



CHUAN HUP HOLDINGS LIMITED
(Company Registration No.: 197000572R)

Unaudited Financial Statements for the 2nd Quarter and 1st Half Ended 31 December 2014

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 1st half ended 31 December 2014

	Group					
	2nd quarter ended 31 December 2014	2nd quarter ended 31 December 2013	Change	1st half ended 31 December 2014	1st half ended 31 December 2013	Change
	USD'000		%	USD'000		%
Revenue	48,977	53,440	(8.4)	98,994	106,495	(7.0)
Raw material and consumables	(35,733)	(34,457)	3.7	(71,605)	(71,502)	0.1
Manufacturing expenses	(5,480)	(4,925)	11.3	(11,205)	(10,307)	8.7
Business development expenses	(242)	(377)	(35.8)	(633)	(746)	(15.1)
Other operating expenses	(642)	(773)	(16.9)	(1,462)	(1,569)	(6.8)
Property development expense	(1,055)	(5,505)	(80.8)	(1,093)	(8,051)	(86.4)
Vessel management expense	(58)	(21)	176.2	(65)	(46)	41.3
Gain/(loss) on disposal of held-for-trading investments	734	(627)	nm	1,672	(974)	nm
Change in fair value of held-for-trading investments	(204)	1,274	nm	(216)	2,424	nm
Change in fair value of derivative financial instruments	(599)	358	nm	(1,182)	839	nm
Employee benefits expense	(1,965)	(2,882)	(31.8)	(4,561)	(5,444)	(16.2)
Depreciation/amortization expense	(650)	(629)	3.3	(1,310)	(1,264)	3.6
Other expenses	(654)	(750)	(12.8)	(1,476)	(1,593)	(7.3)
Other (losses)/gains, net (note 1(a)(ii))	(1,823)	1,410	nm	(2,762)	1,169	nm
Finance costs	(27)	-	nm	(27)	-	nm
Share of results of an associate	1,295	1,594	(18.8)	2,617	3,343	(21.7)
Profit before tax	1,874	7,130	(73.7)	5,686	12,774	(55.5)
Income tax expense	(501)	(773)	(35.2)	(986)	(875)	12.7
Profit for the period	1,373	6,357	(78.4)	4,700	11,899	(60.5)
Other comprehensive (loss)/income:						
Items that may be reclassified subsequently to profit or loss:						
Available-for-sale investments:						
Changes in fair value	(6,528)	3,904	nm	(19,466)	12,092	nm
Exchange differences arising from translation of foreign operations	(3,606)	(2,138)	68.7	(6,979)	(2,067)	nm
Other comprehensive (loss)/income for the period, net of tax	(10,134)	1,766	nm	(26,445)	10,025	nm
Total comprehensive (loss)/income for the period	(8,761)	8,123	nm	(21,745)	21,924	nm
Profit attributable to:						
Equity holders of the Company	922	5,778	(84.0)	3,918	11,125	(64.8)
Non-controlling interests	451	579	(22.1)	782	774	(1.0)
	1,373	6,357	(78.4)	4,700	11,899	(60.5)
Total comprehensive (loss)/income attributable to:						
Equity holders of the Company	(9,003)	7,573	nm	(22,204)	21,221	nm
Non-controlling interests	242	550	(56.0)	459	703	(34.7)
	(8,761)	8,123	nm	(21,745)	21,924	Nm

1(a)(ii) Profit for the 2nd quarter and 1st half ended 31 December 2014 included the following items:

	Group					
	2nd quarter ended 31 December 2014	2nd quarter ended 31 December 2013	Change	1st half ended 31 December 2014	1st half ended 31 December 2013	Change
	USD'000		%	USD'000		%
Gain on disposal of available-for-sale investments	314	-	nm	565	-	Nm
Gain on disposal of property, plant and equipment	-	-	nm	27	9	Nm
Other income	116	1,771	(93.5)	434	1,912	(77.3)
Foreign exchange loss	(2,253)	(361)	nm	(3,788)	(752)	Nm
Other (losses)/gains, net	(1,823)	1,410	nm	(2,762)	1,169	Nm

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	
	31/12/2014	30/6/2014	31/12/2014	30/6/2014
	USD'000	USD'000	USD'000	USD'000
Assets				
Non-current assets				
Property, plant and equipment	3,022	3,440	18	8
Investment properties	24,816	-	-	-
Prepaid lease payment	12,903	14,256	-	-
Subsidiaries	-	-	57,801	57,801
Associate	46,791	49,375	47,838	47,838
Investment securities	63,257	81,246	52,048	69,886
Other assets	284	284	-	-
Total non-current assets	151,073	148,601	157,705	175,533
Current assets				
Development properties	33,483	39,486	-	-
Inventories	32,612	27,753	-	-
Trade receivables	36,143	33,151	1	1
Other receivables and prepayments	5,808	1,538	16	22
Tax recoverable	309	278	-	-
Amounts due from subsidiaries	-	-	58,735	53,972
Investment securities	10,669	11,480	3,445	1,725
Derivative financial instruments	-	119	-	8
Cash and bank balances	96,914	123,127	16,376	15,468
Total current assets	215,938	236,932	78,573	71,196
Total assets	367,011	385,533	236,278	246,729
Equity and liabilities				
Current liabilities				
Borrowings	227	-	-	-
Trade payables	29,886	27,558	-	-
Other payables	18,006	19,210	5,244	6,219
Amounts due to subsidiaries	-	-	9,934	10,298
Income tax payable	4,024	3,752	209	209
Derivative financial instruments	1,066	2	124	-
Total current liabilities	53,209	50,522	15,511	16,726
Non-current liabilities				
Borrowings	11,764	-	-	-
Deferred tax liabilities	2,471	2,857	-	-
Total non-current liabilities	14,235	2,857	-	-
Total liabilities	67,444	53,379	15,511	16,726
Equity				
Share capital	152,009	152,009	152,009	152,009
Reserves	20,529	46,651	20,697	40,012
Accumulated profits	108,538	111,811	48,061	37,982
Equity attributable to equity holders of the Company	281,076	310,471	220,767	230,003
Non-controlling interests	18,491	21,683	-	-
Total equity	299,567	332,154	220,767	230,003
Total equity and liabilities	367,011	385,533	236,278	246,729

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

(a) Amount repayable in one year or less, or on demand

As at 31/12/2014		As at 30/6/2014	
USD'000		USD'000	
Secured	Unsecured	Secured	Unsecured
227	-	-	-

(b) Amount repayable after one year

As at 31/12/2014		As at 30/6/2014	
USD'000		USD'000	
Secured	Unsecured	Secured	Unsecured
11,764	-	-	-

(c) Details of any collateral

Borrowings are secured by mortgage on the borrowing company's investment properties, assignment of all contracts in respect of the mortgaged properties, and corporate guarantee from the Company.

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.**

	2nd quarter ended 31 December 2014	2nd quarter ended 31 December 2013	1st half ended 31 December 2014	1st half ended 31 December 2013
	USD'000	USD'000	USD'000	USD'000
Cash flows from operating activities				
Profit before tax	1,874	7,130	5,686	12,774
Adjustments for:				
Share of results of an associate	(1,295)	(1,594)	(2,617)	(3,343)
Depreciation/amortization expense	650	629	1,310	1,264
Dividend income	(54)	(46)	(2,426)	(2,207)
Interest income	(309)	(482)	(551)	(864)
Finance costs	27	-	27	-
Net foreign exchange on translation	(2,849)	(1,211)	(6,071)	(1,230)
Gain on disposal of property, plant and equipment	-	-	(27)	(9)
(Gain)/loss on disposal of held-for-trading investments	(734)	627	(1,672)	974
Gain on disposal of derivative financial instruments	(7)	(2)	(7)	(2)
Gain on disposal of available-for-sale investments	(314)	-	(565)	-
Change in fair value of held-for-trading investments	204	(1,274)	216	(2,424)
Change in fair value of derivative financial instruments	599	(358)	1,182	(839)
Other income	-	(1,710)	-	(1,710)
Operating cash flows before changes in working capital	(2,208)	1,709	(5,515)	2,384
Changes in working capital:				
Development properties	3,256	(13,710)	6,003	(13,126)
Inventories	(3,711)	242	(4,859)	(636)
Proceeds from disposal of held-for-trading investments	5,571	4,352	12,469	11,376
Purchase of held-for-trading investments	(5,358)	(3,829)	(10,202)	(8,539)
Proceeds from disposal of derivative financial instruments	17,883	6,008	19,328	15,100
Purchase of derivative financial instruments	(15,060)	(6,008)	(19,625)	(15,106)
Receivables	(91)	2,725	(5,456)	7,097
Payables	839	(2,519)	1,097	5,302
Cash flows (used in)/from operations	1,121	(11,030)	(6,760)	3,852
Interest received	335	477	478	754
Dividends received from held-for-trading investments	22	2	179	157
Income tax (paid)/refund	(696)	(105)	(795)	54
Net cash flows (used in)/generated from operating activities	782	(10,656)	(6,898)	4,817
Cash flows from investing activities				
Purchase of property, plant and equipment	(2,008)	(80)	(2,041)	(108)
Proceeds from disposal of property, plant and equipment	-	-	27	9
Purchase of investment properties	(24,985)	-	(24,985)	-
Purchase of available-for-sale investments	(530)	(4,781)	(2,100)	(6,787)
Proceeds from disposal of available-for-sale investments	712	-	1,188	-
Dividends received from available-for-sale investments	32	44	2,247	2,050
Return on capital by an available-for-sale investment	-	2,549	-	2,549
Dividends received from an associate	5,200	2,008	5,200	2,008
Net cash flows used in investing activities	(21,579)	(260)	(20,464)	(279)
Cash flows from financing activities				
Dividends paid to equity holders of the Company	(7,191)	(14,984)	(7,191)	(14,984)
Dividends paid to non-controlling interests of subsidiary	(3,651)	(1,124)	(3,651)	(1,124)
Drawdown of bank loan	11,991	-	11,991	-
Net cash flows generated from/(used in) financing activities	1,149	(16,108)	1,149	(16,108)
Net decrease in cash and bank balances	(19,648)	(27,024)	(26,213)	(11,570)
Cash and bank balances at beginning of period	116,562	139,069	123,127	123,615
Cash and bank balances at end of period	96,914	112,045	96,914	112,045
Pledged deposits	(4,462)	(2,203)	(4,462)	(2,203)
Cash and cash equivalents at end of period	92,452	109,842	92,452	109,842

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.

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Consolidated statement of changes in equity for the 1st half ended 31 December 2014

	Share capital	Foreign currency translation reserve	Investment revaluation reserve	Capital reserve	Accumulated profits	Attributable to equity holders of the Company	Non-controlling interests	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance at 1 July 2014	152,009	6,694	39,614	343	111,811	310,471	21,683	332,154
Profit for the period	-	-	-	-	2,996	2,996	331	3,327
Available-for-sale investments:								
Changes in fair value	-	-	(12,938)	-	-	(12,938)	-	(12,938)
Exchange differences arising from translation of foreign operations	-	(3,259)	-	-	-	(3,259)	(114)	(3,373)
Other comprehensive loss, net of tax	-	(3,259)	(12,938)	-	-	(16,197)	(114)	(16,311)
Total comprehensive (loss)/income for the period	-	(3,259)	(12,938)	-	2,996	(13,201)	217	(12,984)
Balance at 30 September 2014	152,009	3,435	26,676	343	114,807	297,270	21,900	319,170
Profit for the period	-	-	-	-	922	922	451	1,373
Available-for-sale investments:								
Changes in fair value	-	-	(6,528)	-	-	(6,528)	-	(6,528)
Exchange differences arising from translation of foreign operations	-	(3,397)	-	-	-	(3,397)	(209)	(3,606)
Other comprehensive loss, net of tax	-	(3,397)	(6,528)	-	-	(9,925)	(209)	(10,134)
Total comprehensive (loss)/income for the period	-	(3,397)	(6,528)	-	922	(9,003)	242	(8,761)
Dividends paid to equity holders of the Company	-	-	-	-	(7,191)	(7,191)	-	(7,191)
Dividends paid to non-controlling interests of subsidiary	-	-	-	-	-	-	(3,651)	(3,651)
Balance at 31 December 2014	152,009	38	20,148	343	108,538	281,076	18,491	299,567

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Consolidated statement of changes in equity for the 1st half ended 31 December 2013

	Share capital	Foreign currency translation reserve	Investment revaluation reserve	Capital reserve	Accumulated profits	Attributable to equity holders of the Company	Non-controlling interests	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance at 1 July 2013	152,009	6,235	23,802	343	108,772	291,161	21,708	312,869
Profit for the period	-	-	-	-	5,347	5,347	195	5,542
Available-for-sale investments:								
Changes in fair value	-	-	8,188	-	-	8,188	-	8,188
Exchange differences arising from translation of foreign operations	-	113	-	-	-	113	(42)	71
Other comprehensive income/(loss), net of tax	-	113	8,188	-	-	8,301	(42)	8,259
Total comprehensive income for the period	-	113	8,188	-	5,347	13,648	153	13,801
Balance at 30 September 2013	152,009	6,348	31,990	343	114,119	304,809	21,861	326,670
Profit for the period	-	-	-	-	5,778	5,778	579	6,357
Available-for-sale investments:								
Changes in fair value	-	-	3,904	-	-	3,904	-	3,904
Exchange differences arising from translation of foreign operations	-	(2,109)	-	-	-	(2,109)	(29)	(2,138)
Other comprehensive income/(loss), net of tax	-	(2,109)	3,904	-	-	1,795	(29)	1,766
Total comprehensive income/(loss) for the period	-	(2,109)	3,904	-	5,778	7,573	550	8,123
Dividends paid to equity holders of the Company	-	-	-	-	(14,984)	(14,984)	-	(14,984)
Dividends paid to non-controlling interests of subsidiary	-	-	-	-	-	-	(1,124)	(1,124)
Balance at 31 December 2013	152,009	4,239	35,894	343	104,913	297,398	21,287	318,685

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Statement of changes in equity for the 1st half ended 31 December 2014

	Share capital	Investment revaluation reserve	Accumulated profits	Total
	USD'000	USD'000	USD'000	USD'000
Balance at 1 July 2014	152,009	40,012	37,982	230,003
Profit for the period	-	-	950	950
Available-for-sale investments:				
Changes in fair value	-	(12,744)	-	(12,744)
Other comprehensive loss, net of tax	-	(12,744)	-	(12,744)
Total comprehensive (loss)/income for the period	-	(12,744)	950	(11,794)
Balance at 30 September 2014	152,009	27,268	38,932	218,209
Profit for the period	-	-	16,320	16,320
Available-for-sale investments:				
Changes in fair value	-	(6,571)	-	(6,571)
Other comprehensive loss, net of tax	-	(6,571)	-	(6,571)
Total comprehensive income/(loss) for the period	-	(6,571)	16,320	9,749
Dividends paid to equity holders of the Company	-	-	(7,191)	(7,191)
Balance at 31 December 2014	152,009	20,697	48,061	220,767

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Statement of changes in equity for the 1st half ended 31 December 2013

	Share capital	Investment revaluation reserve	Accumulated profits	Total
	USD'000	USD'000	USD'000	USD'000
Balance at 1 July 2013	152,009	24,201	43,361	219,571
Profit for the period	-	-	1,230	1,230
Available-for-sale investments:				
Changes in fair value	-	8,303	-	8,303
Other comprehensive income, net of tax	-	8,303	-	8,303
Total comprehensive income for the period	-	8,303	1,230	9,533
Balance at 30 September 2013	152,009	32,504	44,591	229,104
Profit for the period	-	-	6,336	6,336
Available-for-sale investments:				
Changes in fair value	-	3,581	-	3,581
Other comprehensive income, net of tax	-	3,581	-	3,581
Total comprehensive income for the period	-	3,581	6,336	9,917
Dividends paid to equity holders of the Company	-	-	(14,984)	(14,984)
Balance at 31 December 2013	152,009	36,085	35,943	224,037

- 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.

As at 31 December 2014, the Company's issued and paid-up capital comprised 933,532,450 (31 December 2013: 933,532,450) ordinary shares.

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.**

As at 31 December 2014, the total number of issued shares excluding treasury shares was 933,532,450 (30 June 2014: 933,532,450).

- 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 2014 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 2014. 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				
		2nd quarter ended 31 December 2014	2nd quarter ended 31 December 2013	1st half ended 31 December 2014	1st half ended 31 December 2013	
Earnings per ordinary share for the period based on profit attributable to equity holders of the Company after deducting any provision for preference dividends:-						
(i)	Based on weighted average number of ordinary shares on issue	US cents	0.10	0.62	0.42	1.19
(ii)	On a fully diluted basis	US cents	0.10	0.62	0.42	1.19

Group basic and fully diluted earnings per ordinary share for the second quarter and first half ended 31 December 2014 are calculated based on the weighted average number of ordinary shares in issue of 933,532,450 shares (2013: 933,532,450) respectively.

Note: Group basic earnings per share was the same as the fully diluted earnings per share as the Group did not have any potential dilutive ordinary shares outstanding as at 31 December 2014 and 2013.

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.

Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on:-

		31 December 2014	30 June 2014
The Group	US cents	30.11	33.26
The Company	US cents	23.65	24.64

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 2014 ("2Q15") vs second quarter ended 31 December 2013 ("2Q14")

Group revenue was USD 48.977 million, 8.4% less than USD 53.440 million in 2Q14. Property revenue recorded in 2Q15 was substantially reduced. This more than offset an increase of 2.5% in electronics manufacturing services revenue. Profit after tax of USD 1.373 million was 78.4% below USD 6.357 million in 2Q14.

In line with higher sales volume, higher raw material and consumables and manufacturing expenses were incurred. Business development and other operating expenses in 2Q15 were reduced as a result of cost saving measures.

Property development expense had decreased by 80.8% as costs recorded in 2Q15 related to the final remaining Adagio apartment unit sold. Increase in vessel management activities led to higher expenses incurred. Finance cost of USD 0.027 million related to the financing of investment properties purchased.

As a result of lower mark-to-market valuation, fair values of held-for-trading investments and derivative financial instruments were reduced by USD 0.204 million and USD 0.599 million respectively. A gain of USD 0.734 million was derived on disposal of held-for-trading investments, as compared to a loss of USD 0.627 million in 2Q14.

Employee benefits expense decreased by 31.8% due to lower staff cost accrued. Other losses of USD 1.823 million in 2Q15 comprised foreign exchange loss of USD 2.253 million which had resulted from an appreciation of US dollar against Singapore and Australian dollars in the current quarter.

Due to lower taxable profit in 2Q15, income tax expense had reduced by 35.2% to USD 0.501 million.

Other comprehensive loss was USD 10.134 million, as compared to other comprehensive income of USD 1.766 million in 2Q14. This was due to lower mark-to-market valuation of available-for-sale investments and foreign currency translation loss in the current quarter.

Earnings per share in 2Q15 was US cents 0.10, lower than US cents 0.62 in 2Q14.

Six months ended 31 December 2014 (“1H15”) vs six months ended 31 December 2013 (“1H14”)

Group revenue for 1H15 of USD 98.994 million, was 7.0% less than USD 106.495 million in 1H14. Profit after tax was USD 4.700 million, 60.5% below 1H14 of USD 11.899 million. The increase of 1.4% in revenue contribution from electronic manufacturing services was offset by a significant drop in property revenue. Property revenue in 1H15 related to the sale of one remaining Adagio apartment unit.

Electronics manufacturing services related expenses were comparable to direct manufacturing costs incurred in 1H14. Cost savings in overheads and employee benefits expenses were evident in 1H15. A drop in property development expense of 86.4% was due to the cost recognized on the last Adagio apartment unit sold in 1H15. Rise in vessel management expense was in line with the level of business activity.

Gain on disposal of held-for-trading investments was USD 1.672 million, as compared to a loss incurred of USD 0.974 million in 1H14. Decrease in fair value of held-for-trading investments and derivative financial instruments, which amounted to USD 1.398 million, was attributable to lower mark-to-market valuation.

Other losses of USD 2.762 million was primarily due to foreign exchange loss that resulted from weaker Australian and Singapore dollars against US dollar. Higher income tax expense of USD 0.986 million resulted from an increase in taxable profits from electronics manufacturing services.

Other comprehensive loss of USD 26.445 million was due to significantly lower mark-to-market valuation of available-for-sale investments and translation exchange differences on the back of a stronger US dollar in 1H15.

Earnings per share was US cents 0.42, below US cents 1.19 in 1H14.

Share of results of an associate

Share of results contributed by CH Offshore Ltd in 2Q15 was USD 1.295 million, 18.8% below USD 1.594 million in 2Q14. Its results were impacted by lower associated companies' results and higher administrative expenses incurred.

The share of results for 1H15 of USD 2.617 million was 21.7% less than USD 3.343 million in 1H14.

Review of financial position and cash flow

As at 31 December 2014, the financial position of the Group continued to be in a healthy position. Cash and bank balances amounted to USD 96.914 million, as compared to USD 123.127 million as at 30 June 2014. Shareholder's funds amounted to USD 281.030 million, 9.5% below USD 310.471 million as at 30 June 2014.

Investment properties of USD 24.816 million comprised 3 floors of office space in GB Building purchased in 1H15. Total bank borrowing of USD 11.991 million was drawn down to finance the purchase, of which USD 11.764 million was recorded as a non-current liability.

Investment securities held as non-current assets dropped 22.1% to USD 63.257 million, impacted by lower mark-to-market valuation. Derivative financial instruments were recognized at fair value through profit or loss.

Development properties of USD 33.483 million was 15.2% lower due to a weaker Australian dollar. Inventories had increased by 17.5% to USD 32.612 million, and trade receivables had risen by 9.0%, as a result of higher electronics manufacturing services business volume in 1H15. Tax related balances were in line with the level of taxable profits and timing differences.

Other receivables and prepayments increased to USD 5.808 million, primarily due to a partial consideration paid by PCI Ltd on the execution of a conditional sale and purchase agreement for a leasehold property in January 2015.

Net asset value per share was US cents 30.11, below US cents 33.26 as at 30 June 2014.

Subsequent Event

Reference is made to the Company's announcement on 9 February 2015 on the proposed disposal of shares in CH Offshore Ltd ("CHO") in relation to the voluntary conditional cash offer made by CIMB Bank Berhad, Singapore Branch, for and on behalf of Energian Pte. Ltd. (the "Offeror"), a wholly-owned subsidiary of Falcon Energy Group Limited, to acquire all the listed and paid-up ordinary shares in the capital of CHO other than those already owned, controlled or agreed to be acquired by the Offeror. Pursuant to the Company Irrevocable Undertaking (as defined in the said announcement), the Company has tendered 173,941,026 shares in CHO at the Final Offer Price (as defined in the announcement) of S\$0.55 per share.

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.

The economic outlook remains uncertain for the next quarter and next 12 months. Global growth forecast has been lowered for 2015. Geopolitical tension in relation to the Eurozone and Middle East may significantly impact global economic growth prospects. Coupled with the anticipated increase in rate by the US Federal Reserve, financial markets are expected to be volatile in 2015.

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 2014

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

(b) Period ended 31 December 2013

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/recommendeded by the Company for the current financial period.

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 Negative assurance confirmation by the Board pursuant to Rule 705 (5) of the Listing Manual

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Directors of the Company which may render the unaudited financial results for the second quarter and first half ended 31 December 2014 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Valerie Tan
Company Secretary
13 February 2015