



Unaudited Financial Statements for the 1st Quarter Ended 30 September 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 1st quarter ended 30 September 2016

	Group		
	1 st quarter ended 30 September		
	2016	2015	+ / (-)
	USD'000	USD'000	%
Revenue	56,313	56,886	(1.0)
Raw material and consumables	(35,864)	(33,455)	7.2
Manufacturing expenses	(6,031)	(5,462)	10.4
Business development expenses	(344)	(330)	4.2
Other operating expenses	(619)	(650)	(4.8)
Property development expense	(6,856)	(8,684)	(21.1)
Changes in fair value of investment securities	840	(2,988)	nm
Changes in fair value of derivative financial instruments	300	(668)	nm
Employee benefits expense ⁽¹⁾	(2,913)	(1,088)	nm
Depreciation/amortisation expense	(723)	(499)	44.9
Other expenses ⁽¹⁾	(1,436)	120	nm
Other gains/(losses), net (note 1(a)(ii))	212	(5,891)	nm
Finance costs	(35)	(64)	(45.3)
Profit/(loss) before tax	2,844	(2,773)	nm
Income tax expense	(608)	(941)	(35.4)
Profit/(loss) for the period	2,236	(3,714)	nm
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale investments:			
Changes in fair value	187	(6,065)	nm
Exchange differences arising from translation of foreign operations	1,321	(4,570)	nm
Other comprehensive income/(loss) for the period, net of tax	1,508	(10,635)	nm
Total comprehensive income/(loss) for the period	3,744	(14,349)	nm
Profit/(loss) attributable to:			
Equity holders of the Company	1,881	(3,856)	nm
Non-controlling interests	355	142	nm
	2,236	(3,714)	nm
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company	3,379	(14,305)	nm
Non-controlling interests	365	(44)	nm
	3,744	(14,349)	nm

nm: not meaningful

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

1(a)(ii) Profit/(loss) for the 1st quarter ended 30 September 2016 included the following items:

	Group		
	1 st quarter ended 30 September		
	2016	2015	+ / (-)
	USD'000	USD'000	%
Gain on disposal of available-for-sale investments	-	43	nm
Gain on disposal of plant and equipment	-	75	nm
Other income	75	121	(38.0)
Impairment loss on other assets	-	(19)	nm
Foreign exchange gain/(loss)	137	(6,111)	nm
Other gains/(losses), net	212	(5,891)	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	
	30/9/2016 USD'000	30/6/2016 USD'000	30/9/2016 USD'000	30/6/2016 USD'000
Assets				
Non-current assets				
Plant and equipment	9,478	9,743	530	498
Prepaid lease payments	19,170	19,304	-	-
Investment properties	24,022	24,301	-	-
Subsidiaries	-	-	57,801	57,801
Associate	32,642	33,230	33,400	33,400
Investment securities	48,126	48,150	5,453	5,430
Other receivables	21,108	12,871	-	-
Other assets	241	237	-	-
Deferred tax assets	80	79	-	-
	<u>154,867</u>	<u>147,915</u>	<u>97,184</u>	<u>97,129</u>
Current assets				
Development properties	28,799	33,827	-	-
Inventories	31,594	31,069	-	-
Trade and other receivables	42,892	55,276	233	123
Tax recoverable	242	284	-	-
Amounts due from subsidiaries	-	-	91,525	91,729
Investment securities	32,145	29,019	15,606	13,709
Cash and cash equivalents	84,857	76,007	21,788	22,453
	<u>220,529</u>	<u>225,482</u>	<u>129,152</u>	<u>128,014</u>
Total assets	<u>375,396</u>	<u>373,397</u>	<u>226,336</u>	<u>225,143</u>
Equity and liabilities				
Current liabilities				
Borrowings	7,946	8,000	-	-
Trade and other payables	57,665	58,623	3,425	2,393
Amounts due to subsidiaries	-	-	7,980	8,079
Income tax payable	2,479	3,076	118	118
Derivative financial instruments	152	452	62	189
	<u>68,242</u>	<u>70,151</u>	<u>11,585</u>	<u>10,779</u>
Non-current liabilities				
Other payables	255	258	28	28
Deferred tax liabilities	2,482	2,315	-	-
	<u>2,737</u>	<u>2,573</u>	<u>28</u>	<u>28</u>
Total liabilities	<u>70,979</u>	<u>72,724</u>	<u>11,613</u>	<u>10,807</u>
Equity				
Share capital	151,194	151,194	151,194	151,194
Reserves	(901)	(2,399)	234	-
Accumulated profits	133,865	131,984	63,295	63,142
Equity attributable to equity holders of the Company	<u>284,158</u>	<u>280,779</u>	<u>214,723</u>	<u>214,336</u>
Non-controlling interests	20,259	19,894	-	-
Total equity	<u>304,417</u>	<u>300,673</u>	<u>214,723</u>	<u>214,336</u>
Total equity and liabilities	<u>375,396</u>	<u>373,397</u>	<u>226,336</u>	<u>225,143</u>

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

	As at 30/9/2016		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	7,946	-	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.

	1 st quarter ended 30 September	
	2016	2015
	USD'000	USD'000
Cash flows from operating activities		
Profit/(loss) before tax	2,844	(2,773)
Adjustments for:		
Depreciation/amortisation expense	723	499
Dividend income	(482)	(1,991)
Interest income	(394)	(680)
Finance costs	35	64
Net foreign exchange on translation	557	2,229
Gain on disposal of plant and equipment	-	(75)
Gain on disposal of available-for-sale investments	-	(43)
Gain on disposal of derivative financial instruments	(46)	-
Changes in fair value of derivative financial instruments	(300)	668
Changes in fair value of financial asset at fair value through profit or loss	-	571
Impairment loss on other assets	-	19
Operating cash flows before changes in working capital	2,937	(1,512)
Changes in working capital:		
Decrease in development properties	5,028	10,518
Increase in inventories	(525)	(8,507)
Increase in held-for-trading investments	(3,126)	(9,691)
Decrease in receivables	12,338	3,409
Decrease in payables	(1,003)	(3,277)
Cash flows from/(used in) operations	15,649	(9,060)
Interest paid	(35)	(63)
Interest received	63	305
Dividends received from held-for-trading investments	534	152
Income tax paid	(988)	(130)
Net cash flows from/(used in) operating activities	15,223	(8,796)
Cash flows from investing activities		
Purchase of plant and equipment	(293)	(3,438)
Proceeds from disposal of plant and equipment	-	75
Purchase of available-for-sale investments	-	(1,743)
Proceeds from disposal of available-for-sale investments	211	188
Dividends received from available-for-sale investments	-	1,819
Dividends received from an associate	1,402	-
Increase in property development loans to an associate	(7,430)	(3,445)
Net cash flows used in investing activities	(6,110)	(6,544)
Cash flows from financing activities		
Repurchase of shares	-	(815)
Repayment of bank loan	(54)	(71)
Net cash flows used in financing activities	(54)	(886)
Net increase/(decrease) in cash and cash equivalents	9,059	(16,226)
Effect of exchange rate changes on cash and cash equivalents	(209)	(5,957)
Cash and cash equivalents at beginning of year	76,007	158,494
Cash and cash equivalents at end of period	84,857	136,311

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 2016

Group	Attributable to equity holders of the Company						Total	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	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

Group	Attributable to equity holders of the Company						Total	Non-controlling interests	Total equity
	Share capital	Foreign currency translation reserve	Investment revaluation reserve	Capital reserve	Accumulated profits				
	USD'000	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	

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 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

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	(815)	-	-	(815)
Total contributions by and distributions to owners	(815)	-	-	(815)
Balance at 30 September 2015	151,194	8,669	66,957	226,820

- 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.**

Company	Ordinary shares	
	30 September 2016	30 September 2015
Issued and paid-up capital	930,032,450	930,032,450

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	
	30 September 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 periods 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	
	1 st quarter ended 30 September	
	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
(i) Based on weighted average number of ordinary shares on issue	0.20	(0.41)
(ii) On a fully diluted basis	0.20	(0.41)

Group basic and fully diluted earnings per ordinary share for the period ended 30 September 2016 are calculated based on the weighted average number of ordinary shares on issue during the period of 930,032,450 shares (2015: 932,054,189) 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 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	
	30/9/2016	30/6/2016	30/9/2016	30/6/2016
Net asset value per ordinary share based on existing issued share capital	US cents 30.55	US cents 30.19	US cents 23.09	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.**

First quarter ended 30 September 2016 ("1Q17") vs first quarter ended 30 September 2015 ("1Q16")

Group revenue of USD 56.31 million was slightly below USD 56.89 million for 1Q16. Lower property revenue was substantially offset by an 8% increase in electronics manufacturing services revenue.

Profit after tax amounted to USD 2.24 million, as compared to a net loss of USD 3.71 million for 1Q16. Increase in profit contribution from electronics manufacturing services more than offset a reduction in profit from property sales. There was an increase of USD 1.14 million in fair valuation of investment securities and derivative financial instruments, as compared to a drop in fair value of USD 3.66 million in prior quarter.

Higher manufacturing related expenses were in line with electronics manufacturing services activities. Property development expense of USD 6.86 million related to a further 14% of Unison on Tenth apartment units sold and settled. Employee benefits and other expenses were higher in the current quarter as expenses that were over-accrued were reversed during the prior quarter. Depreciation expense had risen due to new manufacturing equipment acquired and renovation costs incurred in FY2016.

Other net gains of USD 0.21 million mainly comprised unrealised foreign exchange gain that resulted from an appreciation of Australian dollar against US dollar, as compared to foreign exchange loss of USD 6.11 million in 1Q16.

There was no share of results of associate in relation to Finbar Group Limited recorded in the current quarter as its financial results are only available for periods ended 30 June and 31 December. Share of its results will be accounted for when related announcements are made on the Australian Securities Exchange.

Other comprehensive income amounted to USD 1.51 million, as compared to other comprehensive loss of USD 10.64 million in 1Q16. Exchange translation gain had resulted from a stronger Australian dollar. Fair valuation of available-for-sale investments had improved slightly during the current quarter.

Earnings per share was US cents 0.20, as compared with loss per share of US cents 0.41 in 1Q16.

Review of financial position and cash flow

As at 30 September 2016, the Group continued to be in a healthy position. Net assets attributable to equity holders of the Company increased to USD 284.16 million, from USD 280.78 million as at 30 June 2016.

Cash and cash equivalents increased 11.6% to USD 84.86 million. Trade and other receivables were reduced to USD 42.89 million due to collections during 1Q17, as well as a conversion of trade receivables into additional property development loan, which led to a corresponding increase of USD 8.24 million in other non-current receivables.

Development properties decreased 14.9% to USD 28.80 million due to ongoing sales and settlement of Unison on Tenth apartment units, which was partially offset by an appreciation of Australian dollar against US dollar.

Investment securities held as current assets increased by 10.8% to USD 32.15 million mainly due to acquisition of equities and higher mark-to-market valuation.

Net asset value per share was US cents 30.55, slightly above 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.

The global economic growth outlook remains subdued. The Group's performance may be affected by financial markets volatility due to global economic uncertainties. Softer property market activity in Western Australia may persist.

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 30 September 2016

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

(b) Period ended 30 September 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/recommended, a statement to that effect.

No dividend has been declared or recommended for the period ended 30 September 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 first quarter ended 30 September 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
10 November 2016