



Unaudited Financial Statements for the 1st Quarter Ended 30 September 2017

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 1st quarter ended 30 September 2017

	Group		
	1 st quarter ended 30 September		
	2017	2016	+ / (-)
	USD'000	USD'000	%
Revenue	84,687	56,313	50.4
Raw material and consumables	(54,192)	(35,864)	51.1
Manufacturing expenses	(6,665)	(6,031)	10.5
Business development expenses	(675)	(344)	96.2
Other operating expenses	(51)	(619)	(91.8)
Property development expense	(11,870)	(6,856)	73.1
Changes in fair value of investment securities	227	840	(73.0)
Changes in fair value of derivative financial instruments	(184)	300	nm
Impairment loss on available-for-sale financial assets	(206)	-	nm
Employee benefits expense	(4,062)	(2,913)	39.4
Depreciation/amortisation expense	(768)	(723)	6.2
Other expenses	(902)	(1,436)	(37.2)
Other gains, net (note 1(a)(ii))	690	212	nm
Finance costs	(44)	(35)	25.7
Share of results of associate	(265)	-	nm
Profit before tax	5,720	2,844	nm
Income tax expense	(1,276)	(608)	nm
Profit for the period	4,444	2,236	98.7
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets:			
Changes in fair value	246	187	31.6
Fair value changes reclassified to profit or loss	117	-	nm
Exchange differences arising from translation of foreign operations	2,344	1,321	77.4
Share of reserves of associate	17	-	nm
Other comprehensive income for the period, net of tax	2,724	1,508	80.6
Total comprehensive income for the period	7,168	3,744	91.5
Profit attributable to:			
Equity holders of the Company	3,445	1,881	83.1
Non-controlling interests	999	355	nm
	4,444	2,236	98.7
Total comprehensive income attributable to:			
Equity holders of the Company	6,096	3,379	80.4
Non-controlling interests	1,072	365	nm
	7,168	3,744	91.5

nm: not meaningful

1(a)(ii) Profit for the 1st quarter ended 30 September 2017 included the following items:

	Group		
	1 st quarter ended 30 September		
	2017	2016	+ / (-)
	USD'000	USD'000	%
Gain on disposal of plant and equipment	29	-	nm
Gain on disposal of other assets	32	-	nm
Other income	171	75	nm
Foreign exchange gain	458	137	nm
Other gains, net	690	212	nm

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	
	30/9/2017 USD'000	30/6/2017 USD'000	30/9/2017 USD'000	30/6/2017 USD'000
Assets				
Non-current assets				
Plant and equipment	10,063	8,827	410	444
Prepaid lease payments	18,373	18,580	-	-
Investment properties	24,153	23,816	-	-
Subsidiaries	-	-	57,497	57,497
Associates	58,490	58,709	33,400	33,400
Investment securities	29,120	28,964	5,447	5,419
Other receivables	29,764	28,871	-	-
Other assets	80	261	-	-
Deferred tax assets	95	96	-	-
	<u>170,138</u>	<u>168,124</u>	<u>96,754</u>	<u>96,760</u>
Current assets				
Development properties	58,372	66,116	-	-
Inventories	53,484	36,809	-	-
Trade and other receivables	67,166	61,090	81	42
Tax recoverable	297	285	-	-
Amounts due from subsidiaries	-	-	86,094	88,988
Investment securities	14,742	11,255	10,707	8,920
Derivative financial instruments	-	12	-	-
Cash and cash equivalents	93,581	102,639	33,097	32,083
	<u>287,642</u>	<u>278,206</u>	<u>129,979</u>	<u>130,033</u>
Total assets	<u>457,780</u>	<u>446,330</u>	<u>226,733</u>	<u>226,793</u>
Equity and liabilities				
Current liabilities				
Borrowings	7,651	7,720	-	-
Trade and other payables	120,002	114,958	2,631	3,376
Amounts due to subsidiaries	-	-	1,707	1,694
Income tax payable	4,667	5,429	-	-
Derivative financial instruments	347	175	121	95
	<u>132,667</u>	<u>128,282</u>	<u>4,459</u>	<u>5,165</u>
Non-current liabilities				
Other payables	268	270	-	-
Deferred tax liabilities	1,880	1,981	-	-
	<u>2,148</u>	<u>2,251</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>134,815</u>	<u>130,533</u>	<u>4,459</u>	<u>5,165</u>
Equity				
Share capital	150,863	150,863	150,863	150,863
Reserves	3,797	1,146	492	258
Accumulated profits	146,837	143,392	70,919	70,507
Equity attributable to equity holders of the Company	<u>301,497</u>	<u>295,401</u>	<u>222,274</u>	<u>221,628</u>
Non-controlling interests	21,468	20,396	-	-
Total equity	<u>322,965</u>	<u>315,797</u>	<u>222,274</u>	<u>221,628</u>
Total equity and liabilities	<u>457,780</u>	<u>446,330</u>	<u>226,733</u>	<u>226,793</u>

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

	As at 30/9/2017		As at 30/6/2017	
	Secured	Unsecured	Secured	Unsecured
	USD'000	USD'000	USD'000	USD'000
Amount repayable in one year or less, or on demand	7,651	-	7,720	-
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.

	1 st quarter ended 30 September	
	2017	2016
	USD'000	USD'000
Cash flows from operating activities		
Profit before tax	5,720	2,844
Adjustments for:		
Share of results of associate	265	-
Depreciation/amortisation expense	768	723
Dividend income	(209)	(482)
Interest income	(578)	(394)
Finance costs	44	35
Unrealised translation loss	261	511
Gain on disposal of plant and equipment	(29)	-
Gain on disposal of other assets	(32)	-
Impairment loss on available-for-sale financial assets	206	-
Operating cash flows before changes in working capital	6,416	3,237
Changes in working capital:		
Decrease in development properties	7,744	5,028
Increase in inventories	(16,674)	(525)
Increase in held-for-trading investments	(3,303)	(3,426)
(Increase)/decrease in receivables	(6,673)	12,338
Increase/(decrease) in payables	4,992	(1,003)
Cash flows (used in)/from operations	(7,498)	15,649
Interest paid	(44)	(35)
Interest received	532	63
Dividends received from held-for-trading investments	104	534
Income tax paid	(2,217)	(988)
Net cash flows (used in)/from operating activities	(9,123)	15,223
Cash flows from investing activities		
Purchase of plant and equipment	(1,823)	(293)
Proceeds from disposal of plant and equipment	29	-
Proceeds from disposal of other assets	213	-
Proceeds from disposal of available-for-sale financial assets	-	211
Dividends received from available-for-sale financial assets	647	-
Dividends received from an associate	1,086	1,402
Increase in property development loans to an associate	(327)	(7,430)
Net cash flows used in investing activities	(175)	(6,110)
Cash flows from financing activities		
Repayment of bank loan	(69)	(54)
Net cash flows used in financing activities	(69)	(54)
Net (decrease)/increase in cash and cash equivalents	(9,367)	9,059
Effect of exchange rate changes on cash and cash equivalents	309	(209)
Cash and cash equivalents at beginning of year	102,639	76,007
Cash and cash equivalents at end of period	93,581	84,857

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 the 1st quarter ended 30 September 2017

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 2017	150,863	273	530	343	143,392	295,401	20,396	315,797
Profit for the period	-	-	-	-	3,445	3,445	999	4,444
Other comprehensive income								
Available-for-sale financial assets:								
Changes in fair value	-	-	246	-	-	246	-	246
Fair value changes reclassified to profit or loss	-	-	117	-	-	117	-	117
Exchange differences arising from translation of foreign operations	-	2,271	-	-	-	2,271	73	2,344
Share of reserves of associates	-	17	-	-	-	17	-	17
Other comprehensive income, net of tax	-	2,288	363	-	-	2,651	73	2,724
Total comprehensive income for the period	-	2,288	363	-	3,445	6,096	1,072	7,168
Balance at 30 September 2017	150,863	2,561	893	343	146,837	301,497	21,468	322,965

Consolidated statement of changes in equity for the 1st quarter ended 30 September 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			
	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
Other comprehensive income									
Available-for-sale financial assets:									
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

Statement of changes in equity for the 1st quarter ended 30 September 2017

Company	Share capital	Investment revaluation reserve	Accumulated profits	Total equity
	USD'000	USD'000	USD'000	USD'000
Balance at 1 July 2017	150,863	258	70,507	221,628
Profit for the period	-	-	412	412
<u>Other comprehensive income</u>				
Available-for-sale financial assets:				
Changes in fair value	-	117	-	117
Fair value changes reclassified to profit or loss	-	117	-	117
Other comprehensive income, net of tax	-	234	-	234
Total comprehensive income for the period	-	234	412	646
Balance at 30 September 2017	<u>150,863</u>	<u>492</u>	<u>70,919</u>	<u>222,274</u>

Statement of changes in equity for the 1st quarter ended 30 September 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 financial assets:				
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	<u>151,194</u>	<u>234</u>	<u>63,295</u>	<u>214,723</u>

- 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.**

	30 September 2017	30 June 2017
Total number of issued shares, excluding treasury shares	928,272,850	928,272,850

- 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 2017 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 2017. 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	
	1 st quarter ended 30 September	
	2017	2016
Earnings per ordinary share for the period based on profit attributable to equity holders of the Company after deducting any provision for preference dividends:	US cents	US cents
(i) Based on weighted average number of ordinary shares on issue	0.37	0.20
(ii) On a fully diluted basis	0.37	0.20

Group basic and fully diluted earnings per ordinary share for the period ended 30 September 2017 are calculated based on the weighted average number of ordinary shares on issue during the period of 928,272,850 shares (2016: 930,032,450) 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 30 September 2017 and 2016.

7 Net asset value (for the issuer and the group) per ordinary share based on the total number of 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	
	30/9/2017	30/6/2017	30/9/2017	30/6/2017
Net asset value per ordinary share based on existing issued share capital:	US cents	US cents	US cents	US cents
	32.48	31.82	23.94	23.88

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.

First quarter ended 30 September 2017 ("1Q18") vs first quarter ended 30 September 2016 ("1Q17")

Group revenue of USD 84.69 million was 50.4% higher than USD 56.31 million in 1Q17. This was attributable to a substantial increase in electronics manufacturing services and property revenue.

Profit after tax of USD 4.44 million was significantly higher than 1Q17 of USD 2.24 million. Profit contribution from electronics manufacturing services had risen on the back of increased sales volume as a result of stronger customer demand. Results were also boosted by sales settlement during the current quarter of Concerto apartment units which were completed in 4Q17, in addition to ongoing sales of Unison on Tenth apartment units. The increase in profit contribution more than offset a reduced increase in fair values of investment securities and derivative financial instruments and higher provision for staff cost in the current quarter.

Other expenses were lower due to an absence of restructuring cost provision in the current quarter. Other gains of USD 0.69 million comprised foreign exchange gain on the back of stronger Australian dollar against US dollar. Finance cost related to a leveraged unquoted fund investment.

Earnings per share was US cents 0.37, higher than US cents 0.20 in 1Q17.

Share of results of associate

Share of results of associate recorded a loss of USD 0.27 million. This comprised share of Pacific Star Development Limited's results for the current quarter. Share of Finbar Group Limited's results was not recorded in 1Q18 as its financial results are only available for periods ended 31 December and 30 June when the related announcements are made on the Australian Stock Exchange.

Review of financial position and cash flow

As at 30 September 2017, the Group continued to be in a healthy position. Net assets attributable to equity holders of the Company increased by 2.1% to USD 301.50 million. The increase was mainly attributable to accumulated profits in 1Q18, and foreign currency translation gain from the strengthening of Australian and Singapore dollars against US dollar in the current quarter.

Cash and cash equivalents had decreased 8.8% to USD 93.58 million from the previous year end. This was due to funds utilized in operating and investing activities during the current period.

Group total assets of USD 457.78 million as at 30 September 2017 had increased by 2.6% or USD 11.45 million from 30 June 2017. Increase in non-current assets of USD 2.01 million was mainly due to additions in plant and equipment and an increase in other receivables due to interest accrued on property development loan. The increase in current assets of USD 9.44 million stemmed from higher levels of inventory and trade receivables in relation to the electronics manufacturing services business segment, in addition to reinvestment in equities during 1Q18.

Group total liabilities of USD 134.82 million as at 30 September 2017 had increased by 3.3% or USD 4.28 million from 30 June 2017, due to an increase in trade and other payables in relation to the electronics manufacturing services business segment.

Net asset value per share was US cents 32.48, higher than US cents 31.82 as at 30 June 2017.

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 Group's performance improved in the current period with the continuing pickup in global economic growth. The directors remain cautiously optimistic given the geopolitical uncertainties, and 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 30 September 2017

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

(b) Period ended 30 September 2016

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 30 September 2017.

- 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 first quarter ended 30 September 2017 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
13 November 2017