by $17,411,000. In addition, the Group and the Company were in a net liability position of $121,559,000 and $129,139,000 respectively.

In 2005, the Group entered into a debt-restructuring plan effected through a scheme of arrangement between the Company and participating bank creditors pursuant to Section 210(10) of the Act (the "Scheme") as described in Note 26 to the financial statements. As at 31 December 2009, the borrowings under the Scheme (the "Scheme Debts") of $110,840,000 have been taken over by ATB and the related companies.

Details of other bank borrowings are outlined in Note 26.

3. Going concern assumption (Continued)

The ability of the Group and the Company to meet the obligations under the Scheme Debts and other obligations is dependent on the financial support from the Company's ultimate and immediate holding companies, which have undertaken to do so, to meet its obligations as and when they fall due.

The conditions described in the preceding paragraphs indicate uncertainties existing over the ability of the Group and the Company to meet their obligations as and when they fall due and to operate as a going concern.

At the date of authorisation of the financial statements, the ultimate holding company has undertaken to provide unlimited financial support, which is governed by the laws of the Republic of Singapore, to the Company up to the earlier of 8 April 2010 or the date of the Company's cessation as its subsidiary. The immediate holding company has given further undertaking to provide financial support up to an amount of $46,000,000 to the Company for the period from 8 April 2010 to the earlier of 31 December 2010 or the date of the Company's cessation as its subsidiary. Subsequent to the date of the end of the reporting period and following the assessment by the management and the immediate holding company, the immediate holding company has revised the financial support to an amount of $28,000,000 for the period from 23 March 2010 to the earlier of 31 December 2011 or the date of Company's cessation as its subsidiary. The financial supports given by the immediate holding company are governed by the laws of the Republic of Austria.

With the financial supports from the ultimate and immediate holding companies as mentioned above, the Directors are of the opinion that there are reasonable grounds to believe that the Group and the Company will be able to meet its obligations as and when they fall due at least for the next 24 months from the date of the end of the reporting period. Accordingly, the Directors of the Company are of the view that the preparation of the financial statements of the Group and of the Company on a going concern basis is appropriate.

4. Critical accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(1) Impairment in value of investments in subsidiaries

The Company recognised an impairment in value of $1,920,000 (2008: $25,975,000) in its investments in subsidiaries to their estimated recoverable amounts at the date of the end of the reporting period. The estimated recoverable amounts have been determined based on value-in-use calculations and these calculations require the use of estimates and assumptions relating to the range of economic conditions that will exist over the period of the cash flow projections, the composition of estimates of future cash flows and discount rates. The discount rate used is 7% (2008: range from 10.24% to 10.28%). As at 31 December 2009, the Company's investments in subsidiaries has a carrying value of $82,781,000 (2008: $84,701,000) (Note 17).

4. Critical accounting judgements and estimates (Continued)

(2) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the accrual for income taxes. Significant judgement is also required in determining the recognition of deferred tax assets. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

As at the date of the end of the reporting period, the Group's and the Company's current and deferred taxes have the following carrying values:

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
CURRENT				
Current income tax liabilities	**1,300**	2,879	**123**	71
DEFERRED				
Deferred income tax assets	**259**	164	**–**	–
Deferred income tax liabilities	**6,098**	5,852	**–**	–

(3) Retirement benefit obligations

At the date of the end of each reporting period, the actuarial present value at the date of the end of the reporting period of benefits due to past and present employees are based on actuarial assumptions, which are the Group's best estimates of the variables that will determine the ultimate cost of providing the retirement benefits. Relevant actuarial assumptions comprise:

(a) demographic assumptions about the future characteristics of current and former employees (and their dependants) that are eligible for benefits. Demographic assumptions deal with matters such as:

(i) mortality, both during and after employment;

(ii) rates of employee turnover, disability and early retirement; and

(iii) proportion of employees with dependants who will be eligible for benefits.

(b) financial assumptions, dealing with items such as:

(i) the rate used to discount the retirement benefit obligations; and

(ii) future salary and benefit levels.

4. Critical accounting judgements and estimates (Continued)

(3) Retirement benefit obligations (Continued)

The key financial assumptions used in the actuarial present value calculations are disclosed in Note 29(d). The Group considers that it is impracticable to disclose the extent with sufficient reliability the possible effects of sensitivities surrounding these actuarial assumptions at the date of the end of the reporting period. One or more of the actuarial assumptions may differ significantly and as a result, the actuarial present value of retirement benefit obligation estimated at the date of the end of the reporting period may differ significantly from the amount reported.

As at 31 December 2009, the Group's retirement benefit obligations have carrying values of $40,973,000 (2008: $39,747,000). (Note 29(a))

(4) Provision for warranty

Management estimates the related provision for warranty based on historical claim information, as well as recent trends that might suggest that past cost information may differ from future claims.

The Group recognises provision for warranty to the extent that it has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and that the amount has been reliably estimated.

The carrying amount of the provision for warranty as at 31 December 2009 was $1,922,000 (2008: $2,119,000). The estimates and judgements used are however not expected to have a significant risk of causing a material adjustment to the carrying amount of the provision for warranty within the next financial year.

(5) Provision for alleged unpaid capital contribution

As set out in Note 33 (d) to the financial statements, the management of the Company has continued to recognise a provision of $17,034,000 (2008: $17,034,000) (Note 25) as at 31 December 2009 with regards to liabilities and costs which may arise from a possible claim that could be brought against the Company for alleged unpaid capital contribution from the Company in BCW Electric Motor (Dalian) Corporation Ltd ("BCW") after considering significant uncertainties in the outcome of the bankruptcy proceedings which includes a possibility that the administrator may bring up a claim against the Company for the payment of the alleged unpaid capital contribution, especially when there was already a precedence. Significant judgment has been used by the management in assessing the facts and circumstances of the matter, including the contributions made to BCW, to arrive at the best estimate of this provision. Management is of the view that the Company is not likely to incur additional material losses with respect to the alleged capital contribution.

4. Critical accounting judgements and estimates (Continued)

(6) Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of the property, plant and equipment which could then consequentially impact future depreciation charges. The carrying amounts of the Group's and the Company's property, plant and equipment at 31 December 2009 were $103,713,000 (2008: $109,731,000) and $56,000 (2008: $83,000) respectively.

(7) Allowance for impairment in value of trade and other receivables

The allowance for impairment in value of impairment of the Group's receivables is based on the ageing analysis and management's ongoing evaluation of the recoverability of the outstanding receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables including the assessment of the creditworthiness and the past collection history of each customer. If the financial conditions of these receivables were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the Group's and the Company's trade and other receivables as at 31 December 2009 were $71,282,000 (2008: $77,605,000) and $62,251,000 (2008: $129,405,000) respectively.

(8) Inventory valuation method

Inventory is valued at the lower of actual cost and net realisable value. Cost is determined primarily using the weighted average method. Market price is generally the merchandise's selling price quoted from the market of similar items. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete merchandise and identifies items of inventory which have a market price that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the salability and values of the inventory which could then consequentially impact the Group's and Company's results, cash flows and financial position. The carrying amount of the Group's inventories was $25,377,000 (2008: $31,229,000).

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5. Revenue and other gains

	Group	
	2009	2008
	$'000	$'000
Sales of products	**246,000**	295,497
Revenue from inventory contracts work-in-progress	**19,404**	25,683
Total revenue	**265,404**	321,180
Other gains:		
– Currency exchange gain	**1,164**	–
– Income from sale of scraps	**–**	786
– Income from write-off of other liabilities	**760**	591
– Insurance compensation	**73**	2,054
– Income cost compensation	**248**	–
– Interest income	**109**	1,247
– Gains on disposal of property, plant and equipment	**61**	149
– Gains on disposal of available-for-sale financial assets	**1,046**	–
– Rental income from		
– Investment property	**24**	12
– Property, plant and equipment	**543**	365
– Reversal of other provisions	**267**	4,706
– Grant and subsidy	**653**	–
– Reversal of provision of warranty	**594**	384
– Others*	**964**	893
	6,506	11,187
	271,910	332,367

* Others comprise the aggregate of items which are individually immaterial.

6. Expenses by nature

	Group	
	2009	2008
	$'000	$'000
Raw materials, finished goods and consumables	**127,736**	141,365
Amortisation for intangible assets	**176**	404
Depreciation of property, plant and equipment	**9,566**	13,603
Total amortisation and depreciation	**9,742**	14,007
Advertising expenses	**707**	459
Changes in inventories of raw materials, work-in-progress and finished goods	**(5,852)**	831
Communications	**603**	838
Management services from immediate holding company	**4,553**	2,899
Currency exchange loss	**–**	4,506
Directors' fees	**269**	195
Employee benefits expenses (Note 7)	**92,945**	103,896

6. Expenses by nature (Continued)

	Group 2009 $'000	Group 2008 $'000
Impairment in value of intangible assets	**42**	–
Impairment in value of property, plant and equipment	**1,541**	–
Impairment in value of trade receivables		
– Charged	**345**	65
– Write-back	**(55)**	(2,301)
Impairment in value of other receivables		
– Charged	**–**	287
Insurance	**1,294**	1,813
Inventories		
– Write off	**–**	1,168
– Write back	**(2,393)**	(1,852)
Legal and professional fees	**2,420**	4,838
Non audit fees paid to the auditors of the Company	**–**	–
Redundancy and other restructuring expense	**4,591**	2,401
Rental on operating leases	**4,167**	3,754
Repairs and maintenance	**3,278**	5,325
Sales commission	**3,050**	3,035
Sub-contractor charges	**2,135**	7,371
Taxes and rates	**1,113**	1,380
Technical costs	**960**	2,353
Travelling and transportation expenses	**5,569**	8,526
Utilities	**9,733**	10,647
Write off receivables	**–**	2,935
Others*	**4,301**	10,653
	272,794	331,394
Cost of sales	**213,854**	251,930
Distribution and marketing expenses	**27,007**	33,511
Administrative expenses	**23,366**	25,023
Other expenses	**8,567**	20,930
	272,794	331,394

* Others comprise the aggregate of items which are individually immaterial.

Notes to the Financial Statements
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7. Employee benefits expenses

	Group	
	2009	2008
	$'000	$'000
Salaries, wages and other benefits	**78,758**	92,142
Employer's contribution to defined contribution plans, including Central Provident Funds and social security charges	**11,985**	12,165
Employer's contribution to retirement benefits plan (Note 29(b))	**2,202**	2,704
	92,945	107,011
Less: Amounts attributable to discontinued operations	**–**	(3,115)
Amounts attributable to continuing operations (Note 6)	**92,945**	103,896

8. Finance expenses

	Group	
	2009	2008
	$'000	$'000
Interest expense:		
– finance lease liabilities	**63**	65
– bank borrowings	**2,302**	3,090
– bank overdrafts	**244**	207
– invoice discounting	**106**	327
– loan from ultimate holding company	**1,176**	6,474
– loan from immediate holding company	**295**	611
– loan from related companies	**774**	970
	4,960	11,744

9. Income taxes

(a) Income tax expense

	Group	
	2009	2008
	$'000	$'000
Tax expense attributable to results is made up of:		
Continuing operations		
Current income tax		
– Singapore	**15**	71
– Foreign	**525**	1,746
	540	1,817
Deferred income tax (Note 21)	**108**	(479)
	648	1,338
Underprovision in preceding financial years		
– Current income tax	**36**	238
	684	1,576

9. Income taxes (Continued)

(a) Income tax expense (Continued)

	Group 2009 $'000	Group 2008 $'000
Discontinued operations		
Current income tax	–	140
	684	1,716

The tax amounts on results differ from the amounts that would arise using the Singapore standard rate of income tax due to the following:

	Group 2009 $'000	Group 2008 $'000
Loss before income tax		
– Continuing operations	**(5,844)**	(10,771)
– Discontinued operations	–	(21,675)
	(5,844)	(32,446)
Income tax calculated at tax rate of 17% (2008: 18%)	**(994)**	(5,840)
Effect of different tax rates in other countries	**440**	204
Income not subject to tax	**(1,489)**	(602)
Effect of concessionary tax treatment	**(3)**	(3)
Expenses not deductible for tax purposes	**3,455**	6,122
Others	**121**	67
Current year tax losses not recognised	**967**	6,215
Underprovision in preceding financial years	**36**	89
Utilisation of previously unrecognised deferred taxes (net)	**(1,849)**	(4,536)
	684	1,716

(b) Movements in tax recoverable

	Group 2009 $'000	Group 2008 $'000
Beginning of financial year	–	219
Income tax refund	–	(101)
Over recognition in preceding financial years	–	(102)
Currency translation difference	–	(16)
End of financial year	–	–

9. Income taxes (Continued)

(c) Movements in current income tax liabilities

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Beginning of financial year	**2,879**	1,611	**71**	136
Income tax paid	**(2,183)**	(380)	**(131)**	(245)
Current financial year's tax	**540**	1,817	**12**	91
Under provision in preceding financial years	**36**	136	**171**	89
Currency translation difference	**28**	(149)	**–**	–
Liquidation of a subsidiary	**–**	(156)	**–**	–
End of financial year	**1,300**	2,879	**123**	71

10. Discontinued operations and assets/liabilities classified as held for sale

BCW

Following the decision of the Directors on 27 October 2006 to dispose BCW (comprising of the Group's motor business segment), the assets and liabilities related to BCW were presented as "Assets/ liabilities classified as held for sale" on the statements of financial position, and its results were presented separately on profit or loss as "Discontinued operations".

BCW has stopped its trading operations by the end of January 2008 and the Company has been financing the payment of salaries of BCW's employees. During 2008, certain suppliers have seized certain assets of BCW and the Company has lost control of BCW following BCW's liquidation.

Lindeteves Engineering Pte Ltd ("LJE") and Linberg Philippines Inc ("LPI")

On 14 November 2008, the Company entered into a sale and purchase agreement to dispose of LJE and LPI, the power generation arm of the Group, to a third party. At the same date, the control over LJE and LPI was passed to the third party.

Loss from discontinued operations is analysed as follows:

	Group
	2008
	$'000
Losses of BCW, LJE and LPI during the financial year	8,119
Loss on disposal of LJE and LPI	13,696
	21,815

10. Discontinued operations and assets/liabilities classified as held for sale (Continued)

The analysis of the results of the discontinued operations is as follows:

	Group 2008 $'000
Revenue	6,392
Expenses	(14,371)
Loss before income tax	(7,979)
Income tax expense	(140)
Loss after income tax	(8,119)

The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group 2008 $'000
Operating cash flows	15,182
Investing cash flows	5,786
Financing cash flows	(21,866)
Total cash flows	898

Details of the disposal of subsidiaries are as follows:

	Group 2008 $'000
Current assets	
Cash and cash equivalents	299
Trade and other receivables	67,569
Total current assets	67,868
Non-current assets	
Property, plant and equipment	20,015
Deferred income tax assets	1,947
Total non-current assets	21,962
Current liabilities	
Trade and other payables	(69,574)
Current tax payables	(289)
Borrowings	(3,709)
Total current liabilities	(73,572)

10. Discontinued operations and assets/liabilities classified as held for sale (Continued)

Details of the disposal of subsidiaries are as follows: (Continued)

	Group 2008 $'000
Non-current liabilities	
Deferred income tax liabilities	(2,562)
	13,696
Loss on disposal	(13,696)
Total consideration	–
Satisfied by cash	–
Net cash flow arising on disposal:	
Cash consideration received	–
Cash and cash equivalents disposed of	(299)
	(299)

11. Loss per ordinary share

	Group 2009	Group 2008
Loss attributable to owners of the Company ($'000)		
– Continuing operations	**(6,528)**	(12,347)
– Discontinued operations	**–**	(21,815)
	(6,528)	(34,162)
Actual number of ordinary shares in issue during the financial year applicable to basic and diluted loss per share ('000)	**709,178**	709,178
Basic and diluted loss per ordinary share (cents)		
– Continuing operations	**(0.9)**	(1.7)
– Discontinued operations	**–**	(3.1)
	(0.9)	(4.8)

Basic loss per share is calculated by dividing the net loss attributable to owners of the Company by the actual number of ordinary shares in issue during the financial year.

As the Group has no dilutive potential ordinary shares, the diluted loss per share is equivalent to basic loss per share.

12. Cash and cash equivalents

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Cash and bank balances	**11,326**	10,315	**286**	336
Short-term bank deposits	**706**	447	**262**	417
	12,032	10,762	**548**	753

Included in cash at bank is an amount of $9,269,000 (2008: $8,832,000) charged as banker's guarantee issued in favour of a third party.

Short-term bank deposits at the date of the end of the reporting period had an average maturity of three months (2008: three months) from the end of the financial year with the following average effective interest rates:

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Euro dollar ("EURO")	**–**	4.8%	**–**	4.8%
British pound ("GBP")	**2.4%**	3.7%	**–**	3.5%
Australian dollar	**4.2%**	2.2%	**–**	–
United States dollar ("USD")	**–**	1.8%	**–**	1.8%

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group	
	2009	2008
	$'000	$'000
Cash and cash equivalents as per consolidated statement of financial position	**12,032**	10,762
Bank overdrafts which form an integral part of cash management (Note 26)	**(6,479)**	(7,213)
Cash not available for use	**(9,269)**	(8,832)
Cash and cash equivalents per consolidated statement of cash flows	**(3,716)**	(5,283)

Cash not available for use amounting to $9,269,000 (2008: $8,832,000) pertains to cash pledged against a banker's guarantee issued by a subsidiary in favour of a third party.

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13. Trade and other receivables - current

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Trade receivables				
– third parties	**46,037**	57,124	**–**	–
– related companies	**4,206**	1,612	**–**	–
Allowance for impairment in value of receivables from third parties	**(2,862)**	(2,415)	**–**	–
	47,381	56,321	**–**	–
Due from customers on inventory contracts work-in-progress	**19,709**	18,565	**–**	–
Sundry receivables	**3,208**	2,130	**1,240**	1,086
Allowance for impairment in value of sundry receivables	**(964)**	(964)	**(964)**	(964)
Deposits	**56**	95	**–**	41
Prepayments	**877**	1,182	**1**	1
Input tax recoverable	**1,015**	276	**30**	22
	71,282	77,605	**307**	186

Movements of allowance for impairment in value of receivables:

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Beginning of financial year	**3,379**	20,555	**964**	8,839
Currency translation difference	**213**	(782)	**–**	–
Allowance for the financial year	**345**	352	**–**	287
Allowance written off	**(56)**	(10,433)	**–**	(8,162)
Allowance written back	**(55)**	(2,301)	**–**	–
Disposal of a subsidiary	**–**	(4,012)	**–**	–
End of financial year	**3,826**	3,379	**964**	964

The allowance for impairment in value of receivables is analysed as follows:

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
– Trade receivables	**2,862**	2,415	**–**	–
– Sundry receivables	**964**	964	**964**	964
	3,826	3,379	**964**	964

Impairment in value of $345,000 (2008: $352,000) and write-back of allowance for impairment in value of $55,000 (2008: $2,301,000) were recognised in profit or loss subsequent to a debt recovery assessment performed on the receivables.

13. Trade and other receivables – current (Continued)

Due from customers on inventory contracts work-in-progress are analysed as follows:

	Group	
	2009	2008
	$'000	$'000
Contract work-in-progress plus attributable profits	**28,481**	40,119
Less: Progress billings	**(8,772)**	(21,554)
	19,709	18,565

(i) There is no significant concentration of credit risk with respect to trade and other receivables. The Group's customers are internationally dispersed, covering a large spectrum of industries and have a variety of end markets in which they sell. In consideration of these factors, management believes that there is no additional credit risk beyond the amount of allowance for impairment in value already made as at the date of the end of the reporting period.

(ii) The carrying amounts of trade and other receivables approximate their fair value. The exposure to interest rate risks of current trade and other receivables is disclosed in Note 34, together with non-current trade and other receivables.

(iii) Included in the trade receivables of the Group is an amount of $15,163,000 (2008: $7,466,000) charged to a bank as security for a term loan facility extended to a subsidiary.

(iv) Trade receivables amounting to $3,831,000 (2008: $6,137,000) have been factored with recourse to financial institutions. The amounts received from the financial institutions for the factored trade receivables are recorded as part of bank borrowings (Note 26 (c)).

14. Inventories

	Group	
	2009	2008
	$'000	$'000
Raw materials	**9,406**	12,434
Work-in-progress	**3,589**	3,301
Finished goods	**12,382**	15,494
	25,377	31,229

The cost of inventories recognised as expense and included in "cost of sales" amounted to $106,136,000 (2008: $153,685,000).

15. Available-for-sale financial assets

	Group and Company	
	2009	2008
	$'000	$'000
Unquoted equity securities, at cost	**64,142**	68,223
Allowance for impairment in value	**(64,142)**	(68,223)
	–	–

15. Available-for-sale financial assets (Continued)

Fair values of the available-for-sale financial assets were not measured as it was impracticable to determine with sufficient reliability the fair values of these investments. Accordingly, the available-for-sale financial assets are stated at cost less accumulated impairment in value.

Movement of impairment in value of available-for-sale financial assets:

	Group and Company	
	2009	2008
	$'000	$'000
Beginning of financial year	**68,223**	4,081
Disposal of financial assets during the financial year	**(4,081)**	–
Transferred from investments in subsidiaries (Note 17)	**–**	64,142
End of financial year	**64,142**	68,223

16. Other receivables - non-current

	Company	
	2009	2008
	$'000	$'000
Due from subsidiaries	**163,057**	162,677
Allowance for impairment in value of receivables	**(101,113)**	(33,458)
	61,944	129,219

The amounts due from subsidiaries are unsecured, bear interest at 6% (2008:4.9%) per annum and repayments are not expected within the next 12 months.

The Directors consider the amounts due from subsidiaries to approximate their fair values at the date of the end of the reporting period.

The exposure of non-current other receivables to interest rate risks is disclosed in Note 34 together with current trade and other receivables.

Movements of allowance for impairment in value of other receivables:

	Company	
	2009	2008
	$'000	$'000
Beginning of financial year	**33,458**	90,960
Allowance for the financial year	**68,895**	4,693
Allowance written back during the financial year	**(1,204)**	(5,474)
Allowance written off during the financial year	**–**	(53,870)
Liquidation of subsidiaries	**–**	(2,851)
End of financial year	**101,113**	33,458

Impairment in value of $68,895,000 (2008: $4,693,000) and write back of allowance for impairment in value of $1,204,000 (2008: $5,474,000) were recognised in the profit or loss subsequent to a debt recovery assessment performed on the receivables from subsidiaries for the financial year ended 31 December 2009.

17. Investments in subsidiaries

	Company	
	2009	**2008**
	$'000	**$'000**
Unquoted equity shares, at cost	**266,616**	266,616
Allowance for impairment in value	**(183,835)**	(181,915)
	82,781	84,701

Details of significant subsidiaries are set out in Note 32.

Movements of impairment in value of investments in subsidiaries:

	Company	
	2009	**2008**
	$'000	**$'000**
Beginning of the financial year	**181,915**	221,206
Allowance for the financial year	**39,593**	25,975
Allowance written off during the financial year	**–**	(1,124)
Allowance written back during the financial year	**(37,673)**	–
Transferred to available-for-sale financial assets (Note 15)	**–**	(64,142)
End of the financial year	**183,835**	181,915

In 2008, the Group and the Company had lost control over BCW following the liquidation of BCW. As such, investment in BCW has been reclassified as available-for-sale financial assets.

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18. Property, plant and equipment

Group	Buildings on freehold land $'000	Leasehold land and buildings $'000	Plant, machinery and office equipment $'000	Motor vehicles $'000	Capital work in–progress $'000	Total $'000
Cost						
Balance at 1.1.2009	89,742	217	244,024	2,233	6,651	342,867
Currency translation differences	1,281	18	5,273	27	68	6,667
Additions	–	–	2,377	–	1,385	3,762
Disposal	–	–	(1,454)	(97)	–	(1,551)
Reclassification	144	–	1,362	–	(1,506)	–
Balance at 31.12.2009	91,167	235	251,582	2,163	6,598	351,745
Accumulated depreciation						
Balance at 1.1.2009	38,420	36	192,761	1,919	–	233,136
Currency translation differences	590	3	4,623	21	–	5,237
Depreciation	1,297	20	8,167	64	–	9,548
Impairment	–	–	84	–	1,457	1,541
Disposals	–	–	(1,358)	(72)	–	(1,430)
Balance at 31.12.2009	40,307	59	204,277	1,932	1,457	248,032
Net book value						
Balance at 31.12.2009	**50,860**	**176**	**47,305**	**231**	**5,141**	**103,713**
Cost						
Balance at 1.1.2008	103,313	231	363,308	2,225	2,159	471,236
Currency translation differences	(9,970)	(74)	(37,373)	(256)	(845)	(48,518)
Additions	625	60	10,528	278	10,022	21,513
Disposal	(3,334)	–	(18,477)	(14)	(5,191)	(27,016)
Written off	–	–	(903)	–	–	(903)
Transfer to investment property (Note 19)	(898)	–	–	–	–	(898)
Reclassification	6	–	(512)	–	506	–
Disposal of subsidiaries	–	–	(72,547)	–	–	(72,547)
Balance at 31.12.2008	89,742	217	244,024	2,233	6,651	342,867
Accumulated depreciation						
Balance at 1.1.2008	44,881	33	270,791	2,049	620	318,374
Currency translation differences	(4,919)	(13)	(28,498)	(227)	–	(33,657)
Depreciation	1,629	16	17,523	102	–	19,270
Written off	–	–	(871)	–	–	(871)
Disposals	(2,456)	–	(13,839)	(5)	(620)	(16,920)
Transfer to investment property (Note 19)	(715)	–	–	–	–	(715)
Disposal of subsidiaries	–	–	(52,345)	–	–	(52,345)
Balance at 31.12.2008	38,420	36	192,761	1,919	–	233,136
Net book value						
Balance at 31.12.2008	**51,322**	**181**	**51,263**	**314**	**6,651**	**109,731**

18. Property, plant and equipment (Continued)

Company	Buildings on freehold land $'000	Plant, machinery and office equipment $'000	Total $'000
Cost			
Balance at 1.1.2009	–	228	228
Additions	–	16	16
Balance at 31.12.2009	–	244	244
Accumulated depreciation			
Balance at 1.1.2009	–	145	145
Depreciation	–	43	43
Balance at 31.12.2009	–	188	188
Net book value			
Balance at 31.12.2009	**–**	**56**	**56**
Cost			
Balance at 1.1.2008	1,302	974	2,276
Additions	–	64	64
Written off	–	(810)	(810)
Disposals	(404)	–	(404)
Transfer to investment property (Note 19)	(898)	–	(898)
Balance at 31.12.2008	–	228	228
Accumulated depreciation			
Balance at 1.1.2008	786	887	1,673
Depreciation	23	41	64
Written off	–	(783)	(783)
Disposals	(94)	–	(94)
Transfer to investment property (Note 19)	(715)	–	(715)
Balance at 31.12.2008	–	145	145
Net book value			
Balance at 31.12.2008	**–**	**83**	**83**

(a) The Group's depreciation is made up of $9,548,000 (2008: $13,603,000) for continuing operation and Nil (2008: $5,667,000) for discontinued operation.

(b) Bank borrowings are secured on property, plant and equipment of the Group with carrying amount of $35,289,000 (2008: $24,267,000) (Note 26(c)).

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For the financial year ended 31 December 2009

18. Property, plant and equipment (Continued)

(c) At the date of the end of the reporting period, net book value of property, plant and equipment of the Group under finance lease are analysed as follows:

	Group	
	2009	2008
	$'000	$'000
Plant, machinery and office equipment	**868**	1,229

19. Investment property

In the previous financial year, the Company has reclassified the building on freehold land located in the Philippines to investment property. The property had a cost and accumulated depreciation of $898,000 and $733,000 (2008: $898,000 and $715,000) respectively as at 31 December 2009.

20. Intangible assets

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Computer software				
Beginning of financial year	**392**	552	**27**	–
Currency translation differences	**(2)**	(80)	**–**	–
Additions	**51**	324	**–**	36
Impairment in value	**(42)**	–	**–**	–
Amortisation	**(176)**	(404)	**(9)**	(9)
End of the financial year	**223**	392	**18**	27
Cost	**1,763**	1,721	**36**	36
Accumulated amortisation	**(1,540)**	(1,329)	**(18)**	(9)
Net book value	**223**	392	**18**	27

21. Deferred income taxes

(a) The movement on the deferred income tax account is as follows:

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Beginning of financial year	**5,688**	6,576	**–**	21
Tax charge to income statement	**108**	(479)	**–**	(21)
Disposal of a subsidiary	**–**	(519)	**–**	–
Currency translation differences	**43**	110	**–**	–
End of financial year	**5,839**	5,688	**–**	–

21. Deferred income taxes (Continued)

(b) The movements in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

Deferred tax assets

Group	Provision $'000	Other $'000	Total $'000
2009			
Beginning of financial year	(162)	(2)	(164)
Tax charge to income statement	(70)	–	(70)
Currency translation differences	(25)	–	(25)
End of financial year	(257)	(2)	(259)
2008			
Beginning of financial year	(2,269)	(3)	(2,272)
Tax charge to income statement	(115)	–	(115)
Currency translation differences	222	1	223
Discontinued operations	2,000	–	2,000
End of financial year	(162)	(2)	(164)

Company	Accelerated tax depreciation $'000	Total $'000
2009		
Beginning and end of financial year		
2008		
Beginning of financial year	21	21
Tax charge to income statement	(21)	(21)
End of financial year	–	–

21. Deferred income taxes (Continued)

(b) The movements in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows: (Continued)

Deferred tax liabilities

Group	Accelerated tax depreciation $'000	Other $'000	Total $'000
2009			
Beginning of financial year	3,410	2,442	5,852
Tax charge to income statement	178	–	178
Currency translation differences	68	–	68
End of financial year	3,656	2,442	6,098
2008			
Beginning of financial year	6,357	2,491	8,848
Tax charge to income statement	(315)	(49)	(364)
Discontinued operations	(2,519)	–	(2,519)
Currency translation differences	(113)	–	(113)
End of financial year	3,410	2,442	5,852

(c) Deferred income 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 the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statements of financial position as follows:

	Group	
	2009 **$'000**	**2008** **$'000**
Deferred tax assets	**(259)**	(164)
Deferred tax liabilities	**6,098**	5,852
	5,839	5,688
Deferred tax assets to be recovered after more than 12 months	**(259)**	(164)
Deferred tax liabilities to be settled after more than 12 months	**6,098**	5,852

21. Deferred income taxes (Continued)

(d) Movements in unrecognised deferred tax assets and liabilities during the financial year are as follows:

Group 2009	Provisions $'000	Tax losses $'000	Total $'000
Beginning of financial year	(456)	(61,213)	(61,669)
Currency translation differences	(18)	(3,492)	(3,510)
Deferred tax assets not recognised or temporary differences arising during the financial year	–	(967)	(967)
Tax losses expired during the financial year	–	2,793	2,793
Utilisation of previously unrecognised deferred tax	18	1,831	1,849
Effect of change in tax rate	8	1,458	1,466
End of financial year	(448)	(59,590)	(60,038)

Group 2008	Provisions $'000	Tax losses $'000	Total $'000
Beginning of financial year	(995)	(71,526)	(72,521)
Currency translation differences	34	12,497	12,531
Deferred tax assets not recognised or temporary differences arising during the financial year	–	(6,215)	(6,215)
Utilisation of previously unrecognised deferred tax	505	4,031	4,536
End of financial year	(456)	(61,213)	(61,669)

Company	Accelerated tax depreciation $'000	Provisions $'000	Tax losses $'000	Total $'000
2009				
Beginning and end of financial year	–	–	–	–
2008				
Beginning of financial year	1	(487)	(683)	(1,169)
Utilisation of previously unrecognised deferred tax	(1)	487	683	1,169
End of financial year	–	–	–	–

The Group has unrecognised tax losses of $239,105,000 (2008: $227,654,000). Tax losses can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses do not have expiry dates except for an amount of $53,995,000 (2008: $52,782,000) with the following expiring period:

	Group 2009 $'000	 2008 $'000
Not later than one year	**12,425**	6,215
Later than one year but not later than five years	**41,570**	46,567
	53,995	52,782

22. Trade and other payables

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Trade payables				
– Third parties	**21,163**	25,687	**–**	–
– Immediate holding company	**88**	1,478	**–**	–
– Related companies	**3,810**	–	**–**	–
	25,061	27,165	**–**	–
Directors' fee	**160**	160	**160**	160
Other payables – immediate holding company	**1,283**	1,037	**–**	–
Other payables – related company	**50**	1	**–**	–
Accrued salaries	**4,419**	6,262	**20**	23
Accrued interest	**–**	488	**–**	478
Other accrual for operating expenses	**14,833**	14,094	**929**	1,767
	45,806	49,207	**1,109**	2,428

23. Provision for employee benefits

	Group	
	2009	2008
	$'000	$'000
Movements in provision for employee benefits are as follows:		
Beginning of financial year	**1,536**	1,443
Currency translation differences	**53**	(186)
Provision made during the financial year	**41**	563
Provision utilised during the financial year	**(418)**	(284)
End of financial year	**1,212**	1,536
Provision for employee benefits are analysed as follows:		
– current	**761**	950
– non-current	**451**	586
	1,212	1,536

24. Provision for warranty

The Group gives warranty on its products and undertakes to repair or replace items that fail to perform satisfactorily. A provision is recognised at the date of the end of the reporting period for expected warranty claims based on past experience of the level of repairs and returns.

	Group	
	2009	**2008**
	$'000	**$'000**
Movements in provision for warranty are as follows:		
Beginning of financial year	**2,119**	2,335
Currency translation differences	**41**	(158)
Provision made during the financial year	**579**	580
Reversal of provision during the financial year	**(594)**	(384)
Utilised during the financial year	**(223)**	(254)
End of financial year	**1,922**	2,119

25. Provision for alleged unpaid capital contribution

The Group and the Company have made a provision for possible liabilities and costs related to the alleged shortfall in capital contribution in BCW (Note 33(d)).

	Group and Company	
	2009	**2008**
	$'000	**$'000**
Movement in provision for legal claim is as follows:		
Beginning of financial year	**17,034**	–
Provision made during the financial year	**–**	17,034
End of financial year	**17,034**	17,034

26. Borrowings

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Bank overdrafts				
– Integral part of cash management (Note 12)	**6,479**	7,213	**–**	–
Bank borrowings	**5,983**	16,665	**–**	7,200
Finance lease liabilities (Note 27)	**350**	319	**–**	–
	12,812	24,197	**–**	7,200

26. Borrowings (Continued)

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Non-current				
Bank borrowings	**3,155**	5,636	**–**	–
Scheme Debts				
– banks	**–**	24,804	**–**	24,804
– immediate holding company	**36,205**	11,442	**34,924**	10,137
– related companies	**74,635**	73,072	**53,147**	53,190
Finance lease liabilities (Note 27)	**444**	742	**–**	–
	114,439	115,696	**88,071**	88,131
Total borrowings	**127,251**	139,893	**88,071**	95,331

(a) Scheme

In 2005, the Group entered into a debt-restructuring plan effected through the Scheme between the Company and participating creditor banks. The Scheme became effective on 22 December 2005.

The Scheme comprised the restructuring and write-off of borrowings of the Group from the participating creditor banks in consideration of the investment of $24,668,000 by ATB in the Company and the issue of 59,533,511 new shares, constituting 12.0% of the enlarged issued and paid-up share capital of the Company to the participating creditor banks.

On 13 March 2006, 59,533,511 new ordinary shares amounting to $9,871,000 were issued and allotted to the participating creditor banks in accordance with the provisions of the Scheme and 148,781,725 new ordinary shares were issued and allotted to ATB in consideration for the conversion of advances amounting to $24,668,000 received from ATB.

Consequently, the bank borrowings included in the Scheme amounted to $187,361,000 where $112,414,000 were restructured into an 8 year term loan repayable by 20 quarterly instalments commencing from 21 March 2009 and the balance of $74,947,000 was discharged and written off. The repayment of these 20 quarterly instalments was deferred by another 2 years, and becomes repayable on 21 March 2011 following the approval from the Scheme creditors on 22 January 2009.

The Group's ultimate holding company and immediate holding company had gradually bought over the Scheme Debts under the Scheme. In the current financial year, all the Scheme Debts included under the Scheme brought forward from the previous year of $24,804,000 had been taken over by the immediate holding company. The amount of Scheme Debts outstanding as at 31 December 2009, all held by the immediate holding company and related companies, was $110,840,000. The Company is currently in the process of discharging the Scheme.

26. Borrowings (Continued)

(b) Bank borrowings

In October 2007, BML entered into an invoice discounting with recourse agreement with a financial institution with facility of $8,205,000 (£3,900,000). As at the date of the end of the reporting period, the amount utilised was $3,458,000 (2008: $4,336,000).

In 2007, Schorch obtained a term loan facility amounting to $10,097,000 (€5,000,000) and credit line facility of $16,155,000 (€8,000,000). As at the date of the end of the reporting period, the amount utilised was $8,505,000 (€4,212,000) (2008: $12,439,000 (€6,207,000)).

In 2008, the following companies took up the following loan facilities:

(i) Brook Crompton Limited ("BC Canada") took up a revolving demand credit facility for $1,335,000 (CAD1,000,000). The amount utilised as at the date of the end of the reporting period was $955,000 (CAD715,000) (2008: $415,000 (CAD352,000));

(ii) Tamel obtained a credit line of $8,078,000 (€4,000,000). The amount utilised as at the date of the end of the reporting period was $2,699,000 (€1,337,000) (2008: $2,915,000 (€1,455,000)); and

(iii) The Company took up a working capital loan $7,200,000 (US$5,000,000). This loan has been fully repaid during the financial year.

(c) Security granted

	Group	
	2009	**2008**
	$'000	**$'000**
Bank borrowings	**15,617**	22,312

The related securities for the above borrowings are as follows:

	Group	
	2009	2008
	$'000	$'000
Fixed charges on all assets of certain subsidiaries	**8,505**	12,437
Fixed and floating charges on all assets	**7,112**	9,875
	15,617	22,312

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26. Borrowings (Continued)

(d) Maturity of borrowings

The current borrowings, excluding finance lease liabilities (Note 27), have an average maturity of 6 months (2007: 6 months) from the date of the end of the reporting perod.

The non-current borrowings, based on discounted cash flows, excluding finance lease liabilities, have the following maturity:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Between 1 and 2 years	**13,155**	2,505	**7,946**	–
Between 2 and 5 years	**70,000**	43,131	**55,620**	32,252
After 5 years	**30,840**	69,318	**24,505**	55,879
	113,995	114,954	**88,071**	88,131

(e) The effective interest rates of total borrowings during the financial year are as follows:

	Group		Company	
	2009	**2008**	**2009**	**2008**
Bank overdrafts	**4.0%**	7.5%	**–**	–
Bank borrowings (excluding Scheme Debts)	**6.2%**	6.8%	**6.0%**	3.6%
FRN	**–**	11.4%	**–**	–
Scheme Debts:				
– Singapore dollar ("SGD")	**1.2%**	2.8%	**1.2%**	2.8%
– EURO	**2.0%**	5.9%	**2.0%**	5.9%
– USD	**1.4%**	4.4%	**1.4%**	5.9%
– GBP	**2.0%**	7.1%	**2.0%**	7.1%
Finance lease liabilities	**8.0%**	6.4%	**–**	–

The exposure of current and non-current borrowings to interest rate risks is disclosed in Note 34.

27. Finance lease liabilities

	Group	
	2009	2008
	$'000	$'000
Minimum lease payments due:		
– Not later than one year	**403**	376
– Later than one year but not later than five years	**499**	793
	902	1,169
Less: Future finance charges	**(108)**	(108)
Present value of finance lease liabilities	**794**	1,061

The present value of finance lease liabilities may be analysed as follows:

	Group	
	2009	2008
	$'000	$'000
– Not later than one year (Note 26)	**350**	319
– Later than one year but not later than five years (Note 26)	**444**	742
	794	1,061

28. Other payables – non-current

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Advances from ultimate holding company	**–**	23,118	**–**	–
Advances from immediate holding company	**6,175**	5,102	**1,499**	713
Advances from related companies	**83,182**	50,200	**53,669**	46,127
Other payables – immediate holding company	**794**	4,650	**794**	4,455
Other payables – related companies	**2,863**	2,742	**2,863**	2,741
Due to subsidiaries	**–**	–	**109,796**	110,466
	93,014	85,812	**168,621**	164,502

During the financial year, the amounts due to subsidiaries by the Company are unsecured, not expected to be repayable within the next 12 months and interest-free except for an amount of approximately $24,308,000 (€12,037,000) (2008: approximately $27,446,000 (€13,696,000)) which bears an interest rate of 6% (2008: 5.0%) per annum.

Advances from ultimate holding company, immediate holding company and related companies (companies which are related to immediate holding company) were utilised to finance the operations of the Group. These advances are unsecured, not expected to be repayable within the next 12 months and are interest-free for 2009 (2008: 6%).

The carrying amounts of non-current other payables approximate their fair values.

29. Retirement benefit obligations

(a) Retirement benefit plan

	Group 2009 $'000	Group 2008 $'000
Present value of defined benefits obligations	**35,667**	31,755
Unrecognised actuarial gains	**5,306**	7,992
	40,973	39,747

Retirement benefit obligations relate to an unfunded pension plan of the subsidiaries. The obligation is the actuarial present value of benefits due to past and present employees.

(b) The amounts recognised in profit or loss are as follows:

	Group 2009 $'000	Group 2008 $'000
Current service cost	**672**	777
Interest cost	**1,966**	1,987
Net actuarial gain recognised during the financial year	**(436)**	(60)
Total, included in employee benefits expenses (Note 7)	**2,202**	2,704

(c) The movement in the liability recognised in the statements of financial position is as follows:

	Group 2009 $'000	Group 2008 $'000
Beginning of financial year	**39,747**	40,706
Currency translation differences	**318**	(2,199)
Provision made during the financial year	**2,202**	(2,704)
Contributions paid	**(1,294)**	(1,324)
Liquidation of a subsidiary	**–**	(140)
End of financial year	**40,973**	39,747

(d) The financial actuarial assumptions used are as follows:

	Group 2009	Group 2008
Schorch:		
Discount rate	**6.0%**	6.0%
Future pension increment	**2.0%**	2.0%
BC Canada:		
Discount rate	**5.0%**	5.0%
Future pension increment	**3.0%**	3.0%

30. Share capital

Group and Company	No. of shares Issued Share capital $'000	Amount share capital $'000
2009		
Beginning and end of financial year	709,178	149,642
2008		
Beginning and end of financial year	709,178	149,642

The Company has one class of ordinary shares which carry no right to fixed income.

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

31. Other reserves

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Currency translation reserve	**(6,949)**	(5,931)	**–**	–
Capital reserve	**16,852**	16,852	**16,852**	16,852
	9,903	10,921	**16,852**	16,852

The currency translation reserve is used to record exchange differences arising from the translation of financial statements of certain entities within the Group whose functional currency is different from that of the Group's presentation currency.

The capital reserve of $16,852,000 represents mainly the deemed capital injection from the ultimate holding company to settle bank borrowings of the subsidiaries and related company's balances prior to disposal of the subsidiaries.

The movements of other reserves are presented in the statements of changes in equity.

32. Significant subsidiaries in the Group

The principal activities of significant subsidiaries together with information on their country of incorporation and equity interest held by the Group are shown below:

	Name and country of Incorporation	Principal activities/(Country of business)	Percentage of equity held in 2009 %	2008 %
	SUBSIDIARIES:			
(1)	Tamel, Poland	Manufacturing and marketing of electric motors (Poland)	**100**	100
(2)	BC Canada, Canada	Distribution of electric motors (Canada)	**100**	100
(2)	Brook Crompton USA Inc., United States of America	Distribution of electric motors (United States of America)	**100**	100
(3)	BML, United Kingdom	Manufacturing and marketing of electric motors (United Kingdom)	**100**	100
(4)	Schorch, Germany	Manufacturing and marketing of electric motors (Germany)	**100**	100

(1) Audited by BDO Sp. z o.o, Poland
(2) Reviewed by BDO Canada LLP, notwithstanding an audit/review is not required by the laws in the country of incorporation
(3) Audited by BDO LLP, United Kingdom
(4) Audited by BDO Deutsche Warentreuhand AG, Germany

33. Commitments

(a) Operating lease commitments – where a group company is a lessee

The Group and the Company lease various offices and warehouses under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The lease expenditure charged to profit or loss during the financial year is disclosed in Note 6.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	Group		Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Not later than one year	**1,268**	2,602	**79**	158
Later than one year but not later than five years	**2,584**	4,774	**–**	79
	3,852	7,376	**79**	237

33. Commitments (Continued)

(b) Operating lease commitments – where a group company is a lessor

As at the date of the end of the reporting period, the future minimum lease payments receivable under non-cancellable operating leases contracted for but not recognised as receivables, are as follows:

	Group 2008 $'000
Not later than one year	126
Later than one year but not later than five years	504
Later than five years	157
	787

(c) Other commitments

Other than as disclosed elsewhere in the financial statements, the details of contingent liabilities not provided for in the financial statements are as follows:

	Company	
	2009 $'000	2008 $'000
Corporate guarantee of the Company in respect of credit facilities provided to subsidiaries	**5,178**	3,027

(d) Contingent liabilities

Alleged unpaid capital contributions

On 16 February 2009, the Company received a writ of summons and statement of claim from BCW initiated by the Liquidation Committee appointed by the Dalian Municipal Economic Commission demanding from the Company for an amount of RMB131.6 million (approximately S$27,021,000 (2008: approximately S$29,400,000)) in connection with an alleged shortfall in capital contribution by the Company for issue of shares in BCW. The Company filed a defence stating that its contributions to BCW of approximately RMB285.5 million exceed the amount of capital contribution required. The Company also filed a counter-claim against BCW asserting its entitlement to be repaid the contribution sum and/or to set-off the alleged claim from such contribution sum and to recover the balance. On 28 May 2009, a Notice of Discontinuance of the suit was filed and the litigation was discontinued.

On 13 August 2009, the local authorities appointed a legal firm to act as the administrator in the bankruptcy proceeding of BCW. The administration of the bankruptcy proceedings is still in its early stage. Given the uncertainties revolving around the outcome of the bankruptcy proceedings as set out in Note 4, the management has continued to recognise a provision of $17,034,000 (2008: $17,034,000) (Note 25) for liabilities and costs that could arise from a possible claim with respect to the alleged unpaid capital contribution.

33. Commitments (Continued)

(d) Contingent liabilities (Continued)

Lawsuit on sale of machinery

In the previous financial year, one of the subsidiaries had commenced legal proceedings against a customer in relation to the failure of the customer to pay outstanding amounts due to the subsidiary for the sale of machinery. The total sum claimed by the subsidiary was $285,000 (US$198,000). The customer filed a counterclaim for approximately $819,000 (US$569,000) plus costs alleging that the subsidiary had failed to deliver the machinery by the stipulated date and was in breach of the contract. No provision was made in the financial statements in respect of this claim.

During the financial year, the case was closed without payment or liability involved.

34. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: price risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management policies are provided for implementation by the Group.

(a) Foreign currency risk

The Group operates internationally in the currencies of domicile of its subsidiaries. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as EURO, GBP, USD and Polish Zloty ("PLN").

Foreign currency risk arises on financial instruments that are denominated in foreign currencies. The Company has scheme debt denominated in foreign currencies amounting to EURO: $10,018,000 (2008: $9,942,000), USD: $12,696,000 (2008: $13,042,000) and GBP: $2,804,000 (2008: $2,595,000). During the financial year, all Scheme Debts have been taken over by the immediate holding company and the related companies, pending finalisation of discharge. Foreign currency risk is minimised through the natural hedging of the receipt from customers which is the source for repayment of principal and interest which is denominated in the same currency.

34. Financial risk management (Continued)

(a) *Foreign currency risk (Continued)*

At the date of the end of the reporting period, the Group and the Company had the following significant net financial liabilities denominated in foreign currencies:

		Group		Company	
	Transacted currency	**2009 $'000**	**2008 $'000**	**2009 $'000**	**2008 $'000**
Advances from immediate holding company	EURO	**5,407**	4,643	**732**	254
	USD	**232**	227	**232**	227
	GBP	**42**	39	**42**	39
Advances from ultimate holding company	EURO	**–**	18,689	**–**	–
	USD	**–**	91	**–**	–
	GBP	**–**	213	**–**	–
	PLN	**–**	4,124	**–**	–
Advances from related company	EURO	**62,504**	42,231	**42,636**	42,231
	USD	**8,130**	930	**8,036**	930
	GBP	**4,811**	3,771	**405**	375
	PLN	**4,440**	–	**–**	–
Billing of management services provided by immediate holding company	EURO	**3,844**	2,899	**–**	–
	GBP	**709**	–	**–**	–

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For the financial year ended 31 December 2009

34. Financial risk management (Continued)

(a) *Foreign currency risk (Continued)*

The Group's currency exposure based on the information provided to key management is as follows:

Group	**SGD $'000**	**EURO $'000**	**USD $'000**	**GBP $'000**	**PLN $'000**	**Others $'000**	**Total $'000**
At 31 December 2009							
Financial assets							
Cash and cash equivalents	74	10,088	269	442	418	741	12,032
Trade and other receivables	556	38,263	675	5,567	2,899	803	48,763
	630	48,351	944	6,009	3,317	1,544	60,795
Financial liabilities							
Borrowings	62,553	22,293	14,003	27,750	47	606	127,252
Advances from immediate holding company	493	5,407	232	42	–	–	6,174
Advances from related company	3,297	62,504	8,130	4,811	4,440	–	83,182
Trade and other payables	787	18,968	2,375	2,970	3,175	1,081	29,356
	67,130	109,172	24,740	35,573	7,662	1,687	245,964
Net financial liabilities	**(66,500)**	**(60,821)**	**(23,796)**	**(29,564)**	**(4,345)**	**(143)**	**(185,169)**
Less: Net financial liabilities denominated in the respective entities functional currencies	**66,500**	**(21,572)**	**(644)**	**26,554**	**4,345**	**148**	**75,331**
Currency exposures	**–**	**(82,393)**	**(24,440)**	**(3,010)**	**–**	**5**	**(109,838)**

34. Financial risk management (Continued)

(a) *Foreign currency risk (Continued)*

The Group's currency exposure based on the information provided to key management is as follows:

Group	SGD $'000	EURO $'000	USD $'000	GBP $'000	PLN $'000	Others $'000	Total $'000
At 31 December 2008							
Financial assets							
Cash and cash equivalents	230	9,249	379	503	274	127	10,762
Trade and other receivables	7,288	56,724	726	6,997	3,951	1,919	77,605
	7,518	65,973	1,105	7,500	4,225	2,046	88,367
Financial liabilities							
Borrowings	62,553	26,677	21,226	29,021	–	416	139,893
Advances from immediate holding company	193	4,643	227	39	–	–	5,102
Advances from ultimate holding company	–	18,689	91	213	4,125	–	23,118
Advances from related company	3,269	42,231	930	3,770	–	–	50,200
Trade and other payables	1,788	35,931	5,134	4,188	7,767	1,791	56,599
	67,803	128,171	27,608	37,231	11,892	2,207	274,912
Net financial liabilities	**(60,285)**	**(62,198)**	**(26,503)**	**(29,731)**	**(7,667)**	**(161)**	**(186,545)**
Less: Net financial liabilities denominated in the respective entities functional currencies	**60,285**	**19,372**	**497**	**26,814**	**8,401**	**682**	**116,051**
Currency exposures	**–**	**(42,826)**	**(26,006)**	**(2,917)**	**734**	**521**	**(70,494)**

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For the financial year ended 31 December 2009

34. Financial risk management (Continued)

(a) *Foreign currency risk (Continued)*

The Company's currency exposure based on the information provided to key management is as follows:

Company

	SGD $'000	EURO $'000	USD $'000	GBP $'000	PLN $'000	Others $'000	Total $'000
At 31 December 2009							
Financial assets							
Cash and cash equivalents	31	281	5	227	–	4	548
Trade and other receivables	2,176	63,022	1,794	23,602	2,049	316	92,959
	2,207	63,303	1,799	23,829	2,049	320	93,507
Financial liabilities							
Borrowings	62,553	10,018	12,696	2,804	–	–	88,071
Advances from ultimate holding company	493	732	232	42	–	–	1,499
Advances from related company	2,591	42,636	8,036	405	–	–	53,668
Trade and other payables	36,531	12,330	62,717	–	–	2,375	113,953
	102,168	65,716	83,681	3,251	–	2,375	257,191
Net financial (liabilities)/ assets	**(99,961)**	**(2,413)**	**(81,882)**	**20,578**	**2,049**	**(2,055)**	**(163,684)**
Less: Net financial liabilities denominated in the respective entities' functional currencies	**99,961**	**–**	**–**	**–**	**–**	**–**	**99,961**
Currency exposures	**–**	**(2,413)**	**(81,882)**	**20,578**	**2,049**	**(2,055)**	**(63,723)**

34. Financial risk management (Continued)

(a) *Foreign currency risk (Continued)*

Company

	SGD $'000	EURO $'000	USD $'000	GBP $'000	Others $'000	Total $'000
At 31 December 2008						
Financial assets						
Cash and cash equivalents	173	203	165	211	1	753
Trade and other receivables	12,484	66,182	12,676	35,564	2,499	129,405
	12,657	66,385	12,841	35,775	2,500	130,158
Financial liabilities						
Borrowings	62,553	9,941	20,242	2,595	–	95,331
Advances from ultimate holding company	193	254	227	39	–	713
Advances from related company	2,591	42,231	930	375	–	46,127
Trade and other payables	37,549	14,442	65,010	463	2,626	120,090
	102,886	66,868	86,509	3,472	2,626	262,261
Net financial (liabilities)/assets	**(90,229)**	**(483)**	**(73,568)**	**32,303**	**(126)**	**(132,103)**
Less: Net financial liabilities denominated in the respective entities' functional currencies	**90,229**	**–**	**–**	**–**	**–**	**90,229**
Currency exposures	**–**	**(483)**	**(73,568)**	**32,303**	**(126)**	**(41,874)**

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the EURO, USD and GBP exchange rates (against SGD), with all other variables held constant, of the Group and the Company's profit net of tax.

	Group		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
EURO				
– Strengthened 4% (2008: 4%)	**3,296**	1,713	**97**	19
– Weakened 4% (2008: 4%)	**(3,296)**	(1,713)	**(97)**	(19)
USD				
– Strengthened 6% (2008: 6%)	**1,466**	1,560	**4,913**	4,414
– Weakened 6% (2008: 6%)	**(1,466)**	(1,560)	**(4,913)**	(4,414)
GBP				
– Strengthened 4% (2008: 4%)	**120**	117	**823**	1,292
– Weakened 4% (2008: 4%)	**(120)**	(117)	**(823)**	(1,292)

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34. Financial risk management (Continued)

(b) *Interest rate risks*

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's borrowings are almost entirely at variable interest rates which are based on the prevailing bank interest rates in the countries where the borrowings are obtained. The directors monitor the interest rates of the Group's borrowings, where possible, in order to maintain the best borrowings interest rates that the Group can obtain in order to reduce interest expense. The ability of the Group to manage the impact of changes in market interest rates on the Group's borrowings is dependent on the support of the Group's bankers and other financial institutions.

Sensitivity analysis for interest rate risks

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates, with all other variables including interest rates held constant, of the Group and the Company's profit net of tax.

	Group				Company			
	2009		2008		2009		2008	
	Variation in interest rates	Profit after tax $'000	Variation in interest rates	Profit after tax $'000	Variation in interest rates	Profit after tax $'000	Variation in interest rates	Profit after tax $'000
Bank overdraft	(3.5%)	(248)	(4.9%)	(485)	–	–	–	–
Bank borrowings	(0.5%)	(101)	(0.8%)	(185)	2.4%	173	3.6%	260
FRN	–	–	(4.7%)	–	–	–	–	–
Scheme debts:								
– SGD	(1.6%)	(1,006)	(1.2%)	(742)	(1.6%)	(1,006)	(1.2%)	(742)
– EURO	(3.9%)	(401)	0.7%	73	(3.9%)	(388)	(2.1%)	(290)
– USD	(3.0%)	(414)	(2.1%)	(296)	(4.5%)	(577)	0.7%	72
– GBP	(5.0%)	(1,224)	0.1%	17	(5.0%)	(141)	0.1%	2
Finance lease liabilities	1.5%	12	(0.5%)	5	–	–	–	–
Total		(3,382)		(1,613)		(1,939)		(698)

34. Financial risk management (Continued)

(b) *Interest rate risks (Continued)*

The tables below set out the Group and the Company's exposure to interest rate risks at the date of the end of the reporting period. Included in the tables are the assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Variables rates				Fixed rates					
Group	**Less than 6 mths $'000**	**6 mths to 1 year $'000**	**Between 1 to 5 yrs $'000**	**More than 5 yrs $'000**	**Less than 6 mths $'000**	**6 mths to 1 yr $'000**	**Between 1 to 5 yrs $'000**	**More than 5 yrs $'000**	**Non–interest bearing $'000**	**Total $'000**
At 31 December 2009										
Assets										
Cash and cash equivalents	10,705	–	–	–	–	–	–	–	1,326	12,031
Trade and other receivables	–	–	–	–	–	–	–	–	71,283	71,283
Total assets	10,705	–	–	–	–	–	–	–	72,609	83,314
Liabilities										
Borrowings	127,251	–	–	–	–	–	–	–	–	127,251
Other financial liabilities	–	–	–	–	–	–	35,977	–	102,842	138,819
Total liabilities	127,251	–	–	–	–	–	35,977	–	102,842	266,070
At 31 December 2008										
Assets										
Cash and cash equivalents	10,762	–	–	–	–	–	–	–	–	10,762
Trade and othe receivables	–	–	–	–	–	–	–	–	77,605	77,605
Total assets	10,762	–	–	–	–	–	–	–	77,605	88,367
Liabilities										
Borrowings	138,832	–	–	–	–	–	1,061	–	–	139,893
Other financial liabilities	–	–	–	–	–	68,554	–	–	66,465	135,019
Total liabilities	138,832	–	–	–	–	68,554	1,061	–	66,465	274,912

34. Financial risk management (Continued)

(b) *Interest rate risks (Continued)*

Company	Variables rates				Fixed rates					
	Less than 6 mths $'000	6 mths to 1 year $'000	Between 1 to 5 yrs $'000	More than 5 yrs $'000	Less than 6 mths $'000	6 mths to 1 yr $'000	Between 1 to 5 yrs $'000	More than 5 yrs $'000	Non–interest bearing $'000	Total $'000
At 31 December 2009										
Assets										
Cash and cash equivalents	548	–	–	–	–	–	–	–	–	548
Trade and other receivables	–	–	–	–	–	–	45,588	–	47,659	93,247
Total assets	548	–	–	–	–	–	45,588	–	47,659	93,795
Liabilities										
Borrowings	88,071	–	–	–	–	–	–	–	–	88,071
Other financial liabilities	–	–	–	–	–	–	11,996	–	157,734	169,730
	88,071	–	–	–	–	–	11,996	–	157,734	257,801
At 31 December 2008										
Assets										
Cash and cash equivalents	753	–	–	–	–	–	–	–	–	753
Trade and other receivables	–	–	–	–	–	45,300	–	–	84,105	129,405
Total assets	753	–	–	–	–	45,300	–	–	84,105	130,158
Liabilities										
Borrowings	95,331	–	–	–	–	–	–	–	–	95,331
Other financial abilities	–	–	–	–	–	49,455	–	–	117,475	166,930
Total liabilities	95,331	–	–	–	–	49,455	–	–	117,475	262,261

34. Financial risk management (Continued)

(c) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of good credit history and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limit that is approved by the responsible officer based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the responsible officer. The Group's and Company's major classes of financial assets are bank deposits and trade receivables.

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group	
	2009	**2008**
	$'000	**$'000**
By geographical areas		
Singapore	**725**	407
Asia (excluding Singapore)	**633**	2,951
Australia/ New Zealand	**39**	391
United Kingdom	**5,461**	5,459
Europe/ North America	**39,577**	46,268
Middle East	**946**	845
	47,381	56,321

(i) *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-ratings agencies. Trade receivables that are neither past due nor impaired are mainly companies with a good collection track record with the Group.

The Group's trade receivables not past due include receivables amounting to $34,215,000 (2008: $40,122,000) that would have been past due or impaired if the terms were not renegotiated during the financial year.

(ii) *Financial assets that are past due and/or impaired*

There is no other class of financial assets that is past due and/or impaired except trade receivables.

34. Financial risk management (Continued)

(c) Credit risk (Continued)

(ii) Financial assets that are past due and/or impaired (Continued)

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2009	**2008**
	$'000	**$'000**
Age analysis		
Past due 0 to 3 months	**7,935**	14,678
Past due 3 to 6 months	**2,560**	688
Past due over 6 months	**2,672**	833
	13,167	16,199

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities for the operations of the Company and Group and meeting its financial obligations as and when they fall due. The Company and Group have been and continue to be in discussions with their bankers and other financial institutions for their continuing support and are actively pursuing options to raise additional capital for the Company and Group.

The table below analyses the maturity profile of the Group's and Company's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 to 2 years $'000	Between 2 to 5 years $'000	Over 5 years $'000
Group				
At 31 December 2009				
Trade and other payables	41,112	37	4,657	93,014
Borrowings	12,812	13,578	70,022	30,839
	53,924	13,615	74,679	123,853
At 31 December 2008				
Trade and other payables	56,303	27,624	851	50,241
Borrowings	24,196	6,378	40,000	69,319
	80,499	34,002	40,851	119,560

34. Financial risk management (Continued)

(d) Liquidity risk (Continued)

	Less than 1 year $'000	Between 1 to 2 years $'000	Between 2 to 5 years $'000	Over 5 years $'000
Company				
At 31 December 2009				
Trade and other payables	1,109	–	11,817	156,804
Borrowings	–	7,946	55,620	24,505
	1,109	7,946	67,437	181,309
At 31 December 2008				
Trade and other payables	9,625	264	–	157,041
Borrowings	7,200	–	32,252	55,879
	16,825	264	32,252	212,920

(e) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 26, cash and cash equivalents and equity attributable to equity holders of parent, comprising issued capital, reserves and accumulated losses.

The Group's overall strategy remains unchanged from 2008.

35. Significant related party transactions

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions at rates and terms agreed between the parties:

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For the financial year ended 31 December 2009

35. Significant related party transactions (Continued)

(a) Sales and purchases of goods and services

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

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Sale of motors to related companies	**3,337**	5,443	**–**	–
Purchase of motors from related companies	**7,425**	3,612	**–**	–
Management services from immediate holding company	**4,553**	2,899	**–**	–
Interest expense charged by ultimate holding company (Non Scheme Debt)	**–**	3,317	**–**	1,914
Interest expense charged by ultimate holding company (Scheme Debt)	**–**	3,157	**–**	1,554
Interest expense charged by immediate holding company (Non Scheme Debt)	**41**	204	**–**	–
Interest expense charged by immediate holding company (Scheme Debt)	**437**	407	**–**	407
Interest expenses charged by related company (Non Scheme Debt)	**234**	398	**136**	379
Interest expenses charged by related company (Scheme Debt)	**–**	572	**–**	302
Interest expense charged by subsidiaries	**–**	–	**1,545**	–
Interest income from subsidiaries	**–**	–	**3,610**	5,404
Income from recharged personnel cost from immediate holding company	**135**	–	**–**	–
Income from recharged personnel cost from related company	**8**	–	**–**	–
Income cost compensation from immediate holding company	**4**	–	**–**	–
Income cost compensation from related company	**244**	–	**4**	–
Management services provided to subsidiaries	**–**	–	**264**	726

35. Significant related party transactions (Continued)

(a) Sales and purchases of goods and services (Continued)

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Management services provided to related company	**16**	–	**16**	–
Rental income received from related company	**–**	22	**36**	22
Rental income received from subsidiary	**–**	–	**–**	59
Re-charged of expenses by immediate holding company	**9**	330	**31**	–
Re-charged of expenses by related companies	**517**	1,481	**–**	1,001
Re-charged of expenses by ultimate holding company	**–**	187	**–**	–

Outstanding balances as at 31 December 2009, arising from sale/purchase of goods and services, are set out in Note 13 and 22 respectively.

(b) Key management personnel compensation

The remuneration of key management personnel of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Salaries fees and other short-term employee benefits	**4,088**	3,844	**641**	576
Post-employment benefits	**5**	10	**5**	5
	4,093	3,854	**646**	581

The above includes the following remuneration to the Directors of the Company and Directors of the subsidiaries:

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Directors of the Company				
Salaries and other short-term employee benefits	**568**	337	**446**	337
Directors of the subsidiaries				
Salaries and other short-term employee benefits	**1,298**	1,232	**–**	–
Post–employment benefits	**5**	5	**–**	–
	1,871	1,574	**446**	337

Notes to the Financial Statements
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36. Segmental analysis

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker.

Management manages and monitors the business from geographic segment perspective. In the previous financial year, the management manages and monitors the business from a geographic and business segment perspective. Following the disposal of the power generation business, the Group only has one business segment, which is that of manufacturing and distribution of electric motors and components.

There are five main geographical segments:

Singapore - Singapore is the home country of the Group. The areas of operations include investment holding, distribution of electric motors and components.

Asia (excluding Singapore) - Supply and distribution of electric motors and components.

Australia/New Zealand – Supply & distribution of electric motors and components.

United Kingdom – Manufacture and distribution of electric motors and components.

Europe/North America – Manufacture & distribution of electric motors and components.

With the exception of Singapore and Australia/New Zealand, other countries contributed more than 10% of consolidated sales. Sales are based on the country in which customers are located. Total assets and capital expenditure are shown by the geographical area where the assets are located.

36. Segmental analysis (Continued)

2009	Singapore	Asia (excluding Singapore)	Australia/ New Zealand	United Kingdom	Europe/ North America	Group
	$'000	$'000	$'000	$'000	$'000	$'000
Total segment sales	2,399	–	2,063	26,737	249,701	280,900
Intersegment sales	(10)	–	–	(373)	(15,113)	(15,496)
Sales to external parties	2,389	–	2,063	26,364	234,588	265,404
Adjusted EBITDA	2,701	(1,445)	688	4,010	12,948	18,902
Interest income	–	–	–	–	108	108
Interest expense	(759)	–	–	(659)	(3,543)	(4,961)
Depreciation	(70)	–	(9)	(337)	(9,325)	(9,741)
Amortisation	(18)	–	–	–	(158)	(176)
Impairment of fixed assets	–	–	–	(84)	(1,457)	(1,541)
Impairment of intangible assets	–	–	–	–	(42)	(42)
Loss on disposal of fixed assets	–	–	–	–	(6)	(6)
Gains on disposal of fixed assets	–	–	42	(1)	21	62
Gains on disposal of available for sale financial assets	1,046	–	–	–	–	1,046
Redundancy and other restructuring expenses			563	(149)	(5,005)	(4,591)
	2,900	(1,445)	1,284	2,780	(6,459)	(940)
Translation differences on net borrowing transfer to translation reserves						(4,904)
Losses before tax and discontinued operation						(5,844)
Segment assets	1,982	22	738	9,726	200,324	212,792
Unallocated assets						
- Deferred tax assets						259
Total assets						213,051
The above assets include :						
Non-current assets	239	–	–	998	103,122	104,359
Capital expenditure						
- Fixed assets	16	–	–	56	3,628	3,700
- Intangible assets	–	–	–	22	108	130
Segment liabilities	166,200	125	292	36,419	124,176	327,212
Unallocated liabilities						
- Income tax liabilities						1,300
- Deferred tax liabilities						6,098
Total liabilities						334,610

Notes to the Financial Statements

For the financial year ended 31 December 2009

36. Segmental analysis (Continued)

2008	Singapore $'000	Asia (excluding Singapore) $'000	Australia/ New Zealand $'000	United Kingdom $'000	Europe/ North America $'000	Group $'000
Total segment sales	5,700	–	2,384	38,994	303,334	350,412
Intersegment sales	(2,062)	–	–	(729)	(26,440)	(29,231)
Sales to external parties	3,638	–	2,384	38,265	276,894	321,181
Adjusted EBITDA	(16,609)	231	(1,537)	(4,689)	22,064	(540)
Interest income	28	–	–	8	1,210	1,246
Interest expense	(5,879)	(171)	–	(2,407)	(4,278)	(12,735)
Depreciation	(65)	(16)	(35)	(393)	(13,157)	(13,666)
Amortisation	(9)	–	–	–	(395)	(404)
Gains on disposal of fixed assets	(171)	(90)	6	3	400	148
Redundancy and other restructuring expenses	–	–	(623)	(913)	(865)	(2,401)
	(22,705)	(46)	(2,189)	(8,391)	4,979	(28,352)
Translation differences on net borrowing transfer to translation reserves						17,581
Losses before tax and discontinued operation						(10,771)
Segment assets	1,136	38	1,170	11,379	216,179	229,902
Unallocated assets						
- Deferred tax assets						164
Total assets						230,066
The above assets include :						
Non-current assets	294	–	65	1,243	108,868	110,470
Capital expenditure						
- Fixed assets	66	–	40	333	21,074	21,513
- Intangible assets	36	–	–	–	288	324
Segment liabilities	170,364	1,932	1,292	35,089	126,671	335,348
Unallocated liabilities						
- Income tax liabilities						2,879
- Deferred tax liabilities						6,098
Total liabilities						344,079

Letter to Shareholders

LINDETEVES-JACOBERG LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 194700172G)

15 April 2010

Directors:

Peter Sichrovsky
Knut Unger
Volker Felix Zuleck
Bernhard Rippel
Christian Schmidt

Registered Office:

141 Market Street
#07-01 International Factors Building
Singapore 048944

To: The Shareholders of Lindeteves-Jacoberg Limited

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE GENERAL MANDATE FOR TRANSACTIONS WITH INTERESTED PERSONS OF THE COMPANY (THE GENERAL MANDATE)

1. BACKGROUND

We refer to (a) the Notice of the 62nd Annual General Meeting ("2010 AGM") of Lindeteves-Jacoberg Limited (the "Company") dated 15 April 2010 (the "Notice of AGM") accompanying the Annual Report of the Company for the financial year ended 31 December 2009 (the "2009 Annual Report") in relation to the convening of the 2010 AGM of the Company which is scheduled to be held on 30 April 2010, and (b) Ordinary Resolution 9 in relation to the renewal of the General Mandate under the heading "Special Business" set out in the Notice of the 2010 AGM.

2. THE PROPOSED RENEWAL OF THE GENERAL MANDATE

2.1 The Existing General Mandate

At the General Meeting held on 30 April 2009 (the "AGM"), shareholders of the Company ("Shareholders") approved the renewal of the General Mandate to enable the Company, its subsidiaries and associated companies to enter into any transactions falling within the categories of ATB Interested Person Transactions described in the Company's circular to Shareholders dated 29 November 2006.

2.2 Proposed Renewal of the General Mandate

The General Mandate was expressed to continue to be in force until the conclusion of the next Annual General Meeting of the Company, being the forthcoming 2010 AGM. Accordingly, the directors of the Company (the "Directors") propose that the General Mandate be renewed at the forthcoming 2010 AGM. The particulars of the interested person transactions in respect of which the General Mandate is sought to be renewed remain unchanged.

2.3 Details of the General Mandate

Details of the General Mandate, including the rationale for and the benefits to the Company, the review procedures for determining transaction prices with interested persons and other general information in relation to Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual"), are set out in the Appendix to this letter.

2. THE PROPOSED RENEWAL OF THE GENERAL MANDATE (Continued)

2.4 Confirmation of Audit Committee

Pursuant to Rule 920(1)(c) of the Listing Manual, the Audit Committee of the Company confirms that:

(a) the methods or procedure for determining the transaction prices under the General Mandate have not changed subsequent to the 2009 AGM; and

(b) the methods or procedure referred to paragraph 2.4(a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1 The interest of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest	
	No. of Shares	%(1)	No. of Shares	%(1)
Directors				
Peter Sichrovsky	1,235,000	0.17%	–	–
Knut Unger	–	–	–	–
Volker Felix Zuleck	–	–	–	–
Bernhard Rippel	–	–	–	–
Substantial Shareholders				
ATB Austria Antriebstechnik AG	418,170,921	58.97	50,119,459	7.07
A-TEC Industries AG(2)	–	–	468,290,380	66.03
M.U.S.T. Trust(3)	–	–	468,290,380	66.03
Mirko Kovats(4)	–	–	468,290,380	66.03

Notes:-

(1) The percentage shareholding interest is based on the issued share capital of 709,178,191 shares as at the Latest Practicable Date.

(2) A-TEC is a substantial shareholder of ATB. A-TEC is therefore deemed to be interested in the 468,290,380 shares held by ATB in the Company.

(3) M.U.S.T. Trust is deemed to have an interest in the 468,290,380 shares held by ATB in the Company by virtue of its legal interest in A-TEC.

(4) Mirko Kovats is deemed to have an interest in the 468,290,380 shares held by ATB in the Company by virtue of his beneficial interest in A-TEC held through M.U.S.T. Trust.

3.2 Abstention from voting

ATB, A-TEC and their respective associates (as defined in the Listing Manual) will abstain from voting in respect of the Ordinary Resolution relating to the proposed renewal of the General Mandate at the forthcoming 2010 AGM.

Further, each of the persons mentioned in this paragraph 3.2 undertakes to decline to accept appointment to act as proxies for other Shareholders of the Company at the 2010 AGM or Ordinary Resolution 9 unless the Shareholder concerned shall have been given specific instructions as to the manner in which his votes are to be cast.

4. DIRECTORS' RECOMMENDATION

4.1 The Directors who are considered independent for the purposes of the proposed renewal of the General Mandate (the "Independent Directors") are Dr Knut Unger and Mr Volker Felix Zuleck. The Independent Directors having considered, inter alia, the terms, the rationale and the benefits of the General Mandate, are of the view that the General Mandate is in the interests of the Company. Accordingly, they recommend that Shareholders vote In Favour of the Ordinary Resolution 8 relating to the General Mandate set out in the Notice of AGM.

4.2 As Mr Bernhard Rippel had entered into an employment contract with A-TEC, he has abstained from making any recommendation on the proposed renewal of the General Mandate for the ATB Interested Person Transactions.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors jointly and severally accept responsibility for the accuracy of the information contained in this letter and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts and opinions expressed in this letter are fair and accurate and that there are no material facts the omission of which would make any statement in this letter misleading.

6. ADVICE TO SHAREHOLDERS

Shareholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisor immediately.

7. SGX-ST

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this letter.

Yours faithfully

LINDETEVES-JACOBERG LIMITED
Volker Felix Zuleck
Independent Director

Singapore

The Appendix

1. CHAPTER 9 OF THE LISTING MANUAL

1.1 Chapter 9 of the Listing Manual ("Chapter 9") governs transactions which a listed company or any of its subsidiaries or associated companies proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its minority shareholders.

1.2 For the purposes of Chapter 9:

(a) an "approved exchange" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9;

(b) an "associate" in relation to any director, chief executive officer or controlling shareholder (being an individual) means his immediate family (i.e., spouse, child, adopted child, stepchild, sibling and parent), the trustees of any trust of which he or his immediate family is a beneficiary or in the case of a discretionary trust, is a discretionary object, and any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. An "associate" in relation to a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

(c) an "associated company" means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;

(d) a "controlling shareholder" is a person who holds directly or indirectly 15% or more of all voting shares in a listed company (unless otherwise excepted by SGX-ST) or in fact exercises control over the listed company;

(e) an "entity at risk" means a listed company, a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange, or an associated company of the listed group that is not listed on the SGX-ST or an approved exchange, provided that the listed group or the listed group and its interested person(s) has control over the associated company;

(f) an "interested person" means a director, chief executive officer or controlling shareholder of a listed company, or an associate of such director, chief executive officer or controlling shareholder;

(g) an "interested person transaction" means a transaction between an entity at risk and an interested person; and

(h) a "transaction" includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business and whether or not entered into directly or indirectly.

1. CHAPTER 9 OF THE LISTING MANUAL (Continued)

1.3 Save for transactions which are not considered to put the listed company at risk and which are therefore excluded from the ambit of Chapter 9, an immediate announcement and/or shareholders' approval would be required in respect of transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds. In particular, an immediate announcement is required where:

(a) the value of a proposed transaction is equal to or exceeds 3% of the listed group's latest audited consolidated net tangible assets ("NTA") or

(b) the aggregate value of all transactions entered into with the same interested person during the same financial year is equal to or more than 3% of the listed group's latest audited consolidated NTA. An announcement will have to be made immediately of the latest transaction and all future transactions entered into with that same interested person during the financial year, and shareholders' approval (in addition to an immediate announcement) is required where:

(c) the value of a proposed transaction is equal to or exceeds 5% of the listed group's latest audited consolidated NTA; or

(d) the aggregate value of all transactions entered into with the same interested person during the same financial year, is equal to or more than 5% of the listed group's latest audited consolidated NTA. The aggregate will exclude any transaction that has been approved by shareholders previously or is the subject of aggregation with another transaction that has been previously approved by shareholders.

For the purposes of aggregation, interested person transactions below S$100,000 each are to be excluded.

1.4 Part VIII of Chapter 9 allows a listed company to seek a General Mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A General Mandate granted by shareholders is subject to annual renewal.

2. RATIONALE FOR THE GENERAL MANDATE

2.1 The Directors believe that the General Mandate is in the interests of the Group for the following reasons:-

(a) The ATB Interested Persons are in a similar business as the Group and as such, there are opportunities for the Group to leverage on the products and services provided by the ATB Interested Persons. In fact, one of the reasons stated by ATB for acquiring control of the Group was to acquire a significant stake in a complementary business with regard to product range and market presence. The General Mandate will allow the Group to take advantage of such opportunities, thereby increasing its revenue.

(b) Timely delivery is an essential element in the Group's business. If the Company were required to seek Shareholders' approval on each occasion it deals with the ATB Interested Persons, it would make it unviable for the ATB Interested Persons to transact with the Group. The General Mandate would facilitate such transactions with the ATB Interested Persons being carried out in a timely manner.

2. RATIONALE FOR THE GENERAL MANDATE (Continued)

(c) If the Company is constantly required to seek Shareholders' approval for transactions with the ATB Interested Persons, the Company would have to expand administrative time and resources as well as incur additional expenses associated therewith. The proposed General Mandate would allow such resources and time to be channelled towards the Company's other objectives.

2.2 The General Mandate and the renewal thereof on an annual basis are intended to facilitate the ATB Interested Person Transactions in the ordinary course of business of the Group which the Directors envisage likely to be transacted with some frequency from time to time with the ATB Interested Persons, provided that they are carried out at arm's length and on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

3. CLASSES OF ATB INTERESTED PERSONS

The proposed General Mandate will apply to the transactions set out in paragraph 4.2 below proposed to be carried out with the following classes of persons:

(a) ATB;

(b) A-TEC, who is a substantial shareholder of ATB; and

(c) any associate (as defined in the Listing Manual) of ATB or A-TEC.

4. SCOPE OF THE GENERAL MANDATE

4.1 Chapter 9 of the Listing Manual governs transactions by a listed company as well as transactions by its subsidiaries and associated companies that are considered to be at risk with the listed company's interested persons. When this Chapter applies to a transaction and the value of that transaction alone or in aggregation with all other transactions conducted with the same interested person during the financial year exceeds certain materiality thresholds, the listed company is required to seek its shareholders' approval for that transaction.

The materiality thresholds are:-

(a) 5% of the listed group's latest audited consolidated NTA; or

(b) 5% of the listed group's latest audited consolidated NTA, when aggregated with all other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

However, Chapter 9 of the Listing Manual permits a listed company to seek a mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials that may be carried out with the listed company's interested persons.

As mentioned, in light of the fact that the Group and the ATB Interested Persons are in similar businesses, it is envisaged that in the ordinary course of their businesses, certain transactions (as more particularly set out in paragraph 4.2 below) between the Group Companies and the ATB Interested Persons may occur from time to time. Such ATB Interested Person Transactions would be transactions in the ordinary course of business in the Group.

4. SCOPE OF THE GENERAL MANDATE (Continued)

Accordingly, the General Mandate is being proposed to enable Group Companies to, in the ordinary course of business, enter into the categories of ATB Interested Person Transactions set out in paragraph 4.2 below with the ATB Interested Persons, provided such transactions are entered into on an arm's length basis and on normal commercial terms, and are not prejudicial to the interest of the Company and its minority Shareholders.

The General Mandate does not cover any transaction between a Group Company and any ATB Interested Person that is below S$100,000 in value, as the threshold and aggregation requirements of Chapter 9 of the Listing Manual do not apply to such transactions.

4.2 Types of Transactions under the Scope of the General Mandate

The ATB Interested Person Transactions to be covered by the General Mandate would include the following classes of transactions which are entered into during the Group's normal course of business. The General Mandate does not cover any purchase or sale of assets, undertakings or businesses from or to the ATB Interested Persons.

(a) Trading of electric motors and components

As the Group Companies and the ATB Group each specialise in the manufacture and trading of different categories of electric motors, occasions may arise from time to time where it is necessary for the Group Companies to sell or purchase electric motors and components from the ATB Group. Currently, the Group Companies are in the business of manufacturing high voltage and low voltage industrial electric motors for the oil and gas, pharmaceutical and marine industries whereas the ATB Group specialises in the production of electric motors which are used for industrial applications, heating systems, gardening implements and domestic appliances.

The sale and purchase prices for such electric motors and components to be sold or bought from the ATB Group are determined by the sales or purchasing departments of the relevant Group Companies on the same bases as if the relevant Group Company were dealing with an unrelated third party.

The Group will benefit from having access to a wide range of electric motors and components at competitive quotes from the ATB Group, in addition to obtaining quotes from or transacting with unrelated third parties.

(b) Production and sub-contracting services

Transactions in this category of services include the provision of sub-contracting services by companies within the Group to the ATB Group at an agreed contracted price for the contract period. As both the ATB Group and the Group Companies are in a similar business of producing electric motors, the ATB Group may on occasions outsource the production of certain electric motors to a Group Company. Such sub-contracting arrangements would benefit the Group, as it would enable excess production capacities of any Group Company to be utilised more effectively in providing a source of additional income for the Group. The price would be based on a cost-plus-margin formula or on a fixed cost (inclusive of margin) per unit motor or component to be produced during the specific contract period.

4. SCOPE OF THE GENERAL MANDATE (Continued)

4.2 Types of Transactions under the Scope of the General Mandate (Continued)

(c) *Storage and warehousing of electric motors and components*

Transactions falling within this category are the provision of storage services for electric motors and components to the ATB Group by the Group Companies at an agreed storage fee. Such fees are negotiated for the contractual period and are based on the prevailing rental rates for similar storage and warehouse space available on the market.

It is expected that the sharing of storage and warehousing facilities with the ATB Group would enable the Group Companies to save on rental costs.

(d) *Receipt of financial assistance*

This category covers transactions between companies within the Group and the ATB Interested Persons, which may include (i) the borrowing of money from the ATB Interested Persons and (ii) the provision of guarantees, indemnities or security by the ATB Interested Persons in favour of the Group's creditors in respect of borrowings which are incurred by the Group. The Group may seek financial assistance from the ATB Interested Persons in cases where there are insufficient funds for the Group's operations.

The cost of borrowing will be based on the prevailing rates of interest had the relevant company within the Group borrowed from the market. Commission rates (if any) which are charged by the ATB Interested Persons for the provision of such guarantees or indemnities will be benchmarked against commission rates quoted by reputable financial institutions.

As any interest payable by the Group Companies to the ATB Interested Persons would be no less favourable than what is offered in the market, the provision of financial assistance by the ATB Interested Persons would also allow the Group Companies ready access to funds in an expedient manner to meet the Group Companies' liquidity and working capital needs.

(e) Management support services

The Group may, from time to time, receive or provide management and support services from/to the ATB Interested Persons in the areas of financial and treasury advice, investment risk review, governmental relations, strategic development, management information systems, internal audit and human resources management and development ("management support services"). By having access to and providing such management support services, the Group will derive operational and financial leverage in its dealings with third parties as well as benefits from the global network of the ATB Interested Persons.

5. REVIEW PROCEDURES FOR THE ATB INTERESTED PERSON TRANSACTIONS

To ensure that the ATB Interested Person Transactions are conducted on an arm's length basis, on normal commercial terms consistent with the Group's usual business practices and on terms which are generally no more favourable than those extended to unrelated third parties, as a general practice, the relevant company within the Group will only enter into an ATB Interested Person Transaction if the terms offered by/extended to an ATB Interested Person are no less/more favourable than terms offered by/extended to unrelated third parties. To this end, the Group will adopt the procedures set out below.

5. REVIEW PROCEDURES FOR THE ATB INTERESTED PERSON TRANSACTIONS (Continued)

5.1 All ATB Interested Person Transactions (except storage and warehousing and financial assistance)

The Company will monitor the ATB Interested Person Transactions which are covered by the General Mandate by implementing the following review and approval procedures:

(a) Quotations will be obtained from the relevant ATB Interested Person and at least two other similar unrelated third party providers to determine if the price and terms offered by such ATB Interested Person are fair and reasonable. In determining if the price and terms offered by the relevant ATB Interested Person are fair and reasonable, factors such as (but not limited to) quality, specification compliance, track record, experience and expertise, preferential rates, rebates or discounts accorded for bulk purchases may also be taken into account .

(b) Where it is not possible to obtain quotations from unrelated third parties and in order to determine whether the terms of the transaction with the relevant ATB Interested Person are fair and reasonable, the designated approving party will assess whether the pricing and terms of the transaction is in accordance with the Group's usual business practices and pricing policy, the prevailing industry norms and whether they are consistent with the usual margins for the same or substantially similar types of transactions entered into with unrelated third parties. A written recommendation will be submitted to the designated approving parties by the relevant sales or purchasing personnel of the relevant Group Company.

(c) *Threshold Limits*

Transactions less than €100,000 each in value will be reviewed and approved by the designated management levels in accordance with the Group's procedures on the delegation of authority.

Transactions exceeding €1 00,000 but less than €300,000 each in value will be reviewed and approved by the Managing Director and the Financial Controller of the relevant company within the Group.

Transactions exceeding €300,000 but less than €1,000,000 each in value will be reviewed and approved by the Group Chief Executive Officer.

Transactions exceeding €1,000,000 each in value will be reviewed and approved by the Audit Committee.

The aforementioned approvals shall be obtained before the transactions are entered into or carried out.

5.2 Storage and warehousing

In relation to storage and warehousing services for electric motors and components, the agreed storage fees should be no less favourable than prevailing rental rates. In the event that market rental rates are not readily available, the relevant company within the Group shall adopt the procedures set out in paragraph 5.1(b).

The threshold limits as set out in paragraph 5.1(c) shall also apply for purposes of reviewing and approving any ATB Interested Person Transaction which involves the provision of storage and warehousing services.

5. REVIEW PROCEDURES FOR THE ATB INTERESTED PERSON TRANSACTIONS (Continued)

5.3 Financial Assistance

In relation to financial assistance, the borrowing of funds from any ATB Interested Person should be at rates and on conditions no less favourable than those quoted by a reputable financial institution licensed by the Monetary Authority of Singapore or, in the case of borrowings made by the Group's foreign subsidiaries, at rates quoted by reputable financial institutions located in the relevant foreign jurisdictions.

In relation to the provision of guarantees, indemnities or security by the ATB Interested Persons in favour of the Group's creditors, in respect of borrowings which are incurred by the Group, any commission rates (if any) which are chargeable by the ATB Interested Persons for the provision of such guarantees or indemnities shall be at rates no less favourable than that quoted by reputable financial institutions.

In cases where, for any reason, information relating to the prevailing interest/commission rates chargeable by such financial institutions is unavailable, the relevant company within the Group shall adopt the procedures set out in paragraph 5.1(b) above.

All financial assistance transactions will be reviewed and approved by the Group Chief Executive Officer. Any financial assistance transaction which exceeds €3,000,000 each in value will be reviewed and approved by the Audit Committee.

5.4 General Administrative Procedures for the ATB Interested Person Transactions

The Company will also implement the following administrative procedures in respect of transactions proposed to be entered into with the ATB Interested Persons:-

(a) A register will be maintained by each company within the Group to record all ATB Interested Person Transactions which are entered into pursuant to the General Mandate. The annual internal audit plan shall incorporate a review of all ATB Interested Person Transactions entered into pursuant to the General Mandate.

(b) The person authorised to approve those transactions must not have a direct or indirect interest in the transactions. In instances where the authorised person has a direct or indirect interest in any ATB Interested Person Transaction, he/she shall not take part in the approval process for such ATB Interested Person Transactions. Such ATB Interested Person Transactions shall be subject to the approval of such other non-interested persons who are authorised to approve transactions within that threshold limit or the next higher approving authority who has no direct or indirect interest in such transactions.

(c) On a quarterly basis, the Audit Committee will review all ATB Interested Person Transactions. The managing director and the financial controller of the relevant company within the Group shall submit a declaration form to the Head Office of the Group at the end of each financial quarter, stating that all ATB Interested Persons Transactions have been fairly and reasonably executed and are consistent with the guidelines and review procedures for ATB Interested Person Transactions. Persons authorised to approve the relevant ATB Interested Person Transactions shall also make a declaration when approving the relevant ATB Interested Person Transactions, confirming that he/she does not have a direct or indirect interest in the relevant ATB Interested Person Transactions.

5. REVIEW PROCEDURES FOR THE ATB INTERESTED PERSON TRANSACTIONS (Continued)

5.4 General Administrative Procedures for the ATB Interested Person Transactions (Continued)

(d) The Internal Auditor of the Company will periodically review the established guidelines and procedures for the ATB Interested Person Transactions to ensure compliance. The results of these reviews will be reported to the Audit Committee.

(e) On the basis of these periodic reviews by the Internal Auditor and in the event the Audit Committee is of the view that the guidelines and procedures as stated above are not sufficient to ensure that the ATB Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the minority Shareholders, the Company will revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with the ATB Interested Persons.

(f) The Audit Committee has the overall responsibility for determining the review procedures with the authority to delegate to individuals within the Company as they deem appropriate. For the purpose of the approval process, if any member of the Audit Committee has an interest in a transaction to be reviewed by the Audit Committee, he will abstain from any decision making by the Audit Committee in respect of the transaction. Accordingly, where any member of the Audit Committee has an interest in the transaction to be reviewed by the Audit Committee, the approval of that transaction will be undertaken by the remaining member(s) of the Audit Committee.

6. DISCLOSURE IN ANNUAL REPORT

Disclosure has been made in the section on Interested Person Transactions in the 2009 Annual Report of the aggregate value of transactions in excess of S$100,000 conducted with Interested Persons (as described in paragraph 3 of the appendix to this letter) pursuant to the existing General Mandate during the financial year ended 31 December 2009 and disclosure shall be made in the Annual Reports for subsequent financial years that the General Mandate continues in force in accordance with the requirements of Chapter 9.

Analysis of Shareholdings

As at 18 March 2010

SHARE CAPITAL AND VOTING RIGHTS

Issued and fully paid up share capital	:	S$149,642,000
No. of shares issued	:	709,178,191
Class of shares	:	Ordinary shares fully paid
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 999	148	2.57	57,222	0.01
1,000 – 10,000	3,203	55.56	14,901,698	2.10
10,001 – 1,000,000	2,390	41.46	154,182,119	21.74
1,000,001 AND ABOVE	24	0.41	540,037,152	76.15
TOTAL	**5,765**	**100.00**	**709,178,191**	**100.00**

TWENTY LARGEST SHAREHOLDERS

(as shown in the Register of Members)

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	CIMB-GK SECURITIES PTE. LTD.	419,336,921	59.13
2	DBS NOMINEES PTE LTD	70,217,304	9.90
3	UNITED OVERSEAS BANK NOMINEES PTE LTD	8,467,310	1.19
4	OCBC SECURITIES PRIVATE LTD	6,733,000	0.95
5	IYER ANJALI SUBRAMANIAN	3,523,500	0.50
6	CITIBANK NOMINEES SINGAPORE PTE LTD	3,520,537	0.50
7	OCBC NOMINEES SINGAPORE PTE LTD	3,271,750	0.46
8	PHILLIP SECURITIES PTE LTD	2,069,080	0.29
9	CHONG SOHHAR HAROLD	2,000,000	0.28
10	VENKAT RAM	2,000,000	0.28
11	HSBC (SINGAPORE) NOMINEES PTE LTD	1,945,500	0.27
12	LIM MUI CHOO	1,758,000	0.25
13	CITIBANK CONSUMER NOMINEES PTE LTD	1,735,500	0.24
14	CHEW POH KWAN MARGARET	1,629,000	0.23
15	KIM ENG SECURITIES PTE. LTD.	1,603,000	0.23
16	CHENG HENG FUAN	1,574,000	0.22
17	ANG YIAN HIONG	1,200,000	0.17
18	UOB KAY HIAN PTE LTD	1,185,750	0.17
19	NG PIN	1,100,000	0.16
20	SIM LAI HEE	1,083,000	0.15
	TOTAL	**535,953,152**	**75.57**

Analysis of Shareholdings
As at 18 March 2010

Register of Substantial Shareholders as at 18 March 2010

Name	DIRECT INTERESTS		DEEMED INTERESTS	
	No. of Shares	%	No. of Shares	%
ATB Austria Antriebstechnik AG	418,170,921	58.97%	50,119,459	7.07%
A-TEC Industries AG	–	–	468,290,380	66.03%
M.U.S.T. Trust	–	–	468,290,380	66.03%
Mirko Kovats	–	–	468,290,380	66.03%

Based on the information available to the Company as at 18 March 2010, approximately 40.86% of the issued ordinary shares of the Company were held by the public & therefore, Rule 723 of the Listing Manual is complied with.

Notice of Annual General Meeting

LINDETEVES-JACOBERG LIMITED
(Company Registration No. 194700172G)
(Incorporated in the Republic of Singapore)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixty Second Annual General Meeting of the Company will be held at 1 Raffles Boulevard, Suntec City, Meeting Room 308, Level 3, Suntec Singapore International Convention & Exhibition Centre, Singapore 039593 on Friday, 30 April 2010 at 8.30 a.m to transact the following businesses:-

AS ORDINARY BUSINESS

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

2. To approve the Directors' fees of S$160,000 for the financial year ended 31 December 2009 (31 December 2008: S$172,310/-). **(Resolution 2)**

3. To approve the Directors' Fees of S$160,000 for the financial year ending 31 December 2010. **(Resolution 3)**

4. To re-elect the following Directors:-

   (a) Dr. Knut Unger, retiring pursuant to Article 104 of the Company's Articles of Association. **(Resolution 4)**

   Dr. Knut Unger, if re-elected as Director of the Company will remain as member of the Audit Committee, Remuneration Committee and Nominating Committee and will be considered as Independent for purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

   (b) Mr. Christian Schmidt, retiring pursuant to Article 108 of the Company's Articles of Association. **(Resolution 5)**

5. To re-appoint Messrs BDO LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

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

6. **Authority to issue shares**

   "That pursuant to Section 161 of the Companies Act, Cap. 50 and in accordance with Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors to issue:-

   (a) shares in the Company (whether by way of bonus, rights or otherwise); or

   (b) convertible securities; or

   (c) additional convertible securities arising from adjustments made to the number of convertible securities previously issued in the event of rights, bonus or capitalisation issues; or
   (d) shares arising from the conversion of convertible securities,

at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that:-

(i) the aggregate number of shares and convertible securities that may be issued shall not be more than 50% of the total number of issued shares excluding treasury shares, in the capital of the Company or such other limit as may be prescribed by the Singapore Exchange Securities Trading Ltd ("SGX-ST") as at the date the general mandate is passed;

(ii) the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders shall not be more than 20% of the total number of issued shares excluding treasury shares in the capital of the Company or such other limit as may be prescribed by the SGX-ST as at the date the general mandate is passed;

(iii) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraphs (i) and (ii) above, the total number of issued shares excluding treasury shares shall be calculated based on the total number of issued shares excluding treasury shares in the capital of the Company as at the date the general mandate is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or employee stock options in issue as at the date the general mandate is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares; and

(iv) The 50% limit in (i) above may be increased to 100% for the Company to undertake pro-rata renounceable rights issues and unless earlier revoked or varied by the Company in general meeting, such authority shall continue in force until the next Annual General Meeting or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier". *(See Explanatory Note 1)*
(Resolution 7)

7. **Authority to issue shares (other than on a pro-rata basis) with a maximum discount of 20%**

That subject to and pursuant to the share issue mandate in Resolution 7 above being obtained, authority be and is hereby given to the Directors to issue new shares other than on a pro-rata basis to shareholders of the Company at an issue price per new share which shall be determined by the Directors in their absolute discretion provided that such price shall not represent more than a 20% discount for new shares to the weighted average price per share determined in accordance with the requirements of the SGX-ST. *(See Explanatory Note 2)*
(Resolution 8)

8. **Renewal of General Mandate for Interested Person Transactions**

"That :

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("Chapter 9") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions described in the Appendix to the Company's letter to shareholders dated 15 April 2010 (the "Letter"), with any party who is of the Classes of Interested Persons described in the Appendix to the Letter, provided that such transactions are carried out in the ordinary course of business and on normal commercial terms and in accordance with the guidelines and review procedures for Interested Person Transactions as set out in the Appendix to the Letter (the "General Mandate");

(b) such General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

(c) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the company to give effect to the General Mandate and/or this Resolution". (**Resolution 9**)

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

BY ORDER OF THE BOARD

Chan Wan Mei (Ms)
Lim Mee Fun (Ms)
Company Secretaries

Singapore, 15 April 2010

Explanatory Notes:

1. Resolution 7, if passed, will authorise and empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and/or convertible securities in the Company up to an amount not exceeding in aggregate 50 percent of the total number of issued shares excluding treasury shares of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20 percent of the total number of issued shares excluding treasury shares of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

   This proposed ordinary resolution, if passed, will also authorise and empower Directors of the Company to issue up to 100% of the Company's issued share capital via a pro-rata renounceable rights issue. This is one of the new measures introduced by the Singapore Exchange Limited, in consultation with the Monetary Authority of Singapore, on 20 February 2009 to accelerate and facilitate listed issuers' fund raising efforts and will be in effect until 31 December 2010. This mandate will provide the Directors with an opportunity to raise funds and avoid prolonged market exposure by reducing the time taken for shareholders' approval, in the event the need arises. Minority shareholders' interests are mitigated as all shareholders have equal opportunities to participate and can dispose their entitlements through trading of nil-paid rights if they do not wish to subscribe for their rights shares. This mandate is conditional upon the Company:

   (i) making periodic announcements on the use of the proceeds as and when the funds are materially disbursed; and

   (ii) providing a status report on the use of proceeds in the annual report.

   For the purpose of Resolution 7, the total number of issued shares (excluding treasury shares) is based on the Company's total number of issued shares (excluding treasury shares) at the time this proposed ordinary resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this proposed ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

2. Resolution 8, if passed, will allow the Company to undertake placements of new shares on a non pro-rata basis at discounts up to 20%. This is also one of the new measures introduced by the Singapore Exchange Limited, in consultation with the Monetary Authority of Singapore, on 20 February 2009 to accelerate and facilitate listed issuers' fund raising efforts and will be in effect until 31 December 2010.

3. Resolution 9 is to renew effective up to the conclusion of the next Annual General Meeting of the Company (unless earlier revoked or varied by the Company in general meeting) the General Mandate to enable the Company, its subsidiaries and associated companies that are considered to be "entities at risk" to enter, in the ordinary course of business, into the types of mandated transactions with specific classes of the Company's interested persons. The General Mandate which was previously approved by shareholders at the last Annual General Meeting of the Company held on 30 April 2009 will be expiring at the forthcoming Sixty Second Annual General Meeting. Particulars of the General Mandate and the Audit Committee's confirmation (pursuant to Rule 920(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited) in respect of the proposed renewal of the General Mandate, are contained in the Company's letter to shareholders dated 15 April 2010.

Notes:

1. A member may appoint not more than two proxies to attend and vote at the Meeting.

2. A proxy need not be a member of the Company.

3. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

4. The instrument appointing a proxy must be deposited at the registered office of the Company at 141 Market Street, #07-01, International Factors Building, Singapore 048944 not later than 48 hours before the time appointed for the Meeting.

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LINDETEVES-JACOBERG LIMITED
(Company Registration No. 194700172G)
(Incorporated in the Republic of Singapore)

IMPORTANT
1. For investors who have used their CPF monies to buy shares in the capital of Lindeteves-Jacoberg Limited, the Annual Report 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.
3. CPF Investors who wish to vote should contact their CPF approved Nominees.

PROXY FORM

*I/We ____ of

____

being * a member/members of Lindeteves-Jacoberg Limited (the "Company"), hereby appoint

Name	Address	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy (%)
*and/or			

or failing him, Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Sixty Second Annual General Meeting of the Company to be held at 1 Raffles Boulevard, Suntec City, Meeting Room 308, Level 3, Suntec Singapore International Convention & Exhibition Centre, Singapore 039593 on Friday, 30 April 2010 at 8.30 a.m. and at any adjournment thereof.

*I/we direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	Ordinary Resolutions	For	Against
1.	To receive and adopt the Audited Accounts for the financial year ended 31 December 2009 and the Reports of Directors and Auditors thereon.		
2.	To approve the Directors' fees of S$160,000 for the financial year ended 31 December 2009.		
3.	To approve the Directors' fees of S$160,000 for the financial year ending 31 December 2010.		
4.	To re-elect Dr Knut Unger pursuant to Article 104 of the Company's Articles of Association.		
5.	To re-elect Mr. Christian Schmidt pursuant to Article 108 of the Company's Articles of Association.		
6.	To re-appoint Messrs BDO LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	To authorise Directors to issue shares		
8.	To authorise Directors to issue shares (other than on a pro-rata basis) with a maximum discount of 20%		
9.	To approve the renewal of the General Mandate for interested person transactions		

Dated this _____ day of ____________ 2010

Total Number of Shares Held

____
Signature(s) of Member(s)/Common Seal

** Delete accordingly*

IMPORTANT. Please read notes overleaf

Notes:-

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.
2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. A corporation which is a member of the Company may authorise by 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 its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.
5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 141 Market Street, #07-01, International Factors Building, Singapore 048944 not later than 48 hours before the time set for the Annual General Meeting.
6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
7. 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 members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time set for the Annual General Meeting.

AFFIX
STAMP

The Company Secretary
LINDETEVES-JACOBERG LIMITED
141 Market Street,
#07-01, International Factors Building,
Singapore 048944

Lindeteves - Jacoberg Limited
Co. Reg. No: 194700172G

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