



Unaudited Financial Statements for the 2nd Quarter and Half Year Ended 31 December 2015

**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 2015

	Group					
	2nd quarter ended 31 December 2015	2nd quarter ended 31 December 2014	Change	Half year ended 31 December 2015	Half year ended 31 December 2014	Change
	USD'000	USD'000	%	USD'000	USD'000	%
<b>Revenue<sup>(1)</sup></b>	49,566	49,711	(0.3)	106,452	100,666	5.7
Raw material and consumables	(33,983)	(35,733)	(4.9)	(67,438)	(71,605)	(5.8)
Manufacturing expenses	(5,860)	(5,480)	6.9	(11,322)	(11,205)	1.0
Business development expenses	(323)	(242)	33.5	(653)	(633)	3.2
Other operating expenses <sup>(1)</sup>	(571)	(700)	(18.4)	(1,221)	(1,527)	(20.0)
Property development expense	(4,291)	(1,055)	nm	(12,975)	(1,093)	nm
Change in fair value of held-for-trading investments	784	(204)	nm	(1,633)	(216)	nm
Change in fair value of derivative financial instruments	444	(599)	nm	(224)	(1,182)	(81.0)
Change in fair value of financial asset at fair value through profit or loss	546	-	nm	(25)	-	nm
Employee benefits expense	(1,895)	(1,965)	(3.6)	(2,957)	(4,561)	(35.2)
Depreciation/amortisation expense	(673)	(650)	3.5	(1,172)	(1,310)	(10.5)
Other expenses	(802)	(654)	22.6	(708)	(1,476)	(52.0)
Other gains/(losses), net (note 1(a)(ii))	1,166	(1,823)	nm	(4,725)	(2,762)	71.1
Finance costs	(34)	(27)	25.9	(98)	(27)	nm
Share of results of an associate	-	1,295	nm	-	2,617	nm
<b>Profit before tax</b>	4,074	1,874	117.4	1,301	5,686	(77.1)
Income tax expense	(196)	(501)	(60.9)	(1,137)	(986)	15.3
<b>Profit for the period</b>	3,878	1,373	182.4	164	4,700	(96.5)
<b>Other comprehensive loss:</b>						
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Available-for-sale investments:						
Changes in fair value	(2,039)	(6,528)	(68.8)	(8,104)	(19,466)	(58.4)
Exchange differences arising from translation of foreign operations	1,590	(3,606)	nm	(2,980)	(6,979)	(57.3)
<b>Other comprehensive loss for the period, net of tax</b>	(449)	(10,134)	(95.6)	(11,084)	(26,445)	(58.1)
<b>Total comprehensive income/(loss) for the period</b>	3,429	(8,761)	nm	(10,920)	(21,745)	(49.8)
<b>Profit/(loss) attributable to:</b>						
Equity holders of the Company	3,550	922	nm	(306)	3,918	nm
Non-controlling interests	328	451	(27.3)	470	782	(39.9)
	3,878	1,373	182.4	164	4,700	(96.5)
<b>Total comprehensive income/(loss) attributable to:</b>						
Equity holders of the Company	3,082	(9,003)	nm	(11,223)	(22,204)	(49.5)
Non-controlling interests	347	242	43.4	303	459	(34.0)
	3,429	(8,761)	nm	(10,920)	(21,745)	(49.8)

nm: not meaningful

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

1(a)(ii) Profit for the 2nd quarter and half year ended 31 December 2015 included the following items:

	Group					
	2nd quarter ended 31 December 2015	2nd quarter ended 31 December 2014	Change	Half year ended 31 December 2015	Half year ended 31 December 2014	Change
	USD'000	USD'000	%	USD'000	USD'000	%
Gain on disposal of available-for-sale investments	-	314	nm	43	565	(92.4)
(Loss)/gain on disposal of plant and equipment	(17)	-	nm	58	27	114.8
Other income	154	116	32.8	275	434	(36.6)
Impairment loss on other assets	(11)	-	nm	(30)	-	nm
Foreign exchange gain/(loss)	1,040	(2,253)	nm	(5,071)	(3,788)	33.9
<b>Other gains/(losses), net</b>	<b>1,166</b>	<b>(1,823)</b>	<b>nm</b>	<b>(4,725)</b>	<b>(2,762)</b>	<b>71.1</b>

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	
	31/12/2015	30/6/2015	31/12/2015	30/6/2015
	USD'000	USD'000	USD'000	USD'000
<b>Assets</b>				
<b>Non-current assets</b>				
Plant and equipment	8,865	4,303	34	16
Prepaid lease payments	19,479	19,902	-	-
Investment properties	23,196	24,386	-	-
Subsidiaries	-	-	57,801	57,801
Investment securities	51,259	58,167	39,130	45,693
Other receivables	7,393	2,114	-	-
Other assets	234	264	-	-
Deferred tax asset	-	9	-	-
<b>Total non-current assets</b>	<b>110,426</b>	<b>109,145</b>	<b>96,965</b>	<b>103,510</b>
<b>Current assets</b>				
Development properties	26,904	39,801	-	-
Inventories	33,716	27,193	-	-
Trade receivables	33,915	33,505	5	15
Other receivables and prepayments	1,949	4,727	83	80
Tax recoverable	174	449	-	-
Amounts due from subsidiaries	-	-	86,784	68,415
Investment securities	38,028	19,402	10,734	3,361
Derivative financial instruments	-	15	-	-
Cash and bank balances	93,442	158,494	28,183	74,684
<b>Total current assets</b>	<b>228,128</b>	<b>283,586</b>	<b>125,789</b>	<b>146,555</b>
<b>Total assets</b>	<b>338,554</b>	<b>392,731</b>	<b>222,754</b>	<b>250,065</b>
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Borrowings	-	372	-	-
Trade payables	27,401	30,861	-	-
Other payables	14,094	19,340	1,558	4,052
Amounts due to subsidiaries	-	-	9,731	9,896
Income tax payable	2,726	3,787	81	81
Derivative financial instruments	545	336	302	54
<b>Total current liabilities</b>	<b>44,766</b>	<b>54,696</b>	<b>11,672</b>	<b>14,083</b>
<b>Non-current liabilities</b>				
Borrowings	-	11,262	-	-
Other payables	150	157	-	-
Deferred tax liabilities	1,975	1,980	-	-
<b>Total non-current liabilities</b>	<b>2,125</b>	<b>13,399</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>46,891</b>	<b>68,095</b>	<b>11,672</b>	<b>14,083</b>
<b>Equity</b>				
Share capital	151,194	152,009	151,194	152,009
Reserves	220	11,137	6,710	14,469
Accumulated profits	121,392	141,279	53,178	69,504
<b>Equity attributable to equity holders of the Company</b>	<b>272,806</b>	<b>304,425</b>	<b>211,082</b>	<b>235,982</b>
Non-controlling interests	18,857	20,211	-	-
<b>Total equity</b>	<b>291,663</b>	<b>324,636</b>	<b>211,082</b>	<b>235,982</b>
<b>Total equity and liabilities</b>	<b>338,554</b>	<b>392,731</b>	<b>222,754</b>	<b>250,065</b>

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 31/12/2015		As at 30/6/2015	
Secured	Unsecured	Secured	Unsecured
USD'000	USD'000	USD'000	USD'000
-	-	372	-

(b) Amount repayable after one year

As at 31/12/2015		As at 30/6/2015	
Secured	Unsecured	Secured	Unsecured
USD'000	USD'000	USD'000	USD'000
-	-	11,262	-

(c) Details of any collateral

The loan was fully repaid in the second quarter ended 31 December 2015, and the mortgage on the borrowing company's investment properties, assignments of all contracts in respect of the mortgaged properties, and corporate guarantee from the Company were discharged accordingly.

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 2015	2nd quarter ended 31 December 2014	Half year ended 31 December 2015	Half year ended 31 December 2014
	USD'000	USD'000	USD'000	USD'000
<b>Cash flows from operating activities</b>				
Profit before tax	4,074	1,874	1,301	5,686
Adjustments for:				
Share of results of an associate	-	(1,295)	-	(2,617)
Depreciation/amortisation expense	673	650	1,172	1,310
Dividend income	(150)	(54)	(2,141)	(2,426)
Interest income	41	(309)	(639)	(551)
Finance costs	34	27	98	27
Net foreign exchange on translation <sup>(1)</sup>	111	(2,266)	2,340	(3,459)
Loss/(gain) on disposal of plant and equipment	17	-	(58)	(27)
Gain on disposal of held-for-trading investments	(324)	(734)	(599)	(1,672)
Gain on disposal of derivative financial instruments	-	(7)	-	(7)
Gain on disposal of available-for-sale investments	-	(314)	(43)	(565)
Change in fair value of held-for-trading investments	(784)	204	1,633	216
Change in fair value of derivative financial instruments	(444)	599	224	1,182
Change in fair value of financial asset at fair value through profit or loss	(546)	-	25	-
Impairment loss on other assets	11	-	30	-
<b>Operating cash flows before changes in working capital</b>	<b>2,713</b>	<b>(1,625)</b>	<b>3,343</b>	<b>(2,903)</b>
Changes in working capital:				
Development properties	2,379	3,256	12,897	6,003
Inventories	1,984	(3,711)	(6,523)	(4,859)
Proceeds from disposal of held-for-trading investments	4,836	5,571	8,942	12,469
Purchase of held-for-trading investments	(12,688)	(5,358)	(28,639)	(10,202)
Return on capital by held-for-trading investment	-	-	12	-
Redemption of structured deposits	-	17,883	-	19,328
Placement of structured deposits	-	(15,060)	-	(19,625)
Receivables <sup>(1)</sup>	(1,243)	(98)	2,166	(5,665)
Payables	(5,342)	839	(8,619)	1,097
<b>Cash flows (used in)/generated from operations</b>	<b>(7,361)</b>	<b>1,697</b>	<b>(16,421)</b>	<b>(4,357)</b>
Interest paid	(44)	-	(107)	-
Interest received <sup>(1)</sup>	238	338	543	580
Dividends received from held-for-trading investments <sup>(1)</sup>	149	26	301	182
Income tax paid	(1,606)	(696)	(1,736)	(795)
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(8,624)</b>	<b>1,365</b>	<b>(17,420)</b>	<b>(4,390)</b>
<b>Cash flows from investing activities</b>				
Purchase of plant and equipment	(2,261)	(2,008)	(5,699)	(2,041)
Proceeds from disposal of plant and equipment	44	-	119	27
Purchase of investment properties	-	(24,985)	-	(24,985)
Purchase of available-for-sale investments	-	(530)	(1,743)	(2,100)
Proceeds from disposal of available-for-sale investments	402	712	590	1,188
Dividends received from available-for-sale investments <sup>(1)</sup>	319	32	2,138	2,351
Property development loan	(1,834)	-	(5,279)	-
Dividends received from an associate	-	5,200	-	5,200
<b>Net cash flows used in investing activities</b>	<b>(3,330)</b>	<b>(21,579)</b>	<b>(9,874)</b>	<b>(20,360)</b>
<b>Cash flows from financing activities</b>				
Share repurchase	-	-	(815)	-
Dividends paid to equity holders of the Company	(19,581)	(7,191)	(19,581)	(7,191)
Dividends paid to non-controlling interests of subsidiary	(1,657)	(3,651)	(1,657)	(3,651)
Drawdown of bank loan	-	11,991	-	11,991
Repayment of bank loan	(11,020)	-	(11,091)	-
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(32,258)</b>	<b>1,149</b>	<b>(33,144)</b>	<b>1,149</b>
<b>Net decrease in cash and bank balances</b>	<b>(44,212)</b>	<b>(19,065)</b>	<b>(60,438)</b>	<b>(23,601)</b>
Effect of exchange rate changes on cash and bank balances	1,343	(583)	(4,614)	(2,612)
<b>Cash and bank balances at beginning of period</b>	<b>136,311</b>	<b>116,562</b>	<b>158,494</b>	<b>123,127</b>
<b>Cash and bank balances at end of period</b>	<b>93,442</b>	<b>96,914</b>	<b>93,442</b>	<b>96,914</b>
Pledged deposits	-	(4,462)	-	(4,462)
<b>Cash and cash equivalents at end of period</b>	<b>93,442</b>	<b>92,452</b>	<b>93,442</b>	<b>92,452</b>

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

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.

**THE GROUP**

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

	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
<b>Balance at 1 July 2015</b>	152,009	(2,863)	13,657	343	141,279	304,425	20,211	324,636
<b>(Loss)/profit for the period</b>	-	-	-	-	(3,856)	(3,856)	142	(3,714)
Available-for-sale investments:								
Change in fair value	-	-	(6,065)	-	-	(6,065)	-	(6,065)
Exchange differences arising from translation of foreign operations	-	(4,384)	-	-	-	(4,384)	(186)	(4,570)
<b>Other comprehensive loss, net of tax</b>	-	(4,384)	(6,065)	-	-	(10,449)	(186)	(10,635)
<b>Total comprehensive loss for the period</b>	-	(4,384)	(6,065)	-	(3,856)	(14,305)	(44)	(14,349)
Repurchase of shares	(815)	-	-	-	-	(815)	-	(815)
<b>Balance at 30 September 2015</b>	151,194	(7,247)	7,592	343	137,423	289,305	20,167	309,472
<b>Profit for the period</b>	-	-	-	-	3,550	3,550	328	3,878
Available-for-sale investments:								
Change in fair value	-	-	(2,039)	-	-	(2,039)	-	(2,039)
Exchange differences arising from translation of foreign operations	-	1,571	-	-	-	1,571	19	1,590
<b>Other comprehensive income/(loss), net of tax</b>	-	1,571	(2,039)	-	-	(468)	19	(449)
<b>Total comprehensive income/(loss) for the period</b>	-	1,571	(2,039)	-	3,550	3,082	347	3,429
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)
<b>Balance at 31 December 2015</b>	151,194	(5,676)	5,553	343	121,392	272,806	18,857	291,663

**THE GROUP**  
**Consolidated statement of changes in equity for half year 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
<b>Balance at 1 July 2014</b>	152,009	6,694	39,614	343	111,811	310,471	21,683	332,154
<b>Profit for the period</b>	-	-	-	-	2,996	2,996	331	3,327
Available-for-sale investments:								
Change in fair value	-	-	(12,938)	-	-	(12,938)	-	(12,938)
Exchange differences arising from translation of foreign operations	-	(3,259)	-	-	-	(3,259)	(114)	(3,373)
<b>Other comprehensive loss, net of tax</b>	-	(3,259)	(12,938)	-	-	(16,197)	(114)	(16,311)
<b>Total comprehensive (loss)/income for the period</b>	-	(3,259)	(12,938)	-	2,996	(13,201)	217	(12,984)
<b>Balance at 30 September 2014</b>	152,009	3,435	26,676	343	114,807	297,270	21,900	319,170
<b>Profit for the period</b>	-	-	-	-	922	922	451	1,373
Available-for-sale investments:								
Change in fair value	-	-	(6,528)	-	-	(6,528)	-	(6,528)
Exchange differences arising from translation of foreign operations	-	(3,397)	-	-	-	(3,397)	(209)	(3,606)
<b>Other comprehensive loss, net of tax</b>	-	(3,397)	(6,528)	-	-	(9,925)	(209)	(10,134)
<b>Total comprehensive (loss)/income for the period</b>	-	(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)
<b>Balance at 31 December 2014</b>	152,009	38	20,148	343	108,538	281,076	18,491	299,567

**THE COMPANY**  
**Statement of changes in equity for half year ended 31 December 2015**

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

**THE COMPANY**  
**Statement of changes in equity for half year ended 31 December 2014**

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

- 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 2015, the Company's issued and paid-up capital comprised 930,032,450 (31 December 2014: 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 2015, the total number of issued shares excluding treasury shares was 930,032,450 (30 June 2015: 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 2015 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 2015. 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.**

		<b>Group</b>				
		2nd quarter ended 31 December 2015	2nd quarter ended 31 December 2014	Half year ended 31 December 2015	Half year ended 31 December 2014	
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:-						
(i)	Based on weighted average number of ordinary shares on issue	US cents	0.38	0.10	(0.03)	0.42
(ii)	On a fully diluted basis	US cents	0.38	0.10	(0.03)	0.42

Group basic and fully diluted earnings/(loss) per ordinary share for the second quarter and half year ended 31 December 2015 are calculated based on the weighted average number of ordinary shares in issue during the period of 930,032,450 (2015: 933,532,450) and 931,043,320 (2015: 933,532,450) shares respectively after accounting for shares repurchased during the period.

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 2015 and 2014.

**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 2015	30 June 2015
The Group	US cents	29.33	32.61
The Company	US cents	22.70	25.28

**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 2015 ("2Q16") vs second quarter ended 31 December 2014 ("2Q15")**

Group revenue of USD 49.566 million in 2Q16 was 0.3% lower than USD 49.711 million in 2Q15. This was due to a decrease in electronics manufacturing services revenue, substantially offset by higher property revenue from the sale of Toccata Apartment units. Profit after tax of USD 3.878 million was higher than USD 1.373 million in 2Q15. Profit derived from the sale of Toccata Apartment units, in addition to higher mark-to-market valuation of investments and unrealized exchange gain on the back of weaker US dollar, more than offset the 66.7% drop in electronics manufacturing services profit.

Raw material and consumables decreased in line with the lower electronics manufacturing services revenue. Profit contribution from electronics manufacturing services was affected by lower profit margins, increase in manufacturing expenses of 6.9% due to higher labour costs, and higher business development expenses incurred. Property development expense increased to USD 4.291 million due to the Toccata Apartment units sold.

Higher mark-to-market valuations resulted in an increase in the fair value of held-for-trading investments, derivative financial investments and financial asset, totaling USD 1.774 million.

Other expenses increased 22.6% due to administrative costs incurred in 2Q16. Other gains comprised mainly unrealized foreign exchange gain of USD 1.040 million, resulting from a weaker US dollar against Singapore and Australian dollars. Finance costs of USD 0.034 million related to borrowings for the acquisition of investment properties in 2Q15. The share of results of an associate was nil following the disposal of CH Offshore Ltd on 9 February 2015.

Other comprehensive loss was USD 0.449 million in 2Q16, significantly below USD 10.134 million in 2Q15. This was due to a smaller decline in mark-to-market valuations of available-for-sale investments and foreign currency translation gains on the back of a weaker US dollar against Singapore and Australian dollars.

Earnings per share in 2Q16 was US cents 0.38, significantly higher than US cents 0.10 in 2Q15.

#### **Half year ended 31 December 2015 (“1H16”) vs half year ended 31 December 2014 (“1H15”)**

Group revenue for 1H16 of USD 106.452 million, was 5.7% higher than USD 100.666 million in 1H15. Property revenue derived from the sale of Toccata Apartment units more than offset the decrease in electronics manufacturing services revenue.

Profit after tax was USD 0.164 million, 96.5% lower than 1H15 of USD 4.700 million. Whilst higher profit contribution was achieved by sales of the Toccata development project, 1H16 profit was affected by slower customer orders and lower profit margins in relation to the electronics manufacturing services business.

The decrease in the fair value of held-for-trading investments, derivative financial instruments and financial asset totaling USD 1.882 million was attributable to lower mark-to-market valuation.

Employee benefits expense was 35.2% lower due to reduced staff cost accrued. Other expenses decreased in 1H16 due to reversal of expenses over-provided for in prior period. Depreciation expense decreased by 10.5% due to some assets being fully depreciated. Other losses of USD 4.725 million mainly comprised unrealised foreign exchange loss that resulted from a strengthening of the US dollar against Singapore and Australian dollars during 1H16. Higher income tax expense of USD 1.137 million resulted from an increase in taxable profit from property sales.

Other comprehensive loss of USD 11.084 million was due to lower mark-to-market valuation of available-for-sale investments and foreign currency translation loss on the back of a stronger US dollar in 1H16.

Loss per share of US cents 0.03 was recorded in 1H16, as compared to earnings per share of US cents 0.42 in 1H15.

#### **Review of financial position and cash flow**

As at 31 December 2015, the financial position of the Group continued to be in a healthy position. Cash and bank balances amounted to USD 93.442 million, as compared to USD 158.494 million as at 30 June 2015. Shareholder's funds amounted to USD 272.806 million, 10.4% below USD 304.425 million as at 30 June 2015.

Investment securities held as non-current assets decreased by 11.9% to USD 51.259 million, mainly due to lower mark-to-market valuation and depreciation of Australian dollar against US dollar. Investment securities held as current assets rose 96.0% to USD 38.028 million, due to increased investments in quoted equities. Derivative financial instruments were recognized at fair value through profit or loss.

Development properties decreased by 32.4% to USD 26.904 million due to the Toccata Apartment units being substantially sold and a weaker Australian dollar against US dollar. Inventories rose 24.0% to USD 33.716 million, and trade payables reduced by 11.2% in line with the electronics manufacturing services business.

Plant and equipment increased by USD 4.562 million due to leasehold improvements at PCI's new headquarters at Pioneer Road North and new equipment installed.

Other receivables held as non-current assets increased by USD 5.279 million due to further drawdown of the property development loan to an Australian business venture. Other receivables and prepayments decreased by 58.8% due to receipt of GST refund. Other payables decreased by 27.1% due to a reversal in 1Q16 of expenses over-accrued in prior period.

Total bank borrowings of USD 11.634 million as at 30 June 2015 which financed the acquisition of investment properties (3 floors of office space in GB building) was fully repaid in 2Q16.

Net asset value per share was US cents 29.33, below US cents 32.61 as at 30 June 2015.

#### **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 for the next 12 months continues to be challenging with the ongoing slowdown of the Chinese economy coupled with lower commodity prices. The currency and equity markets may continue to be volatile given the weaker outlook for 2016 and the expectation of a gradual increase in US interest rates.

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 2015**

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

**(b) Period ended 31 December 2014**

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 2015.

**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 2015 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  
2 February 2016