



Unaudited Financial Statements for the 2nd Quarter and Half Year Ended 31 December 2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) Consolidated statement of comprehensive income for the 2nd quarter and half year ended 31 December 2016

	Group					
	2 nd quarter ended 31 December			Half year ended 31 December		
	2016	2015	+ / (-)	2016	2015	+ / (-)
	USD'000	USD'000	%	USD'000	USD'000	%
Revenue	50,201	49,566	1.3	106,514	106,452	0.1
Raw material and consumables	(34,319)	(33,983)	1.0	(70,183)	(67,438)	4.1
Manufacturing expenses	(5,318)	(5,860)	(9.2)	(11,349)	(11,322)	0.2
Business development expenses	(379)	(323)	17.3	(723)	(653)	10.7
Other operating expenses	(564)	(571)	(1.2)	(1,183)	(1,221)	(3.1)
Property development expense	(2,729)	(4,291)	(36.4)	(9,585)	(12,975)	(26.1)
Change in fair value of investment securities	57	1,330	(95.7)	897	(1,658)	nm
Change in fair value of derivative financial instruments	67	444	(84.9)	367	(224)	nm
Employee benefits expense ⁽¹⁾	(2,514)	(1,922)	30.8	(5,427)	(3,010)	80.3
Depreciation/amortisation expense	(716)	(673)	6.4	(1,439)	(1,172)	22.8
Other expenses ⁽¹⁾	(637)	(775)	(17.8)	(2,073)	(655)	nm
Other (losses)/gains, net (note 1(a)(iii))	(1,205)	1,166	nm	(993)	(4,725)	(79.0)
Finance costs	(82)	(34)	nm	(117)	(98)	19.4
Profit before tax	1,862	4,074	(54.3)	4,706	1,301	nm
Income tax expense	(687)	(196)	nm	(1,295)	(1,137)	13.9
Profit for the period	1,175	3,878	(69.7)	3,411	164	nm
Other comprehensive loss: Items that may be reclassified subsequently to profit or loss:						
Available-for-sale investments:						
Changes in fair value	(682)	(2,039)	(66.6)	(495)	(8,104)	(93.9)
Exchange differences arising from translation of foreign operations	(5,137)	1,590	nm	(3,816)	(2,980)	28.1
Other comprehensive loss for the period, net of tax	(5,819)	(449)	nm	(4,311)	(11,084)	(61.1)
Total comprehensive (loss)/income for the period	(4,644)	3,429	nm	(900)	(10,920)	(91.8)
Profit attributable to:						
Equity holders of the Company	599	3,550	(83.1)	2,480	(306)	nm
Non-controlling interests	576	328	75.6	931	470	98.1
	1,175	3,878	(69.7)	3,411	164	nm
Total comprehensive (loss)/income attributable to:						
Equity holders of the Company	(4,955)	3,082	nm	(1,576)	(11,223)	(86.0)
Non-controlling interests	311	347	(10.4)	676	303	nm
	(4,644)	3,429	nm	(900)	(10,920)	(91.8)

nm: not meaningful

(1): Comparatives have been restated to conform with current year's presentation.

1(a)(ii) Profit/(loss) for the 2nd quarter and half year ended 31 December 2016 included the following items:

	Group					
	2 nd quarter ended 31 December			Half year ended 31 December		
	2016	2015	+ / (-)	2016	2015	+ / (-)
	USD'000	USD'000	%	USD'000	USD'000	%
Gain on disposal of available-for-sale investments	15	-	nm	15	43	(65.1)
(Loss)/gain on disposal of plant and equipment	(3)	(17)	(82.4)	(3)	58	nm
Other income	109	154	(29.2)	184	275	(33.1)
Impairment loss on other assets	(5)	(11)	(54.6)	(5)	(30)	(83.3)
Foreign exchange (loss)/gain	(1,321)	1,040	nm	(1,184)	(5,071)	(76.7)
Other (losses)/gains, net	(1,205)	1,166	nm	(993)	(4,725)	(79.0)

nm: not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/12/2016 USD'000	30/6/2016 USD'000	31/12/2016 USD'000	30/6/2016 USD'000
Assets				
Non-current assets				
Plant and equipment	9,083	9,743	499	498
Prepaid lease payments	18,884	19,304	-	-
Investment properties	22,668	24,301	-	-
Subsidiaries	-	-	57,801	57,801
Associate	30,981	33,230	33,400	33,400
Investment securities	27,208	48,150	4,904	5,430
Other receivables	28,118	12,871	-	-
Other assets	232	237	-	-
Deferred tax assets	77	79	-	-
	<u>137,251</u>	<u>147,915</u>	<u>96,604</u>	<u>97,129</u>
Current assets				
Development properties	25,221	33,827	-	-
Inventories	28,584	31,069	-	-
Trade and other receivables	36,037	55,276	117	123
Tax recoverable	262	284	-	-
Amounts due from subsidiaries	-	-	91,907	91,729
Subsidiary	27,141	-	-	-
Investment securities	16,952	29,019	14,218	13,709
Cash and cash equivalents	94,064	76,007	23,750	22,453
	<u>228,261</u>	<u>225,482</u>	<u>129,992</u>	<u>128,014</u>
Total assets	<u>365,512</u>	<u>373,397</u>	<u>226,596</u>	<u>225,143</u>
Equity and liabilities				
Current liabilities				
Borrowings	14,858	8,000	6,966	-
Trade and other payables	53,273	58,623	3,279	2,393
Amounts due to subsidiaries	-	-	7,791	8,079
Income tax payable	2,344	3,076	118	118
Derivative financial instruments	85	452	40	189
	<u>70,560</u>	<u>70,151</u>	<u>18,194</u>	<u>10,779</u>
Non-current liabilities				
Other payables	241	258	26	28
Deferred tax liabilities	2,465	2,315	-	-
	<u>2,706</u>	<u>2,573</u>	<u>26</u>	<u>28</u>
Total liabilities	<u>73,266</u>	<u>72,724</u>	<u>18,220</u>	<u>10,807</u>
Equity				
Share capital	151,194	151,194	151,194	151,194
Reserves	(6,455)	(2,399)	(257)	-
Accumulated profits	127,944	131,984	57,439	63,142
Equity attributable to equity holders of the Company	<u>272,683</u>	<u>280,779</u>	<u>208,376</u>	<u>214,336</u>
Non-controlling interests	19,563	19,894	-	-
Total equity	<u>292,246</u>	<u>300,673</u>	<u>208,376</u>	<u>214,336</u>
Total equity and liabilities	<u>365,512</u>	<u>373,397</u>	<u>226,596</u>	<u>225,143</u>

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

	As at 31/12/2016		As at 30/6/2016	
	Secured USD'000	Unsecured USD'000	Secured USD'000	Unsecured USD'000
Amount repayable in one year or less, or on demand	7,892	6,966	8,000	-
Amount repayable after one year	-	-	-	-

Details of any collateral

Borrowings are secured by borrowing subsidiary's cash and cash equivalents, investment securities and derivative financial instruments.

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

	2 nd quarter ended 31 December		Half year ended 31 December	
	2016	2015	2016	2015
	USD'000	USD'000	USD'000	USD'000
Cash flows from operating activities				
Profit before tax	1,862	4,074	4,706	1,301
Adjustments for:				
Depreciation/amortisation expense	716	673	1,439	1,172
Dividend income	(259)	(150)	(741)	(2,141)
Interest income	(409)	41	(803)	(639)
Finance costs	82	34	117	98
Net foreign exchange on translation	34	111	591	2,340
Loss/(gain) on disposal of plant and equipment	3	17	3	(58)
Gain on disposal of available-for-sale investments	(15)	-	(15)	(43)
Gain on disposal of derivative financial instruments	(56)	-	(102)	-
Changes in fair value of derivative financial instruments	(67)	(444)	(367)	224
Changes in fair value of financial asset at fair value through profit or loss	-	(546)	-	25
Impairment loss on other assets	5	11	5	30
Operating cash flows before changes in working capital	1,896	3,821	4,833	2,309
Changes in working capital:				
Decrease in development properties	3,578	2,379	8,606	12,897
Decrease/(increase) in inventories	3,010	1,984	2,485	(6,523)
Decrease/(increase) in held-for-trading investments	15,193	(8,960)	12,067	(18,651)
Decrease/(increase) in receivables	6,748	(1,243)	19,086	2,166
Decrease in payables	(4,468)	(5,342)	(5,471)	(8,619)
Cash flows from/(used in) operations	25,957	(7,361)	41,606	(16,421)
Interest paid	(57)	(44)	(92)	(107)
Interest received	172	238	235	543
Dividends received from held-for-trading investments	65	149	599	301
Income tax paid	(717)	(1,606)	(1,705)	(1,736)
Net cash flows from/(used in) operating activities	25,420	(8,624)	40,643	(17,420)
Cash flows from investing activities				
Purchase of plant and equipment	(324)	(2,261)	(617)	(5,699)
Proceeds from disposal of plant and equipment	-	44	-	119
Purchase of available-for-sale investments	-	-	-	(1,743)
Proceeds from disposal of available-for-sale investments	73	402	284	590
Purchase of financial assets at fair value through profit or loss	(14,706)	-	(14,706)	-
Dividends received from available-for-sale investments	193	319	193	2,138
Dividends received from an associate	-	-	1,402	-
Increase in property development loans to an associate	-	(1,834)	(7,430)	(5,279)
Net cash flows used in investing activities	(14,764)	(3,330)	(20,874)	(9,874)
Cash flows from financing activities				
Dividends paid to equity holders of the Company	(6,520)	(19,581)	(6,520)	(19,581)
Dividends paid to non-controlling interests of subsidiary	(1,007)	(1,657)	(1,007)	(1,657)
Drawdown of bank loan	14,706	-	14,706	-
Repayment of bank loan	(7,018)	(11,020)	(7,072)	(11,091)
Repurchase of shares	-	-	-	(815)
Net cash flows from/(used in) financing activities	161	(32,258)	107	(33,144)
Net increase/(decrease) in cash and cash equivalents	10,817	(44,212)	19,876	(60,438)
Effect of exchange rate changes on cash and cash equivalents	(1,610)	1,343	(1,819)	(4,614)
Cash and cash equivalents at beginning of period	84,857	136,311	76,007	158,494
Cash and cash equivalents at end of period	94,064	93,442	94,064	93,442

1(d)(i) A statement (for the issuer and group), showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of changes in equity for half year ended 31 December 2016

Group	Attributable to equity holders of the Company							Non-controlling interests	Total equity
	Share capital	Foreign currency translation reserve	Investment revaluation reserve	Capital reserve	Asset revaluation reserve	Accumulated profits	Total		
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance at 1 July 2016	151,194	(3,270)	542	343	(14)	131,984	280,779	19,894	300,673
Profit for the period	-	-	-	-	-	1,881	1,881	355	2,236
<u>Other comprehensive income</u>									
Available-for-sale investments:									
Changes in fair value	-	-	187	-	-	-	187	-	187
Exchange differences arising from translation of foreign operations	-	1,311	-	-	-	-	1,311	10	1,321
Other comprehensive income, net of tax	-	1,311	187	-	-	-	1,498	10	1,508
Total comprehensive income for the period	-	1,311	187	-	-	1,881	3,379	365	3,744
Balance at 30 September 2016	151,194	(1,959)	729	343	(14)	133,865	284,158	20,259	304,417
Profit for the period	-	-	-	-	-	599	599	576	1,175
<u>Other comprehensive loss</u>									
Available-for-sale investments:									
Changes in fair value	-	-	(682)	-	-	-	(682)	-	(682)
Exchange differences arising from translation of foreign operations	-	(4,872)	-	-	-	-	(4,872)	(265)	(5,137)
Other comprehensive loss net of tax	-	(4,872)	(682)	-	-	-	(5,554)	(265)	(5,819)
Total comprehensive income/(loss) for the period	-	(4,872)	(682)	-	-	599	(4,955)	311	(4,644)
<u>Contributions by and distributions to owners</u>									
Dividends paid to equity holders of the Company	-	-	-	-	-	(6,520)	(6,520)	-	(6,520)
Dividends paid to non-controlling interests of subsidiary	-	-	-	-	-	-	-	(1,007)	(1,007)
Total contributions by and distributions to owners	-	-	-	-	-	(6,520)	(6,520)	(1,007)	(7,527)
Balance at 31 December 2016	151,194	(6,831)	47	343	(14)	127,944	272,683	19,563	292,246

Consolidated statement of changes in equity for half year ended 31 December 2015

Group	Attributable to equity holders of the Company						Non-controlling interests	Total equity
	Share capital	Foreign currency translation reserve	Investment revaluation reserve	Capital reserve	Accumulated profits	Total		
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance at 1 July 2015	152,009	(2,863)	13,657	343	141,279	304,425	20,211	324,636
(Loss)/profit for the period	-	-	-	-	(3,856)	(3,856)	142	(3,714)
<u>Other comprehensive loss</u>								
Available-for-sale investments:								
Changes in fair value	-	-	(6,065)	-	-	(6,065)	-	(6,065)
Exchange differences arising from translation of foreign operations	-	(4,384)	-	-	-	(4,384)	(186)	(4,570)
Other comprehensive loss, net of tax	-	(4,384)	(6,065)	-	-	(10,449)	(186)	(10,635)
Total comprehensive loss for the period	-	(4,384)	(6,065)	-	(3,856)	(14,305)	(44)	(14,349)
<u>Contributions by and distributions to owners</u>								
Repurchase of shares	(815)	-	-	-	-	(815)	-	(815)
Total contributions by and distributions to owners	(815)	-	-	-	-	(815)	-	(815)
Balance at 30 September 2015	151,194	(7,247)	7,592	343	137,423	289,305	20,167	309,472
Profit for the period	-	-	-	-	3,550	3,550	328	3,878
<u>Other comprehensive income/(loss)</u>								
Available-for-sale investments:								
Changes in fair value	-	-	(2,039)	-	-	(2,039)	-	(2,039)
Exchange differences arising from translation of foreign operations	-	1,571	-	-	-	1,571	19	1,590
Other comprehensive income/(loss), net of tax	-	1,571	(2,039)	-	-	(468)	19	(449)
Total comprehensive income/(loss) for the period	-	1,571	(2,039)	-	3,550	3,082	347	3,429
<u>Contributions by and distributions to owners</u>								
Dividends paid to equity holders of the Company	-	-	-	-	(19,581)	(19,581)	-	(19,581)
Dividends paid to non-controlling interests of subsidiary	-	-	-	-	-	-	(1,657)	(1,657)
Total contributions by and distributions to owners	-	-	-	-	(19,581)	(19,581)	(1,657)	(21,238)
Balance at 31 December 2015	151,194	(5,676)	5,553	343	121,392	272,806	18,857	291,663

Statement of changes in equity for half year ended 31 December 2016

Company	Share capital	Investment revaluation reserve	Accumulated profits	Total equity
	USD'000	USD'000	USD'000	USD'000
Balance at 1 July 2016	151,194	-	63,142	214,336
Profit for the period	-	-	153	153
<u>Other comprehensive income</u>				
Available-for-sale investments:				
Changes in fair value	-	234	-	234
Other comprehensive income, net of tax	-	234	-	234
Total comprehensive income for the period	-	234	153	387
Balance at 30 September 2016	151,194	234	63,295	214,723
Profit for the period	-	-	664	664
<u>Other comprehensive loss</u>				
Available-for-sale investments:				
Changes in fair value	-	(491)	-	(491)
Other comprehensive loss, net of tax	-	(491)	-	(491)
Total comprehensive income/(loss) for the period	-	(491)	664	173
<u>Contributions by and distributions to owners</u>				
Dividends paid to equity holders of the Company				
Total contributions by and distributions to owners	-	-	(6,520)	(6,520)
Balance at 31 December 2016	151,194	(257)	57,439	208,376

Company	Share capital	Investment revaluation reserve	Accumulated profits	Total equity
	USD'000	USD'000	USD'000	USD'000
Balance at 1 July 2015	152,009	14,469	69,504	235,982
Loss for the period	-	-	(2,547)	(2,547)
<u>Other comprehensive loss</u>				
Available-for-sale investments:				
Changes in fair value	-	(5,800)	-	(5,800)
Other comprehensive loss, net of tax	-	(5,800)	-	(5,800)
Total comprehensive loss for the period	-	(5,800)	(2,547)	(8,347)
<u>Contributions by and distributions to owners</u>				
Repurchase of shares				
Total contributions by and distributions to owners	(815)	-	-	(815)
Balance at 30 September 2015	151,194	8,669	66,957	226,820
Profit for the period	-	-	5,802	5,802
<u>Other comprehensive loss</u>				
Available-for-sale investments:				
Changes in fair value	-	(1,959)	-	(1,959)
Other comprehensive loss, net of tax	-	(1,959)	-	(1,959)
Total comprehensive income/(loss) for the period	-	(1,959)	5,802	3,843
<u>Contributions by and distributions to owners</u>				
Dividends paid to equity holders of the Company				
Total contributions by and distributions to owners	-	-	(19,581)	(19,581)
Balance at 31 December 2015	151,194	6,710	53,178	211,082

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital since the end of the previous period reported on.

There were no outstanding convertibles or treasury shares as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Company	Issued shares	
	31 December 2016	30 June 2016
Total number of issued shares, excluding treasury shares	930,032,450	930,032,450

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have neither been audited nor reviewed by the auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the year ended 30 June 2016 except as stated in paragraph 5 below.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the new or revised Financial Reporting Standards ("FRS") and interpretations ("INT") that are effective for annual period beginning on or after 1 July 2016. The adoption of these FRSs and INTs did not result in any significant impact on the financial statements of the Group.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group			
	2 nd quarter ended 31 December		Half year ended 31 December	
	2016	2015	2016	2015
Earnings/(loss) per ordinary share for the period based on profit/(loss) attributable to equity holders of the Company after deducting any provision for preference dividends:	US cents	US cents	US cents	US cents
(i) Based on weighted average number of ordinary shares on issue	0.06	0.38	0.27	(0.03)
(ii) On a fully diluted basis	0.06	0.38	0.27	(0.03)

Group basic and fully diluted earnings/(loss) per ordinary share for the second quarter and half year ended 31 December 2016 are calculated based on the weighted average number of ordinary shares on issue during the period of 930,032,450 shares (2015: 930,032,450) and 930,032,450 shares (2015: 931,043,320) respectively.

Note: Group basic earnings/(loss) per share was the same as the fully diluted earnings/(loss) per share as the Group did not have any potential dilutive ordinary shares outstanding as at 31 December 2016 and 2015.

7 Net asset value (for the issuer and the group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	31/12/2016	30/6/2016	31/12/2016	30/6/2016
Net asset value per ordinary share based on existing issued share capital	US cents 29.32	US cents 30.19	US cents 22.41	US cents 23.05

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Second quarter ended 31 December 2016 ("2Q17") vs second quarter ended 31 December 2015 ("2Q16")

Group revenue of USD 50.20 million was 1.3% higher than 2Q16. Higher revenue was derived from electronics manufacturing services and investment activities. This was partially offset by lower property revenue.

Profit after tax of USD 1.18 million was lower than USD 3.88 million in 2Q16. The increase in profit contribution from electronics manufacturing services was offset by unrealized foreign exchange loss and lower fair valuation gain on investments.

Improved margins were achieved by the electronics manufacturing services business. Property development expense of USD 2.73 million related to the ongoing sale and settlement of Unison on Tenth apartment units. There was a marginal improvement in the market value of financial investments during 2Q17. Employee benefits expense of USD 2.51 million was 30.8% above 2Q16 due to higher provision for staff cost. Finance cost had risen as a result of bank borrowing in relation to investment acquired during the current quarter. Other losses of USD 1.21 million resulted from exchange loss on translation due to the strengthening of US dollar against Australian and Singapore dollars.

Share of results of associate in relation to Finbar Group Limited was not recorded in the current quarter as its financial results for half year ended 31 December 2016 was not available on the Australian Securities Exchange at the date of this announcement.

Other comprehensive loss of USD 5.82 million in 2Q17 was largely due to foreign currency translation loss on the back of a stronger US dollar.

Earnings per share in 2Q17 was US cents 0.06, as compared to US cents 0.38 in 2Q16.

Half year ended 31 December 2016 (“1H17”) vs half year ended 31 December 2015 (“1H16”)

Group revenue for 1H17 of USD 106.51 million was comparable to 1H16 of USD 106.45 million. Revenue was boosted by an increase in electronics manufacturing services business activities, which had offset a reduction in property revenue.

Profit after tax for 1H17 of USD 3.41 million was significantly above 1H16 of USD 0.16 million. This was mainly due to substantially higher profit contribution from electronics manufacturing services, coupled with lower foreign exchange loss in 1H17.

Lower profit was recorded from sale of Unison on Tenth apartments in the current period as compared to profit derived from sale of Toccata apartments in 1H16. Increase in mark-to-market valuations relating to financial investments amounted to USD 1.26 million. Employee benefits and other expenses were well above prior period as over-accrual of expenses were reversed in 1H16, in addition to higher provision for staff cost in 1H17. Higher depreciation expense was due to renovation of premises and manufacturing equipment acquired in prior year.

Other comprehensive loss of USD 4.31 million stemmed mainly from foreign currency translation loss due to a stronger US dollar in 1H17.

Earnings per share in 1H17 was US cents 0.27, as compared to loss per share of US cents 0.03 in 1H16.

Review of financial position and cash flow

As at 31 December 2016, the financial position of the Group remains healthy. Net assets attributable to equity holders of the company amounted to USD 272.68 million, as compared to USD 280.78 million as at 30 June 2016. Cash and cash equivalents increased 23.8% to USD 94.06 million.

Development properties amounted to USD 25.22 million as compared to USD 33.8 million as at 30 June 2016. This was attributable to a residual 25% of Unison on Tenth apartment units not yet sold.

Investment securities held as current assets decreased by 41.6% to USD 16.95 million mainly due to divestment of quoted equity investments. Trade and other receivables decreased 34.8% to USD 36.04 million due to customer payments, as well as a conversion of trade receivables to additional property development loan, which led to a corresponding increase in non-current other receivables. A loan extended during the current quarter further increased non-current other receivables to USD 28.12 million.

Investment securities held as non-current assets decreased to USD 27.21 million from USD 48.15 million as at 30 June 2016. During the current quarter, the Group invested in a convertible loan to Major Star Holdings Limited (“MSH”) of USD 14.71 million, financed by short term bank borrowing. This was in addition to the Group’s investment in convertible loans to PSD Holdings Pte Ltd (“PSDH”) of USD 20.18 million, recorded as investment securities held as non-current assets as at 30 June 2016.

MSH is an investment holding company which has a 50% interest in PSDH. PSDH in turn holds 100% interest in Pacific Star Development Pte Ltd (“PSD”), the subject of a Reverse Takeover (“RTO”) transaction with LH Group Limited (“LH”) (refer to the note below), a company listed on the SGX-ST.

The convertible loan agreements with PSDH were novated to MSH on 30 November 2016. These loans were then partially converted to a 77.2% stake in MSH with a residual loan receivable from MSH of USD 7.74 million. The 77.2% stake in MSH of USD 27.14 million was recorded as an investment in subsidiary held as current asset as at 31 December 2016. Due to the proposed RTO transaction, MSH’s financials were not available for consolidation as at 31 December 2016.

Resolutions in relation to the proposed RTO transaction were approved by LH shareholders at its extraordinary general meeting on 8 February 2017, including waiving their rights to receive a mandatory offer from the Company's wholly-owned subsidiary and approving the proposed allotment and issue of 59,151,600 new shares in the capital of LH to the Company's wholly-owned subsidiary. In accordance with an agreement dated 30 November 2016, upon completion of the RTO, MSH will procure LH to issue 59,151,600 shares to the wholly-owned subsidiary of the Group. Upon receipt of the 59,151,600 shares in LH, the Group will reclassify its investment in subsidiary to an investment in associate held as non-current asset. (Note: LH had resolved to change its name to "Pacific Star Development Limited" with effect from 8 February 2017. The change of its trading counter name on the SGX-ST will take effect on 16 February 2017. For more information on the foregoing, shareholders may wish to refer to (i) the announcements made by the Company on 21 April 2016, 30 May 2016, 30 September 2016, 30 November 2016 and 31 December 2016; (ii) LH announcements on 3 March 2016, 25 April 2016, 20 May 2016, 25 November 2016, 30 December 2016 and 8 February 2017 and LH shareholders' circular dated 30 December 2016.)

Net asset value of the Group was US cents 29.32 per share as at 31 December 2016, as compared to US cents 30.19 as at 30 June 2016.

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

Not applicable.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Despite a recovery in the financial markets in late 2016, the global economic growth outlook remains subdued. Financial markets are expected to be volatile amidst geopolitical uncertainties. Slow demand in the Western Australia property market is expected to continue into 2017.

The Board of Directors will continue to exercise prudence when considering new investments.

Save as disclosed herein, there are no known material factors or events which may affect the earnings of the Group between this date up to which the report refers and the date on which the report is issued.

11 Dividend

(a) Period ended 31 December 2016

Any dividend declared for the current financial period reported on? No

(b) Period ended 31 December 2015

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the period ended 31 December 2016.

- 13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Not applicable as the Group has not obtained a general mandate from shareholders for Interested Person Transactions.

- 14 Confirmation pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors of the Company hereby confirms that to the best of its knowledge, nothing has come to the attention of the Directors of the Company which may render the unaudited financial results for the second quarter and half year ended 31 December 2016 to be false or misleading, in any material respect.

- 15 Confirmation pursuant to Rule 720(1) of the Listing Manual**

The Board of Directors of the Company hereby confirms that the undertakings from all its Directors and Executive Officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual have been procured.

BY ORDER OF THE BOARD

Valerie Tan
Company Secretary
9 February 2017